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## PUBLICATION OF THE OFFERING CIRCULAR



**五礦地產**  
MINMETALS LAND

**中國五礦**

五礦地產有限公司  
MINMETALS LAND LIMITED  
(Incorporated in Bermuda with limited liability)  
(Stock Code: 230)  
(the “Issuer”)

**CNY600,000,000 4.60 PER CENT. CREDIT ENHANCED BONDS DUE 2025 (STOCK CODE: 84498)**  
(the “Bonds”)

**WITH THE BENEFIT OF AN IRREVOCABLE STANDBY LETTER OF CREDIT ISSUED BY  
CHINA BOHAI BANK CO., LTD., TIANJIN BRANCH**

This announcement is issued pursuant to Rule 37.39A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (the “Listing Rules”).

Please refer to the offering circular dated 12 March 2024 (the “Offering Circular”) appended herein in relation to the issuance of the Bonds. The Offering Circular is published in English only.

**Notice to Hong Kong investors:** the Issuer confirms that the Bonds are intended for purchase by professional investors (as defined in Chapter 37 of the Listing Rules) only and have been listed on the Stock Exchange on that basis. Accordingly, the Issuer confirms that the Bonds are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.

The Offering Circular does not constitute a prospectus, notice, circular, brochure or advertisement offering to sell any securities to the public in any jurisdiction, nor is it an invitation to the public to make offers to subscribe for or purchase any securities, nor is it circulated to invite offers by the public to subscribe for or purchase any securities.

By order of the Board  
**Minmetals Land Limited**  
**He Jianbo**  
*Chairman*

Hong Kong, 19 March 2024

*As at the date of this announcement, the board of directors of the Issuer comprises nine directors, namely Mr. He Jianbo as the chairman and an executive director, Mr. Liu Bo, Mr. Chen Xingwu and Mr. Yang Shangping as executive directors, Ms. He Xiaoli and Mr. Huang Guoping as non-executive directors, and Mr. Lam Chung Lun, Billy, Ms. Law Fan Chiu Fun, Fanny and Professor Wang Xiuli as independent non-executive directors.*

## IMPORTANT NOTICE

**THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE ADDRESSEES OUTSIDE OF THE UNITED STATES.**

**IMPORTANT: You must read the following disclaimer before continuing.** The following disclaimer applies to the attached offering circular (the “**Offering Circular**”). You are therefore advised to read this disclaimer carefully before accessing, reading or making any other use of the Offering Circular. In accessing the Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from the Issuer (as defined in the Offering Circular) or from the Managers (as defined in the Offering Circular) as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES DESCRIBED IN THE OFFERING CIRCULAR HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS. THIS OFFERING IS MADE SOLELY IN OFFSHORE TRANSACTIONS PURSUANT TO REGULATION S UNDER THE SECURITIES ACT.

YOU ACKNOWLEDGE THAT THE OFFERING CIRCULAR AND THE INFORMATION CONTAINED THEREIN ARE STRICTLY CONFIDENTIAL AND INTENDED FOR YOU ONLY. YOU ARE NOT AUTHORISED TO AND YOU MAY NOT DELIVER OR FORWARD THE OFFERING CIRCULAR, ELECTRONICALLY OR OTHERWISE, TO ANY OTHER PERSON IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE OFFERING CIRCULAR IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

**Singapore SFA Product Classification:** In connection with Section 309B of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the “**SFA**”) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “**CMP Regulations 2018**”), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Bonds are “prescribed capital markets products” (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

**Confirmation of Your Representation:** In order to be eligible to view the Offering Circular or make an investment decision with respect to the securities, investors must be located outside the United States. The Offering Circular is being sent to you at your request and by accepting the e-mail and accessing the Offering Circular, you shall be deemed to represent to the Managers (as defined in the Offering Circular) and the Issuer that (1) you are not in the United States and, to the extent you purchase the securities described in the Offering Circular, you will be doing so pursuant to Regulation S under the Securities Act; (2) the e-mail address that you gave the Issuer and to which this e-mail has been delivered is not, located in the United States, its territories or possessions; and (3) you consent to delivery of the Offering Circular and any amendments or supplements thereto by electronic transmission.

You are reminded that the Offering Circular has been delivered to you on the basis that you are a person into whose possession the Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver or forward this document, electronically or otherwise, to any other person. If you have gained access to this transmission contrary to the restrictions herein, you are not allowed to purchase any of the securities described in the Offering Circular.

The materials relating to any offering of securities described in the Offering Circular do not constitute, and may not be used in connection with, an offer or solicitation by or on behalf of the Issuer or the Managers, the Trustee (as defined in the Offering Circular), the Agents (as defined in the Offering Circular), the Pre-funding Account Bank (as defined in the Offering Circular) or the LC Proceeds Account Bank (as defined in the Offering Circular) or any of their respective directors, officers, employees, representatives, agents, affiliates or advisers or any person who controls any of them to subscribe for or purchase any of the securities described therein, and access has been limited so that it shall not constitute in the United States or directed selling efforts (within the meaning of Regulation S under the Securities Act) in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licenced broker or dealer and the Managers or any affiliates of any of the Managers is a licenced broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Managers or such affiliate on behalf of the Issuer in such jurisdiction.

The Offering Circular has been sent to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Issuer, the Managers, the Trustee, the Agents, the Pre-funding Account Bank or the LC Proceeds Account Bank or any of their respective directors, officers, employees, representatives, agents, affiliates or advisers or any person who controls any of them accepts any liability or responsibility whatsoever in respect of any difference between the document distributed to you in electronic format and the hard copy version available to you on request from the Manager.

**You are responsible for protecting against viruses and other destructive items.** Your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

**Restrictions:** The Offering Circular is being furnished in connection with an offering exempt from registration under the Securities Act solely for the purpose of enabling a prospective investor to consider the purchase of the securities described in the Offering Circular.

**Actions that you may not take:** If you receive this document by e-mail, you should not reply by e-mail to this electronic transmission, and you may not purchase any securities by doing so. Any reply e-mail communications, including those you generate by using the “Reply” function on your e-mail software, will be ignored or rejected.



**CNY600,000,000 4.60 per cent. Credit Enhanced Bonds due 2025**

**Minmetals Land Limited 五礦地產有限公司**  
(incorporated with limited liability in Bermuda, Stock Code: 230.HK)

with the benefit of an irrevocable standby letter of credit issued by

**China Bohai Bank Co., Ltd., Tianjin Branch**

**Issue Price: 100.00 per cent.**

Minmetals Land Limited 五礦地產有限公司 (the “**Issuer**”) will be issuing the CNY600,000,000 4.60 per cent. credit enhanced bonds due 2025 (the “**Bonds**”). The Bonds will have the benefit of an irrevocable standby letter of credit issued by China Bohai Bank Co., Ltd., Tianjin Branch (the “**LC Bank**”) on 8 March 2024 for the benefit of The Bank of New York Mellon, Hong Kong Branch in its capacity as trustee (the “**Trustee**”) for itself and on behalf of the holders of the Bonds with a maximum limit of CNY1,040,000,000 (as the same may be amended and/or supplemented from time to time, the “**Standby Letter of Credit**”). See “**Appendix A – Form of Irrevocable Standby Letter of Credit**” for the form of the Standby Letter of Credit.

The Bonds will bear interest on their outstanding principal amount from and including 18 March 2024 (the “**Issue Date**”) at the rate of 4.60 per cent. per annum. Interest will be payable in arrears on 18 September 2024 and the Maturity Date (as defined below) (each an “**Interest Payment Date**”). All payments of principal, premium (if any) and interest by or on behalf of the Issuer in respect of the Bonds shall be made without set off or counterclaim and free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Bermuda, Hong Kong or the PRC or, in each case, any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. Where such withholding or deduction is made by the Issuer by or within the PRC up to and including the aggregate rate applicable on 12 March 2024, the Issuer will increase the amounts paid by it to the extent required, so that the net amount received by the Bondholders (as defined in the terms and conditions of the Bonds (the “**Terms and Conditions of the Bonds**”)) equals the amounts which would otherwise have been received by them had no such withholding or deduction been required as further described in Condition 9 (**Taxation**) of the Terms and Conditions of the Bonds.

Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their principal amount on 19 March 2025 (the “**Maturity Date**”). The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days’ notice to the Bondholders in accordance with Condition 17 (**Notices**) of the Terms and Conditions of the Bonds (which notice shall be irrevocable) and in writing to the Trustee and the CMU Lodging and Paying Agent, at their principal amount, together with interest accrued to, but excluding, the date fixed for redemption upon the occurrence of certain tax events as described under “**Terms and Conditions of the Bonds – Redemption and Purchase – Redemption for Taxation Reasons**”. At any time following the occurrence of a Change of Control (as defined in the Terms and Conditions of the Bonds), the holder of any Bond will have the right, at such holder’s option, to require the Issuer to redeem all but not some only of that holder’s Bonds on the Change of Control Put Date (as defined in the Terms and Conditions of the Bonds) at 100 per cent. of their principal amount, together with accrued interest up to but excluding such Change of Control Put Date. See “**Terms and Conditions of the Bonds – Redemption and Purchase – Redemption upon a Change of Control**”.

The Bonds shall be redeemed in whole, but not in part, at their principal amount on the Interest Payment Date falling immediately after the date the Pre-funding Failure Notice (as defined in the Terms and Conditions of the Bonds) is given to the Bondholders in accordance with Condition 4(b) (**Pre-funding**) of the Terms and Conditions of the Bonds (the “**Mandatory Redemption Date**”), together with interest accrued to, but excluding, the Mandatory Redemption Date. See “**Terms and Conditions of the Bonds – Redemption and Purchase – Mandatory Redemption upon Pre-funding Failure**”.

The Bonds will constitute direct, unsubordinated, unconditional and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by applicable laws, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

The Bonds will be issued in the specified denominations of CNY1,000,000 and integral multiples of CNY10,000 in excess thereof.

The PRC government is not an obligor of the Bonds, and there will be no recourse to the PRC government in respect of any obligation arising out of or in connection with the Bonds. This is supported by the Circular of the Ministry of Finance on Matters Concerning Regulating the Investment and Financing Activities of Financial Institutions for Local Governments and State-owned Enterprises (財政部關於規範金融企業對地方政府和國有企業投融資行為有關問題的通知(財金[2018]23號)) (the “**MOF Circular**”) promulgated on 28 March 2018 which took effect on the same day, and the Circular of the National Development and Reform Commission and the Ministry of Finance on Improving Market Regulatory Regime and Taking Strict Precautions Against Foreign Debt Risks and Local Government Indebtedness Risks (國家發展改革委、財政部關於完善市場約束機制嚴格防範外債風險和地方債務風險的通知(發改外資[2018]706號)) (the “**Joint Circular**”) promulgated on 11 May 2018 which took effect on the same day. Both the MOF Circular and the Joint Circular do not, however, restrict the PRC government from providing relevant support to the Group (as defined below), provided that such support is granted in compliance with relevant PRC laws.

The Bonds are being issued in accordance with and under our sustainable finance framework. See the section entitled “**Bonds Being Issued as Sustainable Bonds**” beginning on page 91.

Investing in the Bonds involves risks. Investors should be aware that the Bonds are backed by the Standby Letter of Credit, resulting in associated risks including that the Standby Letter of Credit is subject to a maximum limit and may not be sufficient to satisfy all payments due under it, and that there are various other risks relating to the Bonds, the Standby Letter of Credit, the Issuer, the Group, the LC Bank, their businesses and their jurisdictions of operations which investors should familiarise themselves with before making an investment in the Bonds. See “**Risk Factors**” beginning on page 16 for a discussion of certain factors to be considered in connection with an investment in the Bonds.

The Bonds and the Standby Letter of Credit have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Bonds are only being offered outside the United States in reliance on Regulation S under the Securities Act. For a description of these and certain further restrictions on offers and sales of the Bonds and the distribution of this Offering Circular, see “**Subscription and Sale**”.

Application will be made to The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) for the listing of the Bonds by way of debt issues to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) (“**Professional Investors**”) only. This document is for distribution to Professional Investors only.

**Notice to Hong Kong investors:** The Issuer confirms that the Bonds are intended for purchase by Professional Investors only and will be listed on the Hong Kong Stock Exchange on that basis. Accordingly, the Issuer confirms that the Bonds are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.

**The Hong Kong Stock Exchange has not reviewed the contents of this document, other than to ensure that the prescribed form disclaimer and responsibility statements, and a statement limiting distribution of this document to Professional Investors only have been reproduced in this document. Listing of the Bonds on the Hong Kong Stock Exchange is not to be taken as an indication of the commercial merits or credit quality of the Bonds, the Issuer, the Group (as defined below), the LC Bank or quality of disclosure in this document. Hong Kong Exchanges and Clearing Limited and the Hong Kong Stock Exchange take no responsibility for the contents of this Offering Circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Offering Circular.**

China Minmetals Corporation 中國五礦集團有限公司 (“**China Minmetals**”) has made an application for the pre-issuance registration of the offering of the Bonds with the National Development and Reform Commission (the “**NDRC**”) in accordance with the Administrative Measures for the Review and Registration of Medium- and Long-Term Foreign Debt of Enterprises (企業中長期外債審核登記管理辦法(國家發展和改革委員會令第56號)) issued by the NDRC and effective from 10 February 2023 (the “**NDRC Administrative Measures**”), and has obtained a certificate of registration from the NDRC on 5 September 2023 (the “**NDRC Pre-issuance Registration Certificate**”). The Issuer undertakes to file or cause to be filed with the NDRC, within the relevant prescribed timeframes after the Issue Date, the requisite information and documents in respect of the Bonds in accordance with the NDRC Administrative Measures and any implementation rules, regulations, certificates, circulars, notices or policies in connection therewith issued by the NDRC from time to time (the “**NDRC Filings**”), including but not limited to, filing with the NDRC the offering information and issue details of the Bonds within ten PRC Business Days (as defined in the Terms and Conditions of the Bonds) after the Issue Date (the “**NDRC Post-issuance Filing**”), and comply with all applicable PRC laws and regulations (including laws and regulations as issued by the NDRC from time to time) in connection therewith.

Upon issue, the Bonds will be evidenced by a global certificate (the “**Global Certificate**”) registered in the name of, and lodged with a sub-custodian for, the Hong Kong Monetary Authority as operator (the “**Operator**”) of the Central Money Markets Unit Service (the “**CMU**”). Beneficial interests in the Global Certificate will be shown on, and transfers thereof will be effected only through, records maintained by the CMU. Except as described in the Global Certificate, individual certificates for the Bonds will not be issued in exchange for beneficial interests in the Global Certificate.

The Bonds will not be rated.

**Joint Global Coordinators, Joint Lead Managers and Joint Bookrunners**

<b>Haitong International</b>	<b>China Galaxy</b>	<b>Huatai International</b>	<b>ABC International</b>
	<b>Joint Lead Managers and Joint Bookrunners</b>		
<b>China Industrial Securities International</b>	<b>BOCOM International</b>	<b>China International Capital Corporation</b>	<b>China Securities International</b>
<b>China Zhesang Bank Co., Ltd. (Hong Kong Branch)</b>	<b>CITIC Securities</b>	<b>Hua Xia Bank Co., Limited Hong Kong Branch</b>	<b>Standard Chartered Bank</b>

**Sole Sustainable Structuring Adviser**  
**Haitong International**

Offering Circular dated 12 March 2024

## NOTICE TO INVESTORS

THIS OFFERING CIRCULAR DOES NOT CONSTITUTE AN OFFER TO SELL, OR A SOLICITATION OF AN OFFER TO BUY, ANY SECURITIES IN ANY JURISDICTION TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE THE OFFER OR SOLICITATION IN SUCH JURISDICTION. NEITHER THE DELIVERY OF THIS OFFERING CIRCULAR NOR ANY SALE MADE HEREUNDER SHALL UNDER ANY CIRCUMSTANCES IMPLY THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE ISSUER OR ANY OF ITS SUBSIDIARIES OR THAT THE INFORMATION SET FORTH IN THIS OFFERING CIRCULAR IS CORRECT AS OF ANY DATE SUBSEQUENT TO THE DATE HEREOF.

This Offering Circular includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Issuer and its subsidiaries (the “**Group**”) and the LC Bank. The Issuer accepts full responsibility for the accuracy of the information contained in this Offering Circular and confirms, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

The Issuer, having made all reasonable enquiries, confirms that (i) this Offering Circular contains all information with respect to the Issuer, the LC Bank and the Group, and to the Standby Letter of Credit and the Bonds which is material in the context of the issue and offering of the Bonds (including all information required by applicable laws and the relevant rules and regulations imposed by the Hong Kong Stock Exchange and the information which, according to the particular nature of the Issuer, the Group, the LC Bank, the Standby Letter of Credit and the Bonds, is necessary to enable investors and their investment advisers to make an informed assessment of the assets and liabilities, financial position, profits and losses, and prospects of the Issuer, the LC Bank and the Group and the rights attaching to the Standby Letter of Credit and the Bonds); (ii) the statements contained in this Offering Circular, relating to the Issuer, the LC Bank and the Group, are true and accurate in all material respects and not misleading and do not omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; (iii) the opinions and intentions expressed in this Offering Circular with regard to the Issuer and the Group are honestly held, and have been reached after considering all relevant circumstances and are based on reasonable assumptions; (iv) the information relating to the LC Bank included in this Offering Circular has been derived from or extracted from, among other sources, publicly available information and the Issuer has exercised reasonable care in compiling and reproducing such information relating to the LC Bank; (v) the statistical, industry and market-related data included in this Offering Circular is based on or derived from sources which the Issuer reasonably believe to be accurate and reliable in all material respects; and (vi) all reasonable enquiries have been made by the Issuer to ascertain such facts and to verify the accuracy of all such information and statements in this Offering Circular.

Notwithstanding the foregoing, the information included in this Offering Circular regarding the LC Bank and China Bohai Bank Co., Ltd. (the “**Bank**”) is for information purposes only and is based on, or derived or extracted from, among other sources, publicly available information. Unless otherwise stated, any information available from public sources that is referenced in this Offering Circular but is not separately included in this Offering Circular shall not be deemed to be incorporated by reference to this Offering Circular. However, none of the Issuer, the Managers (as defined below), the Trustee (as defined in Terms and Conditions of the Bonds), the Agents (as defined in Terms and Conditions of the Bonds), the Pre-funding Account Bank (as defined in Terms and Conditions of the Bonds) or the LC Proceeds Account Bank (as defined in Terms and Conditions of the Bonds) or any of their respective directors, officers, employees, representatives, agents, affiliates or advisers or any person who controls any of them, has independently verified such information. Save for the representation given by the Issuer in the paragraph above, no representation or warranty, expressed or implied, is to be made or given by the Issuer, the Managers, the Trustee, the Agents, the Pre-funding Account Bank, the LC Proceeds Account Bank or any of their respective directors, officers, employees, representatives, agents, affiliates or



advisers or any person who controls any of them, as to the accuracy, completeness or sufficiency of such information. Accordingly, such information should not be unduly relied upon.

This Offering Circular has been prepared solely for use in connection with the proposed offering of the Bonds described in this Offering Circular. This Offering Circular does not constitute an offer of, or an invitation by or on behalf of Haitong International Securities Company Limited, China Galaxy International Securities (Hong Kong) Co., Limited, Huatai Financial Holdings (Hong Kong) Limited, ABCI Capital Limited, China Industrial Securities International Brokerage Limited, BOCOM International Securities Limited, China International Capital Corporation Hong Kong Securities Limited, China Securities (International) Corporate Finance Company Limited, China Zheshang Bank Co., Ltd. (Hong Kong Branch), CLSA Limited, Hua Xia Bank Co., Limited Hong Kong Branch and Standard Chartered Bank (together, the “**Managers**”) or the Issuer to subscribe for or purchase any of the Bonds where it is unlawful to do so. The distribution of this Offering Circular and the offering of the Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer and the Managers to inform themselves about and to observe any such restrictions. No action is being taken to permit a public offering of the Bonds or the distribution of this Offering Circular in any jurisdiction where action would be required for such purposes. There are restrictions on the offer and sale of the Bonds, and the circulation of documents relating thereto, in certain jurisdictions including the United States, the United Kingdom, Singapore, the PRC, Hong Kong, Bermuda and Japan, and to persons connected therewith. For a description of certain further restrictions on offers and sales of the Bonds, and distribution of this Offering Circular, see “*Subscription and Sale*”. By purchasing the Bonds, investors are deemed to have represented and agreed to all of those provisions contained in that section of this Offering Circular. This Offering Circular is personal to each offeree and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire Bonds. Distribution of this Offering Circular to any person other than the prospective investor and any person retained to advise such prospective investor with respect to its purchase is unauthorised. Each prospective investor, by accepting delivery of this Offering Circular, is deemed to have agreed to the foregoing and to make no photocopies of this Offering Circular or any documents referred to in this Offering Circular.

No person has been or is authorised to give any information or to make any representation concerning the Issuer, the Group, the LC Bank, the Bonds or the Standby Letter of Credit other than as contained herein and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Issuer, the Group, the LC Bank, the Managers, the Trustee, the Agents, the Pre-funding Account Bank or the LC Proceeds Account Bank or any of their respective affiliates. Neither the delivery of this Offering Circular nor any offering, sale or delivery made in connection with the issue of the Bonds shall, under any circumstances, constitute a representation that there has been no change or development reasonably likely to involve a change in the affairs of the Issuer or its subsidiaries since the date hereof or create any implication that the information contained herein is correct as at any date subsequent to the date hereof. This Offering Circular does not constitute an offer of, or an invitation by or on behalf of the Issuer, the Group, the LC Bank, the Managers, the Trustee, the Agents, the Pre-funding Account Bank or the LC Proceeds Account Bank or their respective affiliates, officers, employees, agents, representatives, directors or advisers to subscribe for or purchase the Bonds and may not be used for the purpose of an offer to, or a solicitation by, anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or is unlawful.

This Offering Circular is being furnished by the Issuer in connection with the offering of the Bonds and is exempt from registration under the Securities Act solely for the purpose of enabling a prospective investor to consider purchasing the Bonds. Investors must not use this Offering Circular for any other purpose, make copies of any part of this Offering Circular or give a copy of it to any other person, or disclose any information in this Offering Circular to any other person. The information contained in this Offering Circular has been provided by the Issuer and other sources identified in this Offering Circular. Any reproduction or distribution of this Offering Circular, in whole or in part, and any disclosure of its contents or use of any information herein for any purpose other than the consideration of an investment in

the Bonds offered by this Offering Circular is prohibited. By accepting delivery of this Offering Circular each investor is deemed to have agreed to these restrictions.

The Bonds shall not be offered or sold, or caused to be made the subject of an invitation for subscription or purchase, nor shall this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the Bonds be circulated or distributed to any person in Singapore except to (i) an institutional investor (as defined in Section 4A of the SFA) or (ii) an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

In connection with Section 309B of the Securities and Futures Act 2001 of Singapore (the “SFA”) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “**CMP Regulations 2018**”), the Issuer has determined the classification of the Bonds as prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Offering Circular or any information supplied by the Issuer or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer or the Managers. Neither the delivery of this Offering Circular nor any offering, sale or delivery made in connection with the issue of the Bonds shall, under any circumstances, constitute a representation that there has been no change or development reasonably likely to involve a change in the affairs of the Issuer or the Group since the date hereof or create any implication that the information contained herein is correct as at any date subsequent to the date hereof.

None of the Managers, the Trustee, the Agents, the Pre-funding Account Bank or the LC Proceeds Account Bank or any of their respective affiliates, officers, employees, agents, representatives, directors or advisers or any person who controls any of them has independently verified the information contained in this Offering Circular. Accordingly, no representation, warranty or undertaking, express or implied, is made or given and no responsibility or liability is accepted, by the Managers, the Trustee or the Agents, the Pre-funding Account Bank or the LC Proceeds Account Bank or any of their respective affiliates, officers, employees, agents, representatives, directors or advisers or any person who controls any of them, as to the accuracy, completeness or sufficiency of the information contained in this Offering Circular or any other information supplied in connection with the Bonds and nothing contained in this Offering Circular is, or shall be relied upon as, a promise, representation or warranty by the Managers, the Trustee, the Agents, the Pre-funding Account Bank or the LC Proceeds Account Bank or any of their respective affiliates, officers, employees, agents, representatives, directors or advisers or any person who controls any of them. This Offering Circular is not intended to provide the basis of any credit or other evaluation nor should it be considered as a recommendation by any of the Issuer, the Managers, the Trustee or the Agents, the Pre-funding Account Bank or the LC Proceeds Account Bank or any of their respective affiliates, officers, employees, agents, representatives, directors or advisers or any person who controls any of them, that any recipient of this Offering Circular should purchase the Bonds. Each person receiving this Offering Circular acknowledges that such person has not relied on the Managers, the Trustee, the Agents, the Pre-funding Account Bank or the LC Proceeds Account Bank or any of their respective affiliates, officers, employees, agents, representatives, directors or advisers or any person who controls any of them in connection with its investigation of the accuracy of such information or its investment decision, and each such person must rely on its own examination of the Issuer and the merits and risks involved in investing in the Bonds. See “*Risk Factors*” for a discussion of certain factors to be considered in connection with an investment in the Bonds.

To the fullest extent permitted by law, none of the Managers, the Trustee or the Agents, the Pre-funding Account Bank or the LC Proceeds Account Bank or any of their respective affiliates, officers, employees, agents, representatives, directors or advisers or any person who controls any of them accepts any responsibility for the contents of this Offering Circular and assumes no responsibility for the contents, accuracy, completeness or sufficiency of any such information or for any other statement, made or purported to be made by the Managers, the Trustee, the Agent, the Pre-funding Account Bank or the LC Proceeds Account Bank or any of their respective affiliates, officers, employees, agents, representatives, directors or advisers or any person who controls any of them or on their behalf in connection with the Issuer, the Group or the issue and offering of the Bonds. Each of the Managers, the Trustee, the Agents, the Pre-funding Account Bank and the LC Proceeds Account Bank and their respective affiliates, officers, employees, agents, representatives, directors and advisers or any person who controls any of them accordingly disclaims all and any liability, whether arising in tort or contract or otherwise, which it might otherwise have in respect of this Offering Circular or any such statement. None of the Managers, the Trustee, the Agents, the Pre-funding Account Bank or the LC Proceeds Account Bank or any of their respective affiliates, officers, employees, agents, representatives, directors or advisers or any person who controls any of them undertakes to review the results of operations, financial condition or affairs of the Issuer or its subsidiaries during the life of the arrangements contemplated by this Offering Circular nor to advise any investor or potential investor in the Bonds of any information coming to the attention of the Managers, the Trustee, the Agents, the Pre-funding Account Bank or the LC Proceeds Account Bank or any of their respective affiliates, officers, employees, agents, representatives, directors or advisers or any person who controls any of them.

Any of the Managers and their respective affiliates may purchase the Bonds for its or their own account and enter into transactions, including credit derivatives, such as asset swaps, repackaging and credit default swaps relating to the Bonds and/or other securities of the Issuer and its subsidiaries or associates at the same time as the offer and sale of the Bonds or in secondary market transactions. Such transactions may be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of the Bonds to which this Offering Circular relates (notwithstanding that such selected counterparties may also be purchasers of the Bonds) and may be material. Furthermore, investors in the Bonds may include entities affiliated with the Group. These entities may hold or sell such Bonds or purchase further Bonds for their own account in the secondary market or deal in any other securities of the Issuer, and therefore, they may offer or sell the Bonds or other securities otherwise than in connection with the offering of the Bonds. Accordingly, references herein to the Bonds being offered should be read as including any offering of the Bonds to the Managers and/or their affiliates acting in such capacity. Such persons do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so. If such transactions occur, the trading price and liquidity of the Bonds may be impacted.

This Offering Circular is provided solely for the purpose of enabling the recipient to consider purchasing the Bonds. The investors or prospective investors should read this Offering Circular carefully before making a decision regarding whether or not to purchase the Bonds. This Offering Circular cannot be used for any other purpose and any information in this Offering Circular cannot be disclosed to any other person. This Offering Circular is personal to each prospective investor and does not constitute an offer to any other person or to the public generally to purchase or otherwise acquire the Bonds.

This Offering Circular summarises certain material documents and other information, and the Issuer and the Managers refer the recipient of this Offering Circular to them for a more complete understanding of what is contained in this Offering Circular. In making an investment decision, the prospective investor must rely on its own judgement and examination of the Issuer and the Terms and Conditions of the Bonds, including the merits and risks involved. See “*Risk Factors*” for a discussion of certain factors to be considered in connection with an investment in the Bonds. None of the Issuer, the Managers, the Trustee, the Agents, the Pre-funding Account Bank or the LC Proceeds Account Bank or any of their respective directors, officers, employees, representatives, agents, affiliates or advisers or any person who controls any of them is making any representation regarding the legality of an investment in the Bonds under any



law or regulation. The recipient of this Offering Circular should not consider any information in this Offering Circular to be legal, business or tax advice. Any investor or prospective investor should consult his/her/its own attorney, business adviser and tax adviser for legal, business and tax advice regarding an investment in the Bonds.

No assurance is given by the Issuer, the Sole Sustainable Structuring Adviser, any Manager, the Trustee, the Agents, the Pre-funding Account Bank or the LC Proceeds Account Bank or any person who controls any of them, or any of their respective directors, officers, employees, agents, advisers or affiliates or any person who controls any of them that investing in the securities or the use of proceeds by the Issuer will satisfy, whether in whole or in part, any present or future investor expectations or requirements with respect to green bonds, social bonds or sustainable bonds.

None of the Managers makes any representation as to the suitability of any Bonds to fulfil any green, environmental or sustainability criteria required by any prospective investors. The Managers have not undertaken, nor are they responsible for, any assessment of the eligibility criteria for the eligible projects, any verification of whether the eligible projects meet such criteria, the monitoring of the use of proceeds of any Bonds (or amounts equal thereto) or the allocation of the proceeds by the Issuer to particular eligible projects. Investors should refer to public reporting by or on behalf of the Issuer in respect of the application of the proceeds of the Bonds for further information. Any such public reporting will not be incorporated by reference in this Offering Circular and none of the Managers makes any representation as to the suitability or contents thereof.

**IN CONNECTION WITH THE ISSUE OF THE BONDS, ANY OF THE MANAGERS APPOINTED AND ACTING IN ITS CAPACITY AS STABILISATION MANAGER (THE “STABILISATION MANAGER”) OR ANY PERSON ACTING FOR THE STABILISATION MANAGER MAY OVER-ALLOT THE BONDS OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE BONDS AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT THE STABILISATION MANAGER (OR PERSONS ACTING ON BEHALF OF THE STABILISATION MANAGER) WILL UNDERTAKE STABILISATION ACTION. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE BONDS IS MADE AND, IF BEGUN, MAY BE ENDED AT ANYTIME, AND MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE BONDS AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE BONDS. ANY STABILISATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE RELEVANT STABILISATION MANAGER OR ANY PERSON ACTING ON BEHALF OF THE STABILISATION MANAGER IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.**

Prospective investors should not construe anything in this Offering Circular as legal, business or tax advice. Each prospective investor should determine for itself the relevance of the information contained in this Offering Circular and consult its own legal, business and tax advisers as needed to make its investment decision and determine whether it is legally able to purchase the Bonds under applicable laws or regulations.

The contents of this Offering Circular have not been reviewed by any regulatory authority of any jurisdiction. You are advised to exercise caution in relation to the offering of the Bonds. If you are in any doubt about any of the contents of this Offering Circular, you should obtain independent professional advice.

**Notice to capital market intermediaries and prospective investors pursuant to paragraph 21 of the Hong Kong SFC Code of Conduct — Important Notice to Prospective Investors:** Prospective investors should be aware that certain intermediaries in the context of this offering of the Bonds, including certain Managers are “capital market intermediaries” (together, the “CMI”) subject to Paragraph 21 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission (the “SFC Code”). This notice to prospective investors is a summary of certain obligations the SFC Code imposes on such CMIs, which require the attention and cooperation of prospective investors.

Certain CMIs may also be acting as “overall coordinators” (together, the “OCs”) for this offering and are subject to additional requirements under the SFC Code.

Prospective investors who are the directors, employees or major shareholders of the Issuer, a CMI or its group companies would be considered under the SFC Code as having an association (an “Association”) with the Issuer, the CMI or the relevant group company. Prospective investors associated with the Issuer or any CMI (including its group companies) should specifically disclose this when placing an order for the Bonds and should disclose, at the same time, if such orders may negatively impact the price discovery process in relation to this offering. Prospective investors who do not disclose their Associations are hereby deemed not to be so associated. Where prospective investors disclose their Associations but do not disclose that such order may negatively impact the price discovery process in relation to this offering, such order is hereby deemed not to negatively impact the price discovery process in relation to this offering.

Prospective investors should ensure, and by placing an order prospective investors are deemed to confirm, that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). If a prospective investor is an asset management arm affiliated with any Manager, such prospective investor should indicate when placing an order if it is for a fund or portfolio where the Manager or its group company has more than 50 per cent. interest, in which case it will be classified as a “proprietary order” and subject to appropriate handling by CMIs in accordance with the SFC Code and should disclose, at the same time, if such “proprietary order” may negatively impact the price discovery process in relation to this offering. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a “proprietary order”. If a prospective investor is otherwise affiliated with any Manager, such that its order may be considered to be a “proprietary order” (pursuant to the SFC Code), such prospective investor should indicate to the relevant Manager when placing such order. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a “proprietary order”. Where prospective investors disclose such information but do not disclose that such “proprietary order” may negatively impact the price discovery process in relation to this offering, such “proprietary order” is hereby deemed not to negatively impact the price discovery process in relation to this offering.

Prospective investors should be aware that certain information may be disclosed by CMIs (including private banks) which is personal and/or confidential in nature to the prospective investor. By placing an order, prospective investors are deemed to have understood and consented to the collection, disclosure, use and transfer of such information by the Managers and/or any other third parties as may be required by the SFC Code, including to the Issuer, any OCs, relevant regulators and/or any other third parties as may be required by the SFC Code, it being understood and agreed that such information shall only be used for the purpose of complying with the SFC Code, during the bookbuilding process for this offering. Failure to provide such information may result in that order being rejected.

## **INDUSTRY AND MARKET DATA**

Market data and certain industry forecasts and information used throughout this Offering Circular have been obtained from both public and private sources, including internal surveys, market research, publicly available information and industry publications. Industry publications generally state that the information that they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of that information is not guaranteed. Similarly, internal surveys, industry forecasts and market research, while believed to be reliable, have not been independently verified by the Issuer, the Managers, the Trustee, the Agents, the Pre-funding Account Bank or the LC Proceeds Account Bank or their respective affiliates, officers, employees, agents, representatives, directors or advisers or any person who controls any of them, and none of the Issuer, the Managers, the Trustee, the Agents, the Pre-funding Account Bank or the LC Proceeds Account Bank or their respective affiliates, officers, employees, agents, representatives, directors or advisers or any person who controls any of them make any representation as to the accuracy or completeness of that information. In addition, third-party information providers may have obtained information from market participants and such information may not have been independently verified. This Offering Circular summarises certain documents and other information, and investors should refer to them for a more complete understanding of what is discussed in those documents. Accordingly, such information should not be unduly relied upon. In making an investment decision, each investor must rely on its own examination of the Issuer, the Group and the terms of the offering and the Bonds, including the merits and risks involved. Where information has been sourced from a third party, the Issuer confirms that this information has been accurately reproduced and that, as far as the Issuer is aware and is able to ascertain from information published by third parties, no facts have been omitted which would render the reproduced information to be inaccurate or misleading.

## PRESENTATION OF FINANCIAL INFORMATION

### Financial Information of the Group

This Offering Circular contains consolidated financial information of the Issuer as at and for the years ended 31 December 2021 and 2022, which has been extracted from the audited consolidated financial statements of the Issuer as at and for the year ended 31 December 2022 (the “**Audited Financial Statements**”). The Audited Financial Statements were audited by Ernst & Young, the Issuer’s independent auditors, and were prepared and presented in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certificate Public Accountants (“**HKICPA**”).

This Offering Circular also contains consolidated financial information of the Issuer as at and for the six months ended 30 June 2022 and 2023, which has been extracted from the unaudited but reviewed consolidated financial statements of the Issuer as at and for the six months ended 30 June 2023 (the “**Reviewed Financial Statements**”). The Reviewed Financial Statements were reviewed by Ernst & Young in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* (“**HKSRE 2410**”) and were prepared and presented in accordance with Hong Kong Accounting Standard 34 *Interim Financial Reporting* (“**HKAS 34**”) issued by the HKICPA.

The Reviewed Financial Statements have not been audited by Ernst & Young or any other independent auditors, and should not be relied upon by prospective investors to provide the same quality of information associated with information that has been subject to an audit. Neither the Managers, the Trustee, the Agents, the Pre-funding Account Bank or the LC Proceeds Account Bank nor any of their respective directors, officers, employees, agents, advisers or affiliates or any person who controls any of them makes any representation or warranty, express or implied, regarding the sufficiency of such unaudited consolidated financial statements for an assessment of, and potential investors must exercise caution when using such data to evaluate, the Group’s financial condition and results of operations. In addition, the Reviewed Financial Statements should not be taken as an indication of the expected financial condition or results of operations of the Group for the full financial year ending 31 December 2023.

This Offering Circular includes figures relating to EBITDA. EBITDA is not a standard measure under HKFRSs. EBITDA is a widely used financial indicator of a company’s ability to service and incur debt. EBITDA should not be considered in isolation or construed as an alternative to cash flows, net income or any other measure of performance or as an indicator of the Issuer’s operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities. In evaluating EBITDA, prospective investors should consider, among other things, the components of EBITDA such as operating expenses and the amount by which EBITDA exceeds capital expenditures and other charges. The Issuer has included EBITDA because the Issuer believes that it is a useful supplement to cash flow data as a measure of the Issuer’s performance and its ability to generate cash flow from operations to cover debt service and taxes. EBITDA presented herein may not be comparable to similarly titled measures presented by other companies. Prospective investors should not compare the Issuer’s EBITDA to EBITDA presented by other companies because not all companies use the same definition.

### *Information Incorporated by Reference*

The audited consolidated financial statements of the Issuer as at and for the year ended 31 December 2021 (the “**2021 Audited Financial Statements**”) contained in our annual report as at and for the year ended 31 December 2021 are incorporated by reference in, and form part of, this Offering Circular. The 2021 Audited Financial Statements were audited by Ernst & Young and were prepared and presented in accordance with HKFRSs issued by the HKICPA.

Copies of the aforementioned documents which are so deemed to be incorporated in, and to form part of, this Offering Circular may be downloaded free of charge from the website of the Hong Kong Stock

Exchange at <http://www.hkex.com.hk> (the other contents of this website do not form part of this Offering Circular). The information incorporated by reference is considered to be a part of this Offering Circular. Each document incorporated by reference is current only as of the date of such document, and the incorporation by reference of such documents shall not create any implication that there has been no change in the Group's affairs since the date thereof or that the information contained therein is current as of any time subsequent to its date.

### **Financial Information of the Bank**

Copies of the latest annual and interim reports of the Bank, as well as its public filings, can be downloaded free of charge from the websites of the Hong Kong Stock Exchange and the Bank on the internet at [www.hkex.com.hk](http://www.hkex.com.hk) and [www.cbhb.com.cn](http://www.cbhb.com.cn), respectively. The financial statements of the Bank are not included in and do not form part of this Offering Circular. The information contained on the websites of the Hong Kong Stock Exchange and the Bank is subject to change from time to time. No representation is made by the Issuer, the Group, the Managers, the Trustee, the Agents, the Pre-funding Account Bank or the LC Proceeds Account Bank or any of their respective directors, officers, employees, representatives, agents, affiliates or advisers or any person who controls any of them and none of the Issuer, the Group, the Managers, the Trustee, the Agents, the Pre-funding Account Bank or the LC Proceeds Account Bank or any of their respective directors, officers, employees, representatives, agents, affiliates or advisers or any person who controls any of them takes any responsibility for any information contained on the websites of the Hong Kong Stock Exchange and the Bank.

### **Rounding**

Certain monetary amounts in this Offering Circular have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.



## CONVENTION USED IN THIS OFFERING CIRCULAR

In this Offering Circular, unless otherwise indicated or the context otherwise requires, references to:

- “**we**”, “**us**”, “**our company**”, the “**Group**”, “**our**” and words of similar import refers to Minmetals Land Limited 五礦地產有限公司 itself, or to Minmetals Land Limited 五礦地產有限公司 and its consolidated subsidiaries, as the context requires;
- the “**Issuer**” refers to Minmetals Land Limited 五礦地產有限公司;
- “**China Minmetals**” refers to China Minmetals Corporation 中國五礦集團有限公司, our parent company;
- “**contracted sales**” refers to sales secured by pre-sales and sales contracts;
- “**contracted GFA**” refers to the GFA for properties under contracted sales;
- “**COVID-19**” refers to the novel coronavirus disease 2019;
- “**Central China**” refers to the region in China that comprises Henan, Hubei and Hunan Provinces;
- “**China**” or the “**PRC**” refers to the People’s Republic of China, excluding, for purposes of this Offering Circular only, Taiwan, Hong Kong and Macau;
- “**CBIRC**” refers to the China Banking and Insurance Regulatory Commission, which was replaced by National Administration of Financial Regulation (the “**NAFR**”), since 18 May 2023;
- “**HK\$**” or “**Hong Kong dollars**” refers to the legal currency of Hong Kong;
- “**MLR**” refers to the Ministry of Land and Resources of the People’s Republic of China;
- “**MOF**” refers to the Ministry of Finance of the People’s Republic of China;
- “**MOFCOM**” refers to the Ministry of Commerce of the People’s Republic of China or its competent local counterpart;
- “**MOHURD**” refers to the Ministry of Housing and Urban-Rural Development of the People’s Republic of China;
- “**NDRC**” refers to the National Development and Reform Commission of the People’s Republic of China;
- the “**Pan Bohai Rim**” refers to the region in Northern China that comprises Hebei, Shandong, and Liaoning Provinces and the cities of Beijing and Tianjin;
- the “**Pearl River Delta**” refers to a network of ten cities, namely Zhuhai, Zhongshan, Jiangmen, Panyu, Foshan, Zhaoqing, Guangzhou, Dongguan, Huizhou and Shenzhen;
- “**PBOC**” refers to the People’s Bank of China, the central bank of the PRC;
- the “**PRC government**” refers to the central government of China and its political subdivisions, including provincial, municipal and other regional or local government entities, and instrumentalities thereof, or where the context requires, any of them;
- “**RMB**”, “**CNY**” or “**Renminbi**” refers to the legal currency of China;
- “**SAFE**” refers to the State Administration of Foreign Exchange of the People’s Republic of China or its competent local counterpart;

- “**SASAC**” refers to the State-owned Assets Supervision and Administration Commission of the People’s Republic of China;
- “**SAT**” refers to the State Administration of Taxation of the People’s Republic of China;
- “**U.S.\$**” or “**U.S. dollars**” refers to the legal currency of the United States; and
- the “**Yangtze River Delta**” refers to the region in China that comprises Jiangsu, Zhejiang and Anhui Provinces and Shanghai.

The English names of the PRC nationals, entities, departments, facilities, laws, regulations, certificates, titles and the like are translations of their Chinese names and are included for identification purposes only.

## FORWARD-LOOKING STATEMENTS

We have made certain forward-looking statements in this Offering Circular. All statements other than statements of historical facts contained in this Offering Circular constitute “forward-looking statements”. Some of these statements can be identified by forward-looking terms, such as “**anticipate**”, “**target**”, “**believe**”, “**can**”, “**could**”, “**estimate**”, “**expect**”, “**aim**”, “**intend**”, “**may**”, “**plan**”, “**will**”, “**would**” or similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding expected financial condition and results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include but are not limited to statements as to the business strategy, revenue and profitability, planned projects and other matters as they relate to the Group discussed in this Offering Circular regarding matters that are not historical fact. These forward-looking statements and any other projections contained in this Offering Circular (whether made by the Issuer or by any third party) involve known and unknown risks, including those disclosed under the caption “Risk Factors”, assumptions, uncertainties and other factors that may cause the actual results, performance or achievements of the Group to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections.

These forward-looking statements speak only as at the date of this Offering Circular. We expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the Group’s expectations with regard thereto or any change of events, conditions or circumstances, on which any such statement was based.

The factors that could cause the actual results, performances and achievements of the Issuer or any member of the Group to be materially different include, among others:

- the Group’s business and operating strategies and their ability to implement such strategies;
- the Group’s capital expenditure and project development plans;
- the Group’s ability to develop and manage our projects as planned;
- the Group’s operations and business prospects;
- various business opportunities that the Group may pursue;
- the Group’s financial condition;
- the availability and costs of bank loans and other forms of financing;
- the Group’s projects under construction or planning;
- the regulatory environment of the industries in general;
- the performance and future developments of real estate markets in the PRC or any region in the PRC where we may engage in real estate developments;
- the PRC real estate market outlook in general;
- changes in political, economic, legal and social conditions in the PRC, including the specific policies of the PRC government and the local authorities in the regions where the Group operates, which affect land supply, availability and cost of financing, leasing, pricing and volume of the projects;
- changes in competitive conditions and the Group’s ability to compete under these conditions;
- the performance of the obligations and undertakings of independent contractors under various construction, building, interior decoration and installation contracts;

- changes in currency exchange rates;
- delays in obtaining the necessary government permits or approvals for the Group's projects; and
- other factors beyond the Group's control.

We do not undertake any obligation to update or revise publicly any of the opinions or forward-looking statements expressed in this Offering Circular as a result of any new information, future events or otherwise.

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## SUMMARY

*The summary below is only intended to provide a limited overview of information described in more detail elsewhere in this Offering Circular. As it is a summary, it does not contain all of the information that may be important to investors and terms defined elsewhere in this Offering Circular shall have the same meanings when used in this summary. Prospective investors should therefore read this Offering Circular in its entirety.*

### OVERVIEW

We are the sole Hong Kong-listed real estate flagship company and a subsidiary of China Minmetals Corporation (中國五礦集團有限公司) (“**China Minmetals**”), one of China’s largest state-owned enterprises under the direct supervision of the SASAC. Founded in 1950, China Minmetals is one of the largest state-owned conglomerates in the PRC that operates globally in metals and mining businesses and emerging diversified businesses with core operation in (i) metals and minerals; (ii) metallurgical construction; (iii) trade and logistics and (iv) finance and real estate. In 2023, China Minmetals ranked the 65th among the Fortune Global 500 enterprises.

We are principally engaged in real estate development, specialised construction, property investment and property management businesses. We develop quality residential properties in China and Hong Kong. Our current real estate development projects are located in 18 cities in the Pan Bohai Rim, Yangtze River Delta, Central China region, Chengdu-Chongqing region and Pearl River Delta Regions in the PRC and Hong Kong. As at 30 June 2023, we had 43 projects at various stages of development located in these regions. As at 31 December 2021 and 2022, we had 42 and 44 projects at various stages located in the PRC and Hong Kong, respectively. We are also engaged in property management business in China and Hong Kong, which adheres to the “37°C Caring Service” principle to provide attractive, caring and value-added services to the property residents with safe and comfortable living environment in our completed real estate development projects.

Our specialised construction business mainly encompasses the design, production and installation of curtain walls system, windows and associated metal works. We have provided building solutions to a variety of building structures, including residential and office buildings, museums, sport centres, airports, shopping centres, swimming pools and hotels. As at 30 June 2023, we provided specialised construction services mainly in Hong Kong.

In addition, through our property investment business, we hold and lease two commercial investment properties including office and retail space in Hong Kong, namely the China Minmetals Tower and LKF29, which are located in Tsim Sha Tsui and Central, respectively. Since 2019, we have been leasing the commercial and retail complexes that we developed in Changsha and Taian in the PRC, to attract lifestyle-focused target customers.

### OUR COMPETITIVE STRENGTHS

We believe we have the following competitive strengths:

- We enjoy strong and continuing support from China Minmetals, our controlling shareholder and a leading state-owned conglomerate in China.
- We have a well-recognised brand supported by our high-quality real estate development projects in China and property management services provided.
- We have land bank with high quality acquired at reasonable cost which is well suited to our real estate development needs.
- We have a highly stable and experienced management team making ongoing efforts to enhance efficiency.

- We have a diversified and complementary portfolio of product and service offerings, including real estate development, specialised construction, property investment and property management.
- We enjoy strong liquidity with multiple sources of financing and have a prudent financial management policy.

### **OUR BUSINESS STRATEGIES**

We aim to become a leading real estate development company and urban operator in the PRC. We intend to achieve this goal through the following strategies:

- Further strengthen our “Minmetals Land” brand name.
- Adhere to prudent business development strategies and further improve our operational efficiency and profitability.
- Further optimise our land bank.
- Continue to maintain a diversified and complimentary portfolio of products and services.
- Maintain prudent financial management to ensure sufficient liquidity.
- Continue to leverage our position as the sole Hong Kong-listed real estate flagship of China Minmetals.

### **RECENT DEVELOPMENT**

#### **Additional Indebtedness since 30 June 2023**

Since 30 June 2023, we have entered into additional financing arrangements and incurred indebtedness to finance our business development and for other general corporate purposes. For example, in July 2023, we entered into a revolving loan agreement with a principal amount of HK\$1.5 billion. In September 2023, we entered into a revolving loan agreement with a principal amount of HK\$1.8 billion. In December 2023, we entered into a revolving loan agreement with a principal amount of HK\$780 million. In January 2024, we entered into a 2-year club loan agreement of HK\$2.6 billion with a number of banks.

## THE OFFERING

The following summary contains some basic information about the Bonds. Some of the terms described below are subject to important limitations and exceptions. Words and expressions defined in “Terms and Conditions of the Bonds” shall have the same meanings in this summary. For a more complete description of the terms and conditions of the Bonds, see “Terms and Conditions of the Bonds”, in this Offering Circular.

<b>Issuer</b> .....	Minmetals Land Limited 五礦地產有限公司.
<b>Bonds</b> .....	CNY600,000,000 4.60 per cent. credit enhanced bonds due 2025.
<b>LC Bank</b> .....	China Bohai Bank Co., Ltd., Tianjin Branch.
<b>Issue Price</b> .....	100.00 per cent.
<b>Form and Denomination</b> .....	The Bonds will be issued in registered form in the specified denominations of CNY1,000,000 and integral multiples of CNY10,000 in excess thereof.
<b>Issue Date</b> .....	18 March 2024.
<b>Interest</b> .....	The Bonds will bear interest on their outstanding principal amount from and including the Issue Date at the rate of 4.60 per cent. per annum, payable in arrear on 18 September 2024 and the Maturity Date.
<b>Maturity Date</b> .....	19 March 2025.
<b>Selling Restrictions</b> .....	The Bonds have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States. The Bonds are being offered only outside the United States in reliance on Regulation S of the Securities Act.
<b>Status of the Bonds</b> .....	The Bonds will constitute direct, unsubordinated, unconditional and unsecured obligations of the Issuer and shall at all times rank <i>pari passu</i> and without any preference among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by applicable laws, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

**Standby Letter of Credit** . . . . . The Bonds will have the benefit of the Standby Letter of Credit issued in favour of the Trustee, for itself and on behalf of the holders of the Bonds, by the LC Bank. The Standby Letter of Credit shall be drawable by the Trustee as beneficiary under the Standby Letter of Credit for itself and on behalf of the holders of the Bonds upon the presentation of a demand by authenticated SWIFT (or by such method of communication otherwise as permitted under the Standby Letter of Credit) sent by or on behalf of the Trustee to the LC Bank in accordance with the Standby Letter of Credit (the “**Demand**”) stating that (i) the Issuer has failed to comply with Condition 4(b) (*Pre-funding*) of the Terms and Conditions of the Bonds in relation to pre-funding an amount that is required to be pre-funded under these Conditions and/or has failed to provide the Required Confirmations (as defined in Condition 4(b) (*Pre-funding*) of the Terms and Conditions of the Bonds) in accordance with Condition 4(b) (*Pre-funding*) of the Terms and Conditions of the Bonds or (ii) an Event of Default (as defined in Condition 10 (*Events of Default*) of the Terms and Conditions of the Bonds) has occurred and the Trustee has given notice to the Issuer that the Bonds are immediately due and payable in accordance with Condition 10 (*Events of Default*) of the Terms and Conditions of the Bonds.

Only one drawing is permitted under the Standby Letter of Credit.

Such drawing on the Standby Letter of Credit will be payable in Renminbi in immediately available and cleared funds to or to the order of the Trustee at the time and to the account specified in the Demand presented to the LC Bank. Payment received by the Trustee in respect of the Demand will be deposited into the LC Proceeds Account.

The payment made under the Standby Letter of Credit in respect of any amount payable under the Terms and Conditions of the Bonds or in connection with the Bonds, the Trust Deed, the Agency Agreement (each as defined in the Terms and Conditions of the Bonds) and/or any other transaction document relating to the Bonds shall, to the extent of the drawing paid to or to the order of the Trustee, satisfy the obligations of the Issuer in respect of such amount payable under the Terms and Conditions of the Bonds or in connection with the Bonds, the Trust Deed, the Agency Agreement and/or any other transaction document relating to the Bonds.

The LC Bank's aggregate liability under the Standby Letter of Credit shall be expressed and payable in Renminbi and shall not in any circumstances exceed CNY1,040,000,000. The Standby Letter of Credit will take effect from 18 March 2024 and will expire at 6:00 p.m. (Hong Kong time) on 7 April 2027.

See "Appendix A — Form of Irrevocable Standby Letter of Credit" for the form of the Standby Letter of Credit.

**Pre-funding** .....

In order to provide for the payment of any amount in respect of the Bonds (other than the amounts payable under Condition 7(d) (*Mandatory Redemption upon Pre-funding Failure*) of the Terms and Conditions of the Bonds) (the "**Relevant Amount**") as the same shall become due, the Issuer shall, in accordance with the Agency Agreement, by no later than 10:00 a.m. (Hong Kong time) on the Business Day falling ten Business Days (the "**Pre-funding Date**") prior to the due date for such payment under the Terms and Conditions of the Bonds:

- (i) unconditionally and irrevocably pay or procure to be paid the Relevant Amount in immediately available and cleared funds into the Pre-funding Account; and
- (ii) deliver to the Trustee and the CMU Lodging and Paying Agent by facsimile or by email (x) a Payment and Solvency Certificate signed by any Authorised Signatory, and (y) a copy of the irrevocable payment instruction from the Issuer to the Pre-funding Account Bank requesting the Pre-funding Account Bank to pay the Relevant Amount which was paid into the Pre-funding Account on the Pre-funding Date in full to the CMU Lodging and Paying Agent by no later than 10:00 a.m. (Hong Kong time) on the Business Day immediately preceding the due date for such payment (together, the "**Required Confirmations**").



If the Relevant Amount has not been paid into the Pre-funding Account in full, or the Trustee does not receive the Required Confirmations, in each case by 10:00 a.m. (Hong Kong time) on the Business Day immediately following the Pre-funding Date (the “**Pre-funding Failure**”), the Trustee shall: (x) give notice substantially in the form set out in the Trust Deed (the “**Pre-funding Failure Notice**”) to the Bondholders of the Pre-funding Failure and the redemption of the Bonds in accordance with Condition 7(d) (*Mandatory Redemption upon Pre-funding Failure*) of the Terms and Conditions of the Bonds to occur as a result of the Pre-funding Failure; and (y) by no later than 5:00 p.m. (Hong Kong time) on the second Business Day immediately following the Pre-funding Date, issue a Demand to the LC Bank for the aggregate principal amount in respect of all of the Bonds then outstanding, together with interest accrued to, but excluding, the Mandatory Redemption Date (as defined in Condition 7(d) (*Mandatory Redemption upon Pre-funding Failure*) of the Terms and Conditions of the Bonds) and all fees, costs, expenses, indemnity payments and all other amounts which may be incurred by the Trustee or payable by the Issuer under or in connection with the Bonds, the Trust Deed, the Standby Letter of Credit, the Agency Agreement and/or any other transaction document in relation to the Bonds, provided that, subject to and in accordance with the Standby Letter of Credit, the Trustee need not physically present an original of the Demand under the Standby Letter of Credit to the LC Bank and shall be entitled to draw on the Standby Letter of Credit by way of a Demand by authenticated SWIFT to the LC Bank (provided that in the event that the SWIFT system is not available for any reason, the Trustee may instead present a Demand by such method of communication otherwise as permitted under the Standby Letter of Credit).

Following receipt by the LC Bank of such Demand by 5:00 p.m. (Hong Kong time) on a Business Day, the LC Bank shall by 11:00 a.m. (Hong Kong time) on the fourth Business Day immediately following such Business Day (or, if such Demand is received by the LC Bank after 5:00 p.m. (Hong Kong time) on a Business Day, then by 11:00 a.m. (Hong Kong time) on the fifth Business Day immediately following such Business Day), pay to or to the order of the Trustee the amount in Renminbi specified in the Demand in immediately available and cleared funds to the account specified in the Demand.

The Pre-funding Account Bank shall notify the Trustee and the CMU Lodging and Paying Agent as soon as practicable upon the failure by the Issuer to pay the Relevant Amount into the Pre-funding Account in accordance with the Terms and Conditions of the Bonds.

See “*Terms and Conditions of the Bonds — Standby Letter of Credit and Pre-funding — Pre-funding*” and “*Appendix A — Form of Irrevocable Standby Letter of Credit*”.

**NDRC Post-issue Filing** . . . . . The Issuer undertakes to file or cause to be filed with the NDRC, within the relevant prescribed timeframes after the Issue Date, the requisite information and documents in respect of the Bonds in accordance with the NDRC Administrative Measures and any implementation rules, regulations, certificates, circulars, notices or policies in connection therewith issued by the NDRC from time to time, including but not limited to, filing with the NDRC the offering information and issue details of the Bonds within ten PRC Business Days after the Issue Date, and comply with all applicable PRC laws and regulations (including laws and regulations as issued by the NDRC from time to time) in connection therewith.

The Issuer shall within 14 PRC Business Days after submission of the NDRC Post-issue Filing (i) provide the Trustee with a certificate substantially in the form set out in the Trust Deed signed by an Authorised Signatory (as defined in the Terms and Conditions of the Bonds) confirming the submission of the NDRC Post-issue Filing (together with the document(s), if any, evidencing due filing with the NDRC) and (ii) give notice to the Bondholders in accordance with Condition 17 (*Notices*) of the Terms and Conditions of the Bonds.

**Use of Proceeds** . . . . . The net proceeds from the offering of the Bonds are intended to be used for refinancing our existing indebtedness in accordance with our Sustainable Finance Framework. See “*Use of Proceeds*”.

**Events of Default** . . . . . The Bonds will contain certain events of default with respect to the Issuer and the LC Bank as further described in Condition 10 (*Events of Default*) of the Terms and Conditions of the Bonds.

**Taxation** . . . . . All payments of principal, premium (if any) and interest by or on behalf of the Issuer in respect of the Bonds shall be made without set off or counterclaim and free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Bermuda, Hong Kong or the PRC or, in each case, any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. Where such withholding or deduction is made by the Issuer by or within the PRC up to and including the aggregate rate applicable on 12 March 2024, the Issuer will increase the amounts paid by it to the extent required, so that the net amount received by the Bondholders equals the amounts which would otherwise have been received by them had no such withholding or deduction been required as further described in “*Terms and Conditions of the Bonds — Taxation*”.

**Final Redemption** . . . . . Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their principal amount on 19 March 2025.

<p><b>Redemption upon a Change of Control</b> . . . . .</p>	<p>At any time following the occurrence of a Change of Control, the holder of any Bond will have the right, at such holder’s option, to require the Issuer to redeem all but not some only of that holder’s Bonds on the Change of Control Put Date at 100 per cent. of their principal amount, together with accrued interest up to but excluding such Change of Control Put Date. See Condition 7(c) (<i>Redemption upon a Change of Control</i>) of the Terms and Conditions of the Bonds.</p>
<p><b>Redemption for Taxation Reasons</b> . . . . .</p>	<p>The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days’ notice to the Bondholders in accordance with Condition 17 (<i>Notices</i>) of the Terms and Conditions of the Bonds (which notice shall be irrevocable) and in writing to the Trustee and the CMU Lodging and Paying Agent, at their principal amount, together with interest accrued to, but excluding, the date fixed for redemption, in the event as further described in “<i>Terms and Conditions of the Bonds — Redemption and Purchase — Redemption for Taxation Reasons</i>”.</p>
<p><b>Mandatory Redemption upon Pre-funding Failure</b> . . . .</p>	<p>The Bonds shall be redeemed in whole, but not in part, at their principal amount on the Interest Payment Date falling immediately after the date the Pre-funding Failure Notice is given to the Bondholders in accordance with Condition 4(b) (<i>Pre-funding</i>) of the Terms and Conditions of the Bonds, together with interest accrued to, but excluding, the Mandatory Redemption Date, as further described in “<i>Terms and Conditions of the Bonds — Redemption and Purchase — Mandatory Redemption upon Pre-funding Failure</i>”.</p>
<p><b>Further Issues</b> . . . . .</p>	<p>The Issuer may from time to time without the consent of the Bondholders, create and issue further bonds either having the same terms and conditions as the Bonds in all respects (or in all respects save for the issue date, the issue price, the first payment of interest on them and the timing for complying with provisions in the Terms and Conditions of the Bonds in relation to the NDRC Filings and the notification to the Trustee and the Bondholders thereof) and so that such further issue shall be consolidated and form a single series with the outstanding Bonds. References in the Terms and Conditions of the Bonds to the Bonds will include (unless the context requires otherwise) any other bonds issued pursuant to Condition 16 (<i>Further Issues</i>) of the Terms and Conditions of the Bonds and consolidated and forming a single series with the Bonds. Any further bonds consolidated and forming a single series with the outstanding Bonds constituted by the Trust Deed or any deed supplemental to it shall be constituted by a deed supplemental to the Trust Deed.</p>

Where applicable, such further bonds may be issued if a further or supplemental or replacement standby letter of credit is issued by the LC Bank (or an amendment is made to the Standby Letter of Credit) on terms that are substantially similar to the Standby Letter of Credit (including that the stated amount of such further or supplemental standby letter of credit represents an increase at least equal to the principal of and interest payments payable for one Interest Period (as defined in the Terms and Conditions of the Bonds) on such further bonds and an amount acceptable to the Trustee in respect of any fees, costs, expenses, indemnity payments and all other amounts in connection with such further bonds) and such supplemental documents are executed and further opinions are obtained as the Trustee may require, as further set out in the Trust Deed. References to the Standby Letter of Credit shall thereafter include such further, supplemental, replacement or amended standby letter of credit.

<b>Trustee</b> . . . . .	The Bank of New York Mellon, Hong Kong Branch.
<b>CMU Lodging and Paying Agent, Transfer Agent and Registrar</b> .	The Bank of New York Mellon, Hong Kong Branch.
<b>Pre-funding Account Bank and LC Proceeds Account Bank</b> . . .	The Bank of New York Mellon, Hong Kong Branch.
<b>Clearing Systems</b> . . . . .	Upon issue, the Bonds will be evidenced by the Global Certificate registered in the name of, and lodged with a sub-custodian for, the Hong Kong Monetary Authority as operator of the CMU. Beneficial interests in the Global Certificate will be shown on, and transfers thereof will be effected only through, records maintained by the CMU. Except as described herein, individual certificates for the Bonds will not be issued in exchange for beneficial interests in the Global Certificate.
<b>Governing Law</b> . . . . .	English law.
<b>Jurisdiction</b> . . . . .	Exclusive jurisdiction of the courts of Hong Kong.
<b>Listing</b> . . . . .	Application will be made to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Bonds by way of debt issues to Professional Investors only.
<b>Selling Restrictions</b> . . . . .	The Bonds will not be registered under the Securities Act or under any state securities laws of the United States and will be subject to customary restrictions on transfer and resale. See “ <i>Subscription and Sale</i> ”.
<b>Sustainable Finance Framework</b> .	The Bonds are being issued with and under our sustainable finance framework. See the section entitled “ <i>Bonds Being Issued as Sustainable Bonds</i> ”.
<b>ISIN</b> . . . . .	HK0000985033.

**Common Code** ..... 274756403.  
**CMU Instrument Code** ..... BNYHFB24009.  
**Legal Entity Identifier** ..... 5493002MXB7W828NT823.  
**Rating** ..... The Bonds will not be rated.

## SUMMARY CONSOLIDATED FINANCIAL INFORMATION

*The summary consolidated financial information of the Issuer as at and for the years ended 31 December 2021 and 2022 is derived from the Audited Financial Statements. It should be read in conjunction with the Audited Financial Statements, including the notes thereto, which are included elsewhere in this Offering Circular. The Audited Financial Statements were prepared and presented in accordance with HKFRSs issued by HKICPA which may differ in certain respects from generally accepted accounting principles in other jurisdictions.*

*The summary consolidated financial information of the Issuer as at 30 June 2023 and for the six months ended 30 June 2022 and 2023 is derived from the Reviewed Financial Statements. It should be read in conjunction with the Reviewed Financial Statements, including the notes thereto, which are included elsewhere in this Offering Circular. The Reviewed Financial Statements were prepared and presented in accordance with HKAS 34 issued by HKICPA which may differ in certain respects from generally accepted accounting principles in other jurisdictions.*

*The unaudited but reviewed consolidated interim financial information of the Issuer as at and for the six months ended 30 June 2022 and 2023 set forth in the Reviewed Financial Statements has not been audited by the Issuer's auditors or any other independent auditors. Consequently, such consolidated interim financial information and our unaudited but reviewed consolidated interim financial statements as at and for the six months ended 30 June 2023 may not provide the same quality of information associated with information that has been subject to an audit. Investors must exercise caution when using such data to evaluate the Issuer's financial condition and results of operations. Such unaudited but reviewed consolidated interim financial information as at and for the six months ended 30 June 2023 should not be taken as an indication of the expected financial condition and results of operations of the Group for the full financial year as at and for the year ended 31 December 2023. Please also refer to "Risk Factors — Risks Relating to Our Business — The Reviewed Financial Statements have not been audited".*

*None of the Issuer, the Managers, the Trustee, the Agents, the Pre-funding Account Bank or the LC Proceeds Account Bank or any of their respective directors, officers, employees, representatives, agents, affiliates or advisers or any person who controls any of them makes any representation or warranty, express or implied, regarding the sufficiency of such consolidated financial results for an assessment of, and any person receiving this Offering Circular must exercise caution when using such data to evaluate, the Group's financial condition and results of operations.*

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31 December		As at 30 June
	2021	2022	2023
	(HK\$'000) (Audited)	(HK\$'000) (Audited)	(HK\$'000) (Reviewed)
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, plant and equipment . . . . .	487,803	662,273	648,187
Investment properties . . . . .	2,664,793	2,774,432	2,752,924
Interests in associates . . . . .	3,306,006	2,269,633	2,133,874
Interests in joint ventures . . . . .	227,863	341,852	343,035
Financial assets at fair value through other comprehensive income . . . . .	555,433	401,428	276,355
Other financial assets . . . . .	–	31,270	–
Other receivables . . . . .	9,813	9,039	7,860
Deferred tax assets . . . . .	871,999	754,807	520,756
<b>Total non-current assets</b> . . . . .	<b>8,123,710</b>	<b>7,244,734</b>	<b>6,682,991</b>
<b>Current Assets</b>			
Inventories . . . . .	43,113,619	39,506,138	33,697,122
Prepayments, trade and other receivables . . . . .	12,522,896	11,009,807	10,759,036
Prepaid income tax . . . . .	876,091	818,011	667,992
Contract assets . . . . .	286,253	144,360	123,537
Contract costs . . . . .	217,454	238,300	246,849
Other financial assets . . . . .	–	–	19,567
Cash and bank deposits, restricted . . . . .	1,077,095	724,314	320,155
Cash and bank deposits, unrestricted . . . . .	10,956,126	7,701,361	7,033,572
<b>Total current assets</b> . . . . .	<b>69,049,534</b>	<b>60,142,291</b>	<b>52,867,830</b>
<b>Total assets</b> . . . . .	<b>77,173,244</b>	<b>67,387,025</b>	<b>59,550,821</b>
<b>EQUITY</b>			
Share capital . . . . .	334,691	334,691	334,691
Reserves . . . . .	9,685,770	6,484,838	5,966,232
Equity attributable to equity holders of the company . . . . .	10,020,461	6,819,529	6,300,923
Perpetual capital instruments . . . . .	2,448,182	–	–
Non-controlling interests . . . . .	10,649,268	9,992,569	10,063,858
<b>Total equity</b> . . . . .	<b>23,117,911</b>	<b>16,812,098</b>	<b>16,364,781</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings . . . . .	14,469,201	17,176,328	13,045,602
Other payables . . . . .	–	250,256	233,816
Deferred tax liabilities . . . . .	370,398	316,495	254,435
Lease liabilities . . . . .	16,390	10,021	6,494
Other financial liabilities . . . . .	4,571	–	–
<b>Total non-current liabilities</b> . . . . .	<b>14,860,560</b>	<b>17,753,100</b>	<b>13,540,347</b>
<b>Current liabilities</b>			
Borrowings . . . . .	6,547,465	7,132,439	12,660,232
Trade and other payables . . . . .	15,656,127	13,581,206	9,412,089
Contract liabilities . . . . .	15,848,803	11,415,551	6,900,746
Deferred revenue . . . . .	–	–	–
Lease liabilities . . . . .	35,115	18,893	10,561
Other financial liabilities . . . . .	18,868	–	–
Taxation payable . . . . .	1,088,395	673,738	662,065
<b>Total current liabilities</b> . . . . .	<b>39,194,773</b>	<b>32,821,827</b>	<b>29,645,693</b>
<b>Total liabilities</b> . . . . .	<b>54,055,333</b>	<b>50,574,927</b>	<b>43,186,040</b>
<b>Total equity and liabilities</b> . . . . .	<b>77,173,244</b>	<b>67,387,025</b>	<b>59,550,821</b>
<b>Net current assets</b> . . . . .	<b>29,854,761</b>	<b>27,320,464</b>	<b>23,222,137</b>
<b>Total assets less current liabilities</b> . . . . .	<b>37,978,471</b>	<b>34,565,198</b>	<b>29,905,128</b>



## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	For the year ended 31 December		For the six months ended 30 June	
	2021	2022	2022	2023
	(HK\$'000) (Audited)	(HK\$'000) (Audited)	(HK\$'000) (Reviewed)	(HK\$'000) (Reviewed)
<b>Revenue</b> . . . . .	12,885,638	10,064,529	6,283,210	8,343,105
Cost of sales . . . . .	(10,500,165)	(9,011,215)	(5,435,987)	(6,540,081)
<b>Gross profit</b> . . . . .	2,385,473	1,053,314	847,223	1,803,024
Other income . . . . .	91,590	126,839	52,642	38,367
Fair value changes on investment properties . . . . .	(153,467)	(68,814)	(57,052)	(14,912)
Selling and marketing expenses . . . . .	(468,420)	(394,500)	(166,055)	(165,329)
Administrative and other expenses . . . . .	(695,485)	(582,408)	(284,196)	(231,983)
Reversal of allowance/(Allowance) for impairment of inventories . . . . .	47,598	(550,403)	(168,944)	(192,274)
Impairment losses (recognised)/reversed under expected credit loss model, net of reversal . . . . .	(13,640)	1,145	(7,269)	328
Finance income . . . . .	249,115	178,863	87,029	95,070
Finance costs . . . . .	(163,076)	(138,144)	(63,987)	(245,355)
Share of results of associates . . . . .	(264,007)	(786,422)	(63,197)	(67,846)
Share of results of joint ventures . . . . .	48,253	137,773	94,743	11,710
<b>Profit/(Loss) before tax</b> . . . . .	<b>1,063,934</b>	<b>(1,022,757)</b>	<b>270,937</b>	<b>1,030,800</b>
Income tax expense . . . . .	(432,127)	(337,467)	(220,785)	(437,661)
<b>Profit/(Loss) for the year</b> . . . . .	<b>631,807</b>	<b>(1,360,224)</b>	<b>50,152</b>	<b>593,139</b>
<b>Profit/(Loss) for the year attributable to:</b>				
Equity holders of the company . . . . .	89,209	(1,362,468)	90,293	111,693
Holders of perpetual capital instruments . . . . .	164,996	45,197	46,990	–
Non-controlling interests . . . . .	377,602	(42,953)	(87,131)	481,446

## OTHER FINANCIAL DATA

	For the year ended 31 December		For the six months ended 30 June	
	2021	2022	2022	2023
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
Adjusted EBITDA <sup>(1)</sup> . . . . .	1,738,651	(133,796)	657,399	1,811,979
Adjusted EBITDA margin (in percentages) <sup>(2)</sup> . . . . .	13.49	-1.33	10.46	21.72

*Notes:*

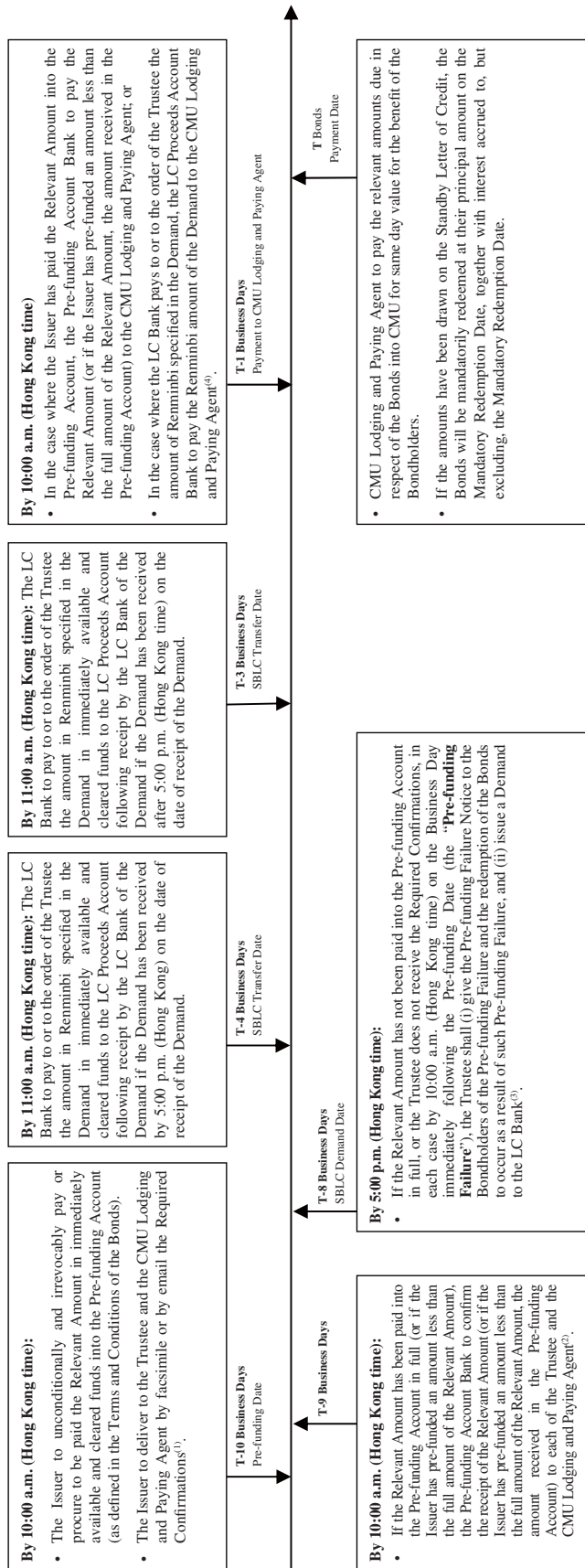
- (1) Adjusted EBITDA is calculated by adjusting profit before tax for the following: revaluation, interest income, finance costs (including capitalised interest realised in cost of sales), provision for/(reversal of) impairment of inventories, provision for/(reversal of) impairment of accounts receivable and depreciation. Adjusted EBITDA is not a standard measure under HKFRSs. Adjusted EBITDA is a widely used financial indicator of a company's ability to service and incur debt. Adjusted EBITDA should not be considered in isolation or construed as an alternative to cash flows, net income or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities. In evaluating Adjusted EBITDA, we believe that investors should consider, among other things, the components of Adjusted EBITDA such as sales and operating expenses and the amount by which Adjusted EBITDA exceeds capital expenditures and other charges. We have included Adjusted EBITDA because we believe it is a useful supplement to cash flow data as a measure of our performance and our ability to generate cash flow from operations to cover debt service and taxes. Adjusted EBITDA presented herein may not be comparable to similarly titled measures presented by other companies. Investors should not compare our Adjusted EBITDA to EBITDA presented by other companies because not all companies use the same definition. The following table reconciles our profit before tax under HKFRSs to our definition of Adjusted EBITDA for the periods indicated:

	For the year ended 31 December		For the six months ended 30 June	
	2021	2022	2022	2023
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
Profit before tax . . . . .	1,063,934	(1,022,757)	270,937	1,030,800
<b>Adjustment for</b>				
Revaluation . . . . .	(153,467)	(68,814)	(57,052)	(14,912)
Interest income . . . . .	249,115	178,863	87,029	95,070
Finance costs (including capitalised interest realised in cost of sales) . . . . .	(782,130)	(403,533)	(218,750)	(653,937)
Provision for/(reversal of) impairment of inventories . . . . .	47,598	(550,403)	(168,944)	(192,274)
Provision for/(reversal of) impairment of accounts receivable . . . . .	19,427	926	1,434	328
Depreciation . . . . .	55,260	46,000	30,179	15,454
<b>Adjusted EBITDA . . . . .</b>	<b>1,738,651</b>	<b>(133,796)</b>	<b>657,399</b>	<b>1,811,979</b>

- (2) Adjusted EBITDA margin is calculated by dividing Adjusted EBITDA by revenue.

## SUMMARY OF PAYMENT ARRANGEMENTS ON EACH SCHEDULED DUE DATE UNDER THE BONDS

The following diagram sets forth a summary of the pre-funding arrangements under the Bonds and the drawing arrangements in respect of the Standby Letter of Credit on each scheduled due date under the Bonds. The following diagram is not intended to be comprehensive. This diagram should be read in conjunction with “*Terms and Conditions of the Bonds*”, the Trust Deed and the Agency Agreement referred therein and “*Appendix A – Form of Irrevocable Standby Letter of Credit*”. Words and expressions defined in the “*Terms and Conditions of the Bonds*” shall have the same meaning in this summary.



### Notes:

- (1) The Required Confirmations consist of: (x) a Payment and Solvency Certificate (as defined in Terms and Conditions of the Bonds) signed by any Authorised Signatory, and (y) a copy of the irrevocable payment instruction from the Issuer to the Pre-funding Account Bank requesting the Pre-funding Account Bank to pay the Relevant Amount which was paid into the Pre-funding Account on the Pre-funding Date in full to the CMU Lodging and Paying Agent by no later than 10:00 a.m. (Hong Kong time) on the Business Day immediately preceding the due date for such payment.
- (2) The confirmation from the Pre-funding Account Bank to the Trustee and the CMU Lodging and Paying Agent shall be by way of authenticated SWIFT or such other means of communication as the Trustee or the CMU Lodging and Paying Agent may in its discretion agree with the Pre-funding Account Bank.
- (3) The Trustee need not physically present an original of the Demand under the Standby Letter of Credit to the LC Bank and shall be entitled to draw on the Standby Letter of Credit by way of a Demand by authenticated SWIFT to the LC Bank (provided that in the event that the SWIFT system is not available for any reason, the Trustee may instead present a Demand by such method of communication otherwise as permitted under the Standby Letter of Credit).
- (4) The amount of the Demand to be paid to the CMU Lodging and Paying Agent excludes any amount of the drawing under the Standby Letter of Credit for all fees, costs, expenses, indemnity payments and all other amounts which may be incurred by the Trustee or payable by the Issuer under or in connection with the Bonds, the Trust Deed, the Standby Letter of Credit, the Agency Agreement and/or any other transaction document in relation to the Bonds but includes principal, premium (if any), interest and other amounts payable under the Terms and Conditions of the Bonds.

## RISK FACTORS

*An investment in the Bonds is subject to significant risks. You should carefully consider all of the information in this Offering Circular and, in particular, the risks described below before deciding to invest in the Bonds. The following describes some of the significant risks that could affect us and the value of the Bonds. Some risks may be unknown to us and other risks, currently believed to be immaterial, could be material. All of these could materially and adversely affect our business, financial condition, results of operations and prospects. The market price of the Bonds could decline due to any of these risks and you may lose all or part of your investment. This Offering Circular also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks described below and elsewhere in this Offering Circular.*

### RISKS RELATING TO OUR BUSINESS

**We are heavily dependent on the performance of the property market in the PRC and Hong Kong, particularly in the Pan Bohai Rim, Yangtze River Delta, Central China region, Chengdu-Chongqing region and Pearl River Delta in the PRC and Hong Kong.**

Our business and prospects depend on the performance of the PRC property market. Any housing market downturns in the PRC and Hong Kong generally or in the regions where we have real estate development projects could adversely affect our business, financial condition and results of operations. Our current real estate development projects are primarily located in the Pan Bohai Rim, Yangtze River Delta, Central China region, Chengdu-Chongqing region and Pearl River Delta in the PRC and Hong Kong. As at 30 June 2023, we had land bank in these regions, including properties under development and properties held for future development, with an aggregate developable gross floor area (“GFA”) of approximately 7.4 million sq.m. Because we plan to develop our real estate development projects primarily in these regions in the foreseeable future, our business is and may continue to be heavily dependent on the continued growth of the property market in these regions. Any adverse developments in the supply and demand or in property prices in these areas would have a material adverse effect on our results of operations and financial condition.

Any adverse developments in national and local economic conditions as measured by such factors as GDP growth (which has slowed down in recent years, with real GDP growth slowing to 3 per cent. in 2022 from 10.6 per cent. in 2010), employment levels, job growth, consumer confidence, interest rates and population growth in the PRC and Hong Kong, particularly in the regions where our projects are located, may reduce demand and depress prices for our products and services and have a material adverse effect on our business, financial condition and results of operations. In particular, in the first half of 2023, due to the release of pent-up demand during the COVID-19 pandemic and the cumulative effect of the PRC government’s easing policies in the property industry, real estate sales rebounded initially, but the market subsequently began to cool down as buyers became more prudent about purchasing properties in light of the lack of confidence in the PRC economy and the PRC property market. As a result, the property market had a strong wait-and-see sentiment, and property sales continued to decline. According to the National Bureau of Statistics of the PRC, national commercial housing sales posted a 1.1 per cent. year-on-year growth whilst the commercial housing sales by floor area were down 5.3 per cent. year-on-year, and investment in real estate decreased by 7.9 per cent. year-on-year as compared to 2022. Despite increasing policy support, the overall property market was still in a bottoming-out phase as market confidence and expectations are yet to be restored.

Demand for and prices of properties in the PRC are also directly affected by the macroeconomic control measures adopted by the PRC government from time to time. In recent years, in response to the market downturn and the demand for pandemic prevention and control, and for the purpose of maintaining stable economic growth, the PRC government has introduced a number of policies on both supply and demand to support the stable development of the real estate market and to relax the regulatory policy environment for the PRC property market. See “— *Our business is subject to extensive governmental regulation and,*

*in particular, we are susceptible to policy changes in the PRC property sector.”* Government policies aimed at reducing local government and corporate debt levels could also reduce liquidity in the economy, which in turn may affect the property market. Any adverse development in the property market in the PRC generally and, in particular, in the Pan Bohai Rim, Yangtze River Delta, Central China region, Chengdu-Chongqing region and Pearl River Delta in the PRC and Hong Kong where we operate or may operate in the future could have a material and adverse effect on our business, results of operations and financial condition.

Demand for private residential properties in the PRC and Hong Kong, including private residential properties in the Pan Bohai Rim, Yangtze River Delta, Central China region, Chengdu-Chongqing region and Pearl River Delta in the PRC and Hong Kong, have experienced rapid growth in the last decade but such growth is often coupled with volatility in market conditions and fluctuations in property prices. We cannot assure you that real estate development will continue at past levels or that we will be able to benefit from the future growth in the property market in these regions and other regions in the PRC where we plan to develop properties.

**Our business is subject to extensive governmental regulation and, in particular, we are susceptible to policy changes in the PRC property sector.**

Our business is subject to extensive governmental regulation and macro-economic control measures implemented by the PRC government from time to time. As with other PRC property developers, we must comply with various requirements mandated by the PRC laws and regulations, including the policies and procedures established by local authorities designated to implement such laws and regulations. In particular, the PRC government exerts considerable direct and indirect influence on the development of the PRC property sector by imposing industry policies and other economic measures, such as control over the supply of land for property development, control of foreign exchange, property financing, taxation and foreign investment. Through these policies and measures, the PRC government may restrict or reduce land available for property development, place additional limitations on the ability of commercial banks to make loans to property developers and property purchasers, impose additional taxes and levies on property sales and restrict foreign investment in the PRC property sector.

In the past, the PRC government at both the central and local levels have implemented various policies and regulatory measures to curb perceived unsustainable growth in the real estate market. In 2016, the concept of “houses are for inhabitation, not for speculation” was put forward at the Central Economic Work Conference of the PRC. Since then, the PRC government has aimed to stabilise the PRC real estate market under the principle of “houses are for inhabitation, not for speculation”, and has issued a series of real estate regulatory policies. In 2017, in order to control the overheated property market in major cities, the PRC government tightened control policies on property market regulation by strictly restricting purchase, credit and prices in order to suppress the excessive growth in the price.

On 1 April 2017, the MLR and the MOHURD issued the Circular of the Ministry of Housing and Urban-Rural Development and the Ministry of Land and Resources on Tightening the Management and Control over Intermediate Residential Properties and Land Supply (住房城鄉建設部、國土資源部關於加強近期住房及用地供應管理和調控有關工作的通知). To maintain a housing supply-demand balance, cities facing serious demand over supply and overheating market shall increase the supply of housing land, especially for ordinary commercial houses; and cities with excessive housing supply shall reduce or suspend the land supply for housing. All the local governments shall build an inspection system to monitor the source of funds for land acquisition to ensure that the real estate developers use their own legal funds to purchase lands. These measures reduced the transaction volumes in certain major cities in the PRC in the second quarter of 2017.

On 19 May 2018, the MOHURD issued the Notice on Further Regulating and Controlling the Real Estate Market (關於進一步做好房地產市場調控工作有關問題的通知), which provided that local authorities shall targeted to enhance the effective supply of housing and land, increase the proportion of medium-and-low-priced and medium-and-small-sized ordinary commercial housing in the newly-built



commercial housing, and improve the methods of supplying the land of commercial housing. Particularly, major cities shall increase the proportion of residential land, and the proportion of residential land to urban construction land is suggested not to be lower than 25 per cent. The supply of rental housing land and joint-property housing land shall be enhanced and the supply of public rental housing land shall be guaranteed. The proportion of public rental housing land, rental housing land and joint-property housing land in the new residential land is targeted to reach or exceed 50 per cent. in three to five years. In addition, those cities shall promote the diversification of land supply entities. The state-owned land whose use right is obtained by non-real-estate enterprises legally may be used as rental housing land if its ownership remains unchanged and its use is in line with the overall land use planning and the urban and rural planning.

In late August 2020, the MOHURD and the PBOC held a meeting with the key real estate enterprises to implement a long-term mechanism for regulation of the real estate market. The MOHURD and the PBOC then introduced several capital and financing management rules, commonly known as the “three red lines”, to regulate the real estate market, requiring some real estate enterprises to maintain (i) a debt-to-asset ratio of no greater than 70 per cent. after exclusion of the deposits received; (ii) a net debt ratio of no greater than 100 per cent.; and (iii) a cash to short-term debt ratio of no less than one. We cannot assure you that we will be successful in adapting our operations to the “three red line” policy, and such policy may disrupt our business prospects, or causes us to incur additional costs, and our business, prospects, financial condition and results of operations may be materially and adversely affected.

In 2022, in the Report on the Work of the Government of the PRC Government delivered at the Fifth Session of the 13th National People’s Congress (the “NPC”) of the PRC, the PRC government proposed to adhere to the principle of “houses are for inhabitation, not for speculation”, keep land costs, housing prices and market expectations stable, and adopt city-specific measures to facilitate positive circulation and sound development in the real estate sector. Under the principle of “houses are for inhabitation, not for speculation” and stabilising the real estate market, the tailoring of real estate governmental policy to the respective conditions of each city was frequently implemented in various cities across the PRC. However, in response to the overall market downturn and for the purpose of maintaining stable economic growth, local governments have introduced a large number of policies on both supply and demand to support the stable development of the real estate market. On 11 November 2022, the PBOC and the CBIRC issued the Notice on Providing Financial Support for Stable and Healthy Development of the Real Estate Market (關於做好當前金融支持房地產市場平穩健康發展工作的通知), which provided policies to ensure the steady and orderly growth of real estate financing, including policies for stabilising lending to property developers, extending outstanding property development loans and trust loans, and keeping bond financing stable. On 10 July 2023, the PBOC and the CBIRC decided to extend such policies to 31 December 2024. In October 2023, the Central Financial Work Conference proposed to promote a virtuous cycle between finance and real estate, improve the regulatory system and capital supervision of real estate enterprises, improve macro-prudential management of real estate finance, meet the reasonable financing needs of real estate enterprises with different ownership systems without discrimination and accelerate the construction of the “three major projects”. On 17 November 2023, the financial regulatory authorities held the symposium of financial institutions and proposed three “not lower than” policies of real estate loans, including (a) the growth rate of real estate loans of banks themselves is not lower than the average real estate loan growth rate of the banking industry, (b) the growth rate of corporate loans to non-state-owned real estate enterprises is not lower than the real estate growth rate of the PBOC, and (c) the growth rate of personal mortgage loans to non-state-owned real estate enterprises is not lower than the mortgage loan growth rate of the PBOC. You should read the various risk factors under the section entitled “— Risks Relating to the PRC Real Estate Industry — We are subject to changing regulations in property market implemented by the PRC government” below for more information relating to these risks and uncertainties.

Many of the property industry policies carried out by the PRC government are unprecedented and are expected to be amended and revised over time. Other political, economic and social factors may also lead to further adjustments and changes in such policies. We cannot assure you that the PRC government will

not adopt additional and more stringent or relaxed industry policies, regulations and measures in the future nor can we assure you when or whether the existing policies will be ceased or reversed. If we fail to adapt our operations to new policies, regulations and measures that may come into effect from time to time with respect to the real estate industry, or if such policy changes disrupt our business, reduce our sales or average selling prices, or cause us to incur additional costs, our business prospects, results of operations and financial condition may be materially and adversely affected.

**We are exposed to economic and real estate market conditions and political and regulatory changes in Hong Kong.**

We are also engaged in the development of residential property projects in Hong Kong for sale. We have developed the residential site in Yau Tong, Hong Kong since the fourth quarter of 2017 and the project, Montego Bay, has been completed in December 2023. In addition, we own office and retail space for leasing in Hong Kong. As a result, the general state of the Hong Kong economy, the interest rate environment and the political and regulatory situation in Hong Kong have a significant impact on our operating results and financial condition. Any disruption to Hong Kong's economy, such as an increase in interest rates, periods of significant inflation or deflation, political unrest events such as the 1997 Asian financial crisis, outbreaks of severe acute respiratory syndrome, the influenza A/H1N1 virus, the COVID-19 pandemic, the global financial crisis, the Eurozone debt crisis, the economic slowdown in the PRC, the interest rate hikes in the United States and the volatility of the global equity markets, including the United States, Europe, the PRC and Hong Kong, and the exchange rate of Renminbi against the U.S. dollar may have an adverse impact on our business prospects, results of operations and financial condition. In particular, market sentiment in the residential property market turned cautious and the local loan stock market was also under pressure amid concerns over the recovery momentum of the PRC economy and expectations of further rate hikes by the U.S. Federal Reserve. Such uncertainties in Hong Kong's economic outlook may ultimately adversely impact our business in Hong Kong. If there is any renewed economic downturn or slowdown in global economic recovery or if the market volatilities persist, there can be no assurance that the Hong Kong economy or our business prospects, results of operations, financial condition will not be adversely affected.

In addition, the government of the Hong Kong Special Administrative Region (the "**Hong Kong Government**") may introduce cooling measures on the Hong Kong property market from time to time, which may have a significant impact on the supply and demand in the property market. For example, the Hong Kong Government has implemented a series of policies and regulations such as the modified *ad valorem* stamp duty, the special stamp duty and the buyer's stamp duty to cool down speculative purchasing demands for residential properties in Hong Kong. Although recently, the Hong Kong Government has decided to make certain adjustments to the demand-side management measures for residential properties which include (but are not limited to) shortening the applicable period of the special stamp duty and reducing the rate of buyer's stamp duty, there can be no assurance that more stringent policies to restrict the property market may be adopted in the future. As the introduction of these measures are subject to policy changes reflecting domestic political or economic circumstances, there can be no assurance that the Hong Kong Government will not introduce further measures in the future that may have a significant impact on the property market, which may in turn affect our operating results and financial conditions.

Historically, Hong Kong property values have been volatile as property values are affected by the supply of, and the demand for, comparable properties, and the amount of new land made available by the Hong Kong Government as well as political and economic developments in the PRC, among other factors. In addition, as leases of Hong Kong commercial properties are usually for a short duration compared to longer terms typical in the United States and other such markets, our rental income from property experiences more frequent adjustment than would be the case in other real estate markets. Furthermore, rental levels in Hong Kong are subject to fluctuations in supply and demand, including as a result of competition from the new supply of properties. Any decline in property values or rental yields could have an adverse effect on our business, financial condition or results of operations.



**We may not be able to obtain a sufficient number of sites or retain sites at commercially suitable prices for real estate development projects.**

We derive the majority of our revenue from the sale of properties that we have developed. This revenue stream is dependent on our ability to complete and sell our real estate developments. To maintain or grow our business in the future, we will be required to replenish our land reserve with suitable sites for developments. Our ability to identify and acquire a sufficient number of suitable sites is subject to a number of factors that are beyond our control.

The PRC government controls substantially all of the country's land supply and regulates the means by which real estate developers, including us, obtain land sites for developments. As a result, the PRC government's land supply policies affect our ability to acquire land use rights for sites we identify and the costs of any acquisition. In April 2002, the PRC government introduced regulations to require government departments and agencies to grant state-owned land use rights for residential and/or commercial real estate development by public tender, auction or listing-for-sale. We are required to go through these processes before we can acquire the land use rights to desirable sites from the government. Although these regulations do not prevent privately held land use rights from being traded in the secondary market, the PRC government's policy to grant state-owned land use rights at competitive market prices has resulted in heightened cost of land reserves generally in the PRC. Additionally, the PRC government controls land supply through zoning, land usage regulations and other means. In recent years, the PRC government has adopted a number of initiatives to control the growth of China's high-end residential property sector and to promote the development of more affordable housing. For example, an announcement stated that land supply priority shall be given to ordinary commodity houses at middle to low prices and of medium to small sizes (including affordable housing), and pursuant to the Catalogue of Restricted Use of Land (2012 Version) (限制用地項目目錄(2012年本)) issued by the MLR and the NDRC on 23 May 2012, the area of a parcel of land granted for commodity housing development shall not exceed seven hectares in small cities and towns, 14 hectares in medium-sized cities or 20 hectares in large cities. All these measures further intensify the competition for land in China among real estate developers. These policy initiatives and other measures adopted by the PRC government from time to time may lead to a reduction in land supply and limit our ability to acquire suitable land for our development or increase land acquisition cost significantly. If we fail to acquire sufficient land reserves in a timely manner and at reasonable prices, or at all, our business and prospects, results of operations and financial condition may be materially and adversely affected.

**We may require significant capital resources to fund land acquisitions and real estate development projects.**

The real estate development business is capital intensive. Our ability to secure sufficient financing for land acquisition and our real estate development projects depends on a number of factors that are beyond our control, including market conditions in debt and equity capital markets, investors' perception of our securities, lenders' perception of our creditworthiness, the PRC, Hong Kong and global economy and pandemic situation, and PRC regulations that affect the availability and finance costs for real estate companies.

Any deterioration in these factors, such as that which has occurred in the global credit and financial markets in 2008, may make it difficult for the Group to access financial markets and make it more difficult or expensive to obtain funding in the future. This may have a material adverse effect on the Group's cash flow position, financial condition and business plans. The Group may also be subject to solvency risks of its banks and of its counterparties in its financial investments and arrangements.

Particularly, various PRC regulations restrict our ability to raise capital through external financing and other methods, including, without limitation, the following:

- pre-sale proceeds may only be used to fund the property development costs of the relevant projects to which they relate;
- we cannot pre-sell uncompleted units in a project prior to achieving certain development milestones;
- PRC banks are prohibited from extending loans to real estate companies for the purposes of funding the payment of land premium;
- we cannot borrow from a PRC bank for a particular project (i) for supportive residential development projects or common residential development projects, the property developer's available internal funds are less than 20 per cent. of the total estimated capital required, or (ii) for other development projects, the property developer's available internal funds are less than 25 per cent. of the total estimated capital required;
- we cannot borrow from a PRC bank for a particular project unless we first obtain the land use right certificate, construction land planning permit, construction works planning permit and construction permit for that project;
- PRC banks are restricted from granting loans for the development of luxury residential properties;
- property developers are prohibited from using the proceeds from a loan obtained from a local bank to fund property developments outside the region where that bank is located, subject to certain exceptions;
- PRC banks are restricted from granting revolving credit facilities to property developers that hold idle land and a large amount of vacant commodity properties;
- PRC banks are prohibited from accepting properties that have been vacant for more than three years as collateral for loans;
- in November 2009, the PRC government raised the minimum down payment of land premium to 50 per cent. and required the land premium to be fully paid within one year after the signing of a land grant contract, subject to limited exceptions;
- in March 2010, the MLR stipulated that the minimum down payment of land premium of 50 per cent. must be paid within one month after the signing of a land grant contract and the rest of the land premium must be fully paid within one year after the signing of a land grant contract;
- on 29 September 2010, the PBOC and CBRC promulgated the Notice on Relevant Issues Regarding the Improvement of Differential Mortgage Loan Policies (Yin Fa [2010] No. 275) (關於完善差別化住房信貸政策有關問題的通知(銀發[2010]275號)), which provides that all property companies with records of having idle land, changing the land use purpose and nature, delaying the project commencement or completion time and hoarding properties or other acts of noncompliance with applicable laws or regulations shall be restricted from obtaining bank loans or credit facilities for new projects;
- on 26 February 2013, the State Council issued the Circular on Continuing the Regulation of Real Estate Market (Guo Ban Fa [2013] No. 17) (關於繼續做好房地產市場調控工作的通知(國辦發[2013]17號)), pursuant to which, with regard to any real estate development enterprises that violate laws and regulations such as having idle land, driving up land prices, hoarding properties for speculation and driving up prices of houses, the relevant departments shall establish cooperative mechanisms, and investigate and impose appropriate penalties more strictly.

Moreover, the banking financial institutions shall not offer loans to such enterprises for their new projects, the securities regulatory departments shall suspend the approval of the listing, refinancing and restructuring of such enterprises, and the banking regulatory departments shall not allow such enterprises to obtain financing through trust plans;

- on 13 February 2017, the Asset Management Association of China issued the Notice on Issuing Administrative Rules No. 4 for Filing of Private Placement Assets Management Plans by Securities and Futures Business Institutions, which provides that where securities and futures institutions are to establish private asset management plans, and make investment in common residential real estate projects located in cities where property prices are soaring, such plans shall not be registered. Private asset management plans may not finance real estate developers through, among others, entrusted loan, trust plan and transfer of the right to earnings (the beneficiary right) of assets for paying land acquisition price or replenishing working capital; and not directly or indirectly facilitate any violation or illegality, such as granting loans used as down payments;
- on 7 April 2017, the CBRC issued the Guiding Opinions of the China Banking Regulatory Commission on Risk Prevention and Control for the Banking Sector (中國銀監會關於銀行業風險防控工作的指導意見(銀監發[2017]6號)), which requires that all banks and other financial institutions acting in concert should insist on category-based regulation and the implementation of city-based policy, and prevent risks in the real estate field;
- on 12 January 2018, the CBRC issued the Key Work Points on Rectify Chaos in the Banking Industry in 2018 (2018年整治銀行業市場亂象工作要點), which states that the CBRC has decided to further sort out the chaos in the banking industry, including violation of policies of the real estate industry, such as the policy that an institution not provide, directly or indirectly, different kinds of on-balance-sheet and off-balance-sheet financing services, or provide support or channels with its own credit, for real estate enterprises to cover the land purchase expenses; and
- there were reports that the PRC government may start to restrict financing available to property developers by reference to leverage ratios such as liabilities to assets ratio, net gearing ratio and cash to short-term borrowings ratio. In August 2020, the PBOC and the MOHURD jointly held a meeting in which the government authorities emphasised the importance of market-oriented, regular and transparent financing rules applicable to real estate developers in cultivating sustainable, stable and healthy development of the real estate market. Despite the changes, the requirement of obtaining approval at the relevant level of the Ministry of Commerce remains. The PRC government's restrictive regulations and measures could increase our operating costs in adapting to these regulations and measures, limit our access to capital resources or even restrict our business operations. We cannot be certain that the PRC government will not issue additional and more stringent regulations or measures or require the real estate developers to deleverage, which could further adversely affect our business and prospects.

Effective from 1 January 2021, PRC financial institutions (excluding their overseas branches) are required to limit the amount of real estate loans and personal housing mortgage loans they lend to the proportions determined by the PBOC and the CBIRC calculated based on the total amount of RMB loans extended by such financial institution. A relevant financial institution will have a transition period of two years or four years to comply with the requirements depending on whether such financial institution exceeded 2.0 per cent. of the legal proportion based on the statistical data relating to such bank as of 31 December 2020. Under the notice, the PBOC and the CBIRC will have the authority to take measures such as, among other things, imposing additional capital requirements on and reallocating the weight adjustments relating to the risk of real estate assets for financial institutions that fail to rectify the proportion requirements within a certain period. In addition, the PRC government introduced other measures, such as changes to commercial bank reserve requirements and lending sector restrictions, that may adversely affect our access to capital and financing.

We cannot assure you that we will have adequate resources to fund property developments such as land acquisitions (including any unpaid land premiums for past acquisitions), or we will be able to obtain bank

loans or renew existing credit facilities granted by financial institutions in the future on reasonable terms or at all. We cannot assure you that the PRC government will not introduce other initiatives which may limit our access to capital resources. The foregoing and other initiatives introduced by the PRC government may limit our flexibility and ability to use bank loans or other forms of financing to finance our property developments and therefore may require us to maintain a relatively high level of internally sourced cash. Failure to obtain adequate funding at a commercially reasonable cost may limit our ability to acquire new land reserves, commence new projects or continue the development of existing projects. Such failure may also increase our finance costs and have a material adverse effect on our business, prospects, financial conditions and results of operations.

**We have substantial indebtedness and may incur additional indebtedness. We are subject to refinancing risks associated with our existing indebtedness, which would affect our ability to satisfy the obligations under the Bonds and other debts.**

We now have, and will continue to have after the offering of the Bonds, a substantial amount of indebtedness. Our total borrowings, including both current and non-current borrowings, as at 31 December 2021 and 2022 and 30 June 2023, were HK\$21,016.7 million, HK\$24,308.8 million and HK\$25,705.8 million, respectively. Our substantial indebtedness could have important consequences to you. For example, it could:

- limit our ability to satisfy the obligations under the Bonds and other debts in the event we are unable to refinance all or a portion of our debt on or before maturity;
- increase our vulnerability to adverse general economic and industry conditions;
- require us to dedicate a substantial portion of our cash flow from operations to servicing and repaying our indebtedness, thereby reducing the availability of our cash flow to fund working capital, capital expenditures and for other general corporate purposes;
- limit our flexibility in planning for or reacting to changes in our businesses and the industry in which we operate;
- limit, along with the financial and other restrictive covenants of our indebtedness, our ability to borrow additional funds; and
- increase our cost of additional financing.

The PRC government has historically adjusted interest rates from time to time as implementation of the PRC government's economic and monetary policies. Starting August 2019, the National Interbank Funding Centre (全國銀行間同業拆借中心) is authorised by the PBOC to publish loan prime rates (the "LPR") on a monthly basis based on the prime rate offered by a panel of commercial banks, and Chinese banks are required to use the LPR as the reference rate for the pricing of its loans extended after 1 January 2020. As at the date of this Offering Circular, some of our borrowings bear interest at floating interest rates linked to the LPR. Any material fluctuation in the LPR may have a material impact on our interest expenses under bank loans and debt securities issued and in turn affect its results of operations. Certain other borrowings are linked to the Hong Kong Interbank Offer Rate (HIBOR). Any increases in interest rates on our borrowings, including as a result of interest rate increases by the PBOC or an increase in HIBOR, may have a material adverse effect on our financial condition and results of operations.

We are subject to refinancing risks with respect to our existing indebtedness, in particular, our short-term borrowings due within one year. Our ability to refinance our short-term borrowings may be materially and adversely affected if, for example, our contracted sales fail to grow as expected or we are unable to negotiate new bank loans on favourable terms or at all. In addition, certain of our loan agreements contain, and any future loan agreements may contain, restrictive covenants that impose significant operating and financial restrictions on us. These include restrictions on our ability to adjust our corporate structure, change to the nature of our business, enter into merger agreements, and dispose of our assets,

among other things. We may also be required to maintain and satisfy certain financial ratios and other financial covenants, and there can be no assurance that we will always be able to meet these ratios or comply with such covenants in the future.

If we are unable to comply with the restrictive covenants in our current or future debt, a default under such debt may occur. In such event, the creditors may terminate their credit extended to us, accelerate the outstanding debt and declare all amounts borrowed due and payable or terminate the agreements, as the case may be. Some of the financing contracts entered into by us may contain cross-acceleration or cross-default provisions. As a result, a default by us under any of other debt may cause the acceleration of not only the defaulted debt but also those debt containing cross-acceleration or cross-default provisions, including the Bonds, or result in a default under these debts. If any of these events occurs, there is no assurance that we will be able to obtain the lenders' waiver in a timely manner or at all, or that our assets and cash flow would be sufficient to repay all of our debts in full as they become due or accelerated, or that we would be able to secure alternative financing on terms that are acceptable to us, or at all.

Furthermore, our borrowings may be secured. Security rights may limit our use of the underlying collateral assets and adversely affect their operational efficiency. If we are unable to service its secured debt on a timely basis, the assets provided as security for such secured debt may be subject to foreclosure, which may adversely affect the Group's business, prospects and financial conditions.

If we are unable to refinance any of our existing debt, it could materially and adversely affect our ability to satisfy our obligations under the Bonds and other debt. We may not be able to renew our current credit facilities or obtain sufficient funding to develop future projects or meet other capital needs when required at a commercially reasonable cost or at all. Failure to obtain adequate funding at a commercially reasonable cost may limit our ability to begin new projects or to continue the development of existing projects and increase our financing costs.

**We may not be successful in expanding into new cities that we target or in exploring new markets.**

We started our real estate development business in Zhuhai, Guangdong Province. Leveraging our experience in Zhuhai, we have gradually expanded our operations into 18 cities in the Pan Bohai Rim, Yangtze River Delta, Central China region, Chengdu Chongqing region and Pearl River Delta, including Beijing, Yingkou, Langfang, Tianjin, Nanjing, Suzhou, Changsha, Xiangtan, Wuhan, Chengdu, Taian, Xining, Nan'an, Huizhou, Foshan, Guangzhou, Shenzhen and Hong Kong. In addition, our specialised construction business is based in Hong Kong. When opportunities arise, we expect to continue to expand our operations both within and outside these regions. We intend to expand our real estate development business into other cities of these regions. We also continue to broaden our perspectives to explore other means of expanding the land bank and continue to increase overseas business development. These new markets may differ from our existing markets in terms of level of economic development, topography, culture, regulatory practices, level of familiarity with contractors and business practices and customs, and customer tastes, behaviour and preferences. In addition, when we enter into new markets, we will likely compete with developers who have an established local presence, are more familiar with local regulatory and business practices and have stronger relationships with local contractors, all of which may give them a competitive advantage over us. We cannot assure you that we will be able to enter into or operate in new markets successfully. Further, our expansion and the need to integrate operations arising from our expansion particularly into other fast-growing cities in the PRC, may place a significant strain on our managerial, operational and financial resources and further contribute to an increase in our financing requirements.

**We may be adversely affected by locations in the global economy and financial markets.**

The global economic slowdown and turmoil in the global financial markets that started in the second half of 2008 and the COVID-19 epidemic that started at the end of 2019 have had negative impacts on the global economy, which in turn has affected the PRC real estate industry and many other industries.

Since the financial downturn, in response to the adverse conditions in the financial markets and the global economy, many countries, including the PRC, implemented fiscal measures and other stimulus packages



targeted at reducing the adverse impact of the global economic crisis and reviving their economies. However, the outlook for the world economy and financial markets remains uncertain. On 31 January 2020, the United Kingdom officially withdrew from the European Union (“**Brexit**”). With Brexit taking full effect after 31 December 2020, economic relations between the United Kingdom and the remaining members of the European Union will continue to evolve, and it is unclear how Brexit will ultimately affect the fiscal, monetary and regulatory landscape within the United Kingdom, the European Union and the rest of the world. Further, the aggravation of U.S.-China trade friction, trade protectionism and the slowdown in global economic growth have also caused volatility in global financial markets. Since the second half of 2018, the PRC and the United States have imposed tariffs on certain products imported from the other country. The two countries entered into the phase one U.S.-China trade agreement on 15 January 2020. The resulting trade policies or the terms of any renegotiated trade agreements and their impact are uncertain. It remains to be seen whether the phase one U.S.-China trade agreement will be observed by both governments and successfully reduce trade tensions. The escalating U.S.-China trade war and the U.S. global trade policy against the PRC, including tightening regulatory restrictions, industry-specific quotas, tariffs, non-tariff barriers and taxes, may have an adverse effect on the PRC and global economy. Similar international trade disputes may also cause disruptions in the international flow of goods and services, which may in turn add to the uncertainties relating to the overall prospects for the global and the PRC economies this year and beyond, which may have a material adverse impact on our business, prospects, financial conditions and results of operations. Furthermore, the Russo-Ukrainian conflict that began in February 2022 and geopolitical uncertainty originated by, among others, the increased tensions between Russia and members of the North Atlantic Treaty Organisation, are contributing to further increases in the prices of energy, oil and other commodities and to volatility in financial markets globally, as well as a new landscape in relation to international sanctions and export-control measures. Geopolitical events such as continued tensions in various countries in the Middle East, the Korean peninsula, Eastern Europe as well as Africa could significantly undermine the stability of the global economy and financial markets. Such geopolitical risks may have a material adverse impact on macroeconomic factors which affect our business, financial condition and results of operations.

These and other issues resulting from the global economic slowdown and financial market turmoil have adversely affected, and may continue adversely affecting, homeowners and potential property purchasers, which may lead to a decline in the general demand for our products and erosion of their sale prices. In addition, any further tightening of liquidity in the global financial markets may negatively affect our liquidity. Therefore, if the global economic slowdown and turmoil in the financial markets crisis continue, our business, financial condition and results of operations may be negatively affected.

**We face significant property development risks before we realise any benefit from a development.**

Property developments typically require substantial capital outlay during the construction period and may take months or years before positive cash flows can be generated by pre-sales or sales of completed property developments, if at all. The time and costs required in completing a property development may be subject to substantial increases due to many factors, including shortages of materials, equipment, technical skills and labour, adverse weather conditions, natural disasters, labour disputes, disputes with contractors, accidents, changes in government priorities and policies, changes in market conditions, delays in obtaining the requisite licenses, permits and approvals from the relevant authorities and other unforeseeable problems and circumstances. Any of these factors may lead to delays in, or prevent, the completion of a property development and result in costs substantially exceeding those originally budgeted for. Furthermore, any failure to complete a property development according to its original specifications or schedule may give rise to potential liabilities and, as a result, our return on investments may be lower than originally expected. In addition, any decreases in property prices or adverse developments in the property market after the acquisition of a parcel of land and prior to pre-sales or sales of completed property developments on such land could also have an adverse impact on our business, financial condition and results of operations.

**Our results of operations may be materially and adversely affected if we fail to obtain, or there are material delays in obtaining, requisite governmental approvals for our real estate development projects.**

The PRC property market is heavily regulated by the PRC government. PRC real estate developers must comply with various requirements mandated by laws and regulations, including the policies and procedures established by local authorities designed for the implementation of such laws and regulations. In order to develop and complete a real estate development project, we must obtain various permits, licenses, certificates and other approvals from the relevant administrative authorities at various stages of the real estate development process, including without limitation environmental impact assessment approvals, project proposal approvals or filings, land use right certificates, planning permits, construction permits, pre-sale permits and certificates or confirmation of completion and acceptance. Each approval is dependent on the satisfaction of certain conditions. There can be no assurance that we will not encounter major problems in fulfilling the conditions precedent to the approvals, or that we will be able to adapt ourselves to new laws, regulations or policies that may come into effect from time to time with respect to the property market in general or the particular processes with respect to the granting of the approvals. There may also be delays on the part of the administrative bodies in reviewing our applications and granting approvals. If we fail to obtain, or experience material delays in obtaining, requisite governmental approvals for our real estate developments in the future, our business, financial condition and results of operations may be materially and adversely affected.

**The land use rights in respect of our land reserves will not be formally vested in us until we have received the relevant formal land use right certificates.**

Under current PRC land grant policies, the relevant authorities generally will not issue the formal land use right certificates until the developer has (i) paid the land premium, taxes and transaction fees in full, (ii) completed the resettlement process and (iii) is in compliance with other land grant conditions. We have obtained formal land use right for all our properties under development. Under current land grant policies, we are allowed to commence our development of these properties as soon as we have signed the land grant contracts or registered the land use rights transfer agreements, as the case may be, with the relevant authorities and obtained other required approvals and permits. However, the land use rights in respect of these properties and the land that we may acquire in the future will not be formally vested in us until we have received the corresponding formal land use right certificates. If we fail to obtain the land use right certificates with respect to these parcels of land in a timely manner, or at all, our business, prospects, financial condition and results of operations may be materially and adversely affected.

**We face a number of operational risks associated with the development of properties. Our properties may not be completed according to planned schedules or be completed at all and may not generate the levels of expected revenue or contemplated investment returns.**

There are a number of financing, operating and other risks associated with real estate developments. Projects undertaken by us typically require substantial capital expenditures during the construction phase and usually take many months, sometimes years, before cash proceeds are generated. The time taken and the costs involved in completing construction can be adversely affected by many factors, including shortages of construction materials, equipment or labour, adverse weather conditions, natural disasters, labour disputes, disputes with subcontractors, accidents and other unforeseen circumstances. Any of these circumstances could give rise to construction delays and/or cost overruns.

Construction delays may result in the loss of revenues. Since we outsource most of our construction work to third-party contractors, we rely on our contractors to complete our projects according to the agreed completion schedules and do not exercise any direct control over material sourcing or the construction schedule of our projects. Under our pre-sale contracts, we are liable to purchasers for default payments if we fail to deliver the completed properties in accordance with the delivery schedule in these contracts, and in the case of a prolonged delay, the purchasers will be entitled to terminate the pre-sale contracts and require a refund of the purchase price in addition to the default payments. See “— *We may be liable to our*



*customers for damages if we do not deliver individual property ownership certificates in a timely manner.”* In addition, the failure to complete construction according to its specifications may result in liabilities, reduced efficiency and lower financial returns. In 2022, we experienced delays in delivery of some of our real estate projects caused by the COVID-19 pandemic especially the severe resurgence of the pandemic in the fourth quarter of 2022. We cannot assure you that we will not experience delays in delivery of our real estate projects again in the future or we will be able to generate satisfactory returns.

**We are subject to legal and business risks if we fail to obtain formal qualification certificates.**

Developers in the PRC must obtain a formal qualification certificate in order to carry out real estate development business in the PRC. According to the Provisions on Administration of Qualification of Real Estate Developers (房地產開發企業資質管理規定), newly established developers must apply for the qualification certificate for real estate development. Real estate developers in the PRC are required to provide a valid qualification certificate when they apply for a pre-sale permit. Experienced real estate developers must also apply for renewal of their qualification certificates once every two to three years in most cities, subject to an annual verification by relevant governmental authorities.

It is mandatory under the PRC government regulations that developers fulfil statutory requirements before obtaining or renewing their qualification certificates. In reviewing an application to renew a qualification certificate, the local authorities take into account a developer’s registered capital, real estate development investments, history of real estate development and quality of property construction, as well as the expertise of the developer’s management and whether the developer has any illegal or inappropriate operations. The local authorities generally grant the developers who conduct real estate development exceeding the qualification grade a grace period to rectify their non-compliance subject to a penalty of between RMB50,000 and RMB100,000 per renewal. Failure to satisfy the qualification requirements within the specified time frame could result in rejection of the application for renewal of the qualification certificate and revocation of the developer’s business license. Each of our project companies renews its qualification certificate annually with the assistance of our headquarters.

We cannot assure you that each of the qualification certificates of our operating project companies will be renewed or extended within the required time frame in the future or that each of our newly established project companies and non-real estate development related subsidiaries will be able to obtain a valid qualification certificate in a timely manner, or at all. For example, as at the date of this Offering Circular, several of our operating project companies are in the process of applying or renewing their qualification certificates. In addition, several of our subsidiaries with new projects for future development are in the process of applying for qualification certificates. If any of our project companies is unable to obtain or renew their qualification certificates, as applicable, they will not be permitted to engage in or continue its businesses, which could have a material adverse effect on our business and financial condition.

**We may be liable to our customers for damages if we do not deliver individual property ownership certificates in a timely manner.**

Under the PRC laws, real estate developers are required to deliver to purchasers the relevant individual property ownership certificates within 90 days after delivery of the property or within a time frame set out in the relevant sale agreement. Real estate developers, including us, generally elect to specify a deadline for the delivery of the individual property ownership certificates in the sale agreements to allow sufficient time for the application and approval processes.

Under current regulations, we are required to submit the requisite governmental approvals in connection with our real estate developments, including land use rights documents and planning and construction permits, to the local bureau of land resources and housing administration within three months after the receipt of the completion and acceptance certificate for the relevant properties and apply for the general property ownership certificate in respect of these properties. We are then required to submit, within a stipulated period after delivery of the properties, the relevant property sale agreements, identification documents of the purchasers, proof of payment of deed tax, together with the general property ownership

certificate, for the bureau's review and the issuance of the individual property ownership certificates in respect of the properties purchased by the purchasers. Delays by the various administrative authorities in reviewing the application and granting approval and certain other factors may affect timely delivery of the general and individual property ownership certificates. Therefore, we may not be able to deliver individual property ownership certificates to purchasers on time as a result of delays in the administrative approval processes or for any other reason beyond our control, which may result in us having to pay default payments and, in the case of a prolonged delay, the purchaser terminating the sale agreement. If we become liable to a significant number of purchasers for late delivery of the individual property ownership certificates, our business, financial condition and results of operations may be materially and adversely affected.

We cannot assure you that we will not become liable to purchasers in the future for the late application of the individual property ownership certificates on behalf of our customers due to our own fault or for any other reasons beyond our control.

**We have experienced periods of net cash outflow from operating and investing activities in the past.**

Due to the nature of the real estate development business, we may from time to time experience net operating cash outflow when imbalances occur between the timing of our cash inflows relating to the pre-sale of properties and our cash outflows relating to the construction of properties and the purchases of land. For example, we had net operating cash outflow for the year ended 31 December 2022 in the amount of approximately HK\$3,065.4 million, which was primarily due to the decline in our contracted sales driven by the downturn of the real estate market. We cannot assure you that we will not experience periods of net operating cash outflow in the future. In addition, we also had net investing cash outflow for the year ended 31 December 2022 in the amount of approximately HK\$482.0 million, which was primarily due to the advances to non-controlling shareholders of our subsidiaries. If we continue to have net operating cash outflow and/or net investing cash outflow in the future, our financial condition may be materially and adversely affected.

**We rely on contractors to provide us with various services.**

We engage third-party contractors to provide us with various services in connection with our real estate development including construction, piling and foundation, building and property fitting-out work, interior decoration, installation of air-conditioning units and elevators and gardening and landscaping works. We cannot assure you of the availability of qualified contractors in the market at the time of our intended outsourcing, nor can we assure you that the services rendered by our contractors will always be satisfactory or meet our quality requirements. While we endeavour to monitor the quality of our contractors' work, we cannot assure you that such issues will not arise in the future or that our business, results of operation, financial condition and reputation will not be materially and adversely affected as a result. We are also exposed to the risk that a contractor may require additional capital in excess of the price originally tendered to complete a project and we may have to bear such additional amounts in order to provide them with sufficient incentives to complete our projects. Furthermore, there is a risk that major contractors may experience financial or other difficulties which may affect their ability to carry out construction works, thus delaying the completion of our development projects or resulting in additional costs for us. The occurrence of any of these factors in the future could materially and adversely affect our business, reputation, financial condition and results of operations.

**We may not be able to complete our real estate development projects on time or at all.**

Real estate development projects require substantial capital expenditure prior to and during the construction period. The timing and costs involved in completing a real estate development project can be adversely affected by many factors, including:

- delays in obtaining necessary licenses, permits or approvals from government agencies or authorities;

- state, provincial or local government regulations;
- relocation of existing site occupants and/or demolition of existing structures;
- shortages of materials, equipment, contractors and skilled labour;
- increases in prices of raw materials;
- quality issues with construction materials;
- labour disputes;
- construction accidents;
- delays in remitting offshore funds to the PRC;
- natural catastrophes; and
- adverse weather conditions.

Construction delays or the failure to complete the construction of a project according to its planned specifications, schedule or budget as a result of the above factors may result in harm to our reputation, loss of or delay in recognising revenues and lower returns. If a pre-sold property development is not completed on time, the purchasers of pre-sold units may be entitled to compensation for late delivery. If the delay extends beyond a certain period, the purchasers may even be entitled to terminate the pre-sale agreements and claim damages. In 2022, some of our real estate development projects in the Pearl River Delta Regions experienced construction slippages due to the COVID-19 pandemic, which led to delays in property delivery to purchasers. As at the date of this Offering Circular, we have not encountered any other significant construction delays or failure to complete the construction of a project on time. However, we cannot assure you that we will not experience any significant delays in completion or delivery in the future or that we will not be subject to any liabilities for any such delays.

In addition, further regulatory changes, competition, and inability to procure governmental approvals or required changes in project development practice could occur at any stage of the planning and development process. We may not be able to complete projects that we are currently developing or plan to develop and we may find ourselves liable to purchasers of pre-sold units for losses suffered by them.

**The terms on which residential mortgages are available in the PRC may affect our sales.**

A vast majority of our property purchasers rely on mortgages to fund their purchases. Fluctuations in interest rates may significantly increase the cost of mortgage financing of properties. Increases in interest rates will increase the cost to our customers of funding property purchases through mortgages, thus reducing the attractiveness of mortgages as a source of financing for property purchases and adversely affecting the affordability of residential properties. Starting from August 2019, the PBOC has introduced the LPR. Commercial banks had since then adopted the LPR as the pricing benchmark in floating rate loan contracts. Fluctuations in interest rates will increase the cost of mortgage financing for our potential customers, and as a result, we may experience lower demand for our properties. Any further fluctuations in the LPR will adversely affect the affordability and attractiveness of mortgage financing to potential purchasers of our properties. Our cost of borrowing would also increase as a result of increase of the LPR, which would, in turn, adversely affect our results of operations.

In addition, the PRC government and commercial banks may also increase down payment requirements, impose other conditions or otherwise change the regulatory framework or lending policies in a manner that would make mortgage financing unavailable or unattractive to potential property purchasers. For example, the CBIRC (currently the NAFR) and the PBOC have issued regulations on, among other things, the minimum interest rate, down payment and minimum interest for mortgage facilities. For example,

according to the Notice on Optimising the Standards for Identifying the Number of Housing Units in Connection with Individual Housing Loans (住房城鄉建設部中國人民銀行金融監管總局關於優化個人住房貸款中住房套數認定標準的通知) issued by the MOHURD, the PBOC and the NAFR and effective from 18 August 2023 (which has also been included in the policy toolkit under the “one city, one policy” arrangement), banking financial institutions shall implement relevant housing credit policies for first-time home buyers where a member of the relevant household (including the borrower, the borrower’s spouse and minor children) is applying for a loan to finance the purchase of residential housing and where the relevant family member does not own a housing unit under his/her name in the locality (but regardless of whether or not he/she has already purchased a housing unit with a loan). Further, according to the Notice on Adjusting and Optimising Differentiated Housing Credit Policies (中國人民銀行國家金融監督管理總局關於調整優化差別化住房信貸政策的通知) issued by the PBOC and the NAFR and effective from 31 August 2023, the minimum down payment ratio for individuals’ commercial housing mortgages for first-time and second-time home purchases will be adjusted to be not lower than 20 per cent. and 30 per cent., respectively, nationwide. In addition, the interest rate floors for commercial personal mortgage loans issued to first-time home buyers shall still be governed by existing policies, while the interest rate floors for such loans to second-time home buyers shall be adjusted to levels no lower than the LPRs for loans with the corresponding maturities plus 20 basis points. In line with the above changes, local governments can change related housing credit policies in a city-specific manner.

In the event that mortgage facilities for property purchases becomes more difficult to obtain or that the costs of such financing increases, many of our prospective customers who rely on such financing may not be able to purchase our properties, which in turn will materially and adversely affect our business, financial condition and results of operations.

In line with industry practice, banks typically require us to guarantee the obligations of purchasers of our property to repay the mortgage loans issued by such bank on the property. For more information, see “— *We may become liable if our customers default on mortgages we have guaranteed.*” and “*Business — Real Estate Development — Real Estate Development Process — Customer’s Payment Arrangements*”.

If changes in laws, regulations, policies or practices prohibit property developers from providing such guarantees and these banks do not accept alternative guarantees from third parties (if available), it may become more difficult for property purchasers to obtain mortgages from banks in connection with pre-sales. These difficulties may inhibit pre-sales, which could materially and adversely affect our business, prospects, financial condition and results of operations.

#### **We may become liable if our customers default on mortgages we have guaranteed.**

Like other PRC real estate developers, we guarantee customer mortgages for all of our pre-sold properties. These guarantees are not released until the property ownership certificate is issued, which will generally be available within one year after the purchasers take possession of our relevant pre-sold properties, or the mortgage is fully repaid, whichever is earlier. We do not conduct independent credit checks on our customers but rely on the credit checks conducted by the mortgagee banks. If a purchaser defaults on a mortgage payment, we may have to repurchase the underlying property by paying off the mortgage. If we fail to do so, the mortgagee bank may auction the underlying property and recover any additional amounts outstanding from us as the guarantor of the mortgage.

As at 30 June 2023, our outstanding guarantees in respect of mortgage loans amounted to approximately HK\$7,990 million. There can be no assurance that defaults will not occur in relation to our customers’ mortgages in the future. If substantial defaults occur and we are called upon to honour our guarantees, our business, prospects, financial condition and results of operations may be materially and adversely affected. Our business, financial condition and results of operations could be materially and adversely affected if there is a material depreciation in the value of the mortgaged properties or if the mortgagee banks are unable to re-sell such properties at a price at least equal to the mortgage amount, or at all, due to unfavourable market conditions or for other reasons.

In addition, if there are changes in laws, regulations, policies and practices that would prohibit real estate developers from providing guarantees to banks in respect of mortgages offered to property purchasers and

these banks do not accept any alternative guarantees from other third parties, or if no third-party is available in the market to provide such guarantees, it may become more difficult for property purchasers to obtain mortgages from banks during pre-sales. Such difficulties in financing could result in a substantially lower rate of pre-sales of our properties, which could materially and adversely affect our cash flow, financial condition and results of operations. There can be no assurance that changes in laws, regulations, policies or practices will not occur in the future.

**The construction business and the real estate development business are subject to claims under statutory quality warranties.**

Under Regulations on the Administration of Quality of Construction Works (建設工程質量管理條例), all property development companies in the PRC must provide certain quality warranties for the properties they develop or sell. We are required to provide these warranties to our customers. We may sometimes receive quality warranties from our third-party contractors with respect to our development projects.

If a significant number of claims are brought against us under our warranties and if we are unable to obtain reimbursement for such claims from third-party contractors in a timely manner or at all, we could incur significant expenses to resolve such claims or face delays in correcting the related defects. This could in turn harm our reputation and materially and adversely affect our business, prospects, financial condition and results of operations.

**We face contractual and legal risks relating to the pre-sale of properties, including the risk that real estate developments may not be completed and the risk that changes in laws and regulations in relation to the pre-sales of properties may materially and adversely affect our business, cash flow, financial condition and results of operations.**

We face contractual risks relating to the pre-sales of properties. For example, if we fail to meet the completion time as stated in the pre-sale contracts, purchasers of pre-sold units have the right to claim damages under the pre-sale contracts. If we still fail to deliver the properties to the purchasers within the grace period stipulated in the contract, the purchasers have the right of termination. If the actual GFA of a completed property delivered to purchasers deviates by more than 3 per cent. from the GFA originally stated in the pre-sale contracts, purchasers have the right of termination or the right to claim damages. We cannot assure you that our completed properties will not deviate from pre-sale contracts in the future, or that if they do, such deviation would not lead to termination or damages claims.

Proceeds from the pre-sales of our properties are an important source of funds for our real estate developments and have an impact on our liquidity position. We cannot assure you that the PRC governmental authority will not ban or impose material limitations on the existing practice of pre-selling of uncompleted properties in the future. Future implementation of any restrictions on our ability to presell our properties, including any requirements to increase the amount of up-front expenditure we must incur prior to obtaining the pre-sale permit, would extend the time required for recovery of our capital outlay and would force us to seek alternative means to finance the various stages of our real estate developments. This, in turn, could have a material and adverse effect on our business, cash flow, financial condition and results of operations.

**We may be required to forfeit land to the PRC government if we fail to comply with the terms of our land grant contracts.**

Under PRC laws and regulations, if a property developer fails to develop land according to the terms of the land grant contract (including those relating to payment of fees, designated use of land, time for commencement and completion of the developments of the land), the relevant government authorities may issue a warning to, or impose a penalty on the developer or require the developer to forfeit the land.

Specifically, under current PRC laws and regulations, if we fail to commence development for more than one year from the commencement date stipulated in the land grant contract, the relevant PRC land bureau



may serve a warning notice on us and impose an idle land fee on the land of up to 20 per cent. of the land premium. If we fail to commence development for more than two years from the commencement date stipulated in the land grant contract, the land is subject to forfeiture to the PRC government unless the delay in development is caused by government actions or force majeure. In the Notice on Promoting the Saving and Intensification of Use of Land (國務院關於促進節約集約用地的通知) promulgated by the State Council on 3 January 2008, this policy was reinforced. This notice states, among other things, that the MLR and other authorities are required to research and commence the drafting of implementation rules concerning the levy of land appreciation fees on idle land. Furthermore, the MLR issued a Notice on Restricting the Administration of Construction Land and Promoting the Use of Approved Land (關於嚴格建設用地管理促進批而未用土地利用的通知) in August 2009, which reiterates the current rules on idle land.

We cannot assure you that circumstances leading to forfeiture of land or delays in the commencement or completion of a real estate development will not arise in the future. If we are required to forfeit land, we will not be able to continue our real estate development on the forfeited land or recover the costs incurred for the initial acquisition of the forfeited land or recover development costs incurred up to the date of forfeiture.

**We are subject to rising costs for labour and materials, which we may not be able to pass on to construction contractors or to purchasers.**

Construction and development costs account for the majority of our cost of sales and are one of the significant factors affecting our financial condition and results of operations. Wages for construction workers and the prices of construction materials and building equipment have substantially increased in recent years. Under the terms of most of our construction contracts, contractors may adjust the contract prices to cover increases in wages and costs of construction materials. In addition, in negotiations that follow upward materials cost fluctuations post-contract, we often agree to bear a greater share of the cost of construction materials than is contractually required. We do so in order to maintain good relations with our contractors, which allows us to repeatedly source good quality and service. We are also exposed to the price volatility of labour and construction materials to the extent that we periodically enter into new or renew existing construction contracts at different terms during the life of a project, which may span several years, or if we choose to hire the construction workers directly or purchase construction materials directly from suppliers. Furthermore, we are unable to pass increased costs on to pre-sale purchasers when construction costs increase subsequent to the date of the pre-sale contract. If we are unable to pass on any increase in the cost of labour, construction materials or building equipment to either our construction contractors or to the purchasers of our properties, our business, prospects, financial condition and results of operations may be materially and adversely affected.

**We may be required to bear resettlement costs associated with our real estate development projects.**

The land parcels we acquire in the future for development may have existing buildings or other structures or be occupied by third parties. On 21 January 2011, the State Council promulgated the Regulation on Expropriation and Compensation Related to Buildings on State-owned Land (國有土地上房屋徵收與補償條例) (the “**Expropriation and Compensation Regulation**”). The Expropriation and Compensation Regulation provides that, among other things: (i) buildings can be expropriated under certain circumstances for public interests, and governmental authorities are responsible for resettlement activities; real estate developers are prohibited from engaging in demolition and relocation operations; (ii) compensation should be paid before the resettlement; (iii) compensation to owners of properties to be demolished cannot be less than the market value of similar properties at the time of expropriation; the market value of properties should be determined by qualified real estate appraisal institutions in accordance with appraisal rules related to property expropriation; any owner who does not agree with the appraised market value of the property may apply to the real estate appraisal institution for reappraisal, and (iv) neither violence nor coercion may be used to force homeowners to leave sites, nor can certain measures, such as illegally cutting water and power supplies, be used in relocation operations. If the local government fail to reach an agreement regarding compensation with the owners or residents of the

buildings subject to demolition, any party may apply to the relevant housing resettlement authorities for a ruling on the amount of compensation, which may delay the timetable of our projects. Such delays to our development projects will lead to an increase in the cost and a delay in the expected cash inflow resulting from pre-sales of the relevant projects, which may in turn materially and adversely affect our business, results of operations and financial condition.

**The land use of some of our real estate developments may differ from the land use designated in the land grant contract and the total GFA of some of our real estate development projects may have exceeded the original authorised area.**

When the PRC government grants the land use rights for a piece of land, it will specify in the land grant contract the use of the land and the total GFA that the developer may develop on this land. However, the actual land use may differ from the land use designated in the land grant contract and the actual GFA constructed may exceed the total GFA authorised in the land grant contract or construction permit due to factors such as subsequent planning and design adjustments. The adjusted land use and the amount of GFA in excess of the authorised amount are subject to approval when the relevant authorities inspect the properties after completion and the developer may be required to pay additional land premium and/or administrative fines or take corrective actions in respect of the adjusted land use and excess GFA before a Construction of Properties and Municipal Infrastructure Completed Construction Works Certified Report can be issued to the real estate development. The methodology for calculating the additional land premium is generally the same as the original land grant contract. In the future, if our real estate development projects necessitate significant changes in land use and GFA, we plan to seek approval of such changes from the relevant authorities prior to completion.

We cannot assure you that local government authorities will not find that the total constructed GFA of our existing projects under development or any future real estate development projects exceed the relevant authorised GFA upon completion. Moreover, we cannot assure you that we would have sufficient funding to pay any required additional land premium or administrative fines or to pay for any corrective action that may be required in a timely manner, or at all. Any of these circumstances may materially and adversely affect our reputation, our business, results of operations and financial condition.

**We may not successfully manage our growth.**

We have been continuously expanding our operations in recent years. As we continue to grow, we must continue to improve our managerial, technical and operational knowledge and allocation of resources, and to implement an effective management information system. In addition, we plan to strengthen our management control in our subsidiaries and associated companies. In order to fund our ongoing operations and our future growth, we need sufficient internal sources of liquidity or access to additional financing from external sources. Further, we will be required to manage relationships with a greater number of customers, suppliers, contractors, service providers, lenders and other third parties. We will need to further strengthen our internal control and compliance functions to ensure that we are able to comply with our legal and contractual obligations and minimise our operational and compliance risks. There can be no assurance that we will not experience issues such as capital constraints, construction delays, operational difficulties at new locations or difficulties in expanding our existing business and operations and training an increasing number of personnel to manage and operate the expanded business. There can be no assurance that we will be able to successfully manage our growth or that our expansion plans will not adversely affect our existing operations and thereby have a material adverse effect on our business, financial condition, results of operations and future prospects.

**Our current insurance coverage may not be adequate to cover all risks related to our operations.**

Real estate developers are not required under the applicable PRC laws and regulations to maintain insurance coverage in respect of their real estate development operations. Consistent with what we believe to be the industry norm for the real estate development industry in the PRC, we do not maintain insurance coverage against destruction of or damage to our properties, no matter whether they are under



development or properties held for sale, other than those over which our lending banks have securities interests or for which we are required to maintain insurance coverage under the relevant loan agreements.

We generally carry contractor all risk and third-party liability insurance coverage, but do not maintain any defective product or business disruption insurance policies for our specialised construction projects. We rely on umbrella insurance policies for the buildings in which our curtain wall products are installed, for instance, to cover matters such as workers' compensation claims, and we only maintain separate workers' compensation policies in a limited number of instances where we are legally or contractually required to do so. We cannot assure you that the developers or main contractors for our specialised construction projects will maintain or continue to maintain the umbrella insurance policies that would adequately indemnify us for any related losses or liabilities that we may experience in connection with our work on that project. With respect to our two investment properties in Hong Kong, we maintain insurance coverage against destruction of or damage to these two properties. If we suffer any losses, damages or liabilities in the course of our business operations in the future we may not have adequate insurance coverage to provide sufficient funds to cover any such losses, damages or liabilities or to replace any property that has been destroyed. Therefore, we may sustain losses, damages and liabilities due to our lack of insurance coverage, which may in turn adversely affect our financial condition and results of operations.

**We may be involved in legal and other proceedings arising out of our operations from time to time and may face significant liabilities as a result.**

We are involved in disputes arising from the ordinary course of our business with various parties involved in the development, sale and leasing of our properties and specialised construction projects, including government authorities, contractors, suppliers, partners, purchasers and lessees. For example, as most of our real estate development projects consist of multiple phases, purchasers of our properties in earlier phases may file legal actions against us if our subsequent planning and development of these projects are perceived to be inconsistent with our representations and warranties made to such earlier purchasers. We may also be involved in disputes with various parties relating to our property management business including personal injury claims. These disputes may lead to legal or other proceedings, may result in substantial costs and diversion of resources and management's attention and may have a material and adverse effect on our reputation and our ability to market and sell our properties.

There can be no assurance that we will not be involved in legal or administrative proceedings in the future, the outcome of which may have a material adverse effect on our business, financial condition and results of operations or have a negative impact on our reputation or our brand. Further, we may have disagreements with regulatory bodies in the course of our operations, which may subject us to administrative proceedings and unfavourable decrees that result in pecuniary liabilities and cause delays to our real estate development projects.

**The PRC government has implemented restrictions on the payment terms for land use rights.**

On 28 September 2007, the MLR revised Rules regarding the Grant of State-owned Construction Land Use Rights through Public Tender, Auction and Listing-for-sale (招標拍賣掛牌出讓國有建設用地使用權規定), which provide that a real estate developer must pay the full land premium for the entire parcel of land under a land grant contract before it can receive a land use right certificate and commence development. This regulation became effective on 1 November 2007. As a result, real estate developers are not allowed to bid for a large piece of land, make partial payment, and then apply for a land use right certificate for the corresponding portion of land in order to commence development, which had previously been the practice of many Chinese real estate developers. On 18 November 2009, the MOF, the MLR, the PBOC, the Ministry of Supervision and the PRC National Audit Office issued the Notice on Further Enhancing the Revenue and Expenditure Control over Land Grant (關於進一步加強土地出讓收支管理的通知), which raises the first payment on land premiums to 50 per cent. of the total premium and requires the land premium to be fully paid within one year after the signing of a land grant contract, subject to limited exceptions. On 8 March 2010, the MLR issued the Circular on Strengthening Real

Estate Land Supply and Supervision (關於加強房地產用地供應監管有關問題的通知), which reiterated and reinforced certain measures on land supply and land use, such as requiring the execution of the land grant contract within 10 business days on the completion of the land grant, and a down payment 50 per cent. of the total land premiums within one month after the execution of the land grant contract with the remaining balance payable in instalments within one year. Property developers who have defaulted on a land premiums payment are prohibited from acquiring land for a certain period of time. In addition, the implementation of these regulations may increase land transfer prices and require real estate developers to maintain a higher level of working capital. We cannot assure you that we will be able to acquire land suitable for development at reasonable cost or that our cash flow position, financial condition or business plans will not be materially and adversely affected by the implementation of these regulations or any additional regulations adopted will not impose stricter payment terms for land use right.

**Our financial results of operations fluctuate from time to time.**

Our financial results of operations have varied in the past and may continue to fluctuate from time to time in the future. For the years ended 31 December 2021 and 2022 and the six months ended 30 June 2022 and 2023, our revenue was HK\$12,885.6 million, HK\$10,064.5 million, HK\$6,283.2 million and HK\$8,343.1 million, respectively. Our net profit attributable to equity holders of our company for the year ended 31 December 2021 and the six months ended 30 June 2022 and 2023 was HK\$89.2 million, HK\$90.3 million and HK\$111.7 million, respectively. We reported a net loss for the year ended 31 December 2022 of HK\$1,360.2 million and a net loss attributable to equity holders of our company for the year ended 31 December 2022 of HK\$1,362.5 million primarily due to (i) the construction slippages of certain of our real estate development projects in the Pearl River Delta caused by the COVID-19 pandemic during 2022, leading to delay in property delivery to purchasers, (ii) a lower gross profit margin being recognised during 2022 caused by the decrease in the gross profit margin of our real estate development business as a result of a higher proportion of real estate development projects, (iii) the increase in the provision for impairment of inventory of our real estate development projects in light of the downturn of the real estate market, (iv) the decrease in rental and related income from investment properties due to the economic slowdown as a result of the COVID-19 pandemic, and (v) some projects of our specialised construction business experienced cost overruns due to rising material and labour costs.

Our revenue is significantly affected by the number of properties that we can complete and deliver during any particular period, which may be limited due to the substantial capital required for land acquisition and construction, as well as the lengthy development periods required before positive cash flows may be generated. In addition, several properties that we have developed or that are under development are large-scale and are developed in multiple phases over the course of one to several years. The selling prices of the residential units in larger scale real estate development projects tend to change over time, which may impact our sales proceeds and, accordingly, our revenue for any given period. Since no sales revenue is recognised in respect of our property until the later of the signing of the sale and purchase agreement and the delivery of the property, our revenue and profit during any given period reflects the quantity of properties delivered during that period. Our revenue and profit are, therefore, affected by any peaks or troughs in our property delivery schedule and may not be indicative of the actual demand for our properties or sales achieved during the period. Our revenue and profit during any given period generally reflect property investment decisions made by purchasers in the past, typically in the prior fiscal period. As a result, our operating results for any period are not necessarily indicative of results that may be expected for any future period.

**The relevant PRC tax authorities may enforce the payment of LAT and may challenge the basis on which we calculate our LAT obligations.**

According to the requirements of the Provisional Regulations of the PRC on Land Appreciation Tax (中華人民共和國土地增值稅暫行條例) and the Detailed Implementation Rules on the Provisional Regulations of the PRC on Land Appreciation Tax (中華人民共和國土地增值稅暫行條例實施細則) (the “**LAT Implementation Rules**”), all income from the sale or transfer of state-owned land use rights, buildings and their ancillary facilities in the PRC is subject to the LAT, at progressive rates ranging from 30 per

cent. to 60 per cent. of the appreciation value as defined by the relevant tax laws. Certain exemptions are available for the sale of ordinary residential properties (普通標準住房) if the appreciation does not exceed 20 per cent. of the total deductible items as defined in the relevant tax laws and regulations. Sales of high-end apartments, villas and holiday villas are not eligible for such exemption. On 12 May 2009, the SAT issued the Administrative Rules on the Settlement of Land Appreciation Tax (土地增值稅清算管理規程) effective as of 1 June 2009, which further clarifies the specific conditions and procedures for settlement of the LAT. On 19 May 2010, the SAT issued the Circular on Issuers Concerning Settlement of Land Appreciation Tax (Guo Shui Fa [2010] No. 220) (關於土地增值稅清算有關問題的通知(國稅發[2010]220號)) to strengthen the settlement of LAT. The circular clarifies certain issues with respect to calculation and settlement of the land appreciation tax, such as (i) the recognition of the revenue upon the settlement of LAT, and (ii) the deduction of fees incurred in connection with the property development. On 25 May 2010, the SAT issued the Notice on Strengthening the Collection Land Appreciation Tax (Guo Shui Fa [2010] No. 53) (關於加強土地增值稅徵管工作的通知(國稅發[2010]53號)), which requires that the minimum LAT prepayment rate shall be 2 per cent. for provinces in the eastern region, 1.5 per cent. for provinces in the central and north-eastern regions, and 1 per cent. for provinces in the western region, except for social security housing. According to the notice, the local tax bureaus shall determine the applicable LAT prepayment rates based on the types of the properties. On 20 June 2013, the SAT issued the Circular on Further Improving the Collection and Administration of Land Appreciation (Shui Zong Fa [2013] No. 67) (關於進一步做好土地增值稅徵管工作的通知(稅總發[2013]67號)), which stipulates that local tax agencies shall settle the outstanding projects backlogged in recent years, improve efficiency, urge enterprises to conduct self-settlement within the allotted time, and enforce the consequences on those failing to conduct self-settlement.

On 25 April 2016, the SAT and the MOF issued the Circular on Issues concerning the Taxation Basis for Deed Tax, House Property Tax, Value-Added Tax of Land and Individual Income Tax Following the Collection of Value-Added Tax in lieu of Business Tax (關於營改增後契稅、房產稅、土地增值稅、個人所得稅計稅依據問題的通知(財稅[2016]43號)), which provides that the transfer of property subject to the value-added tax (“VAT”) of land shall exclude VAT. Where VAT input tax is included in the list of items for deduction of VAT of land and is allowed to be deducted from calculation of VAT output tax under the Provisional Regulations of the PRC on Land Appreciation Tax and other relevant regulations, the VAT input tax shall be exempt from deductible items; otherwise, the VAT input tax shall be calculated in deduction. On 10 November 2016, the SAT issued the Announcement of the State Administration of Taxation on Several Provisions concerning the Levy and Administration of Land Appreciation Tax after the Collection of Value-added Tax in Lieu of Business Tax (國家稅務總局關於營改增後土地增值稅若干徵管規定的公告(國家稅務總局公告2016年第70號)), which clarifies levy standards such as (i) recognition of taxable income under LAT after the collection of VAT in lieu of business tax; (ii) recognition of taxable income under LAT on acts deemed as sales of real estate after the collection of VAT in lieu of business tax; (iii) deduction of tax relating to transfer of real estate; (iv) calculation for Settlement of LAT before and after the collection of VAT in lieu of business tax; (v) recognition of invoices for expenditure of the construction and installation engineering cost after the collection of VAT in lieu of business tax; and (vi) deduction and calculation relating to transfer of old houses.

We have estimated and made provisions for the amount of applicable LAT in accordance with the requirements set forth in the relevant PRC tax laws and regulations. For the years ended 31 December 2021 and 2022 and the six months ended 30 June 2022 and 2023, we made charges to the profit for the year for LAT in the amount of HK\$13.93 million, HK\$188.90 million, HK\$107.31 million and HK\$64.42 million, respectively. It is not certain as to when the PRC tax authorities will collect the amount of LAT in full. In the event that the LAT we have provided for is actually collected in full by the PRC tax authorities, our cash flow and financial position will be affected. Furthermore, in the event that LAT eventually collected by the PRC tax authorities exceeds the amount we have provided for, our net profits after tax will be adversely affected.

**The PRC government has implemented restrictions on the ability of the PRC property developers to obtain offshore financing which could affect our ability to deploy the funds raised offshore in our business in the PRC.**

On 28 April 2013, SAFE issued the Notice of State Administration of Foreign Exchange on Promulgation of the Administrative Measures on Registration of Foreign Debt (國家外匯管理局關於發佈〈外債登記管理辦法〉的通知), which was amended on 4 May 2015. The notice stipulates the following principles:

- foreign debt registrations shall not be processed for real estate enterprises with foreign investment that have obtained approval certificates and have filed with MOFCOM on or after 1 June 2007;
- real estate enterprises with foreign investment which were incorporated before 1 June 2007 shall still have the right to incur foreign debts within the statutory limit. This limit equals the lesser of (i) the outstanding balance of total investment and registered capital prior to the increase or (ii) the outstanding balance of total investment and registered capital after the increase; and
- real estate enterprises with foreign investment which have not obtained the land use right certificate or for which the project capital has not reached 35 per cent. of the project's total investment may not incur foreign debt. SAFE will not process the foreign debt registration and approval for foreign debt settlement of such real estate enterprises.

On 10 May 2013, SAFE issued the Notice of State Administration of Foreign Exchange on Promulgation of the Provisions on Foreign Exchange Control on Direct Investments in China by Foreign Investors and Supporting Documents (國家外匯管理局關於印發〈外國投資者境內直接投資外匯管理規定〉及配套文件的通知), which requires that real estate enterprises need to provide registered files to MOFCOM for making foreign exchange registrations. On 6 November 2015, MOFCOM and SAFE jointly issued the Circular Regarding Further Improvement of the Registration of Foreign-Invested Real Estate Industry (關於進一步改進外商投資房地產備案工作的通知), pursuant to which local departments concerned shall approve the establishment and changes of foreign-invested real estate enterprises and provide information on real estate projects in the foreign investment information system of MOFCOM, and the registry publication procedures on the website of MOFCOM are no longer required as a precondition for making a foreign exchange registration. However, registration to and approval of MOFCOM of real estate enterprises with foreign investment must still be completed. MOFCOM and the State Administration for Market Regulation (“SAMR”) jointly promulgated the Measures on the Reporting of Foreign Investment Information (外商投資信息報告辦法) on 30 December 2019, which took effect on 1 January 2020. Foreign investors or foreign-funded enterprises shall submit investment information to the competent commerce departments through the Enterprise Registration System (企業登記系統) and the National Enterprise Credit Information Publicity System (國家企業信用信息公示系統), which repealed the requirements of registration and approval of MOFCOM of real estate enterprises with foreign investment.

On 14 September 2015, the NDRC issued the Circular Regarding Advancing the Management and Reform of the Registration System for Foreign Debt Issuance by Enterprises (關於推進企業發行外債備案登記制管理改革的通知) (“Circular 2044”), which required that a PRC enterprise or its controlled non-PRC enterprise first register with the NDRC before its issuance or incurrence of any foreign debt. Effective from 10 February 2023, the NDRC Administrative Measures superseded Circular 2044. According to the NDRC Administrative Measures, domestic enterprises and their overseas controlled entities shall procure the registration of any foreign debt securities with a term not less than one year with the NDRC prior to the issue of the securities, and notify the particulars of the relevant issues within the timeframe prescribed by the NDRC after the completion of the relevant issue, and to comply with the continuing obligations under the NDRC Administrative Measures. These regulations restrict us from injecting funds raised offshore into our PRC project companies by way of shareholder loans. We cannot assure you that we will be able to obtain these government registrations or approvals on a timely basis, if at all. Without having the flexibility to transfer funds to PRC subsidiaries, our liquidity and ability to fund and expand our business in the PRC may be adversely affected. Without having the flexibility to transfer funds to PRC subsidiaries as loans, we cannot assure you that the dividend payments from our PRC subsidiaries will be



available on each distribution payment date to pay the distribution due and payable under the Bonds. In addition, equity contributions by us and our non-PRC subsidiaries to our PRC subsidiaries will require filings with or approvals from the commerce department of the local government. The aforesaid procedures may take considerable time and delay the injection of funds into such subsidiaries. This may adversely affect the financial condition of our PRC subsidiaries and may cause delays in our projects.

On 11 May 2018, the NDRC and the MOF promulgated the Joint Circular. According to the Joint Circular: (i) enterprises intending to borrow medium and long-term foreign debts shall have concrete business in fact, raise funds in a market-oriented way in accordance with laws and regulations, and meanwhile, work out a plan for the repayment of the principal and interest of foreign debts according to their respective credit status, and implement safeguards for the repayment of debts. Any enterprise is banned from, in any name, requesting the local government or a department affiliated thereto to provide any guarantee or undertake liability for debt repayment for its market-oriented fundraising; (ii) the raised funds will be mainly used to support innovation development, green development, strategic emerging industries, the high-end equipment manufacturing industry, “One Belt One Road” construction and international cooperation; (iii) an enterprise that intends to borrow medium and long-term foreign debts is required to establish the thorough and standardised corporate governance structure, the decision-making management mechanism and the financial management system; (iv) it is necessary to form the market-oriented investment return mechanism and create sustainable, stable and feasible expected financial yields, for fund raising-based investment projects financially aided by funds of foreign debts; (v) an enterprise that intends to borrow medium and long-term foreign debts is required to prudently select financing instruments and reasonably hold foreign exchange positions, in order to effectively prevent and control foreign debt risks; (vi) an enterprise that intends to borrow medium and long-term foreign debts is required to standardise its information disclosure. It should be clarified in the relevant documents that the relevant debts shall be repaid by the bond-issuing enterprises as the independent legal person; (vii) for the enterprises undertaking government investment projects in accordance with laws and regulations, the finance departments shall promptly appropriate the funds in accordance with the provisions and the approved budget; and (viii) for those enterprises, underwriters, audit firms, law firms and others involved in illegal financing and guarantees provided by local governments and the principals thereof, the punishment shall be strengthened.

On 9 July 2019, the NDRC issued the Circular Regarding Requirements of Applying For the Registration of Issuing Foreign Debt by Real Estate Developers (Fa Gai Ban Wai Zi [2019] No. 778) (關於對房地產企業發行外債申請備案登記有關要求的通知(發改辦外資 [2019] 778號)), which requires that the issuance of foreign debts by real estate developers can only be used to replace medium and long-term offshore debts due within the next year and the real estate developers shall specify the details of the foreign debts to be replaced in the application materials for the registration of foreign debts.

On 20 August 2020, the MOHURD and the PBOC held a meeting with certain key real estate enterprises to discuss a long-term mechanism for regulation of the real estate market. After the meeting, the MOHURD and the PBOC introduced several capital and financing management rules, commonly known as the “three red lines”, to regulate the real estate market. These “three red lines” rules require real estate enterprises to maintain (i) a debt-to-asset ratio of less than 70 per cent. (excluding deposits received); (ii) a net debt ratio of less than 100 per cent.; and (iii) a cash to short-term debt ratio of greater than one. Such rules have come into effect on 1 January 2021 and may also restrict the Group’s ability to raise capital.

Various regulations and measures implemented by the PRC government restrict our ability to raise capital through external financing methods. We cannot assure you that the PRC government will not introduce further initiatives that may limit our access to capital, or that we will be able to secure adequate financing or renew our existing credit facilities on commercially reasonable terms, or at all. If we are unable to obtain sufficient funding for our business expansion and operation on commercially reasonable terms, or at all, our business, financial condition and results of operations may be materially and adversely affected. See also “— *Risks Relating to our Business — We have substantial indebtedness and may incur additional indebtedness. We are subject to refinancing risks associated with our existing indebtedness, which would affect our ability to satisfy the obligations under the Bonds and other debts.*”

**Certain of our businesses are conducted through joint ventures.**

We have investments in equity joint venture companies formed to develop, own and/or manage real estate development projects in the PRC. Although we generally have control over the day-to-day operations of all our joint ventures and have the ability to make business decisions that are in the ordinary course of their businesses, the passing of certain important shareholders' or board resolutions of some of these joint ventures requires the unanimous resolution of all the shareholders or directors (as applicable) of the joint venture companies.

Under joint venture development model, any future disagreement with local partners in connection with the scope or performance of their respective obligations under the projects, for example, may affect our ability to develop or manage a property. Our partners may be unable or unwilling to perform their obligations under the cooperative arrangements, and disputes with our local or overseas partners or the early termination of our cooperative arrangements with them could materially and adversely affect our business, prospects, financial condition and results of operations.

**Our profit margin is sensitive to fluctuations in the cost of construction materials.**

Construction costs comprise one of the predominant components of our cost of sales. Construction costs encompass all costs for the design and construction of a project, including payments to third-party contractors, costs of construction materials, foundation and substructure, fittings, facilities for utilities and related infrastructure such as roads and pipelines. Historically, construction material costs have been the principal driver of the construction costs of our property development projects, with the cost of third-party contractors remaining relatively stable. However, as the construction material costs are often included in the construction costs paid to our contractors, it has been difficult for us to estimate such costs.

Construction costs may fluctuate as a result of the price volatility of construction materials such as steel and cement. In line with industry practice, if there is a significant price fluctuation (depending on the specific terms of each contract), we will be required to renegotiate existing construction contracts to top up payment to, or receive refund from, the contractors, depending on the price movement. Our profit margin is sensitive to changes in the market prices for construction materials and our profit margins will be adversely affected if we are not able to pass all of the increased costs onto our customers.

**We cannot assure you that compliance with environmental laws will not result in substantial costs.**

We are subject to a variety of laws and regulations concerning the protection of health and the environment. The particular environmental laws and regulations which apply to any given project development site vary greatly according to the site's location, the site's environmental condition, the present and former uses of the site, as well as adjoining properties. Environmental laws can prohibit or severely restrict activity in environmentally-sensitive regions or areas. Compliance with environmental laws and conditions, and any change thereof, may result in delays, may cause us to incur substantial compliance and other costs and can prohibit or severely restrict project development activity in environmentally-sensitive regions or areas.

As required by PRC laws, each project we develop is required to undergo environmental assessments and an environmental impact assessment document is required to be submitted to the relevant government authorities for approval or record before commencement of construction. The local authorities may request a developer to submit the environmental impact documents, otherwise the authorities shall issue orders to suspend the construction and impose a penalty amounting to 1 per cent. to 5 per cent. of the total investment amount for a project that has not received the approval of the environmental impact assessment documents before construction commenced. We cannot assure you that the environmental investigations on our projects conducted to date have revealed all environmental liabilities, or that there are no material environmental liabilities of which we are unaware. Please see "*Business — Environmental Matters*" for more details.



**The enforcement of the Labour Contract Law and other labour-related regulations in the PRC may adversely affect our business and our results of operations.**

On 29 June 2007, the NPC of the PRC enacted the Labour Contract Law, which latest revised on 28 December 2012 and became effective on 1 July 2013. Compared to the PRC Labour Law, the Labour Contract Law establishes more restrictions and increases the cost to employers to terminate employees, including specific provisions related to fixed-term employment contracts, temporary employment, probation, consultation with the labour union and employee general assembly, employment without a contract, dismissal of employees, compensation upon termination and overtime work, and collective bargaining. Pursuant to the Labour Contract Law, an employer is obligated to enter into an “indefinite term labour contract” with an employee if the employee is employed by the employer after two or more consecutive fixed-term contracts and does not fall under any of the categories stipulated in the PRC Labour Law. The employer is required to pay compensation to the employee if the employer wants to terminate an “indefinite term labour contract”. Unless an employee refuses to extend an expired labour contract, such compensation is also required when the labour contract expires. Further, under the Regulations on Paid Annual Leave for Employees, which became effective on 1 January 2008, employees who have served more than one year for an employer are entitled to a paid vacation ranging from five to 15 days, depending on their length of service. Employees who waive such vacation time at the request of employers must be compensated at a rate equal to three times their normal salaries for each waived vacation day. All of our real estate development operations and a substantial portion of our specialised construction business operations are conducted in the PRC. As a result of these new protective labour measures, our labour costs in connection with our real estate development and specialised construction business operations may increase.

**Our continued success largely depends on the performance of our senior management.**

Our continued success primarily depends on the performance of our senior management team including Mr. He Jianbo, Mr. Liu Bo, Mr. Chen Xingwu and Mr. Yang Shangping, who have an average of over 20 years’ experience in the PRC real estate development, property investment, construction and property management industries. In addition, we maintain a stable team of high calibre executive officers and professional managerial and technical personnel, in particular, our designers and architects. Competition in our industry for qualified personnel is intense. We could suffer if we lose the services of a number of key personnel and fail to recruit quality replacements. Furthermore, as our business continues to grow, we will need to recruit and train additional qualified personnel. If we fail to attract and retain qualified personnel, our business and prospects may be materially and adversely affected.

**Our controlling shareholder may take actions that are not in, or may conflict with, our best interests or the best interests of our creditors, including the holders of the Bonds.**

The interests of our controlling shareholder, China Minmetals, may differ from our interests or the interests of our creditors, including the holders of the Bonds. Subject to compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and other applicable laws, by maintaining such ownership, China Minmetals is able to influence our corporate policies, appoint our directors and officers and vote on corporate actions requiring shareholders’ approval. In particular, the strategic goals of China Minmetals may not be aligned with our strategies and could reduce the level of management flexibility that would otherwise exist with a more diversified shareholder base. We cannot assure you that our controlling shareholder will act entirely in our interest or that any potential conflicts of interest will be resolved in our favour.

**Property owners may not retain us as the provider of property management services.**

As at 30 June 2023, we provided property management services to all our completed real estate development projects. Under the PRC laws and regulations, property owners of a residential development have the right to change the property management service provider upon the approval of a certain percentage of the property owners of that residential development. If owners of the properties that we

have developed are not satisfied with our property management services, they may terminate our property management services or publish negative feedback in respect of our property management services, in which case our reputation, future sales of our properties and our results of operations could be adversely affected.

**Our specialised construction projects may be delayed.**

Our specialised construction projects may be delayed due to various factors beyond our control, including the construction progress of the underlying buildings. As part of the construction work of the underlying buildings, the schedules of our curtain wall installation, for instance, have to fit into, and heavily depend on, the overall construction schedules of the underlying buildings. However, the construction progress of the underlying buildings may experience unexpected difficulties as a result of weather conditions, financing difficulties, liquidity of the main contractors or real estate developers, availability of sufficient labour force, regulatory approval processes, government requirements, changes in the design of the buildings or curtain wall products, and other factors. If our specialised construction projects are delayed, we may not be able to recognise our revenue or receive payment from our customers as expected, and our business, financial condition and results of operations may be materially and adversely affected.

**We receive payments for our specialised construction projects in stages, and any default or delay in payments from our customers may affect our cash flow and results of operations.**

We receive payments for our specialised construction projects in stages upon achieving certain project milestones. In addition, consistent with industry practice, our contracts usually also provide that our customers are entitled to withhold a certain percentage, normally 5 per cent., of the total contract price for the defects liability period, normally one year after the completion of the project to guarantee our work quality. Our customers are primarily main contractors and real estate developers who are subject to the credit risks of their customers and the financial risks of their development projects not being able to proceed according to budget, or being delayed or terminated. We may encounter difficulties in collecting payments from those customers who are having financial difficulties or experiencing delays to their projects which are beyond our control. In addition, we receive rent from certain of our customers. The collection process might be time-consuming and administratively cumbersome.

We cannot assure you that our customers in the future will not subsequently default in, or delay, their payment obligations to us. Any failure to collect all or a portion of the payment obligations owed to us will put pressure on our cash flow position and our ability to meet our working capital requirements, which could materially and adversely affect our business, financial conditions and results of operations.

**We may be unable to keep up with the changes in the market needs or technological developments in the specialised construction industry.**

Our competitiveness in the specialised construction market, particularly the curtain wall market, partly depends on our ability to adopt new designs and techniques so that we are able to continuously tailor our products to meet our customers' needs. Such products and techniques are subject to continuous advancement and changes. There is no assurance that products or techniques can be developed and put into the market by us in a timely manner or at all, or that once developed, such products or techniques will be well accepted by the market. In the event that we are unable to develop or adopt new techniques that meet the needs of our customers or that our competitors develop new and more advanced products and techniques, our business, financial condition and results of operations may be materially and adversely affected.

**If we fail to meet the requirements of our specialised construction project contracts or quality standards of our products, we may face litigation, incur penalties and additional costs and experience delays or difficulties in receiving payments, which may adversely affect our business and reputation.**

We are typically required to complete each specialised construction project according to a fixed schedule by an agreed date as stated in the relevant contracts. If we fail to complete a project in a timely manner

resulting in a breach of our contractual obligations, we may be liable to compensate our customers for losses or damages caused by the delay. We cannot assure you that we will not be required to provide such compensation in the future. Any delay in the completion of a project, whether or not caused by us, could also lead to additional costs being incurred, including for hiring additional manpower and temporary storage for assembled products. Any failure on our part to complete a project in a timely manner could harm our reputation in the industry and hinder our ability to win future contracts and, as a result, our business, financial condition and results of operations could be materially and adversely affected.

In addition, we may be liable to compensate our customers for any losses sustained by them if any of our employees, contract workers or installation service providers do not complete projects in accordance with the terms specified in the relevant contracts. We cannot assure you that we will not be required to provide such compensation in the future. With respect to our curtain projects, for instance, as most of our projects require tailor-made curtain wall components, any use of unsuitable materials would result in extra costs being incurred on our part due to additional materials and labour being required to rectify such errors. Any such work defects could also have a negative impact on our reputation, which could hinder our ability to win future contracts. Moreover, a severe technical defect could lead to personal injury or property damage, which could result in litigation and liability for damages. These litigation costs, together with the payment of damages, could adversely affect our profitability and financial performance.

**We are exposed to general risks associated with the ownership and management of our investment properties.**

Our investment properties primarily consist of two commercial and office buildings held for lease in Hong Kong, namely (i) China Minmetals Tower in Tsim Sha Tsui, Hong Kong and (ii) LKF 29 in Central, Hong Kong, and two commercial and retail complexes in Changsha and Taian in the PRC. Investment properties are generally illiquid, limiting the ability of an owner or a developer to convert property assets into cash on short notice and property assets may be required to be sold at a discount in order to ensure a quick sale. Such illiquidity also limits our ability to manage our portfolio in response to changes in economic or other conditions. Moreover, we may face difficulties in securing timely and commercially favourable financing in asset-based lending transactions secured by real estate due to the illiquidity.

Property investment is subject to risks incidental to the ownership and management of residential, office and retail properties including, among other things, competition for tenants, changes in market rents, inability to renew leases or re-let space as existing leases expire, inability to collect rent from tenants due to bankruptcy or insolvency of tenants or otherwise, inability to dispose of major investment properties for the values at which they are recorded in the financial statements, increased operating costs and the need to renovate, repair and re-let space periodically and to pay the associated costs.

**We may not be able to generate adequate returns on our properties held for long-term investment purposes.**

Real estate development is subject to varying degrees of risks. The investment returns available from investments in real estate depend, to a large extent, on the amount of capital appreciation generated, income earned from the rental of the relevant properties as well as the expenses incurred. Maximising yields from properties held for investment also depends to a large extent on active ongoing management and maintenance of the properties. The ability to eventually dispose of investment properties will also depend on market conditions and levels of liquidity, which may be limited or subject to significant fluctuation in the case of certain types of commercial properties. The revenue derived from and the value of property investment may be adversely affected by a number of factors, including but not limited to changes in market rates for comparable rentals, the inability to collect rent due to bankruptcy or insolvency of tenants and the costs resulting from periodic maintenance, repair and reletting.

**Changes in the fair values of our investment properties are unrealised.**

In accordance with HKAS 40, the Hong Kong Accounting Standard for investment properties issued by the Hong Kong Institute of Certified Public Accountants, investment properties may be recognised by

using either the fair value model or the cost model. We have chosen to recognise investment properties at their fair values because we are of the view that periodic fair value adjustments in accordance with prevailing market conditions provide a more up-to-date picture of the value of our investment properties.

For the years ended 31 December 2021 and 2022 and the six months ended 30 June 2022 and 2023, we recorded downward fair value adjustments of approximately HK\$153 million, HK\$69 million, HK\$57 million and HK\$15 million, respectively, on our investment properties. Prospective investors should be aware that upward or downward fair value adjustments, which reflect, among other things, unrealised capital gains or loss in the value of our investment properties at the end of relevant accounting reporting period and sometimes arise upon the reclassification of our properties as investment properties, are not profit or loss generated from day-to-day rental income from our investment properties, are largely dependent on prevailing property market conditions, and do not generate cash inflow which can be contributed to payments of interest, principal or other amounts under the Bonds unless such investment properties are disposed of and the capital gains or loss are realised. We may not be able to dispose of investment properties at or near their recorded fair values, or at all. Moreover, prospective investors should be aware that property values are subject to market fluctuations, and we cannot assure you that we will be able to record favourable fair value adjustments on investment properties in the future. Should there be any severe downward fair value adjustments on our investment properties in the future, our business, prospects and results of operations may be materially and adversely affected.

**Any failure to protect our brand and trademarks could have a negative impact on our business.**

We believe our brands and trademarks are critical to our success. Any unauthorised use of our brands, trademarks and other intellectual property rights could harm our competitive advantages and business. Historically, China has not protected intellectual property rights to the same extent as certain other countries, and infringement of intellectual property rights continues to pose a serious risk to doing business in China. Monitoring and preventing unauthorised use are difficult. The measures we take to protect our brand and trademarks may not be adequate. Furthermore, the application of laws governing intellectual property rights in China and abroad is uncertain and evolving. If we are unable to adequately protect our brand, trademarks and other intellectual property rights, we may lose these rights and this may have an adverse effect on our financial condition and results of operations.

**The Reviewed Financial Statements have not been audited.**

The Reviewed Financial Statements have not been audited by Ernst & Young, our independent auditor for the six months ended 30 June 2023 or any other independent auditors. Consequently, the Reviewed Financial Statements should not be relied upon by prospective investors to provide the same quality of information associated with information that has been subject to an audit. In addition, the Reviewed Financial Statements should not be taken as an indication of the Group's expected financial condition or results of operations for the full financial year ended 31 December 2023.

**Certain facts and statistics are derived from publications not independently verified by us, the Managers or their advisers.**

Facts and statistics in this Offering Circular relating to China's economy and the industries in which we operate are derived from publicly available sources. While we have taken reasonable care to ensure that the facts and statistics presented are accurately reproduced from such sources, they have not been independently verified by us, the Managers or their advisers.

We make no representation as to the accuracy of these facts and statistics, which may not be consistent with other information compiled within or outside China. Due to ineffective calculation and collection methods and other problems, the facts and statistics herein may be inaccurate or may not be comparable to facts and statistics produced for other economies and should not be unduly relied upon.

## **RISKS RELATING TO THE PRC REAL ESTATE INDUSTRY**

### **We are subject to changing regulations in property market implemented by the PRC government.**

Our business is subject to extensive governmental regulations. As with other PRC property developers, we must comply with various requirements mandated by the PRC laws and regulations, including the policies and procedures established by local authorities designed to implement such laws and regulations. In particular, reports about a developer running into difficulties on repayment and operations could prompt the PRC government to further tighten restrictions on PRC property developers, which could have a material adverse impact on our business and operations.

In recent years, the PRC government exerted considerable direct and indirect influence on the PRC property sector by imposing industry policies and other economic measures, such as:

- requiring real estate developers to finance, with their internal resources, at least 20 per cent. of the total investment (excluding affordable housing projects);
- limiting the monthly mortgage payment to 50 per cent. of an individual borrower's monthly income and limiting all monthly debt service payments of an individual borrower to 55 per cent. of his or her monthly income;
- restricting land supply for high-end residential property construction;
- requiring that at least 70 per cent. of the land supply approved by any local government for residential property development during any given year must be used for developing low to medium-cost and small- to medium-size units for sale or as low-cost rental properties;
- requiring that at least 70 per cent. of the total development and construction area of residential projects approved or constructed on or after 1 June 2006 in any administrative jurisdiction must consist of units with a unit floor area of no more than 90 sq.m. and that projects which have received project approvals prior to this date but have not obtained construction permits must adjust their planning in order to comply with this new requirement, with the exception that municipalities under direct administration of the PRC central government and provincial capitals and cities specifically designated in the state plan (計劃單列市) may deviate from such ratio under special circumstances upon approval from the Ministry of Construction;
- requiring first-time home buyer to pay a minimum amount of down-payment of 20 per cent. of the purchase price of the underlying property in principle;
- requiring any second-time home buyer to pay an increased minimum amount of down payment of 30 per cent. of the purchase price of the underlying property and an increased minimum mortgage loan interest rate of no less than 110 per cent. of the relevant PBOC benchmark lending interest rate;
- for a commercial property buyer, (i) requiring banks not to finance any purchase of pre-sold properties, (ii) increasing the minimum amount of down-payment to 50 per cent. of the purchase price of the underlying property, (iii) increasing the minimum mortgage loan interest rate to 110 per cent. of the relevant PBOC benchmark lending interest rate, and (iv) limiting the terms of such bank borrowings to no more than 10 years, with commercial banks allowed flexibility based on their risk assessment;
- for a buyer of commercial/residential dual-purpose properties, increasing the minimum amount of down-payment to 45 per cent. of the purchase price of the underlying property, with the other terms similar to those for commercial properties;
- limiting the grant or extension of revolving credit facilities to property developers that hold a large amount of idle land and vacant commodity properties;



- imposing more restrictions on the types of property developments that foreign investments may engage in;
- imposing or increasing taxes on short-term gains from second-hand property sales;
- restricting foreign investment in the property sector by, among other things, increasing the ratio of registered capital to total investment amount and other requirements for establishing foreign invested real estate enterprises (FIREEs), tightening foreign exchange control and imposing restrictions on purchases of properties in China by foreign persons;
- allowing commercial banks to suspend mortgage loans to customers for purchase of a third or further residential property, or to non-residents who cannot provide proof of local tax or social security insurance payments for more than a one-year period;
- decreasing the PBOC Renminbi deposit reserve requirement ratio for all PRC depository financial institutions by 0.5 percent on 1 March 2016;
- non-residents who own one or more residential properties and are unable to provide proof of payment of local taxes or social security contributions covering a period of one year or more are prohibited from purchasing any residential properties located in the administrative area; and
- strictly enforcing a 20 per cent. tax on home sale profits.

In 2022, in the Report on the Work of the Government of the PRC government delivered at the Fifth Session of the 13th NPC of the PRC, the PRC government proposed to adhere to the principle of “houses are for inhabitation, not for speculation”, keep land costs, housing prices and market expectations stable, and adopt city-specific measures to facilitate positive circulation and sound development in the real estate sector. Under the principle of “houses are for inhabitation, not for speculation” and stabilising the real estate market, the tailoring of real estate governmental policy to the respective conditions of each city was frequently implemented in various cities across the PRC.

However, in response to the market downturn and the demand for pandemic prevention and control, and for the purpose of maintaining stable economic growth, local governments have introduced a large number of policies on both supply and demand to support the stable development of the real estate market. Therefore, the regulatory policy environment for the property market has gradually relaxed. The “16 Supportive Financial Measures for the Real Estate Market” was introduced in the fourth quarter of 2022, and supportive policies for credit, bonds and equity financing were launched to ensure the real estate market’s stable development, which is conducive to further stabilising the expectations of home buyers and maintaining consumers’ confidence in the real estate market.

In the first half of 2023, property regulatory policies in the PRC remained to be based on the general principle of “housing for living instead of speculation” and “region-specific regulatory policies”, however, on the other hand, local governments also began to introduce a series of policies to support the stable and healthy development of the economy and the real estate market. In particular, on 24 July 2023, the Political Bureau of the Central Committee of the Communist Party of China convened a meeting, clearly proposing to effectively prevent and resolve key risks in the real estate sector, adapt to the new situation where significant changes have occurred in relation to the relationship between market supply and demand in China’s real estate market, adjust and optimise real estate policies in due course, and make good use of policy tools, including region-specific regulatory policies, so as to better meet residents’ rigid and improved housing demands and facilitate the steady and healthy development of the real estate market. It was also proposed to increase the construction and supply of affordable housing, actively promote the transformation of urban villages and the construction of public infrastructure for “dual use in normal and emergency situations” and revitalise and renovate various types of idle properties.



We cannot assure you that the PRC government will not change or modify these temporary measures in the future. These measures may limit our access to capital resources, reduce market demand for our products and increase our operating costs in complying with these measures. We cannot assure you that the PRC government will not adopt additional and more stringent measures, which could further slowdown property development in China and adversely affect our business and prospects.

**The PRC property market has been cyclical and our property development activities are susceptible to significant fluctuations.**

Historically, the PRC property market has been cyclical. The rapid expansion of the property market in certain major provinces and cities in China, in the early 1990s, culminated in an oversupply in the mid-1990s and a corresponding fall in property values and rentals in the second half of the decade. Since the late 1990s, private residential property prices and the number of residential property development projects have gradually increased in major cities as a result of an increase in demand driven by domestic economic growth. In particular, prices of residential properties in certain major PRC provinces have experienced rapid and significant growth. In recent years, however, risk of property oversupply is increasing in parts of China, where property investment, trading and speculation have become overly active. In the event of actual or perceived oversupply, together with the effect of the PRC government policies to curtail the overheating of the property market, property prices may fall significantly, and our revenue and results of operations will be adversely affected. In recent years, property developers in the PRC have faced difficulties or experienced default in repaying loans. We cannot assure you that the problems of oversupply and falling property prices that occurred in the mid-1990s will not recur in the PRC property market and the recurrence of such problems could adversely affect our business and financial condition. The PRC property market is also susceptible to the volatility of the global economic conditions.

The cyclical nature of the property market in the PRC affects the optimal timing for the acquisition of sites and pace of development, as well as the sale of properties. This cyclicity, combined with the lead time required for completion of projects and the sale of properties, means that our results of operations relating to property development activities may be susceptible to significant fluctuations from year to year.

**Increasing competition in the PRC property market may adversely affect our profitability.**

Our real estate development operations face competition from both international and local players with respect to factors such as location, facilities and supporting infrastructure, services and pricing. We compete with both local and international companies in capturing new business opportunities in the PRC.

In recent years, for example, a large number of real estate developers have begun to undertake real estate development and investment projects in the PRC. These include overseas real estate developers (including a number of leading Hong Kong developers) and local real estate developers in the PRC. Our existing and potential competitors include major domestic state-owned and private real estate developers in the PRC, and, to a lesser extent, developers from Hong Kong and elsewhere in Asia. Some of our competitors in the real estate development sector have greater financial and other capital resources, marketing and other capabilities and/or name recognition than us. In addition, some local companies have extensive local knowledge and business relationships and/or a longer operational track record in the relevant local markets than us while international companies are able to capitalise on their overseas experience to compete in the PRC markets.

Intensified competition may result in increased costs for land acquisition and project construction, oversupply of properties and construction services and a slowdown in the approval process for new real estate developments and services by the relevant government authorities, all of which may adversely affect our business. There can be no assurance that we will be able to compete successfully in the future against our existing or potential competitors or that increased competition with respect to our activities may not have a material adverse effect on our financial condition and results of operations.

In addition, the real estate development markets in the PRC are rapidly changing. If we cannot respond to changes in market conditions or changes in customer preferences more swiftly or more effectively than our competitors, our business, results of operations and financial condition could be materially and adversely affected.

**The PRC property market has experienced significant consolidation.**

Consolidation in the PRC property market in recent years has resulted in smaller real estate developers merging or otherwise combining their operations in order to enjoy economies of scale and enhance their competitiveness. Any further consolidation in the property sector in the PRC may intensify competition among real estate developers and we may have to compete with competitors with greater financial and operational resources, such as land banks and management capabilities. Such consolidation could potentially place us under competitive pressure with respect to land or development negotiations, scale, resources and pricing of our properties.

**There is a lack of reliable and updated information on property market conditions in the PRC generally.**

We are subject to property market conditions in the PRC generally. Currently, reliable and up-to-date information on the amount and nature of real estate development and investment activities, the demand for such development, the supply of new properties being developed or the availability of land and buildings suitable for development and investment is not generally available in the PRC. Consequently, our investment and business decisions may not always have been, and may not in the future be, based on accurate, complete and timely information. Inaccurate information may adversely affect our business decisions, which could materially and adversely affect our business, financial condition, results of operations and prospects.

**RISKS RELATING TO CONDUCTING BUSINESS IN THE PRC**

**Economic, political and social conditions in the PRC as well as government policies could affect our business.**

A substantial portion of our business and operations are conducted in the PRC. Accordingly, to a significant degree, our results of operations, financial position and prospects are subject to the economic, political and legal developments of the PRC.

The economy of the PRC differs from the economies of most developed countries in many respects, including, but not limited to:

- political structure;
- level of government involvement;
- level of development;
- growth rate;
- level and control of capital investment and reinvestment;
- control of foreign exchange; and
- allocation of resources.

While the PRC economy has grown significantly in the past 40 years, growth has been uneven, both geographically and among the various sectors of the economy. The PRC government has implemented various measures to encourage economic growth and guide the allocation of resources. Some of these measures benefit the overall PRC economy, but may also negatively affect our operations. For example,

our financial condition and results of operations may be adversely affected by the PRC government's control over capital investment or any changes in tax regulations or foreign exchange controls that are applicable to us.

For the past four decades, the PRC government has implemented economic reform measures emphasising utilisation of market forces in the development of the PRC economy. If China's economic growth decreases or if the PRC economy experiences a recession, the growth in demand for our products may also decrease and our business, financial condition and results of operations will be adversely affected.

In addition, demand for our products and our business, financial condition and results of operations may be adversely affected by:

- political instability or changes in social conditions in the PRC;
- changes in laws and regulations or the interpretation of laws and regulations;
- measures which may be introduced to control inflation or deflation;
- changes in the rate or method of taxation; and
- imposition of additional restrictions on currency conversion and remittances abroad.

**Uncertainties with respect to the PRC legal system could have a material adverse effect on us.**

Our business and operations are primarily conducted in China and governed by the PRC laws and regulations. The PRC legal system is a civil law system based on written statutes. Prior court decisions may be cited for reference but have limited precedential value. Since 1979, the PRC government has promulgated laws and regulations in relation to economic matters such as foreign investment, corporate organisation and governance, commerce, taxation, foreign exchange and trade, with a view to developing a comprehensive system of commercial law. However, the promulgation of new laws, changes in existing laws and abrogation of local regulations by national laws may have an adverse effect on our business, results of operations and financial condition, as well as our prospects. Furthermore, the legal protections available to us under these laws and regulations may be limited. Any litigation or regulatory enforcement action in China may be protracted and could result in substantial costs and diversion of resources and management attention.

**We are subject to governmental controls on currency conversion.**

The PRC government imposes controls on the convertibility of Renminbi into foreign currencies and, in certain cases, the remittance of currency to jurisdictions outside China. We receive substantially all of our revenue in Renminbi. Under our current structure, our income is primarily derived from dividend payments from our PRC subsidiaries. Shortages in the availability of foreign currency may restrict the ability of our PRC subsidiaries to remit sufficient foreign currency to pay dividends or other payments to us or otherwise satisfy our foreign currency denominated or settled obligations. Under existing PRC foreign exchange regulations, payments of certain current account items can be made in foreign currencies without prior approval from the local branch of SAFE, by complying with certain procedural requirements. However, approval from the appropriate government authorities is required where Renminbi is to be converted into foreign currency and remitted to a jurisdiction outside China to pay capital expenses such as the repayment of bank loans denominated in foreign currencies. The PRC government may also, at its discretion, restrict access to foreign currencies for current account transactions in the future. If the PRC foreign exchange control system prevents us from obtaining sufficient foreign currency to satisfy our currency demands, our PRC subsidiaries may not be able to pay dividends in foreign currencies to us and we may not be able to service our respective debt obligations denominated or settled in foreign currencies.

**There are significant uncertainties under the PRC enterprise income tax law relating to the withholding tax liabilities of our PRC subsidiaries.**

Under the Enterprise Income Tax Law of the PRC adopted in March 2007 and revised on 29 December 2018 and the Implementation Rules of the Enterprise Income Tax Law of the PRC adopted in December 2007 and revised on 23 April 2019 (collectively, the “EIT Law”), the profits of a foreign invested enterprise generated in 2008 and onwards which are distributed to its immediate holding company outside the PRC are subject to a withholding tax rate of 10 per cent. or a lower treaty rate. Pursuant to a special arrangement between Hong Kong and the PRC, such rate is lowered to 5 per cent. if a Hong Kong resident enterprise directly owns over 25 per cent. of a PRC company. Some of our PRC subsidiaries are currently wholly owned by our Hong Kong subsidiaries. However, according to the Promulgation of the Administrative Measures on Non-resident Taxpayers Enjoying Treaty Benefits (非居民納稅人享受協定待遇管理辦法), which became effective on 1 January 2020, the 5 per cent. withholding tax rate does not automatically apply and approvals from competent local tax authorities are required before an enterprise can enjoy any benefits under the relevant taxation treaties. Moreover, according to a tax circular issued by the SAT in February 2009, if the main purpose of an offshore arrangement is to obtain a preferential tax treatment, PRC tax authorities have the discretion to adjust the preferential tax rate for which an offshore entity would otherwise be eligible. PRC tax authorities might not grant approvals on the 5 per cent. withholding tax rate on dividends received by our subsidiaries in Hong Kong from our PRC subsidiaries.

**Under the EIT Law, we may be classified as a “resident enterprise” of China. Such classification could result in unfavourable tax consequences to us and our non-PRC Bondholders.**

Under the EIT Law, an enterprise established outside of China with “*de facto management organisation*” located within China will be considered a “resident enterprise”, and consequently will be treated in a manner similar to a Chinese enterprise for enterprise income tax purposes. The implementing rules of the EIT Law define “*de facto management*” as “substantial and overall management and control over the production and operations, personnel, accounting, and properties” of the enterprise. In April 2009, July 2011 and January 2014, the SAT issued several circulars to clarify certain criteria and administrative procedures for the determination of the “*de facto management organisation*” for foreign enterprises controlled by PRC enterprises. If PRC tax authorities determine that the Issuer is or we are a “resident enterprise” for PRC enterprise income tax purposes, a number of unfavourable PRC tax consequences could follow. The Issuer or we may be subject to enterprise income tax at a rate of 25 per cent. on our worldwide taxable income as well as PRC enterprise income tax reporting obligations. If the PRC tax authorities determine that the Issuer is a “resident enterprise” for PRC enterprise income tax purposes, income such as interest from any investment of any portion of the offering proceeds and other income sourced from outside the PRC would be subject to PRC enterprise income tax at a rate of 25 per cent., whereas no direct tax is imposed on enterprises under the laws of Bermuda. Furthermore, if the Issuer is considered a “resident enterprise”, interest payable to the Bondholders and any gains realised from the transfer of the Bonds may be treated as income derived from sources within China. Non-resident enterprise holders may be subject to PRC withholding tax or PRC tax at a rate of 10 per cent., or a lower treaty rate as applicable, and non-resident individual holders may be subject to PRC withholding tax or PRC tax at a rate of 20 per cent. (or lower rate if available under an applicable tax treaty). If the Issuer is required under the EIT Law to withhold PRC tax on our interest payable to the non-resident Bondholders, it will be required to pay such additional amounts as will result in receipt by a holder of a Bond of such amounts as would have been received by the holder had no such withholding been required. The requirement to pay additional amounts will increase the cost of servicing interest payments on the Bonds, and could have a material adverse effect on the ability of the Issuer to pay interest on, and repay the principal amount of, the Bonds, as well as our profitability and cash flow. In addition to the uncertainty as to the application of the “resident enterprise” classification, the PRC government could amend or revise the taxation laws, rules and regulations to impose stricter tax requirements, higher tax rates or apply the EIT Law, or any subsequent changes in PRC tax laws, rules or regulations retroactively. As there may be different applications of the EIT Law and any amendments or revisions, comparisons between our past financial results may not be meaningful and should not be relied upon as indicators of our future

performance. If such changes occur or are applied retroactively, they could materially and adversely affect our results of operations and financial condition.

**Fluctuations in the value of the Renminbi may have a material adverse effect on our financial conditions and results of operation.**

A significant portion of our revenues are generated by our PRC operating subsidiaries and are denominated in Renminbi while dividends payable to shareholders will be in Hong Kong dollars. We also have foreign currency denominated financing instruments. Therefore, a depreciation in Renminbi would adversely affect the value of any dividends we pay to our shareholders in foreign currencies, or require us to use more Renminbi funds to service the same amount of any foreign debt.

The value of Renminbi against the U.S. dollar and other currencies may fluctuate and is affected by, among other factors, changes in international and national political and economic conditions and the foreign exchange policy adopted by the PRC government. For example, as at 31 August 2023, the Renminbi was around 4.2 per cent. weaker against the U.S. dollar than it was a year ago. In addition, the PRC government may adopt further reforms of its exchange rate system, including making the Renminbi freely convertible in the future. If such reforms were implemented and resulted in devaluation of the Renminbi against the U.S. dollar or other currencies, our financial condition and results of operations could be adversely affected because of our indebtedness and other obligations denominated in U.S. dollar or other currencies. Such a devaluation could also adversely affect the value, translated or converted to U.S. dollars or other currencies or otherwise, of our earnings. Any fluctuation in the exchange rate between Renminbi and the U.S. dollar or other currencies could result in foreign currency translation losses for our financial reporting purposes.

**The national and regional economies in the PRC and our prospects may be adversely affected by force majeure events, natural disasters, acts of God, occurrence of epidemics, acts of war and other disasters, which in turn affect our prospects.**

Our business is subject to general economic and social conditions in the PRC. Force majeure events, natural disasters, epidemics and other acts of God which are beyond our control may adversely affect the economy, infrastructure and livelihood of the people in the PRC. Some regions in the PRC, including the cities where we operate, are under the threat of flood, earthquake, sandstorm, snowstorm, fire, drought, or epidemics such as Severe Acute Respiratory Syndrome, or SARS, H5N1 avian flu, H7N9 flu, the human swine flu, also known as Influenza A (H1N1), or Ebola. For instance, in May 2008, April 2010 and April 2013, high-magnitude earthquakes occurred in the Sichuan Province and the Qinghai Province. In addition, past occurrences of epidemics, depending on their scale, have caused different degrees of damage to the national and local economies in the PRC. A recurrence of SARS or an outbreak of Ebola or of any other epidemics in the PRC, such as the H5N1 avian flu or the human swine flu, or COVID-19, especially in the cities where we have operations, may result in material disruptions to our property development and our sales and marketing, and sales and the operation of commercial properties, which in turn may materially and adversely affect our financial condition and results of operations.

In early 2020, COVID-19, a highly infectious virus, spread throughout the globe, resulting in numerous deaths around the world. The World Health Organisation announced in March 2020 that COVID-19 had developed into a pandemic. After the outbreak of COVID-19 pandemic, several cities in China where we have land bank and operations were under a lockdown and have imposed travel restrictions in an effort to curb the spread of the highly infectious coronavirus. As a result, sales offices and construction of our development projects were temporarily shut down. Completion of our projects was delayed and sales were lower than expected, which in turn resulted in increase in our development costs, late delivery of properties and/or adversely affected our profitability and cash flows. Customers who have previously entered into contracts to purchase properties may also default on their purchase contracts if the economic situation further deteriorates as a result of the epidemic. Since December 2022, the PRC government has gradually lifted the strict COVID-19 restrictions for travel in and out of the country, which led to increases of COVID-19 cases in the PRC. In May 2023, the World Health Organisation declared the end



of the global emergency status for COVID-19. While restrictive measures have been relaxed and many aspects of daily life gradually returned to normal, there can be no assurance that there will not be a resurgence of COVID-19 that would result in a significant slowdown of the PRC and worldwide economies, a global financial crisis, an economic recession, a backlash against globalisation, a decline in demand and a reduction of liquidity in the future, which will have a material adverse impact on the real estate sector, and, consequently, on our business, financial condition and results of operations.

Besides, the outbreak of communicable diseases, such as the COVID-19 outbreak on a global scale may affect investment sentiment and result in sporadic volatility in global capital markets or adversely affect China and other economies. Such outbreak has resulted in restrictions on travel and public transportation and prolonged closures of workplaces, which may have a material adverse effect on the global economy. Any material change in the financial markets, the PRC economy or regional economies as a result of these events or developments may materially and adversely affect our business, financial condition and results of operations.

Acts of war and terrorist attacks may cause damage or disruption to us, our employees and our markets, any of which could materially impact our sales, cost of sales, overall results of operations and financial condition. The potential for war or terrorist attacks may also cause uncertainty and cause our business to suffer in ways that currently we cannot predict.

**It may be difficult to effect service of process upon us or our directors or senior officers who reside in China or to enforce against them in China any judgments obtained from non-PRC courts.**

The Terms and Conditions of the Bonds and the transaction documents are governed by English law and the Issuer has submitted to the exclusive jurisdiction of the Hong Kong courts. However, most companies in the Group are incorporated in the PRC and a significant portion of the Group's assets and subsidiaries are located in the PRC. Further, most of the Group's directors and officers reside in the PRC. Therefore, investors may encounter difficulties in effecting service of process from outside PRC upon the Group or its management.

Moreover, it is understood that the enforcement of foreign judgments in the PRC is still subject to uncertainties. In addition, the mechanisms for enforcement of rights under the corporate governance framework to which the Group is subject are also relatively undeveloped and untested. The PRC has not entered into treaties or arrangements providing for the recognition and enforcement of judgments made by the courts in most other jurisdictions. Therefore, it may not be possible for investors to effect service of process upon the Group or its management in the PRC.

On 18 January 2019, the Supreme People's Court of the PRC and the Hong Kong government signed the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and the Hong Kong Special Administrative Region (關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排) (the "2019 Arrangement"). The 2019 Arrangement has been implemented in Hong Kong by the Mainland Judgments in Civil and Commercial Matters (Reciprocal Enforcement) Ordinance (Cap. 645), which came into operation on 29 January 2024. In the Mainland, the Supreme People's Court promulgated a judicial interpretation to implement the 2019 Arrangement on 26 January 2024 (the "Judicial Interpretation"). The 2019 Arrangement applies to judgments made on or after 29 January 2024. Unlike other bonds issued in the international capital markets where holders of such bonds would typically not be required to submit to an exclusive jurisdiction, the Bondholders will be deemed to have submitted to the exclusive jurisdiction of the Hong Kong courts. Thus, the Bondholders' ability to initiate a claim outside Hong Kong will be limited.

Under the 2019 Arrangement, where the Hong Kong court has given a legally effective judgment in a civil and commercial matter, any party concerned may apply to the relevant People's Court of the Mainland for recognition and enforcement of the judgment, subject to the provisions, limits, procedures and other terms and requirements of the 2019 Arrangement and the Judicial Interpretation. The recognition and enforcement of a Hong Kong court judgment could be refused if the relevant People's Court of the



Mainland consider that the enforcement of such judgment is contrary to the basic principles of law of the Mainland or the social and public interests of the Mainland. While it is expected that the relevant People's Courts of the Mainland will recognise and enforce a judgment given by a Hong Kong court and governed by English law, there can be no assurance that such courts will do so for all such judgments as there is no established practice in this area.

**The PRC government has no obligations under the Bonds and the repayment obligations under the Bonds remain the sole obligation of the Issuer.**

The PRC government is not an obligor and Bondholders shall have no recourse to the PRC government in respect of any obligation arising out of or in connection with the Bonds in lieu of the Issuer. This position has been reinforced by the MOF Circular promulgated on 28 March 2018 and which took effect on the same day and the Joint Circular promulgated on 11 May 2018 and which took effect on the same day. Because of the limited volume of published decisions, the interpretation and enforcement of these laws and regulations involve uncertainties. The PRC government as the ultimate shareholder of the Issuer only has limited liability in the form of its equity contribution in the Issuer. As such, the PRC government does not have any payment obligations under the Bonds. Such payment is solely to be repaid by the Issuer as independent legal persons. In addition, any ownership or control by the PRC government does not necessarily correlate to, or provide any assurance as to, any of the Issuer's financial condition. Therefore, investors should base their investment decision only on the financial condition of the Issuer and the Group and base any perceived credit risk associated with an investment in the Bonds only on the Group's own financial information reflected in its financial statements.

**RISKS RELATING TO THE BONDS AND THE STANDBY LETTER OF CREDIT**

**We are a holding company and payments under the Bonds are effectively subordinated to certain liabilities, contingent liabilities and obligations of our subsidiaries.**

We are a holding company with no material operations. We conduct substantially all of our operations through our PRC subsidiaries. The Bonds will not be guaranteed by any current or future subsidiaries. Our primary assets are ownership interests in our PRC subsidiaries. Accordingly, our ability to satisfy our obligations under the Bonds will depend upon our receipt of principal and interest payments on any intercompany loans and distributions of dividends from our subsidiaries.

Other creditors, including trade creditors of our subsidiaries and any holders of preferred shares in our subsidiaries, would have a claim on our subsidiaries' assets that would be prior to the claims of holders of the Bonds. As a result, our payment obligations under the Bonds will be effectively subordinated to all existing and future obligations of our subsidiaries, including their obligations under guarantees they have issued or will issue in connection with business operations, and all claims of creditors of our subsidiaries will have priority as to the assets of such entities over our claims and those of our creditors, including holders of the Bonds.

**Our subsidiaries are subject to restrictions on the payment of dividends and the repayment of intercompany loans or advances to us.**

As a holding company, we depend on the receipt of dividends and the interest and principal payments on intercompany loans or advances from our subsidiaries, including our PRC subsidiaries, to satisfy our obligations, including the obligations under the Bonds. The ability of our subsidiaries to pay dividends and make payments on intercompany loans or advances to their shareholders is subject to, among other things, distributable earnings, cash flow conditions, restrictions contained in the articles of association of our subsidiaries, applicable laws and restrictions contained in the debt instruments of such subsidiaries. In addition, if any of our subsidiaries raises capital by issuing equity securities to third parties, dividends declared and paid with respect to such shares would not be available to us to make payments under the Bonds. These restrictions could reduce the amounts that we receive from our subsidiaries, which would restrict our ability to meet our payment obligations under the Bonds.

PRC laws and regulations permit payment of dividends only out of accumulated profits as determined in accordance with PRC accounting standards and regulations and such profits differ from profits determined in accordance with HKFRSs in certain significant respects, including the use of different bases of recognition of revenue and expenses. Our PRC subsidiaries are also required to set aside a portion of their after-tax profits according to relevant PRC laws and regulations to fund certain reserves that are not distributable as cash dividends by the board of directors. In addition, since 1 January 2008, dividends paid by our PRC subsidiaries to their non-PRC parent companies are subject to a 10 per cent. withholding tax, unless there is a tax treaty between the PRC and the jurisdiction in which the overseas parent company is incorporated, which specifically exempts or reduces such withholding tax. As a result of such limitations, there could be timing limitations on payments from our PRC subsidiaries to meet payments required by the Bonds, and there could be restrictions on payments required to redeem the Bonds at maturity or as required for any early redemption.

As a result of the foregoing, we might not have sufficient cash flow from dividends or payments on intercompany loans or advances from our subsidiaries to satisfy our obligations under the Bonds.

**The insolvency laws of Bermuda and other local insolvency laws may differ from those of jurisdictions with which you are familiar.**

We are incorporated under the laws of Bermuda. Accordingly, an insolvency proceeding relating to us, regardless of where they are brought, might involve the insolvency laws of Bermuda, the procedural and substantive provisions of which may differ from comparable provisions of bankruptcy laws of other jurisdictions.

**The Bonds will be unsecured obligations of the Issuer.**

As the Bonds will be unsecured obligations of the Issuer, the repayment of the Bonds may be compromised if:

- we enter into bankruptcy, liquidation, reorganisation or other winding-up proceedings;
- there is a default in payment under the future secured indebtedness or other unsecured indebtedness of us; or
- there is an acceleration of any of the indebtedness of us.

If any of these events were to occur, our assets may not be sufficient to make payments to pay amounts due on the Bonds.

**The Trust Deed and the Terms and Conditions of the Bonds do not contain restrictive financial or operating covenants.**

The Trust Deed and the Terms and Conditions of the Bonds will contain various covenants intended to benefit the interests of the holders of the Bonds that limit our ability to, among other things, incur certain secured debt. These covenants are subject to a number of important exceptions and qualifications. For more details, see “*Terms and Conditions of the Bonds*”. The Trust Deed and the Terms and Conditions of the Bonds, however, do not contain restrictive financial or operating covenants or restrictions on the payments of dividends, the incurrence of indebtedness or the issuance or repurchase of securities by us. In addition, the Trust Deed and the Terms and Conditions of the Bonds do not contain any other covenants or provisions that require us to achieve or maintain any minimum financial results relating to their respective financial position or results of operations. Our ability to recapitalise, incur additional debt and take other actions that are not limited by the terms of the Trust Deed or the Terms and Conditions of the Bonds could have the effect of diminishing our ability to make payments on the Bonds when due.

**We may not be able to redeem the Bonds upon a Change of Control.**

We must offer to redeem the Bonds upon the occurrence of a Change of Control (as defined in the Terms and Conditions of the Bonds), at a purchase price equal to 100 per cent. of the principal amount plus

accrued interest. See “*Terms and Conditions of the Bonds*”. The source of funds for any such redemption may be our available cash or third-party financing. However, we may not have enough available funds at the time of the occurrence of any Change of Control to make purchases of outstanding Bonds. If an event constituting a Change of Control occurs at a time when we are prohibited from redeeming the Bonds, we may seek the consent of the lenders under such indebtedness to purchase the Bonds or may attempt to refinance the borrowings that contain such prohibition. If such a consent to repay such borrowings is not obtained, we may be unable to redeem the Bonds. Our failure to make the offer to redeem or purchase the outstanding Bonds would constitute an event of default under the Bonds. The event of default may, in turn, constitute an event of default under other indebtedness, any of which could cause the related debt to be accelerated after any applicable notice or grace periods. If our other debt were to be accelerated, it may not have sufficient funds to redeem the Bonds and repay the debt.

Certain of the events constituting a Change of Control under the Bonds may also constitute an event of default under certain of our or our subsidiaries’ debt instruments, requiring repurchase of such debt or otherwise cancelling our lenders’ commitments under such debt instruments. In addition, our future debt may also (1) prohibit us from purchasing the Bonds in the event of a Change of Control; (2) provide that a Change of Control is a default; or (3) require repurchase of such debt upon a Change of Control. Moreover, the exercise by the Bondholders of their right to require us to redeem the Bonds could cause a default under our or our subsidiaries’ other indebtedness, even if the Change of Control itself does not, due to the financial effect of the redemption on us and our subsidiaries.

**If we are unable to comply with the terms of the Trust Deed governing the Bonds or our future debt agreements, there could be a default under those agreements, which could cause repayment of our debt to be accelerated.**

If we are unable to comply with the terms in the Trust Deed governing the Bonds or future debt obligations and other agreements, there could be a default under those agreements. If that occurs, the holders of the debt could terminate their commitments to lend to us, accelerate repayment of the debt and declare all outstanding amounts due and payable or terminate the agreements, as the case may be. Furthermore, the Trust Deed governing the Bonds contains, and our future debt agreements are likely to contain, cross-acceleration or cross-default provisions. As a result, our default under one debt agreement may cause the acceleration of repayment of not only such debt but also other obligations, including the Bonds, or result in a default under our other debt agreements, including the Trust Deed governing the Bonds. If any of these events occur, our assets and cash flow might not be sufficient to repay in full all of our indebtedness and we might not be able to find alternative financing. Even if we could obtain alternative financing, it might not be on terms that are favourable or acceptable to us.

**A trading market for the Bonds may not develop, and there are restrictions on resale of the Bonds.**

The Bonds are a new issue of securities for which there is currently no trading market. Application will be made for the listing of the Bonds on the Hong Kong Stock Exchange and we cannot assure you that it will be able to maintain a listing on the Hong Kong Stock Exchange and, even if listed, a liquid trading market might not develop. If no active trading market develops, you may not be able to resell your Bonds at their fair market value or at all. Future trading prices of the Bonds will depend on many factors, including prevailing interest rates, our operating results and the market for similar securities. None of the Managers is obligated to make a market in the Bonds, and if any Managers do so, they may discontinue such market making activity at any time without notice. In addition, the Bonds are being offered pursuant to exemptions from registration under the Securities Act and, as a result, you will only be able to resell your Bonds in transactions that have been registered under the Securities Act or in transactions not subject to or exempt from registration under the Securities Act. See “*Subscription and Sale*”. We cannot predict whether an active trading market for the Bonds will develop or be sustained.

**Any failure to complete the relevant filings under the NDRC Administrative Measures within the prescribed time frame may have adverse consequences for us and/or the investors of the Bonds.**

The NDRC issued Circular 2044 on 14 September 2015, which came into effect on the same day. On 5 January 2023, the NDRC issued the NDRC Administrative Measures, which came into effect on 10

February 2023 and supersede the Circular 2044 on the same day. According to the NDRC Administrative Measures, domestic enterprises and their overseas controlled entities shall procure the registration of any debt securities issued outside the PRC with the NDRC prior to the issue of the securities, notify the particulars of the relevant issues within 10 PRC Business Days after the completion of the issue of the securities and comply with the provisions relating to foreign debt risk management and interim and ex-post supervision under the NDRC Administrative Measures. China Minmetals has obtained the NDRC Pre-issuance Registration Certificate on 5 September 2023 pursuant to the NDRC Administrative Measures which applies to the Bonds. Failure to notify the particulars of the relevant issues within 10 PRC Business Days after the completion of the issue of the securities or to comply with the provisions relating to foreign debt risk management and interim and ex-post supervision under the NDRC Administrative Measures may result in the relevant entities being ordered to make corrections within a time limit, and in the case of aggravating circumstances or in the case that such corrections are not made within the prescribed time limit, relevant entities and their main person-in-charge will be warned. The NDRC Administrative Measures are relatively new and there is a lack of clear statutory interpretation regarding how it would be enforced and interpreted. In the worst-case scenario, such non-compliance with the post-issue notification requirement under the NDRC Administrative Measures may result in it being unlawful for us to perform or comply with any of our obligations under the Bonds and the Bonds might be subject to redemption as provided in Condition 5 (*Covenants*) of the Terms and Conditions of the Bonds. Potential investors of the Bonds are advised to exercise due caution when making their investment decisions. We undertake to file or cause to be filed with the NDRC, within the relevant prescribed timeframes after the Issue Date, the NDRC Filings including but not limited to the NDRC Post-issue Filing, and comply with all applicable PRC laws and regulations (including laws and regulations as issued by the NDRC from time to time) in connection therewith.

**The liquidity and price of the Bonds following the offering may be volatile.**

The price and trading volume of the Bonds may be highly volatile. Factors such as variations in our revenues, earnings and cash flows and proposals for new investments, strategic alliances and acquisitions, interest rates and fluctuations in price for comparable companies could cause the price of the Bonds to change. Any such developments may result in large and sudden changes in the trading volume and price of the Bonds.

**International financial markets and world economic conditions may adversely affect the market price of the Bonds.**

The market price of the Bonds may be adversely affected by declines in the international financial markets and world economic conditions. The market for the Bonds is, to varying degrees, influenced by economic and market conditions in other markets, especially those in Asia. Although economic conditions are different in each country, investors' relations to developments in one country can affect the securities markets and the securities in other countries. The market price of the Bonds could be adversely affected by any significant volatility in the global financial market.

**There may be less publicly available information about us than is available in certain other jurisdictions.**

There may be less publicly available information about companies listed in Hong Kong than is regularly made available by public companies in certain other countries. In addition, the financial information in this Offering Circular has been prepared in accordance with HKFRSs and/or HKSRE 2410 and/or HKAS 34, which differ in certain respects from generally accepted accounting principles in other jurisdictions, or other GAAPs, which might be material to the financial information contained in this Offering Circular. We have not prepared a reconciliation of our consolidated financial statements and related footnotes between HKFRSs, HKSRE 2410, HKAS 34 and other GAAPs. In making an investment decision, you must rely upon your own examination of us, the terms of the offering and our financial information. You should consult your own professional advisers for an understanding of the differences between HKFRSs, HKSRE 2410, HKAS 34 and other GAAPs and how those differences might affect the financial information contained in this Offering Circular.

**Decisions that may be made on behalf of all holders of the Bonds may be adverse to the interests of individual holders of the Bonds.**

The Terms and Conditions of the Bonds contain provisions for calling meetings of holders of the Bonds to consider matters affecting their interests generally. These provisions permit defined majorities to bind all holders of the Bonds including holders who did not attend and vote at the relevant meeting and holders who voted in a manner contrary to the majority. Furthermore, there is a risk that the decision of the majority of the holders of the Bonds may be adverse to the interests of the individuals.

**Modifications and waivers may be made in respect of the Terms and Conditions of the Bonds, the Trust Deed, the Agency Agreement and the Standby Letter of Credit by the Trustee.**

The Terms and Conditions of the Bonds provide that the Trustee may (but shall not be obliged to) agree, without the consent of the Bondholders, to (i) any modification of the Bonds, any of the Terms and Conditions of the Bonds or any of the provisions of the Trust Deed, the Agency Agreement or the Standby Letter of Credit, that in its opinion is of a formal, minor or technical nature or is made to correct a manifest error or to comply with any mandatory provision of law, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of the Bonds, any of the Terms and Conditions of the Bonds or any of the provisions of the Trust Deed, the Agency Agreement or the Standby Letter of Credit that is in the opinion of the Trustee not materially prejudicial to the interest of the Bondholders. Any such modification, authorisation or waiver shall be binding on the Bondholders and, unless the Trustee otherwise agrees, such modification, authorisation or waiver shall be notified by the Issuer to the Bondholders as soon as practicable in accordance with Condition 17 (*Notices*) of the Terms and Conditions of the Bonds.

**The Trustee may request the holders of the Bonds to provide an indemnity, security or pre-funding to its satisfaction.**

In certain circumstances (including without limitation the giving of notice pursuant to Condition 10 (*Events of Default*) of the Terms and Conditions of the Bonds and the taking of actions and/or steps and/or the instituting of proceedings against the Issuer or the LC Bank pursuant to Condition 14 (*Enforcement*) of the Terms and Conditions of the Bonds), the Trustee may (at its sole discretion) request the holders of the Bonds to provide an indemnity and/or security and/or pre-funding to its satisfaction before it takes any such actions and/or steps and/or institutes any such proceedings on behalf of the holders of the Bonds. The Trustee will not be obliged to take any such actions and/or steps and/or institute any such proceedings if not indemnified and/or secured and/or pre-funded to its satisfaction. Negotiating and agreeing to an indemnity and/or security and/or pre-funding can be a lengthy process and may have an impact on when such actions and/or steps can be taken and/or when such proceedings can be instituted. The Trustee may not be able to take actions and/or steps and/or institute proceedings, notwithstanding the provision of any indemnity or security or pre-funding to it, in breach of the terms of the Trust Deed and in such circumstances or where there is uncertainty or dispute as to the applicable laws or regulations, to the extent permitted by the agreements and the applicable laws and regulations, it will be for the Bondholders to take such actions and/or steps and/or institute such proceedings directly.

**Interest payment and gains on the transfer of the Bonds may be subject to income tax, VAT and local surcharges under PRC tax laws.**

Under the EIT Law, any gains realised on the transfer of the Bonds by holders who are deemed under the EIT Law as non-resident enterprises may be subject to PRC enterprise income tax if such gains are regarded as income derived from sources within the PRC. If we are treated as a PRC “resident enterprise”, the interest we pay in respect of the Bonds may be subject to PRC withholding tax at a rate of 10 per cent. if paid to a non-PRC resident enterprise holder of the Bonds and 20 per cent. if paid to a non-PRC resident individual holder of the Bonds, and any gain a holder may realise from the transfer of the Bonds, may be treated as income derived from sources within the PRC and may be subject to PRC withholding tax at a rate of up to 10 per cent. in the case of a non-PRC resident enterprise holder and 20 per cent. in the case



of a non-PRC resident individual holder (in each case unless an applicable treaty provides otherwise). According to the Arrangement between the Mainland of China and the Hong Kong Special Administration Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排), Bondholders who are Hong Kong residents, including both enterprise holders and individual holders, may be exempted from PRC income tax on capital gains derived from a sale or exchange of the Bonds.

On 23 March 2016, the MOF and the SAT jointly issued the Circular of Full Implementation of Business Tax to VAT Reform (Cai Shui [2016] No. 36) (關於全面推開營業稅改徵增值稅試點的通知(財稅[2016]36號)) (the “**Circular 36**”), which stipulates that VAT will be applicable where the entities or individuals provide financial services, such as providing the loans within the PRC. The services are treated as being sold within the PRC where either the service provider or the service recipient is located in the PRC. It is further clarified under Circular 36 that “loans” refer to the activity of lending capital for another’s use and receiving the interest income thereon. Based on the definition of “loans” under Circular 36, the issuance of Bonds is likely to be treated as the Bondholders providing “loans” to us, which will therefore be regarded as financial services for VAT purposes. In the event we are deemed to be a PRC resident enterprise in the PRC by the PRC tax authorities, the Bondholders may be regarded as providing financial services within the PRC and consequently, the amount of interest payable by us to any non-resident Bonds holders may be subject to withholding VAT at the rate of 6 per cent. plus related local surcharges. It is uncertain whether VAT is applicable to any transfer of the Bond between entities or individuals outside the PRC, but VAT shall be applicable if either the seller or buyer of Bonds is located inside the PRC. However, individuals (including non-resident individuals) are exempt from VAT for transfer of financial products. If VAT is exempted, local surcharges shall also be exempted.

If a Bondholder, being a non-resident enterprise or non-resident individual, is required to pay any PRC income tax, VAT and local surcharges on interest payment and gains on the transfer of the Bonds, the value of the relevant Bondholder’s investment in the Bonds may be materially and adversely affected.

**The Bonds may not be a suitable investment for all investors.**

Each potential investor in any Bond must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the relevant Bonds, the merits and risks of investing in the relevant Bonds and the information contained in this Offering Circular;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Bonds and the impact such investment will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Bonds;
- understand thoroughly the terms of the relevant Bonds and be familiar with the behaviour of any relevant indices and financial markets; and be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

A potential investor should not invest in Bonds which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Bonds will perform under changing conditions, the resulting effects on the value of such Bonds and the impact this investment will have on the potential investor’s overall investment portfolio.

Additionally, the investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal



advisers to determine whether and to what extent (a) the Bonds are legal investments for it, (b) the Bonds can be used as collateral for various types of borrowing and (c) other restrictions apply to its purchase of any Bonds. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Bonds under any applicable risk-based capital or similar rules.

**The Bonds may not be a suitable investment for all investors seeking exposure to green, social or sustainable assets.**

We have developed our sustainable finance framework (the “**Sustainable Finance Framework**”) and intend to adopt certain obligations with respect to the issue of the Bonds as described in the section entitled “*Bonds Being Issued as Sustainable Bonds*”. We intend to issue the Bonds to use the net proceeds for refinancing our existing indebtedness in accordance with our Sustainable Finance Framework. Investors should refer to the Sustainable Finance Framework which we may publish from time to time and any public reporting by us or on our behalf in respect of the application of the proceeds of the Bonds for further information. Any sustainability framework, certification or second party opinion and/or public reporting will not be incorporated by reference in and shall not form part of this Offering Circular and none of the Managers makes any representation as to the suitability or contents thereof. We cannot guarantee that we will be able to comply with the obligations as set out in the Sustainable Finance Framework. However, it will not be an event of default under the terms of the Bonds if we fail to comply with such obligations. Such failure may affect the value of the Bonds and/or may have consequences for certain investors with portfolio mandates to invest in green assets. Therefore, the Bonds may not be a suitable investment for all investors seeking exposure to green, social or sustainable assets.

There is currently no market consensus on what precise attributes are required for a particular project to be defined as “green, social or sustainable” and therefore no assurance can be provided to potential investors that the Eligible Projects (as defined in the Sustainable Finance Framework) will continue to meet the relevant eligibility criteria or meet all investor expectations regarding environmental impact. Although applicable green, social or sustainable projects are expected to be selected in accordance with the categories recognised in various principles described in the Sustainable Finance Framework and are expected to be developed in accordance with applicable legislation and standards, there can be no guarantee that adverse social and/or environmental developments will not occur during the design, construction, commissioning and/or operation of any such Eligible Projects. In addition, where any negative impacts are insufficiently mitigated, green, social or sustainable projects may become controversial, and/or may be criticised by activist groups or other stakeholders.

In connection with the issue of the Bonds, we have requested the Hong Kong Quality Assurance Agency (the “**HKQAA**”) to issue independent certification (a “**HKQAA Pre-issuance Stage Certificate**”) confirming that the Bonds are in compliance with the requirements of the Green and Sustainable Finance Certification Scheme operated by the HKQAA (the “**HKQAA Green and Sustainable Finance Certification Scheme**”). The HKQAA Green and Sustainable Finance Certification Scheme is a set of voluntary guidelines that aims to facilitate the development of green and sustainable finance and the green and sustainable industry. The HKQAA Pre-issuance Stage Certificate has been obtained for the Bonds.

The HKQAA Pre-issuance Stage Certificate is not incorporated into and shall not form part of this Offering Circular. The HKQAA Pre-issuance Stage Certificate may not reflect the potential impact of all risks related to the Bonds, their marketability, trading price or liquidity or any other factors that may affect the price or value of the Bonds. The HKQAA Pre-issuance Stage Certificate is not a recommendation to buy, sell or hold securities and is only current as of its date of issue.

No assurance can be provided with respect to the suitability or reliability that the Bonds will conform the Sustainable Finance Framework. Neither the independent assurance provider nor the Managers have undertaken, or are responsible for, any assessment of the eligibility of projects within the definition of Eligible Projects or the monitoring of the use of proceeds from the offering of the Bonds. Each potential purchaser of the Bonds should determine for itself the relevance of the information contained in this Offering Circular regarding the use of proceeds and its purchase of the Bonds should be based upon such investigation as it deems necessary.

It is our intention to allocate an amount equal to the net proceeds received from the offering of the Bonds to refinance eligible green and social projects in accordance with the Sustainable Finance Framework. Any failure to use the net proceeds in connection with such eligible projects, and/or any failure to meet, or to continue to meet, the investment requirements of certain investors with environmental and/or social concerns with respect to the Bonds, may affect the value and/or trading price of the Bonds, and/or may have consequences for certain investors with portfolio mandates to invest in green projects. In the event that the Bonds are included in any dedicated “green”, “environmental”, “sustainable” or other equivalently-labelled index, no representation or assurance is given by the company or any other person that such listing or admission, or inclusion in such index, satisfies any present or future investor expectations or requirements as regards to any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable laws or regulations or by its own constitutive documents or other governing rules or investment portfolio mandates.

**We are subject to risks relating to environmental, social and governance (“ESG”) matters that could materially adversely affect our reputation, business, financial condition and results of operation.**

We are subject to a variety of risks, including reputational risk, associated with ESG matters. Adverse incidents with respect to ESG activities could impact our reputation and relationships with investors, all of which could materially adversely affect our business and results of operations. For example, we may be subject to allegations of greenwashing (for example, over-stating the credentials or environmental benefits of its projects, or not delivering on commitments made). Our expectations, estimates and aspirational statements regarding ESG matters, including the potential environmental impacts of our projects and initiatives, involve known and unknown risks, uncertainties and other factors beyond our control that could cause the actual results to be different from such expectations, estimates and aspirational statements. As a result, there can be no assurance that our ESG initiatives, including the use of proceeds from the Bonds and any further issuances of sustainable bonds, will not be subject to heightened scrutiny or public commentary in the future. Such scrutiny or public commentary could materially adversely affect our reputation, business, financial condition and results of operations and, in particular, could create legal and reputational risks.

**The Bonds will initially be evidenced by a Global Certificate, and therefore you must rely on the procedures of the relevant clearing systems to exercise any rights and remedies.**

Upon issue, the Bonds will initially be evidenced by a Global Certificate, which will be registered in the name of and lodged with a sub-custodian for, the Hong Kong Monetary Authority as the Operator of the CMU. For persons seeking to hold a beneficial interest in the Bonds through Euroclear or Clearstream (together with CMU, the “**Clearing Systems**”), such persons will hold their interest through an account opened and held by Euroclear or Clearstream (as the case may be) with the CMU operator. Except in the circumstances described in the Global Certificate, investors will not be entitled to receive definitive Certificates. The Clearing Systems will maintain records of the beneficial interests in the Global Certificate.

While the Bonds are represented by the Global Certificate, investors will be able to trade their beneficial interests only through the Clearing System. While the Bonds are represented by the Global Certificate, we will discharge its payment obligations under the Bonds by making payments to the Clearing System for distribution to their account holders. A holder of a beneficial interest in a Global Certificate must rely on the procedures of the relevant Clearing System to receive payments under the Bonds. We have no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Certificate.

Holders of beneficial interests in a Global Certificate will not have a direct right to vote in respect of the Bonds. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant Clearing System to appoint appropriate proxies. Similarly, holders of beneficial interests in the Global Certificate will not have a direct right under the Global Certificate to take enforcement action against us in the event of a default under the Bonds but will have to rely upon their rights under the Trust Deed.

**Bonds which have a denomination that is not an integral multiple of the minimum specified denomination may be illiquid and difficult to trade.**

The Bonds will be issued in the specified denomination of CNY1,000,000 and integral multiples of CNY10,000 in excess thereof. Therefore, it is possible that the Bonds may be traded in amounts in excess of CNY1,000,000 that are not integral multiples of CNY1,000,000. In such a case, a Bondholder who, as a result of trading such amounts, holds a principal amount of less than CNY1,000,000 will not receive a definitive certificate in respect of such holding of Bonds (should definitive certificates be printed) and would need to purchase a principal amount of Bonds such that it holds an amount equal to one or more denominations. If definitive certificates are issued, the Bondholders should be aware that the Bonds with aggregate principal amounts that are not an integral multiple of CNY1,000,000 may be illiquid and difficult to trade.

**The Bonds will be mandatorily redeemed upon a Pre-funding Failure.**

The Terms and Conditions of the Bonds will provide for a Demand to be made under the Standby Letter of Credit (i) in the event that we fail to pre-fund any payment of principal or interest due on the Bonds (other than under Condition 7(d) (*Mandatory Redemption upon Pre-funding Failure*) of the Terms and Conditions of the Bonds) or (ii) upon the occurrence of an Event of Default under the Bonds and the Trustee has given notice to the Issuer that the Bonds are immediately due and payable in accordance with Condition 10 (*Events of Default*) of the Terms and Conditions of the Bonds. Such Demand will be made in respect of the full amount of the outstanding principal due and interest accrued on the Bonds (together with all fees, costs, expenses, indemnity payments and all other amounts which may be incurred by the Trustee or payable by the Issuer under or in connection with the Bonds, the Agency Agreement, the Trust Deed, the Standby Letter of Credit and/or any other transaction document relating to the Bonds), and thereafter the Bonds will be mandatorily redeemed in accordance with Condition 7(d) (*Mandatory Redemption upon Pre-funding Failure*) of the Terms and Conditions of the Bonds. The Bondholders will not be able to hold their Bonds to maturity should such mandatory redemption occur.

**The Standby Letter of Credit is subject to a time limit and to a maximum amount.**

The Standby Letter of Credit was issued by the LC Bank on 8 March 2024 which will take effect from 18 March 2024 and will expire on 7 April 2027 (being 37 calendar months from and including the date of the Standby Letter of Credit to and including such expiry date). In the event that the Trustee does not make a Demand under the Standby Letter of Credit by this expiration date, the Bondholders will not be able to benefit from the credit protection provided by the LC Bank.

In addition, the Standby Letter of Credit is subject to a maximum limit of CNY1.04 billion. If such maximum limit is insufficient to cover all of our obligations under the Terms and Conditions of the Bonds or in connection with the Bonds, the Trust Deed, the Agency Agreement after deductions of all amounts to which the Trustee is entitled, the Bondholders might not be able to recover the full amount of their claims under the Bonds from the LC Bank and would therefore need to look to us to recover any such outstanding amounts.

**The LC Bank's ability to perform its obligations under the Standby Letter of Credit is subject to the financial condition of the Bank.**

The LC Bank is not a separate and independent legal person but has capacity to carry on its activities within its scope of the authorisation given by the Bank, and if the assets of the LC Bank are not sufficient to meet the obligations of the LC Bank under the Standby Letter of Credit, the Bank would have an obligation to satisfy the balance of the obligations under the Standby Letter of Credit. Therefore, the ability of the LC Bank to make payments under the Standby Letter of Credit will depend on the financial condition of the Bank, which could be materially and adversely affected by a number of factors, including, but not limited to, the following:

- *Impaired loans and advances:* The Bank's financial condition will be affected by its impaired loans. If the Bank is unable to control effectively and reduce the level of impaired loans and

advances in its current loan portfolio and in new loans it extends in the future, or the Bank's allowance for impairment losses on loans and advances is insufficient to cover actual loan losses, the Bank's financial condition could be materially and adversely affected.

- *Collateral and guarantees:* A certain portion of the Bank's loans is secured by collateral and backed by guarantees. If the Bank is unable to realise the collateral or guarantees securing its loans to cover the outstanding principal and interest balance of such loans due to various factors, the Bank's financial condition could be materially and adversely affected.
- *Loans to real estate sector and government financing platforms:* The Bank's loans and advances to the real estate sector primarily comprise loans issued to real estate companies and individual housing loans. The real estate market may be affected by many factors, including, without limitation, cyclical economic volatility and economic downturns. In addition, the PRC government has in recent years imposed macroeconomic control measures that are aimed at preventing the real estate market from over-heating. Such factors may adversely affect the growth and quality of its loans to the real estate industry and, consequently, the Bank's financial condition and results of operations. Loans to government financing platforms are a part of the loan portfolio of the Bank. The government revenues are primarily derived from taxes and land premiums. Therefore, economic cycles and fluctuations in the real estate market may also adversely affect the quality of such loans.

In addition, as neither the Bank nor the LC Bank has waived sovereign immunity for the purpose of the Standby Letter of Credit, it is possible that such immunity is asserted at the time of enforcement of the Standby Letter of Credit.

## **RISKS RELATING TO RENMINBI-DENOMINATED BONDS**

The Bonds denominated in Renminbi contain particular risks for potential investors.

### **Renminbi is not freely convertible and there are significant restrictions on the remittance of Renminbi into and out of the PRC which may adversely affect the liquidity of the Bonds.**

Renminbi is not freely convertible at present. The PRC government continues to regulate conversion between Renminbi and foreign currencies, including the Hong Kong dollar, despite significant reduction in control by it in recent years over trade transactions involving the import and export of goods and services as well as other frequent routine foreign exchange transactions. These transactions are known as current account items. However, remittance of Renminbi into and out of the PRC for settlement of capital account items, such as capital contributions, debt financing and securities investment, is generally only permitted upon obtaining specific approvals from or completing specific registrations or filing with the relevant authorities on a case-by-case basis and subject to a strict monitoring system. Regulations in the PRC on the remittance of Renminbi into and out of the PRC for settlement of capital account items are being adjusted from time to time to match the policies of the PRC government.

Although the Renminbi was added to the Special Drawing Rights basket created by the International Monetary Fund in 2016, and the PBOC and the Ministry of Commerce of the PRC have implemented policies for further improving accessibility to Renminbi to settle cross-border transactions in foreign currencies, there is no assurance that the PRC government will continue to gradually liberalise control over cross-border remittance of Renminbi in the future, that any pilot schemes for Renminbi cross-border utilisation will not be discontinued or that new regulations in the PRC will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or outside the PRC. In the event that any regulatory restrictions inhibit the ability of the Issuer to repatriate funds outside the PRC to meet its obligations under the Bonds, the Issuer will need to source Renminbi offshore to finance such obligations under the Bonds, and its ability to do so will be subject to the overall availability of Renminbi outside the PRC.

In addition, holders of beneficial interests in the Bonds may be required to provide certifications and other information (including Renminbi account information) in order to allow such holder to receive payments in Renminbi in accordance with the Renminbi clearing and settlement system for participating banks in Hong Kong.

**There is only limited availability of Renminbi outside the PRC, which may affect the liquidity of the Bonds and our ability to source Renminbi outside the PRC to service the Bonds.**

As a result of the restrictions imposed by the PRC government on cross-border Renminbi fund flows, the availability of Renminbi outside the PRC is limited. While the PBOC has entered into agreements on the clearing of Renminbi business (the “**Settlement Arrangements**”) with financial institutions (each, a “**Renminbi Clearing Bank**”) in a number of financial centres and cities, including but not limited to Hong Kong, London, Frankfurt and Singapore, has established the Cross-Border Inter-Bank Payments System (CIPS) to facilitate cross-border Renminbi settlement and is in the process of establishing Renminbi clearing and settlement mechanisms in several other jurisdictions, the current size of Renminbi-denominated financial assets outside the PRC remains limited.

There are restrictions imposed by the PBOC on Renminbi business participating banks in respect of cross-border Renminbi settlement, such as those relating to direct transactions with PRC enterprises. Furthermore, Renminbi business participating banks do not have direct Renminbi liquidity support from the PBOC, although the PBOC has gradually allowed participating banks to access the PRC’s onshore inter-bank market for the purchase and sale of Renminbi. The Renminbi Clearing Banks only have limited access to onshore liquidity support from the PBOC to square open positions of participating banks for limited types of transactions and are not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services. In such cases, where the participating banks cannot source sufficient Renminbi through the above channels, the participating banks will need to source Renminbi from the offshore market to square such open positions.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that new PRC regulations will not be promulgated or the Settlement Arrangements will not be terminated or amended in the future which will have the effect of restricting availability of Renminbi outside the PRC. The limited availability of Renminbi outside the PRC may affect the liquidity of the Bonds. To the extent we are required to source Renminbi outside the PRC to service the Bonds, there is no assurance that we will be able to source such Renminbi on satisfactory terms, if at all.

**Remittance of proceeds into or outside of the PRC in Renminbi may be difficult.**

In the event that we decide to remit some or all of the proceeds into the PRC in Renminbi, our ability to do so will be subject to obtaining all necessary approvals from, and/or registration or filing with, the relevant PRC government authorities. However, there can be no assurance that the necessary approvals from, and/or registration or filing with, the relevant PRC government authorities will be obtained at all or, if obtained, they will not be revoked or amended in the future.

In the event that we do remit some or all of the proceeds into the PRC in Renminbi and we subsequently are not able to repatriate funds outside the PRC in Renminbi, we will need to source Renminbi outside the PRC to finance our obligations under the Bonds, and its ability to do so will be subject to the overall availability of Renminbi outside the PRC.

**Investment in the Bonds is subject to exchange rate risks.**

The value of Renminbi against the Hong Kong dollar and other foreign currencies fluctuates from time to time and is affected by changes in the PRC and international political and economic conditions as well as other factors. In May 2017, the PBOC decided to introduce counter-cyclical factors to offset the market pro-cyclicality, so that the midpoint quotes could adequately reflect China’s actual economic performance. However, the volatility in the value of the Renminbi against other currencies still exists. We will make all payments of interest and principal with respect to the Bonds in Renminbi unless otherwise specified. As a result, the value of these Renminbi payments may vary with the changes in the prevailing exchange rates in the marketplace. If an investor measures its investment returns by reference to a currency other than Renminbi, an investment in the Bonds entails foreign exchange related risks,



including possible significant changes in the value of Renminbi relative to the currency by reference to which an investor measures its investment returns. Depreciation of Renminbi against such currency could cause a decrease in the effective yield of the Bonds below their stated coupon rates and could result in a loss when the return on the Bonds is translated into such currency. Accordingly, the value of the investment made by a holder of the Bonds in that foreign currency will decline.

**Payments with respect to the Bonds may be made only in the manner designated in the Bonds.**

All payments to investors in respect of the Bonds will be made solely (i) for so long as the Bonds are represented by Global Certificate held with the Clearing System or any alternative clearing system, by transfer to a Renminbi account maintained by or on behalf of the holder with a bank in Hong Kong in accordance with prevailing CMU rules and procedures or those of such alternative clearing system, or (ii) for so long as the Bonds are in definitive form, by transfer to a Renminbi account maintained by or on behalf of the holder with a bank in Hong Kong in accordance with prevailing rules and regulations. We cannot be required to make payment by any other means (including in any other currency or in bank notes, by cheque or draft, or by transfer to a bank account in the PRC).

**There may be PRC tax consequences with respect to investment in the Bonds.**

In considering whether to invest in the Bonds, investors should consult their individual tax advisers with regard to the application of PRC tax laws to their particular situation as well as any tax consequences arising under the laws of any other tax jurisdictions. The value of the holder's investment in the Bonds may be materially and adversely affected if the holder is required to pay PRC tax with respect to acquiring, holding or disposing of and receiving payments under those Bonds.

**Investment in the Bonds is subject to interest rate risks.**

The value of Renminbi payments under Bonds may be susceptible to interest rate fluctuations occurring within and outside the PRC, including PRC Renminbi repo rates and/or the Shanghai inter-bank offered rate. The PRC government has gradually liberalised its regulation of interest rates in recent years. Further liberalisation may increase interest rate volatility. In addition, the interest rate for Renminbi in markets outside the PRC may significantly deviate from the interest rate for Renminbi in the PRC as a result of foreign exchange controls imposed by PRC law and regulations and prevailing market conditions.

The Bonds carry a fixed interest rate. Consequently, the trading price of the Bonds will vary with the fluctuations in the Renminbi interest rates. If holders of Bonds propose to sell their Bonds before their maturity, they may receive an offer lower than the amount they have invested.



## TERMS AND CONDITIONS OF THE BONDS

*The following, subject to modification and other than the words in italics is the text of the terms and conditions of the Bonds which will appear on the reverse of each of the definitive certificates evidencing the Bonds.*

The issue of the CNY600,000,000 aggregate principal amount of 4.60 per cent. credit enhanced bonds due 2025 (the “**Bonds**”, which term shall include, unless the context requires otherwise, any additional bonds issued in accordance with Condition 16 and consolidated and forming a single series therewith) was authorised by a resolution of the board of directors of Minmetals Land Limited 五礦地產有限公司 (the “**Issuer**”) passed on 24 January 2024. The Bonds are constituted by a trust deed (as amended and/or supplemented from time to time, the “**Trust Deed**”) dated 18 March 2024 (the “**Issue Date**”) between the Issuer and The Bank of New York Mellon, Hong Kong Branch (in such capacity, the “**Trustee**”, which expression shall include all persons for the time being acting as the trustee or trustees under the Trust Deed) as trustee for itself and the holders of the Bonds.

An agency agreement (as amended and/or supplemented from time to time, the “**Agency Agreement**”) dated 18 March 2024 relating to the Bonds has been entered into between the Issuer, the Trustee, The Bank of New York Mellon, Hong Kong Branch as CMU lodging and paying agent (in such capacity, the “**CMU Lodging and Paying Agent**”, which expression shall include any successor CMU lodging and paying agent appointed from time to time in connection with the Bonds), as registrar (in such capacity, the “**Registrar**”, which expression shall include any successor registrar appointed from time to time in connection with the Bonds), as transfer agent (in such capacity, the “**Transfer Agent**”, which expression shall include any successor or additional transfer agent appointed from time to time in connection with the Bonds), as pre-funding account bank with which the Pre-funding Account (as defined in Condition 4) is held (in such capacity, the “**Pre-funding Account Bank**”, which expression shall include any successor pre-funding account bank appointed from time to time in connection with the Bonds) and as LC proceeds account bank with which the LC Proceeds Account (as defined in Condition 4) is held (in such capacity, the “**LC Proceeds Account Bank**”, which expression shall include any successor LC proceeds account bank appointed from time to time in connection with the Bonds, and together with the Pre-funding Account Bank, the “**Account Banks**”), and any other agents named therein. The Bonds will have the benefit of an irrevocable standby letter of credit (as amended and/or supplemented from time to time, the “**Standby Letter of Credit**”) dated 8 March 2024 issued by China Bohai Bank Co., Ltd., Tianjin Branch (the “**LC Bank**”) in favour of the Trustee on behalf of itself and the holders of the Bonds.

For so long as any Bonds remain outstanding, copies of the Trust Deed, the Agency Agreement and the Standby Letter of Credit are available (i) for inspection or collection at all reasonable times during usual business hours (being between 9:00 a.m. (Hong Kong time) and 3:00 p.m. (Hong Kong time), from Monday to Friday, other than public holidays) at the specified office of the Trustee (being as at the Issue Date at Level 26, Three Pacific Place, 1 Queen’s Road East, Hong Kong) and at the specified office of the CMU Lodging and Paying Agent following prior written request and proof of holding and identity to the satisfaction of the Trustee, or as the case may be, the CMU Lodging and Paying Agent and (ii) electronically from the CMU Lodging and Paying Agent following prior written request and provision of proof of holding and identity to the satisfaction of the CMU Lodging and Paying Agent. References herein to “**Paying Agents**” mean any paying agents appointed from time to time pursuant to the Agency Agreement with respect to the Bonds and include the CMU Lodging and Paying Agent and any other paying agents appointed from time to time in connection with the Bonds, and “**Agents**” means the CMU Lodging and Paying Agent, any other Paying Agent, the Registrar, the Transfer Agent and any other agent or agents appointed from time to time pursuant to the Agency Agreement with respect to the Bonds. These Conditions (as defined below) include summaries of the Trust Deed, the Agency Agreement and the Standby Letter of Credit and are subject to their detailed provisions. The Bondholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the Standby Letter of Credit and are deemed to have notice of those provisions of the Agency Agreement applicable to them.

All capitalised terms that are not defined in these terms and conditions (these “**Conditions**”) will have the meanings given to them in the Trust Deed.

## 1 FORM, SPECIFIED DENOMINATION AND TITLE

The Bonds are issued in the specified denominations of CNY1,000,000 and integral multiples of CNY10,000 in excess thereof (each a “**Specified Denomination**”).

The Bonds are represented by registered certificates (the “**Certificates**”, and each a “**Certificate**”) and, save as provided in Condition 2(a), each Certificate shall represent the entire holding of the Bonds by the same holder.

Title to the Bonds shall pass only by transfer and registration of title in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the “**Register**”). Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Bond shall be deemed to be and shall be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it, any writing (other than the endorsed form of transfer duly completed) on the Certificate representing it or the theft or loss of such Certificate and no person shall be liable for so treating the holder.

In these Conditions, “**Bondholder**” or, in respect of a Bond, “**holder**” means the person in whose name a Bond is registered in the Register (or in the case of a joint holding, the first named thereof).

*Upon issue, the Bonds will be represented by a global certificate (the “**Global Certificate**”) substantially in the form scheduled to the Trust Deed. The Global Certificate will be registered in the name of, and lodged with, a sub-custodian for, the Hong Kong Monetary Authority as operator (the “**Operator**”) of the Central Moneymarkets Unit Service (the “**CMU**”). The Conditions are modified by certain provisions contained in the Global Certificate while any of the Bonds are represented by the Global Certificate. See “Summary of Provisions relating to the Bonds in Global Form”.*

*Except in the limited circumstances described in the Global Certificate, owners of interests in the Bonds represented by the Global Certificate will not be entitled to receive definitive Certificates in respect of their individual holdings of the Bonds. The Bonds are not issuable in bearer form.*

## 2 TRANSFERS OF BONDS AND DELIVERY OF NEW CERTIFICATES

- (a) **Transfer:** A holding of the Bonds may, subject to Condition 2(d) and provisions of the Agency Agreement, be transferred in whole or in part upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate(s) representing such Bonds to be transferred, together with the form of transfer endorsed on such Certificate(s) (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or such Transfer Agent may require. In the case of a transfer of only part of a holding of the Bonds represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred (which shall be in the Specified Denomination) and a further new Certificate in respect of the balance of the holding not transferred (which shall be in the Specified Denomination) shall be issued to the transferor. In the case of a transfer of the Bonds to a person who is already a holder of the Bonds, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding. No transfer of title to a Bond will be valid unless and until entered on the Register. All transfers of the Bonds and entries on the Register will be made in accordance with the

detailed regulations concerning transfers and registration of the Bonds scheduled to the Agency Agreement. The regulations may be changed by the Issuer or the Registrar, with the prior written approval of the Trustee and (in the case of any change proposed by the Issuer) the Registrar. A copy of the current regulations will be made available by the Registrar to any Bondholder at the specified office of the Registrar at all reasonable times during usual business hours (being between 9:00 a.m. (Hong Kong time) and 3:00 p.m. (Hong Kong time), from Monday to Friday, other than public holidays) following prior written request and proof of holding and identity to the Registrar's satisfaction.

*A Bond may not be transferred unless the principal amount of such Bond to be transferred and (where not all of the Bonds held by a holder are being transferred) the principal amount of the balance of such Bond not being transferred are equal to or more than the Specified Denomination.*

*Transfers of interests in the Bonds represented by the Global Certificate will be effected in accordance with the rules and procedures for the time being of the relevant clearing system.*

- (b) **Delivery of New Certificates:** Each new Certificate to be issued upon transfer of the Bonds pursuant to Condition 2(a) shall be made available for delivery within seven business days of receipt by the Registrar or, as the case may be, the relevant Transfer Agent of a duly completed form of transfer and surrender of the existing Certificate(s). Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such form of transfer and Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Transfer Agent or the Registrar (as the case may be) the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(b), “**business day**” means a day, other than a Saturday, Sunday or public holiday, on which commercial banks are generally open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).
- (c) **Transfer or Exercise Free of Charge:** Certificates, on transfer, exercise of an option or redemption, shall be issued and registered without charge to the relevant Bondholder by or on behalf of the Issuer, the Registrar, any Transfer Agent or any other Agent, but upon (i) payment by the relevant Bondholder of any tax or other governmental charges that may be imposed in relation to such transfer (or the giving of such indemnity and/or security and/or pre-funding as the Registrar or the relevant Transfer Agent may require); (ii) the Registrar or the relevant Transfer Agent (as the case may be) being satisfied in its absolute discretion with the documents of title or identity of the person making the application; and (iii) the Registrar or the relevant Transfer Agent (as the case may be) being satisfied in its absolute discretion that the regulations concerning transfer of the Bonds have been complied with.
- (d) **Closed Periods:** No Bondholder may require the transfer of a Bond to be registered (i) during the period of 15 days ending on (and including) the due date for any payment of principal or premium (if any) in respect of that Bond, (ii) after a Change of Control Put Exercise Notice has been deposited in respect of such Bondholder's Bonds pursuant to Condition 7(c), (iii) after any such Bond has been called for redemption pursuant to Condition 7(b), or (iv) during the period of seven days ending on (and including) any Record Date (as defined in Condition 8(a)(ii)).

### 3 STATUS

The Bonds constitute direct, unsubordinated, unconditional and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by applicable laws, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

### 4 STANDBY LETTER OF CREDIT AND PRE-FUNDING

- (a) **Standby Letter of Credit:** The Bonds will have the benefit of the Standby Letter of Credit issued in favour of the Trustee, for itself and on behalf of the holders of the Bonds, by the LC Bank. The Standby Letter of Credit shall be drawable by the Trustee as beneficiary under the Standby Letter of Credit for itself and on behalf of the holders of the Bonds upon the presentation of a demand by authenticated SWIFT (or by such method of communication otherwise as permitted under the Standby Letter of Credit) sent by or on behalf of the Trustee to the LC Bank in accordance with the Standby Letter of Credit (the “**Demand**”) stating that (i) the Issuer has failed to comply with Condition 4(b) in relation to pre-funding an amount that is required to be pre-funded under these Conditions and/or has failed to provide the Required Confirmations (as defined in Condition 4(b)) in accordance with Condition 4(b) or (ii) an Event of Default (as defined in Condition 10) has occurred and the Trustee has given notice to the Issuer that the Bonds are immediately due and payable in accordance with Condition 10.

Only one drawing is permitted under the Standby Letter of Credit.

Such drawing on the Standby Letter of Credit will be payable in Renminbi in immediately available and cleared funds to or to the order of the Trustee at the time and to the account specified in the Demand presented to the LC Bank. Payment received by the Trustee in respect of the Demand will be deposited into the LC Proceeds Account.

The payment made under the Standby Letter of Credit in respect of any amount payable under these Conditions or in connection with the Bonds, the Trust Deed, the Agency Agreement and/or any other transaction document relating to the Bonds shall, to the extent of the drawing paid to or to the order of the Trustee, satisfy the obligations of the Issuer in respect of such amount payable under these Conditions or in connection with the Bonds, the Trust Deed, the Agency Agreement and/or any other transaction document relating to the Bonds.

The LC Bank’s aggregate liability under the Standby Letter of Credit shall be expressed and payable in Renminbi and shall not in any circumstances exceed CNY1,040,000,000. The Standby Letter of Credit takes effect from 18 March 2024 and expires at 6:00 p.m. (Hong Kong time) on 7 April 2027.

*See “Appendix A — Form of Irrevocable Standby Letter of Credit” for the form of the Standby Letter of Credit.*

- (b) **Pre-funding**

In order to provide for the payment of any amount in respect of the Bonds (other than the amounts payable under Condition 7(d)) (the “**Relevant Amount**”) as the same shall become due, the Issuer shall, in accordance with the Agency Agreement, by no later than 10:00 a.m.

(Hong Kong time) on the Business Day falling ten Business Days (the “**Pre-funding Date**”) prior to the due date for such payment under these Conditions:

- (i) unconditionally and irrevocably pay or procure to be paid the Relevant Amount in immediately available and cleared funds into the Pre-funding Account; and
- (ii) deliver to the Trustee and the CMU Lodging and Paying Agent by facsimile or by email (x) a Payment and Solvency Certificate signed by any Authorised Signatory, and (y) a copy of the irrevocable payment instruction from the Issuer to the Pre-funding Account Bank requesting the Pre-funding Account Bank to pay the Relevant Amount which was paid into the Pre-funding Account on the Pre-funding Date in full to the CMU Lodging and Paying Agent by no later than 10:00 a.m. (Hong Kong time) on the Business Day immediately preceding the due date for such payment (together, the “**Required Confirmations**”).

If the Relevant Amount has not been paid into the Pre-funding Account in full, or the Trustee does not receive the Required Confirmations, in each case by 10:00 a.m. (Hong Kong time) on the Business Day immediately following the Pre-funding Date (the “**Pre-funding Failure**”), the Trustee shall (x) give notice substantially in the form set out in the Trust Deed (the “**Pre-funding Failure Notice**”) to the Bondholders of the Pre-funding Failure and the redemption of the Bonds in accordance with Condition 7(d) to occur as a result of the Pre-funding Failure; and (y) by no later than 5:00 p.m. (Hong Kong time) on the second Business Day immediately following the Pre-funding Date, issue a Demand to the LC Bank for the aggregate principal amount in respect of all of the Bonds then outstanding, together with interest accrued to, but excluding, the Mandatory Redemption Date (as defined in Condition 7(d)) and all fees, costs, expenses, indemnity payments and all other amounts which may be incurred by the Trustee or payable by the Issuer under or in connection with the Bonds, the Trust Deed, the Standby Letter of Credit, the Agency Agreement and/or any other transaction document in relation to the Bonds, provided that, subject to and in accordance with the Standby Letter of Credit, the Trustee need not physically present an original of the Demand under the Standby Letter of Credit to the LC Bank and shall be entitled to draw on the Standby Letter of Credit by way of a Demand by authenticated SWIFT to the LC Bank (provided that in the event that the SWIFT system is not available for any reason, the Trustee may instead present a Demand by such method of communication otherwise as permitted under the Standby Letter of Credit).

Following receipt by the LC Bank of such Demand by 5:00 p.m. (Hong Kong time) on a Business Day, the LC Bank shall by 11:00 a.m. (Hong Kong time) on the fourth Business Day immediately following such Business Day (or, if such Demand is received by the LC Bank after 5:00 p.m. (Hong Kong time) on a Business Day, then by 11:00 a.m. (Hong Kong time) on the fifth Business Day immediately following such Business Day), pay to or to the order of the Trustee the amount in Renminbi specified in the Demand in immediately available and cleared funds to the account specified in the Demand.

The Pre-funding Account Bank shall notify the Trustee and the CMU Lodging and Paying Agent as soon as practicable upon the failure by the Issuer to pay the Relevant Amount into the Pre-funding Account in accordance with these Conditions.

For the purposes of these Conditions:

“**Authorised Signatory**” has the meaning given to it in the Trust Deed;

“**Business Day**” means a day (other than a Saturday, a Sunday or a public holiday) on which commercial banks and foreign exchange markets are generally open for business in Hong Kong and Beijing;



“**LC Proceeds Account**” means a non-interest bearing Renminbi account established in the name of the Trustee with the LC Proceeds Account Bank;

“**Payment and Solvency Certificate**” means a certificate in English substantially in the form set forth in the Agency Agreement stating the Relevant Amount in respect of the relevant due date in respect of the Bonds and confirming that (i) a payment for the Relevant Amount has been made by the Issuer to the Pre-funding Account in accordance with Condition 4(b) and (ii) the Issuer is solvent; and

“**Pre-funding Account**” means a non-interest bearing Renminbi account established in the name of the Issuer with the Pre-funding Account Bank and designated for the purposes specified above.

## 5 COVENANTS

### (a) NDRC Filings

The Issuer undertakes to file or cause to be filed with the National Development and Reform Commission (the “**NDRC**”), within the relevant prescribed timeframes after the Issue Date, the requisite information and documents in respect of the Bonds in accordance with the Administrative Measures for the Review and Registration of Medium- and Long-Term Foreign Debt of Enterprises (企業中長期外債審核登記管理辦法(國家發展和改革委員會令第56號)) issued by the NDRC and effective from 10 February 2023 and any implementation rules, regulations, certificates, circulars, notices or policies in connection therewith issued by the NDRC from time to time (the “**NDRC Filings**”), including but not limited to, filing with the NDRC the offering information and issue details of the Bonds within ten PRC Business Days after the Issue Date (the “**NDRC Post-issue Filing**”), and comply with all applicable PRC laws and regulations (including laws and regulations as issued by the NDRC from time to time) in connection therewith.

The Issuer shall within 14 PRC Business Days after submission of the NDRC Post-issue Filing (i) provide the Trustee with a certificate substantially in the form set out in the Trust Deed signed by an Authorised Signatory confirming the submission of the NDRC Post-issue Filing (together with the document(s), if any, evidencing due filing with the NDRC) and (ii) give notice to the Bondholders in accordance with Condition 17.

The Trustee shall have no obligation to monitor, assist with or ensure the completion of the NDRC Filings on or before the deadlines referred to above or to verify the accuracy, validity and/or genuineness of any documents in relation to or in connection with the NDRC Filings or to give notice to the Bondholders confirming the completion of the NDRC Post-issue Filing, and shall not be liable to the Bondholders or any other person for not doing so.

### (b) Financial Statements

So long as any Bond remains outstanding (as defined in the Trust Deed), the Issuer shall:

#### (A)

- (x) where the Issuer is listed on the SEHK and the SEHK maintains a website on which the Issuer may publish its financial statements in English for public access, publish its English financial statements on such website in accordance with the listing rules of the SEHK and provide the Trustee with the link to such website; or



- (y) where the Issuer is no longer listed on the SEHK or the SEHK ceases to make a website available for public access and it is otherwise not possible for the Issuer to publish its financial statements on the website of the SEHK, deliver to the Trustee:
  - (i) within 180 days after the end of each financial year of the Issuer, being currently 31 December (any change of which, the Issuer will notify in writing to the Trustee), its audited financial statements (on a consolidated basis, if applicable) prepared in accordance with Hong Kong Financial Reporting Standards for and as at such financial year of the Issuer;
  - (ii) within 90 days after the end of each semi-annual period of the Issuer, being currently 30 June (any change of which, the Issuer will notify in writing to the Trustee), its unaudited financial statements (on a consolidated basis, if applicable) in respect of such semi-annual period (including a statement of income, balance sheet and cash flow statement) prepared on a basis consistent with the audited financial statements of the Issuer;

and if such financial statements shall be in the Chinese language, together with an English translation of the same translated by (aa) an internationally recognised firm of independent accountants (which may be the auditor of the Issuer as at the Issue Date) or (bb) a professional translation service provider and checked by an internationally recognised firm of independent accountants (which may be the auditor of the Issuer as at the Issue Date), in each case together with a certificate in English signed by an Authorised Signatory certifying that such translation is complete and accurate.

- (B) deliver to the Trustee (i) within 14 days of any written request by the Trustee and (ii) within 180 days after the end of each financial year of the Issuer, being currently 31 December (any change of which, the Issuer will notify in writing to the Trustee), a Compliance Certificate (on which the Trustee may rely conclusively without investigation or verification as to such compliance and shall not be liable to any Bondholder or any other person for such reliance).

The Trustee shall not be required to review any financial statements or other financial reports furnished or delivered to it as contemplated in this Condition 5 and, if the same shall not be in the English language, shall not be required to request or obtain or arrange for an English translation of the same or to verify the accuracy or completeness of any English translation, and the Trustee shall not be liable to any Bondholder or any other person for not doing so.

In these Conditions:

**“Compliance Certificate”** means a certificate of the Issuer in English, substantially in the form scheduled to the Trust Deed, signed by an Authorised Signatory that, having made all reasonable enquiries, to the best knowledge, information and belief of the Issuer as at a date (the **“Certification Date”**) not more than five days before the date of the certificate that:

- (i) no Change of Control, Event of Default or Potential Event of Default (as defined in the Trust Deed) has occurred since the Certification Date of the last such certificate or (if none) the date of the Trust Deed or, if such an event had occurred, giving details of it; and

- (ii) the Issuer has complied with all its covenants and obligations under the Trust Deed, the Agency Agreement and the Bonds or, if any non-compliance had occurred, giving details of it;

“**Hong Kong**” means the Hong Kong Special Administrative Region of the People’s Republic of China;

“**PRC**” means the People’s Republic of China, which shall for the purpose of these Conditions only, exclude Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan;

“**PRC Business Day**” means a day (other than a Saturday, Sunday or public holiday) on which commercial banks are generally open for business in Beijing; and

“**SEHK**” means The Stock Exchange of Hong Kong Limited.

## 6 INTEREST

The Bonds bear interest on their outstanding principal amount from and including the Issue Date at the rate of 4.60 per cent. per annum, payable in arrear on 18 September 2024 and the Maturity Date (as defined below) (each an “**Interest Payment Date**”).

Each Bond will cease to bear interest from the due date for redemption unless, upon surrender of the Certificate representing such Bond, payment of principal or premium (if any) is improperly withheld or refused. In such event it shall continue to bear interest at such rate (both before and after judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant Bondholder, and (b) the day which is seven days after the Trustee or the CMU Lodging and Paying Agent has notified the Bondholders of receipt of all sums due in respect of all the Bonds up to such seventh day (except to the extent that there is failure in the subsequent payment to the relevant Bondholder under these Conditions).

The relevant day-count fraction (the “**day-count fraction**”) will be determined on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed. In these Conditions, the period beginning on and including the Issue Date and ending on but excluding the first Interest Payment Date and the period beginning on and including the first Interest Payment Date and ending on but excluding the Maturity Date is called an “**Interest Period**”.

Interest in respect of any Bond shall be calculated per CNY10,000 in principal amount of the Bonds (the “**Calculation Amount**”). The amount of interest payable per Calculation Amount for any period shall be equal to the product of the rate of interest specified above, the Calculation Amount and the day-count fraction for the relevant period, rounding the resulting figure to the nearest CNY0.01 (CNY0.005 being rounded upwards). The amount of interest payable on 18 September 2024 shall be CNY230.00 in respect of each Calculation Amount and the amount of interest payable on the Maturity Date shall be CNY231.28 in respect of each Calculation Amount.

## 7 REDEMPTION AND PURCHASE

- (a) **Final Redemption:** Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their principal amount on 19 March 2025 (the “**Maturity Date**”). The Bonds may not be redeemed at the option of the Issuer other than in accordance with this Condition 7.

- (b) **Redemption for Taxation Reasons:** The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Bondholders in accordance with Condition 17 (which notice shall be irrevocable) and in writing to the Trustee and the CMU Lodging and Paying Agent, at their principal amount, together with interest accrued to, but excluding, the date fixed for redemption, if the Issuer satisfies the Trustee immediately prior to the giving of such notice that (i) the Issuer has or will become obliged to pay Additional Tax Amounts (as defined in Condition 9) as provided or referred to in Condition 9 as a result of any change in, or amendment to, the laws or regulations of Bermuda, Hong Kong or the PRC or, in each case, any political subdivision or any authority thereof or therein having power to tax (each, a "**Relevant Jurisdiction**"), or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 12 March 2024, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such Additional Tax Amounts were a payment in respect of the Bonds then due. Prior to the giving of any notice of redemption pursuant to this Condition 7(b), the Issuer shall deliver to the Trustee (A) a certificate signed by an Authorised Signatory stating that the obligation referred to in (i) above of this Condition 7(b) cannot be avoided by the Issuer taking reasonable measures available to it and (B) an opinion of an independent legal or tax adviser of recognised standing to the effect that the Issuer has or will become obliged to pay Additional Tax Amounts as a result of such change or amendment or any such change in the application or official interpretation (as the case may be), and the Trustee shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out in (i) and (ii) above of this Condition 7(b), in which event such acceptance shall be conclusive and binding on the Bondholders and the Trustee shall be protected and shall have no liability to the Issuer, the LC Bank, any Bondholder or any other person for accepting and relying on any such certificate or opinion. All Bonds in respect of which any notice of redemption is given under this Condition 7(b) shall be redeemed on the date and in such manner as specified in such notice in accordance with this Condition 7(b).

Upon the expiry of any such notice as is referred to in this Condition 7(b), the Issuer shall be bound to redeem the Bonds in accordance with this Condition 7(b).

- (c) **Redemption upon a Change of Control:** At any time following the occurrence of a Change of Control, the holder of any Bond will have the right, at such holder's option, to require the Issuer to redeem all but not some only of that holder's Bonds on the Change of Control Put Date (as defined below) at 100 per cent. of their principal amount, together with accrued interest up to but excluding such Change of Control Put Date. In order to exercise such right, the holder of the relevant Bond must deposit at the specified office of the CMU Lodging and Paying Agent or any other Paying Agent a duly completed and signed notice of redemption, substantially in the schedule to the Agency Agreement, obtainable from the specified office of the CMU Lodging and Paying Agent or any other Paying Agent (a "**Change of Control Put Exercise Notice**"), together with the Certificate evidencing the Bonds to be redeemed by not later than 30 days following a Change of Control, or, if later, 30 days following the date upon which notice thereof is given to the Bondholders by the Issuer in accordance with Condition 17.

The "**Change of Control Put Date**" shall be the fourteenth Business Day after the expiry of such period of 30 days as referred to above.

A Change of Control Put Exercise Notice, once delivered, shall be irrevocable and the Issuer shall redeem the Bonds subject to the Change of Control Put Exercise Notices delivered as aforesaid on the Change of Control Put Date.

The Issuer shall give notice to the Bondholders in accordance with Condition 17 and to the Trustee and the CMU Lodging and Paying Agent in writing by not later than 14 days following the first day on which it becomes aware of the occurrence of a Change of Control, which notice shall specify the procedure for exercise by holders of their rights to require redemption of the Bonds pursuant to this Condition 7(c).

In this Condition 7(c):

a “**Change of Control**” occurs when:

- (i) China Minmetals Corporation ceases to:
  - (a) directly or indirectly through its controlled corporations hold at least 40 per cent. of the issued share capital of the Issuer; or
  - (b) together with its controlled corporations, in aggregate remain as the single largest shareholder of the Issuer (the percentage of interest in the Issuer held by China Minmetals Corporation shall be calculated and determined in accordance with Part XV of the Securities and Futures Ordinance (Cap. 571) of Hong Kong); or
  - (c) maintain Management Control of the Issuer; or
- (ii) the Issuer consolidates with or merges into or sells or transfers all or substantially all of the assets of the Issuer to any other person or persons acting together, except where China Minmetals Corporation has Management Control of such person(s) or the resulting entity.

A company or corporation is a “**controlled corporation**” of another company or corporation if the second mentioned company or corporation controls, directly or indirectly, one-third or more of the voting power at general meetings of the first mentioned company or corporation, or if first mentioned company or corporation is or its directors are accustomed to act in accordance with the directions of the second mentioned company or corporation.

“**Management Control**” in relation to a company, corporation or entity means the ability to, directly or indirectly, direct or cause the direction of the affairs of, and to control the composition of all or the majority of the members of the board of directors or equivalent body of, such company, corporation or entity (including without limitation the right to appoint and remove the directors or equivalent officers of such company, corporation or entity).

A “**person**” includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state, agency of a state (in each case whether or not being a separate legal entity).

The Trustee and the Agents shall not be required to take any steps to ascertain whether a Change of Control has occurred and shall not be responsible for or liable to the Bondholders, the Issuer or China Minmetals Corporation for any loss arising from any failure to do so.

*So long as the Bonds are represented by the Global Certificate, a right of a Bondholder to redemption of the Bonds following the occurrence of a Change of Control will be effected in accordance with the rules and procedures for the time being of the relevant clearing system.*

- (d) **Mandatory Redemption upon Pre-funding Failure:** The Bonds shall be redeemed in whole, but not in part, at their principal amount on the Interest Payment Date falling immediately after the date the Pre-funding Failure Notice is given to the Bondholders in accordance with Condition 4(b) (the “**Mandatory Redemption Date**”), together with interest accrued to, but excluding, the Mandatory Redemption Date, *provided* that if the holder of any Bond shall have exercised its right to require the Issuer to redeem its Bonds pursuant to Condition 7(c) and a Pre-funding Failure Notice is given to the Bondholders in accordance with Condition 4(b) as a result of the Pre-funding Failure relating to the amount payable pursuant to such redemption, all the Bonds then outstanding shall be redeemed in whole, but not in part, at their principal amount in accordance with this Condition 7(d) on the Change of Control Put Date, together with interest accrued to, but excluding, the Change of Control Put Date, and the term “**Mandatory Redemption Date**” shall be construed accordingly.
- (e) **Notices of redemption:** All Bonds in respect of which any notice of redemption is given under this Condition 7 shall be redeemed on the date, in such place and in such manner as specified in such notice in accordance with this Condition 7. If there is more than one notice of redemption given in respect of any Bond (which shall include any notice given by the Issuer pursuant to Condition 7(b) and any Change of Control Put Exercise Notice given by a Bondholder pursuant to Condition 7(c)), the notice given first in time shall prevail and in the event of two notices being given on the same date, the first to be given shall prevail.

Neither the Trustee nor any of the Agents shall be responsible for calculating or verifying the calculations of any amount payable under any notice of redemption and shall not be liable to the Bondholders or any other person for not doing so.

- (f) **Purchase:** The Issuer, the LC Bank and any of their respective Subsidiaries may at any time purchase the Bonds in the open market or otherwise at any price. The Bonds so purchased, while held by or on behalf of the Issuer, the LC Bank or any such Subsidiary, shall not entitle the holder to vote at any meetings of the Bondholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Bondholders or for the purposes of Conditions 10, 13(a) and 14.
- (g) **Cancellation:** All Certificates representing the Bonds purchased by or on behalf of the Issuer and its Subsidiaries shall be surrendered for cancellation to the Registrar and, upon surrender thereof, all such Bonds shall be cancelled forthwith. Any Certificates so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Bonds so cancelled shall be discharged.

In this Condition 7:

“**Subsidiary**” of any person means (a) any company or other business entity of which that person owns or controls (either directly or through one or more other Subsidiaries) more than 50 per cent. of the issued share capital or other ownership interest having ordinary voting power to elect directors, managers or trustees of such company or other business entity, or (b) any company or other business entity which at any time has its accounts consolidated with those of that person or which, under the laws, regulations or generally accepted accounting principles of the jurisdiction of incorporation of such person from time to time, should have its accounts consolidated with those of that person.

## 8 PAYMENTS

(a) **Method of Payment:**

- (i) Payments of principal and premium (if any) shall be made (subject to surrender of the relevant Certificates at the specified office of any Paying Agent or of the Registrar if no further payment falls to be made in respect of the Bonds represented by such Certificates) in Renminbi by transfer to the registered account of the Bondholder.
- (ii) Interest on each Bond shall be paid on the due date to the person shown as the holder on the Register at the close of business on the fifth Payment Business Day before the due date for payment thereof (the “**Record Date**”). Payments of interest on each Bond shall be made in Renminbi by transfer to the registered account of the Bondholder.
- (iii) For the purposes of this Condition 8(a), a Bondholder’s “**registered account**” means the Renminbi denominated account maintained by or on behalf of it with a bank in Hong Kong, details of which appear on the Register at the close of business on the Record Date.
- (iv) If the amount of principal being paid upon surrender of the relevant Certificate is less than the outstanding principal amount of such Certificate, the Registrar will annotate the Register with the amount of principal so paid and will (if so requested by the Issuer or a Bondholder) issue a new Certificate with a principal amount equal to the remaining unpaid outstanding principal amount. If the amount of interest being paid is less than the amount then due, the Registrar will annotate the Register with the amount of interest so paid.

*For so long as any of the Bonds are represented by the Global Certificate and the Global Certificate is held on behalf of the Operator, the CMU Lodging and Paying Agent will make payments to the Operator who will make payments to each CMU participant who is at the close of business on the Clearing System Business Day immediately prior to the date of payment shown in the records of the Operator as the holder of a particular principal amount of Bonds (each an “**accountholder**”), where “**Clearing System Business Day**” means a day on which the CMU is operating and open for business. Any payments by the CMU participants to indirect participants will be governed by arrangements agreed between the CMU participants and the indirect participants and will continue to depend on the inter-bank clearing system and traditional payment methods. Such payments will be the sole responsibility of such CMU participants, and the Trustee, the CMU Lodging and Paying Agent and the other Agents shall have no liability to the Bondholders, the Issuer, the CMU participants, accountholders, the indirect participants or any other person in respect of any such payment.*

- (b) **Payments subject to Fiscal Laws:** All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment, but without prejudice to the provisions of Condition 9. No commission or expenses shall be charged to the Bondholders in respect of such payments.

For the purposes of the preceding sentence, the phrase “fiscal or other laws, regulations and directives” will include any withholding or deductions required pursuant to an agreement described in Section 1471(b) of the Internal Revenue Code of 1986, as amended (the “**Code**”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any



regulations or agreements thereunder or official interpretations thereof or (without prejudice to the provisions of Condition 9) any law implementing an intergovernmental approach thereto.

- (c) **Payment Initiation:** Payment instructions (for value the due date or, if that is not a Payment Business Day, for value the first following day which is a Payment Business Day) will be initiated on the due date for payment (or, if that date is not a Payment Business Day, on the first following day which is a Payment Business Day), or, in the case of payments of principal and premium (if any) where the relevant Certificate has not been surrendered at the specified office of any Paying Agent or of the Registrar, on a Payment Business Day on which the CMU Lodging and Paying Agent is open for business and on which the relevant Certificate is surrendered.
- (d) **Appointment of Agents:** The CMU Lodging and Paying Agent, the Registrar and the Transfer Agent initially appointed by the Issuer and their respective specified offices are listed below. The CMU Lodging and Paying Agent, the Registrar and the Transfer Agent act solely as agents of the Issuer (and in the circumstances as provided in the Trust Deed and the Agency Agreement, the Trustee) and do not assume any obligation or relationship of agency or trust for or with any Bondholder. The Issuer reserves the right at any time with the prior written approval of the Trustee to vary or terminate the appointment of the CMU Lodging and Paying Agent, the Registrar, the Transfer Agent or any of the other Agents and to appoint additional or other Agents, provided that the Issuer shall at all times maintain (i) a CMU Lodging and Paying Agent, (ii) a Registrar, (iii) a Transfer Agent, and (iv) such other agents as may be required by any other stock exchange on which the Bonds may be listed, in each case, as approved in writing by the Trustee (where such approval is required by the terms of the Agency Agreement).

Notice of any such change or any change of any specified office of an Agent shall promptly be given to the Bondholders by the Issuer in accordance with Condition 17.

- (e) **Delay in Payment:** The Bondholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due on a Bond if the due date is not a Payment Business Day, or if the Bondholder is late in surrendering or cannot surrender its Certificate (if required to do so).
- (f) **Non-Payment Business Days:** If any date for payment in respect of any Bond is not a Payment Business Day, the holder shall not be entitled to payment until the next following Payment Business Day nor to any interest or other sum in respect of such postponed payment.

In this Condition 8, “**Payment Business Day**” means a day (other than a Saturday, Sunday or public holiday) on which commercial banks and foreign exchange markets are open for business and settlement of Renminbi payments in Hong Kong, and (if surrender of the relevant Certificate is required) the relevant place of presentation.

## 9 TAXATION

All payments of principal, premium (if any) and interest by or on behalf of the Issuer in respect of the Bonds shall be made without set off or counterclaim and free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within any Relevant Jurisdiction, unless such withholding or deduction is required by law.

Where such withholding or deduction is made by the Issuer by or within the PRC up to and including the aggregate rate applicable on 12 March 2024 (the “**Applicable Rate**”), the Issuer will

increase the amounts paid by it to the extent required, so that the net amount received by the Bondholders equals the amounts which would otherwise have been received by them had no such withholding or deduction been required.

If the Issuer is required to make a deduction or withholding (i) by or within the PRC in excess of the Applicable Rate, or (ii) by or within any Relevant Jurisdictions except the PRC, then the Issuer shall pay such additional amounts (the “**Additional Tax Amounts**”) as will result in receipt by the Bondholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no Additional Tax Amounts shall be payable in respect of any Bond:

- (a) **Other connection:** to a holder (or to a third party on behalf of a holder) who is liable to such taxes, duties, assessments or governmental charges in respect of such Bond by reason of his having some connection with the PRC other than the mere holding of the Bond or where the withholding or deduction could be avoided by the holder making a declaration of non-residence or other similar claim for exemption to the appropriate authority;
- (b) **Lawful avoidance of withholding:** to a holder (or to a third party on behalf of a holder) who would not be liable for or subject to such withholding or deduction by making a declaration of identity, non-residence or other similar claim for exemption to the relevant tax authority if, after having been requested to make such a declaration or claim, such holder fails to do so within any applicable period prescribed by such relevant tax authority; or
- (c) **Surrender more than 30 days after the Relevant Date:** in respect of which the Certificate representing it is presented or surrendered (where presentation or surrender is required) for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such Additional Tax Amounts on presenting or, as the case may be, surrendering the Certificate representing such Bond for payment on the last day of such period of 30 days (as if such last day were a Business Day).

“**Relevant Date**” in respect of any Bond means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Bondholders that, upon further surrender, or, as the case may be, presentation of the Certificate representing such Bond being made in accordance with these Conditions, such payment will be made, provided that payment is in fact made upon such surrender.

Any reference in these Conditions to principal, premium (if any) or interest shall be deemed to include any Additional Tax Amounts in respect of such principal, premium (if any) or interest (as the case may be) which may be payable under this Condition 9 or any undertaking given in addition to or in substitution of this Condition 9 pursuant to the Trust Deed.

None of the Trustee, any Agent or any Account Bank shall be responsible for paying any tax, duty, assessments, charges, withholding or other payment referred to in this Condition 9 or otherwise in connection with the Bonds or for determining whether such amounts are payable or the amount thereof, and none of them shall be responsible or liable for any failure by the Issuer, any Bondholder or any other person to (i) pay such tax, duty, assessments, charges, withholding or other payment in any jurisdiction or (ii) provide any notice or information to the Trustee, any Agent or any Account Bank that would permit, enable or facilitate the payment of any principal, premium (if any), interest or other amount under or in respect of the Bonds without deduction or withholding for or on account of any tax, duty, assessment, charge, withholding or other payment imposed by or in any jurisdiction.

## 10 EVENTS OF DEFAULT

If any of the following events (“**Events of Default**”) occurs, the Trustee at its discretion may, and if so requested by holders of at least 25 per cent. of the aggregate principal amount of the Bonds then outstanding or if so directed by an Extraordinary Resolution (as defined in the Trust Deed) shall (provided in any such case that the Trustee shall have first been indemnified and/or secured and/or pre-funded to its satisfaction), give written notice to the Issuer that the Bonds are, and they shall immediately become, due and payable at their principal amount together (if applicable) with accrued interest:

- (a) With respect to the Issuer, an “**Event of Default**” occurs if:
- (i) **Non-Payment:** the Issuer fails to pay the principal of or any premium or interest on any of the Bonds when due and such failure continues for a period of seven days in the case of principal or premium and 14 days in the case of interest; or
  - (ii) **Breach of Other Obligations:** the Issuer does not perform or comply with any one or more of its other obligations under the Bonds or the Trust Deed which default is in the opinion of the Trustee incapable of remedy or, if such default is in the opinion of the Trustee capable of remedy, such default is not remedied within 30 days after notice of such default shall have been given to the Issuer by the Trustee, *provided* that if there has been a breach by the Issuer of its obligations to pre-fund any amount in respect of the Bonds in accordance with Condition 4(b) and the mandatory redemption upon Pre-funding Failure has been triggered pursuant to Condition 7(d) followed by a drawing under the Standby Letter of Credit to or to the order of the Trustee and paid to the Bondholders, then such breach will not constitute an Event of Default under this Condition 10(a)(ii); or
  - (iii) **Cross-Acceleration:** (i) any other present or future indebtedness of the Issuer or any of its Subsidiaries for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described), or (ii) any such indebtedness is not paid when due or, as the case may be, within any originally applicable grace period, or (iii) the Issuer or any of its Subsidiaries fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this Condition 10(a)(iii) have occurred equals or exceeds U.S.\$35 million or its equivalent; or
  - (iv) **Enforcement Proceedings:** a distress, attachment, execution or other legal process is levied, enforced or sued out on or against a material part of the property, assets or revenues of the Issuer or any of its Principal Subsidiaries and is not discharged or stayed within 30 days; or
  - (v) **Security Enforced:** any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer or any of its Principal Subsidiaries over all or a material part of the assets of the Issuer or any of its Principal Subsidiaries becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager or other similar person) and is not discharged within 30 days; or

- (vi) **Insolvency:** the Issuer or any of its Principal Subsidiaries is (or is deemed by law or declared by a court of competent jurisdiction to be) insolvent or bankrupt or is unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of its debts, proposes or makes any agreement for the deferral, rescheduling or other readjustment of all of its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or a material part of the debts of the Issuer or any of its Principal Subsidiaries; or
- (vii) **Winding-up:** an administrator is appointed, an order is made or an effective resolution passed for the winding-up or dissolution or administration of the Issuer or any of its Principal Subsidiaries, or the Issuer or any of its Principal Subsidiaries ceases or threatens to cease to carry on all or substantially all of its business or operations, except for (i) the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by an Extraordinary Resolution, (ii) in the case of a Principal Subsidiary, whereby the undertaking and assets of the Subsidiary are transferred to or otherwise vested in the Issuer or another of its Subsidiaries, (iii) a solvent winding up of any Principal Subsidiary of the Issuer or (iv) a disposal on an arm's length basis where the assets resulting from such disposal are vested in the Issuer or any of its Subsidiaries; or
- (viii) **Nationalisation:** any step is taken by any person with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or a material part of the assets of the Issuer or any of its Principal Subsidiaries; or
- (ix) **Authorisation and Consents:** any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to enable the Issuer lawfully to enter into, exercise their respective rights and perform and comply with its obligations under the Bonds and the Trust Deed (other than with regard to the performance and compliance with the obligations thereunder); (ii) to ensure that those obligations are legally binding and enforceable; and (iii) to make the Bonds and the Trust Deed admissible in evidence in the courts of Hong Kong is not taken, fulfilled or done; or
- (x) **Illegality:** it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the Bonds or the Trust Deed;
- (xi) **Unenforceability of the Standby Letter of Credit:** the Standby Letter of Credit is not (or is claimed by the LC Bank not to be) enforceable, valid or in full force and effect or the Standby Letter of Credit is modified, amended or terminated without the Trustee's prior written consent; or
- (xii) **Analogous Events:** any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of Conditions 10(a)(iv) to 10(a)(vii) (both inclusive).

In this Condition 10(a):

**“Principal Subsidiary”** means any Subsidiary of the Issuer:

- (i) whose revenues (consolidated in the case of a Subsidiary which has Subsidiaries) as shown by its income statement, included in the latest audited financial statements, is at least five per cent. of the consolidated revenues as shown by the published income statement, included in the latest audited financial statements, of the Issuer and its consolidated Subsidiaries; or
- (ii) whose gross profit (consolidated in the case of a Subsidiary which itself has Subsidiaries) as shown by its income statement, included in the latest audited financial statements, is at least five per cent. of the consolidated gross profit as shown by the published consolidated income statement, included in the latest audited financial statements, of the Issuer and its consolidated Subsidiaries, including, for the avoidance of doubt, the Issuer and its consolidated Subsidiaries’ share of profits of Subsidiaries not consolidated and of associated entities and after adjustment for minority interests; or
- (iii) whose total assets (consolidated in the case of a Subsidiary which itself has Subsidiaries) as shown by its balance sheet, included in the latest audited financial statements, are at least five per cent. of the consolidated total assets of the Issuer and its Subsidiaries as shown by the published consolidated balance sheet, included in the latest audited financial statements, of the Issuer and its Subsidiaries; or
- (iv) to which is transferred the whole or substantially the whole of the assets of a Subsidiary which immediately prior to such transfer was a Principal Subsidiary, provided that the Principal Subsidiary which so transfers its assets shall forthwith upon such transfer cease to be a Principal Subsidiary and the Subsidiary to which the assets are so transferred shall become a Principal Subsidiary at the date on which the first published audited accounts (consolidated, if appropriate), of the Issuer prepared as of a date later than such transfer are issued unless such Subsidiary would continue to be a Principal Subsidiary on the basis of such accounts by virtue of the provisions of paragraphs (i), (ii) or (iii) above of this definition;

*provided that*, in relation to paragraphs (i), (ii) and (iii) above of this definition:

- (A) in the case of a corporation or other business entity becoming a Subsidiary after the end of the financial period to which the latest consolidated audited accounts of the Issuer relate, the reference to the then latest consolidated audited accounts of the Issuer and its Subsidiaries for the purposes of the calculation above shall, until consolidated audited accounts of the Issuer for the financial period in which the relevant corporation or other business entity becomes a Subsidiary are published, be deemed to be a reference to the then latest consolidated audited accounts of the Issuer and its Subsidiaries adjusted to consolidate the latest audited accounts (consolidated in the case of a Subsidiary which itself has Subsidiaries) of such Subsidiary in such accounts;
- (B) if at any relevant time in relation to the Issuer or any Subsidiary which itself has Subsidiaries, no consolidated accounts are prepared and audited, revenues, gross profit or total assets of the Issuer and/or any such Subsidiary shall be determined on the basis of pro forma consolidated accounts prepared for this purpose by or on behalf of the Issuer;
- (C) if at any relevant time in relation to any Subsidiary, no accounts are audited, its revenues, gross profit or total assets (in each case consolidated, if appropriate) shall be determined on the basis of pro forma accounts (consolidated, if appropriate) of the relevant Subsidiary prepared for this purpose by or on behalf of the Issuer; and

- (D) if the accounts of any Subsidiary (not being a Subsidiary referred to in proviso (A) above) are not consolidated with those of the Issuer, then the determination of whether or not such Subsidiary is a Principal Subsidiary shall be based on a pro forma consolidation of its accounts (consolidated, if appropriate) with the consolidated accounts (determined on the basis of the foregoing) of the Issuer.

A certificate signed by any Authorised Signatory stating that, in his/her opinion, a Subsidiary is or is not, or was or was not, a Principal Subsidiary shall be conclusive and binding on all parties. The certificate shall, if there is a dispute as to whether any Subsidiary of the Issuer is or is not a Principal Subsidiary be accompanied by a report by an internationally recognised firm of accountants addressed to the Issuer as to proper extraction of the figures used by the Issuer in determining the Principal Subsidiaries of the Issuer and mathematical accuracy of the calculation.

- (b) With respect to the LC Bank, an “**Event of Default**” occurs if:
- (i) **Cross-Acceleration:** (A) any other present or future Public External Indebtedness of the LC Bank or any LC Bank Subsidiary is not paid when due or, as the case may be, within any applicable grace period, (B) any such Public External Indebtedness becomes due and payable prior to its stated maturity by reason of any default, event of default or the like (howsoever described) in respect of the terms thereof, provided that the aggregate amount of the relevant Public External Indebtedness in respect of which one or more of the events mentioned above in this Condition 10(b)(i) have occurred equals or exceeds U.S.\$30,000,000 or its equivalent (on the basis of the middle spot rate for the relevant currency against the U.S. dollar as quoted by any leading bank of the day of which this paragraph operates); or
  - (ii) **Insolvency:** the LC Bank or any of the Material Subsidiaries is insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of its debts, proposes or makes any agreement for the deferral, rescheduling or other readjustment of all or a material part of its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or a material part of the debts of the LC Bank or any Material Subsidiary; or
  - (iii) **Winding-up:** an order is made or an effective resolution is passed for the winding-up or dissolution or administration of the LC Bank or any of the Material Subsidiaries or the LC Bank ceases or threatens to cease to carry on all or a material part of its business or operations, except (i) for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation, (A) on terms approved by an Extraordinary Resolution, or (B) in the case of a Material Subsidiary of the LC Bank, whereby the undertaking and assets of any Material Subsidiary are transferred to or otherwise vested in the LC Bank or another of the LC Bank Subsidiaries (in any combination); (ii) a solvent winding-up of any Material Subsidiary; or (iii) a disposal on an arm’s length basis where the assets (whether in cash or otherwise) resulting from such disposal are transferred to or otherwise vested in the LC Bank or another of the LC Bank Subsidiaries (in any combination); or
  - (iv) **Illegality:** it is or will become unlawful for the LC Bank to perform or comply with any one or more of its obligations under the Standby Letter of Credit; or



- (v) **Analogous Events:** any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in Conditions 10(b)(ii) to 10(b)(iv) above (both inclusive).

In this Condition 10(b):

“**LC Bank Subsidiary**” means any entity whose financial statements at any time are required by law or in accordance with generally accepted accounting principles to be fully consolidated with those of the LC Bank; and

“**Material Subsidiary**” means an LC Bank Subsidiary whose total assets, total revenue or net profit as at the date at which its latest audited financial statements were prepared or, as the case may be, for the financial period to which these audited financial statements relate, account for five per cent. or more of the consolidated total assets, consolidated total revenue or consolidated net profit of the LC Bank as at such date or for such period. If a Material Subsidiary transfers all of its assets and business to another LC Bank Subsidiary, the transferee shall become a Material Subsidiary and the transferor shall cease to be a Material Subsidiary on completion of such transfer.

A certificate signed by an authorised signatory of the LC Bank that an LC Bank Subsidiary is or is not or was or was not at any particular time or during any particular period a Material Subsidiary shall be conclusive and binding on the Issuer, the Trustee and the Bondholders, and the Trustee shall be entitled to rely upon such certificate without further investigation or query and without liability to the Bondholders, the Issuer or any other person; and

“**Public External Indebtedness**” means any indebtedness of the LC Bank or any LC Bank Subsidiary, or any guarantee or indemnity by the LC Bank of indebtedness, for money borrowed, which is in the form of or represented by bonds, notes, debentures, loan stock or other securities which are, or are issued with the intention on the part of the issuer thereof to be, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market outside the PRC (whether or not initially distributed or by way of private placement), except any securities with a maturity of less than one year.

## **11 PRESCRIPTION**

Claims against the Issuer for payment in respect of the Bonds shall be prescribed and become void unless made within 10 years (in the case of principal or premium (if any)) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

## **12 REPLACEMENT OF CERTIFICATES**

If any Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations or other relevant regulatory authority regulations, at the specified office of the Registrar or such other Transfer Agent, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security, indemnity, pre-funding and otherwise as the Issuer, the Registrar or the relevant Transfer Agent may require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

### 13 MEETINGS OF BONDHOLDERS, MODIFICATION AND WAIVER

- (a) **Meetings of Bondholders:** The Trust Deed contains provisions for convening meetings of the Bondholders to consider matters affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any provisions of the Trust Deed, the Agency Agreement or the Standby Letter of Credit. Such a meeting may be convened by the Issuer or the Trustee and shall be convened by the Trustee if so requested in writing by the Bondholders holding not less than 10 per cent. in aggregate principal amount of the Bonds for the time being outstanding and subject to the Trustee being indemnified and/or secured and/or pre-funded to its satisfaction against all costs and expenses. The quorum for any meeting convened to consider an Extraordinary Resolution will be two or more persons holding or representing more than 50 per cent. in aggregate principal amount of the Bonds for the time being outstanding, or at any adjourned meeting two or more persons being or representing the Bondholders whatever the principal amount of the Bonds held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to modify the maturity of the Bonds or the dates on which interest is payable in respect of the Bonds, (ii) to reduce or cancel the principal amount of, any premium payable on redemption of, or interest on, the Bonds, (iii) to change the currency of payment of the Bonds, (iv) to modify or release the Standby Letter of Credit (other than an amendment or supplement to, or a replacement of, the Standby Letter of Credit in connection with a further issue of bonds pursuant to Condition 16 and other than any modification pursuant to Condition 13(b)), or (v) to modify the provisions concerning the quorum required at any meeting of the Bondholders or the majority required to pass an Extraordinary Resolution, in which case the necessary quorum for passing an Extraordinary Resolution will be two or more persons holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent., in aggregate principal amount of the Bonds for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on the Bondholders (whether or not they were present at the meeting at which such resolution was passed).

The Trust Deed provides that a resolution (A) in writing signed by or on behalf of the holders of the Bonds of not less than 90 per cent. in aggregate principal amount of the Bonds for the time being outstanding or (B) passed by Electronic Consent (as defined in the Trust Deed) shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of the Bondholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Bondholders. A resolution passed in writing and/or an Electronic Consent will be binding on all Bondholders, whether or not they participated in such written resolution and/or such Electronic Consent.

- (b) **Modification, Waiver and Authorisation:** The Trustee may (but shall not be obliged to) agree, without the consent of the Bondholders, to (i) any modification of the Bonds, any of these Conditions or any of the provisions of the Trust Deed, the Agency Agreement or the Standby Letter of Credit, that in its opinion is of a formal, minor or technical nature or is made to correct a manifest error or to comply with any mandatory provision of law, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of the Bonds, any of these Conditions or any of the provisions of the Trust Deed, the Agency Agreement or the Standby Letter of Credit that is in the opinion of the Trustee not materially prejudicial to the interest of the Bondholders. Any such modification, authorisation or waiver shall be binding on the Bondholders and, unless the Trustee otherwise agrees, such modification, authorisation or waiver shall be notified by the Issuer to the Bondholders as soon as practicable in accordance with Condition 17.

- (c) **Entitlement of the Trustee:** In connection with the exercise of its functions, rights, powers and discretions (including but not limited to those referred to in this Condition 13), the Trustee shall have regard to the interests of the Bondholders as a class and shall not have regard to the interest of, or be responsible for, the consequences of such exercise for individual Bondholders, and the Trustee shall not be entitled to require on behalf of any Bondholder, nor shall any Bondholder be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual Bondholders.

## 14 ENFORCEMENT

At any time after the Bonds become due and payable, the Trustee may, at its discretion and without further notice, take such actions and/or steps and/or institute such proceedings against the Issuer and/or the LC Bank as it may think fit to enforce the terms of the Trust Deed, the Bonds and, where appropriate, to draw down on and enforce the Standby Letter of Credit, but it need not take any such actions and/or steps and/or institute such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Bondholders holding at least 25 per cent. in aggregate principal amount of the Bonds for the time being outstanding, and (b) other than in the case of the making of a drawing under the Standby Letter of Credit, it shall first have been indemnified and/or secured and/or pre-funded to its satisfaction. No Bondholder may proceed directly against the Issuer or the LC Bank unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

## 15 INDEMNIFICATION OF THE TRUSTEE

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility including without limitation provisions relieving it from taking any steps and/or actions and/or instituting any proceedings to enforce payment or taking other actions unless first indemnified and/or secured and/or pre-funded to its satisfaction and entitling the Trustee to be paid or reimbursed for its fees, costs, expenses and indemnity payments and for any liabilities incurred by it in priority to the claims of the Bondholders. The Trustee is entitled to enter into business transactions with the Issuer and the LC Bank and/or any entity related to the Issuer and the LC Bank without accounting for any profit.

The Trustee may accept and rely without investigation or verification and without liability to the Bondholders, the Issuer, the LC Bank or any other person on any report, confirmation, certificate or information from or on any advice or opinion of any legal counsel, accountants, valuers, auctioneers, surveyors, brokers, financial advisers, financial institution or any other expert, whether or not obtained by or addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or any other person or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely on any such report, confirmation, certificate, information, advice or opinion, in which event such report, confirmation, certificate, information, advice or opinion shall be binding on the Issuer, the LC Bank, the Trustee and the Bondholders.

Whenever the Trustee is required or entitled by the terms of the Trust Deed, the Agency Agreement, the Standby Letter of Credit or these Conditions to exercise any discretion or power, take any action, make any decision or give any direction, the Trustee is entitled, prior to exercising any such discretion or power, taking any such action, making any such decision or giving any such direction, to seek directions from the Bondholders by way of Extraordinary Resolution, provided that, in either case, the Trustee shall not be obliged to exercise such discretion or take such action unless it shall have been indemnified, secured and/or pre-funded to its satisfaction against all liabilities, and the Trustee shall not be responsible or liable for any loss or liability incurred by the Issuer, the LC

Bank, the Bondholders or any person as a result of any delay in it exercising such discretion or power, taking such action, making such decision or giving such direction as a result of seeking such direction from the Bondholders or in the event that no direction is given to the Trustee by the Bondholders.

None of the Trustee or any of the Agents shall be responsible for the performance by the Issuer, the LC Bank and any other person appointed by the Issuer in relation to the Bonds of the duties and obligations on their part expressed in respect of the same and, unless it has written notice from the Issuer, the LC Bank to the contrary, the Trustee and each Agent shall be entitled to assume that the same are being duly performed. None of the Trustee or any of the Agents shall be liable to any Bondholder, the Issuer, the LC Bank or any other person for any action taken by the Trustee or any such Agent in accordance with the instructions of the Bondholders. The Trustee shall be entitled to rely on any direction, request or resolution of the Bondholders given by the Bondholders holding the requisite principal amount of the Bonds outstanding or passed at a meeting of the Bondholders convened and held in accordance with the Trust Deed. None of the Trustee, the Agents or any of the Account Banks shall be under any obligation to ascertain whether any Event of Default, Potential Event of Default, Change of Control, the Pre-funding Failure or any event which could give rise to a right on the part of the Issuer to redeem the Bonds has occurred or may occur or monitor compliance with the provisions of the Trust Deed, the Agency Agreement, the Standby Letter of Credit or these Conditions.

Each Bondholder shall be solely responsible for making and continuing to make its own independent appraisal and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer and the LC Bank and the Trustee shall not at any time have any responsibility or liability for the same and each Bondholder shall not rely on the Trustee in respect thereof.

## **16 FURTHER ISSUES**

The Issuer may from time to time without the consent of the Bondholders create and issue further bonds either having the same terms and conditions as the Bonds in all respects (or in all respects save for the issue date, the issue price, the first payment of interest on them and the timing for complying with provisions in these Conditions in relation to the NDRC Filings and the notification to the Trustee and the Bondholders thereof) and so that such further issue shall be consolidated and form a single series with the outstanding Bonds. References in these Conditions to the Bonds include (unless the context requires otherwise) any other bonds issued pursuant to this Condition 16 and consolidated and forming a single series with the Bonds. Any further bonds consolidated and forming a single series with the outstanding Bonds constituted by the Trust Deed or any deed supplemental to it shall be constituted by a deed supplemental to the Trust Deed.

Where applicable, such further bonds may be issued if a further or supplemental or replacement standby letter of credit is issued by the LC Bank (or an amendment is made to the Standby Letter of Credit) on terms that are substantially similar to the Standby Letter of Credit (including that the stated amount of such further or supplemental standby letter of credit represents an increase at least equal to the principal of and interest payments payable for one Interest Period on such further bonds and an amount acceptable to the Trustee in respect of any fees, costs, expenses, indemnity payments and all other amounts in connection with such further bonds) and such supplemental documents are executed and further opinions are obtained as the Trustee may require, as further set out in the Trust Deed. References to the Standby Letter of Credit shall thereafter include such further, supplemental, replacement or amended standby letter of credit.

## 17 NOTICES

Notices to the holders of the Bonds shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday, Sunday or public holiday) after the date of mailing. The Issuer shall also ensure that notices are duly published in a manner that complies with the rules and regulations of any stock exchange or other relevant authority on which the Bonds are for the time being listed. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once, on the first date on which publication is made.

*So long as the Bonds are represented by the Global Certificate and the Global Certificate is held on behalf of the Operator, any notice to the holders of the Bonds may be validly given by the delivery of the relevant notice to the CMU for communication by the CMU to each relevant accountholder in substitution for notification as required by the Conditions. Indirect participants will have to rely on the CMU participants (through whom they hold the Bonds, in the form of interests in the Global Certificate) to deliver the notices to them, subject to the arrangements agreed between the indirect participants and the CMU participants.*

## 18 CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

Subject as contemplated in Condition 14, No person shall have any right to enforce any term or condition of the Bonds under the Contracts (Rights of Third Parties) Act 1999.

## 19 GOVERNING LAW AND JURISDICTION

- (a) **Governing Law:** The Trust Deed, the Agency Agreement, the Standby Letter of Credit and the Bonds and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.
- (b) **Jurisdiction:** The courts of Hong Kong are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Bonds, the Trust Deed, the Agency Agreement and the Standby Letter of Credit and accordingly any legal action or proceedings arising out of or in connection with any Bonds, the Trust Deed, the Agency Agreement or the Standby Letter of Credit (“**Proceedings**”) may be brought in such courts. Each of the Issuer, the Trustee and the Agents has irrevocably submitted to the exclusive jurisdiction of the courts of Hong Kong and waived any objection to Proceedings in any such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. The LC Bank has, in the Standby Letter of Credit, irrevocably submitted to the jurisdiction of such courts and waived any objection to Proceedings in any such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum.
- (c) **Service of Process:** The Issuer has irrevocably agreed to receive service of process at its principal place of business in Hong Kong from time to time, currently at 18/F, China Minmetals Tower, 79 Chatham Road South, Tsim Sha Tsui, Kowloon, Hong Kong, in any Proceedings in Hong Kong. If for any reason the Issuer shall cease to have a place of business in Hong Kong, the Issuer shall forthwith appoint an agent in Hong Kong to accept service of process on behalf of the Issuer and deliver to the Trustee and the Agents a copy of the agent’s acceptance of that appointment within 30 days of such cessation. Nothing in this Condition 19(c) shall affect the right to serve process in any other manner permitted by law.

- (d) **Waiver of Immunity:** The Issuer has waived any right to claim sovereign or other immunity from jurisdiction or execution and any similar defence, and has irrevocably consented to the giving of any relief or the issue of any process, including, without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment made or given in connection with any Proceedings.



## SUMMARY OF PROVISIONS RELATING TO THE BONDS IN GLOBAL FORM

*The Global Certificate contains provisions which apply to the Bonds while they are in global form, some of which modify the effect of the Terms and Conditions of the Bonds set out in this Offering Circular.*

*Terms defined in the Terms and Conditions of the Bonds set out in this Offering Circular have the same meanings in the paragraphs below.*

The Bonds will initially be represented by beneficial interests in the Global Certificate in registered form which will be deposited with a sub-custodian for the Hong Kong Monetary Authority as operator of the CMU.

Under the Global Certificate, the Issuer, for value received, will promise to pay such principal, interest and premium (if any) on the Bonds to the holder of the Bonds on such date or dates as the same may become payable in accordance with the Terms and Conditions of the Bonds.

Owners of interests in the Bonds in respect of which the Global Certificate is issued will be entitled to have title to the Bonds registered in their names and to receive individual definitive Certificates if the CMU or any other clearing system (an “**Alternative Clearing System**”) is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so.

The Issuer will cause sufficient individual definitive Certificates to be executed and delivered to the Registrar for completion, authentication and dispatch to the relevant holders of the Bonds. A person with an interest in the Bonds in respect of which the Global Certificate is issued must provide the Registrar not less than 30 days’ notice at its specified office of such holder’s intention to effect such exchange and a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such individual definitive Certificates.

In addition, the Global Certificate will contain provisions which modify the Terms and Conditions of the Bonds as they apply to the Bonds evidenced by the Global Certificate. The following is a summary of certain of those provisions:

### **PAYMENTS**

Payments of interest, premium (if any) or principal will be made to the CMU which will credit the same in accordance with the CMU Rules to the person(s) shown in the records of the Operator as the holder of a particular principal amount of Bonds (each an “**accountholder**”) at the close of business on the record date which shall be on the Clearing System Business Day immediately prior to the date for payment, where “**Clearing System Business Day**” means a day on which the CMU is operating and open for business.

### **BONDHOLDER’S REDEMPTION**

The Bondholder’s redemption option in Condition 7(c) (*Redemption upon a Change of Control*) of the Terms and Conditions of the Bonds may be exercised by the holder of the Global Certificate giving notice to the CMU Lodging and Paying Agent or any other Paying Agent of the principal amount of the Bonds in respect of which the option is exercised within the time limits specified in the Terms and Conditions of the Bonds in accordance with the rules and procedures of the CMU or any Alternative Clearing System.

### **ISSUER’S REDEMPTION**

The options of the Issuer provided for in Condition 7(b) (*Redemption for Taxation Reasons*) of the Terms and Conditions of the Bonds shall be exercised by the Issuer giving notice to the Bondholders within the time limits set out in and containing the information required by the Terms and Conditions of the Bonds.

## **TRANSFERS**

So long as the Bonds are represented by the Global Certificate and the Global Certificate is held by a sub-custodian of the CMU, transfers of interests in the Bonds will be effected through the records of the CMU (or any Alternative Clearing System) and their respective participants in accordance with the rules and operating procedures of CMU (or any Alternative Clearing System) and their respective direct and indirect participants.

## **CANCELLATION**

Cancellation of any Bond represented by the Global Certificate will be effected by a reduction in the principal amount of the Bonds in the register of the Bondholders and the Global Certificate on its presentation to or to the order of the Registrar for annotation (for information only) in Schedule A of the Global Certificate.

## **MEETINGS**

For the purposes of any meeting of the Bondholders, the holder of the Bonds represented by the Global Certificate shall (unless the Global Certificate represents only one Bond) be treated as two persons for the purposes of any quorum requirements of a meeting of the Bondholders and as being entitled to one vote in respect of each CNY10,000 of the Bonds.

## **TRUSTEE'S POWERS**

In considering the interests of the Bondholders while the Global Certificate is registered in the name of a nominee for a clearing system, the Trustee may, to the extent it considers it appropriate to do so in the circumstances, but without being obligated to do so, (a) have regard to any information as may have been available to it by or on behalf of the relevant clearing system or its operator as to the identity of its accountholders (either individually or by way of category) with entitlements in respect of the Bonds and (b) consider such interests on the basis that such accountholders were the holders of the Bonds in respect of which the Global Certificate is issued.

## **CALCULATION OF INTEREST**

So long as the Bonds are represented by a Global Certificate and such Global Certificate is held on behalf of a clearing system, the Issuer has promised, *inter alia*, to pay interest in respect of such Bonds from the Issue Date in arrear at the rates, on the dates for payment, and in accordance with the method of calculation provided for in the Terms and Conditions of the Bonds together with such other sums and additional amounts (if any) as may be payable under the Terms and Conditions, in accordance with the Terms and Conditions.

## **NOTICES**

So long as the Bonds are represented by the Global Certificate and the Global Certificate is held on behalf of the Operator, any notice to the holders of the Bonds shall be given by the delivery of the relevant notice to the CMU for communication by the CMU to each relevant accountholder entitled to an interest in the Bonds in substitution for notification as required by the Terms and Conditions of the Bonds. Indirect participants will have to rely on the CMU participants (through whom they hold the Bonds, in the form of interests in the Global Certificate) to deliver the notices to them, subject to the arrangements agreed between the indirect participants and the CMU participants.

## USE OF PROCEEDS

The net proceeds from the offering of the Bonds will be approximately CNY598.8 million. The net proceeds from the offering of the Bonds, being the gross proceeds less the commissions to be charged by the Managers and other expenses, are intended to be used for refinancing our existing indebtedness in accordance with our Sustainable Finance Framework. See “*Bonds Being Issued as Sustainable Bonds*” for more information.

## BONDS BEING ISSUED AS SUSTAINABLE BONDS

A summary of our Sustainable Finance Framework is set out below for investors' reference.

### ABOUT THE SUSTAINABLE FINANCE FRAMEWORK

#### Scope

The Sustainable Finance Framework applies to all activities under our Company — which includes our subsidiaries, associates and joint ventures. The Sustainable Finance Framework will guide future fundraising through various green and social financing transactions (“**Sustainable Financing Transactions**”, or “**SFTs**”), including green/social/sustainability bonds and green/social loans with structures tailored to finance Eligible Projects as defined in “Use of Proceeds” section of the Sustainable Finance Framework to address global environmental and/or social challenges by achieving our sustainability targets.




#### Use of Proceeds









Based on our business model, our Company’s the net proceeds of each SFT will be used to fund or refinance, in whole or in part, new or existing projects that meet one or more of the following categories in “— Table 1: Eligible Green Projects” below (“**Eligible Projects**”). We have also identified how each of the eligible green and social category is contributing to the targets of the United Nations Sustainable Development Goals (“**SDGs**”).


The Eligible Projects could be within and/or outside of PRC and Hong Kong, as well as meet the definition of more than one category. If the Eligible Projects fit into more than one category, we can choose to attribute that Eligible Project to a specific category that is deemed to have the largest impact.

The list of Eligible Projects will be reviewed annually, and projects will be removed (and replaced as soon as practicable) if they no longer meet the criteria (listed in “— Table 1: Eligible Green Projects” below).

**Table 1: Eligible Green Projects**

Eligible Green Category	Description of Category
<p>Green Buildings</p> 	<p>New development and/or redevelopment of existing buildings that have or will receive any one of the certification systems mentioned in the examples.</p> <p>These green buildings may additionally achieve a certification (any level) of any version of the WELL Building Standard to improve the environmental health of the buildings and the overall well-being of their occupants.</p>
<p>Renewable Energy</p>  	<ul style="list-style-type: none"> <li>• Renewable energy system (solar and wind) of solar and wind adoption as an alternative to fossil fuel-based sources.</li> <li>• Renewable energy investments, including but not limited to purchasing Renewable Energy Certificates recognised by international standards/organisations.</li> <li>• Procure offsite renewable energy through Power Purchase Agreements (PPAs) with third-party energy providers and local partners in Hong Kong and PRC.</li> </ul>

Eligible Green Category	Description of Category
<p data-bbox="204 282 373 309">Energy Efficiency</p> <div data-bbox="204 315 373 483"> <p data-bbox="213 327 363 367">7 AFFORDABLE AND CLEAN ENERGY</p>  </div> <div data-bbox="204 495 373 663"> <p data-bbox="213 506 363 546">9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>  </div>	<ul data-bbox="628 282 1394 389" style="list-style-type: none"> <li>Projects relating to adoption of smart technologies and/or systems for optimising energy management in new and existing buildings (e.g., lighting and motion sensors) or retrofitting projects (e.g., replacing air-conditioning chiller or lift systems).</li> </ul> <p data-bbox="667 416 1394 492">Such projects will result in achieving a minimum 15 per cent. reduction in energy usage intensity for new and existing buildings compared to its baseline.</p>
<p data-bbox="204 685 517 712">Pollution Prevention and Control</p> <div data-bbox="204 719 373 887"> <p data-bbox="213 730 363 770">3 GOOD HEALTH AND WELL-BEING</p>  </div> <div data-bbox="204 898 373 1066"> <p data-bbox="213 909 363 972">12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>  </div> <div data-bbox="204 1077 373 1245"> <p data-bbox="213 1088 363 1128">11 SUSTAINABLE CITIES AND COMMUNITIES</p>  </div>	<ul data-bbox="628 685 1394 739" style="list-style-type: none"> <li>Facilities, systems and equipment that are used for the collection, treatment, and recycling of waste (excluding landfilling).</li> </ul>
<p data-bbox="204 1267 533 1330">Sustainable Water and Wastewater Management</p> <div data-bbox="204 1335 373 1503"> <p data-bbox="213 1346 363 1386">6 CLEAN WATER AND SANITATION</p>  </div>	<ul data-bbox="628 1267 1394 1456" style="list-style-type: none"> <li>Water saving features to reduce domestic and commercial water consumption.</li> <li>Facilities, systems and equipment that are used for the collection, treatment, and recycling of wastewater.</li> <li>Such projects will result in achieving a minimum 15 per cent. reduction in water usage intensity for new and existing buildings compared to its baseline.</li> </ul>
<p data-bbox="204 1514 453 1541">Climate Change Adaption</p> <div data-bbox="204 1547 373 1715"> <p data-bbox="213 1559 363 1599">13 CLIMATE ACTION</p>  </div> <div data-bbox="204 1727 373 1895"> <p data-bbox="213 1738 363 1778">15 LIFE ON LAND</p>  </div>	<ul data-bbox="628 1514 1394 1568" style="list-style-type: none"> <li>Development of buildings/assets to enhance resilience towards material physical climate risk of flood risk.</li> </ul>

Eligible Green Category	Description of Category
Clean Transportation 	<ul style="list-style-type: none"> <li>Electric vehicles (EVs) and related infrastructure that utilizes technology to replace direct use of fossil fuels, which generate greenhouse gas (GHG) emissions.</li> </ul>

### Governance Structure

The governance structure of our sustainable development structure is a three-tier working mechanism which is comprised of supervision level, decision-making level and execution level. Our board of the directors of (the “**Board**”) is the highest level to set sustainability objectives and oversee all aspects of sustainable development. Executive Committee (“**EC**”) comprises of all executive directors of our Company to strengthen the systematic management of sustainable development. Sustainable Development Working Group (“**SDWG**”) comprises of the senior members from various departments including Operations, Design, Finance, Investor Relations and Company Secretary.

EC and SDWG have overall responsibility for implementing the Sustainable Finance Framework. The main responsibilities include, but not limited to, amending the scope of financial instruments covered by the Sustainable Finance Framework, eligibility for Use of Proceeds, updating the process to align the purpose of the Sustainable Finance Framework relevant to our business activities, and reviewing and approving nominated Eligible Projects. The shortlisted projects will be presented by SDWG for the approval from EC.

### Process for Selection and Evaluation

All respective business units within our Company shall consider and nominate any Eligible Project(s) set out as described in “— *Table 1: Eligible Green Projects*” above to the EC. The shortlisted projects will be reviewed by EC and SDWG to ensure that the nominated Eligible Project(s) meet the criteria under the Sustainable Finance Framework.

All Eligible Projects will be endorsed by SDWG and approved by EC. After such projects are approved and considered as an Eligible Project in accordance with the Sustainable Finance Framework, it will be earmarked for the Use of Proceeds under the Sustainable Finance Framework.

### Management of Proceeds

We will establish a register of SFTs under the Sustainable Finance Framework with Finance team being responsible for the management of proceeds.

Any balance of proceeds of any SFT not earmarked to fund Eligible Projects will be held in accordance with our normal treasury or liquidity management policy.

If any of the Eligible Projects cease to fulfil requirements of Use of Proceeds under the Sustainable Finance Framework, we will identify other projects that comply with the Sustainable Finance Framework and allocate the SFT to those assets as soon as is practicable.

### Reporting on Use of Proceeds

We will prepare a progress report on an annual basis to disclose the allocation of the borrowed funds or the net proceeds of its SFTs on our corporate website (<http://www.minmetalsland.com>) or annual report until the proceeds are fully allocated.

The contents of the reporting will be reviewed and approved by SDWG. We may engage an independent third-party to independently assure the contents of the reporting.



## **EXTERNAL REVIEW**

### **Pre-Issuance Review**

We have engaged HKQAA as independent provider to evaluate on the environmental and social benefit from Eligible Projects. Unless there are material changes to “— *Table 1: Eligible Green Projects*”, the evaluation will be done on a one-off basis.

### **Post-Issuance Review**

We may engage an independent third party to conduct post issuance assurance on the allocation of proceeds and impact reporting.

The Sustainable Finance Framework, pre-issuance review and post-issuance review will be made available on our corporate website ([www.minmetalsland.com](http://www.minmetalsland.com)).

The Sustainable Finance Framework, any certification or second party opinion and any public reporting by us or on our behalf in respect of the application of the proceeds of the Bonds will not be incorporated by reference in and shall not form part of this Offering Circular.

## EXCHANGE RATES

All payments of interest and principal will be made with respect to the Bonds in Renminbi. As a result, the value of these Renminbi payments in Hong Kong dollar terms may vary with the prevailing exchange rates in the marketplace. The conversion of Hong Kong dollars to Renminbi in this Offering Circular is based on the central parity rate of Renminbi published by China Foreign Exchange Trade System. All translations from Renminbi to Hong Kong dollars and from Hong Kong dollars to RMB in this Offering Circular were made at a rate of HK\$1.00 to CNY0.92198, being the daily central parity of the RMB exchange rate published by China Foreign Exchange Trade System on 30 June 2023. We make no representation that any Hong Kong dollar or Renminbi amounts could have been, or could be, converted into Renminbi or Hong Kong dollars, as the case may be, at any particular rate, the rates stated below, or at all.

	Middle Exchange Rate			
	Period end	Average <sup>(1)</sup>	High	Low
	(RMB per HK\$1)			
2019 .....	0.89578	0.88002	0.90478	0.85169
2020 .....	0.84164	0.88874	0.91998	0.84139
2021 .....	0.81760	0.82933	0.84518	0.81432
2022 .....	0.89327	0.86279	0.92429	0.80638
2023				
September .....	0.91763	0.91757	0.92064	0.91493
October .....	0.91783	0.91756	0.91851	0.91654
November .....	0.90979	0.91642	0.91988	0.90979
December .....	0.90622	0.90969	0.91182	0.90622
2024				
January .....	0.90878	0.90911	0.91021	0.90564
February .....	0.90753	0.90836	0.90879	0.90753

*Note:*

- (1) Annual averages were calculated by using the average of the exchange rates on the last day of each month during the relevant year. Monthly averages or average for a period are calculated by using the average of the daily rates during the relevant month or period.

## CAPITALISATION AND INDEBTEDNESS

The following table sets forth our consolidated capitalisation and indebtedness as at 30 June 2023 on an actual basis and on an adjusted basis to give effect to the issuance of the Bonds before deducting the commissions and other estimated transaction expenses payable by us in connection with this offering. You should read this information together with “*Use of Proceeds*”, “*Summary Consolidated Financial Statements of the Group*” and the financial statements and related notes included elsewhere in this Offering Circular.

	As at 30 June 2023			
	Actual		As adjusted	
	(HK\$'000) (Reviewed)	(CNY'000) <sup>(1)</sup> (Unreviewed)	(HK\$'000) (Unreviewed)	(CNY'000) (Unreviewed)
<b>Current indebtedness</b>				
Bank borrowings	12,591,976	11,609,550	12,591,976	11,609,550
Bonds payable	34,352	31,672	34,352	31,672
Lease liabilities	10,561	9,737	10,561	9,737
Other borrowings	33,904	31,259	33,904	31,259
<b>Total current indebtedness</b>	<b>12,670,793</b>	<b>11,682,218</b>	<b>12,670,793</b>	<b>11,682,218</b>
<b>Non-current indebtedness</b>				
Bank borrowings	7,445,404	6,864,514	7,445,404	6,864,514
Bonds payable	4,510,117	4,158,238	4,510,117	4,158,238
Lease liabilities	6,494	5,987	6,494	5,987
Other borrowings	1,090,081	1,005,033	1,090,081	1,005,033
Bonds to be issued	–	–	650,773	600,000
<b>Total non-current indebtedness</b>	<b>13,052,096</b>	<b>12,033,772</b>	<b>13,702,869</b>	<b>12,633,772</b>
<b>Total indebtedness<sup>(2)</sup></b>	<b>25,722,889</b>	<b>23,715,990</b>	<b>26,373,662</b>	<b>24,315,990</b>
<b>Total equity</b>	<b>16,364,781</b>	<b>15,088,001</b>	<b>16,364,781</b>	<b>15,088,001</b>
<b>Total capitalisation<sup>(3)</sup></b>	<b>42,087,670</b>	<b>38,803,991</b>	<b>42,738,443</b>	<b>39,403,991</b>

*Notes:*

- (1) All translations from Hong Kong dollars into Renminbi are made for convenience purpose at the rate of HK\$1.00 to CNY0.92198, being the daily central parity of the RMB exchange rate published by the People’s Bank of China on 30 June 2023.
- (2) Total indebtedness represents the sum of “Total current indebtedness” and “Total non-current indebtedness”.
- (3) Total capitalisation represents the sum of “Total indebtedness” and “Total equity”.

We incurred additional indebtedness to fund our operations in the ordinary course of business after 30 June 2023. For example, in July 2023, we entered into a revolving loan agreement with a principal amount of HK\$1.5 billion. In September 2023, we entered into a revolving loan agreement with a principal amount of HK\$1.8 billion. In December 2023, we entered into a revolving loan agreement with a principal amount of HK\$780 million. In January 2024, we entered into a 2-year club loan agreement of HK\$2.6 billion with a number of banks.

Except as otherwise disclosed above, there has been no material change in the capitalisation and indebtedness of the Group since 30 June 2023.

## HISTORY AND CORPORATE STRUCTURE

### KEY CORPORATE MILESTONES

The following table sets forth key milestones in our development:

Year	Events
1991 .....	Under our former name Laws Property Holdings Limited, we completed our initial public offering, and our shares became listed on Hong Kong Stock Exchange (Stock Code: 230).
1993 .....	After being acquired by China Nonferrous Metals Group, we were renamed ONFEM Holdings Limited.
2003 .....	China Minmetals acquired the controlling interest in us.
2005 .....	We acquired a parcel of land in Jiangning District, Nanjing, the PRC with a site area of approximately 310,000 sq.m. for the development of Laguna Bay.
2007 .....	<ul style="list-style-type: none"> <li>• We were renamed Minmetals Land Limited.</li> <li>• With SASAC's approval, China Minmetals was permitted to develop real estate as one of its core businesses, and we became the sole Hong Kong-listed real estate flagship of China Minmetals.</li> <li>• Cooperating with The 23rd Metallurgical Construction Group Co., Ltd. of Minmetals (formerly known as Ershisanye Construction Group Co., Ltd.), we acquired land in Changsha, Hunan Province with a site area of approximately 643,000 sq.m. for the development of LOHAS International Community.</li> </ul>
2008 .....	<ul style="list-style-type: none"> <li>• We entered into a joint venture agreement with Pramerica Real Estate Investors (Asia) Pte Ltd. to jointly acquired land in Jianye District, Nanjing, the PRC with a site area of approximately 73,000 sq.m. for the development of Riviera Royale.</li> <li>• We acquired China Minmetals Tower from China Minmetals H.K. (Holdings) Ltd. with total asset value of HK\$537 million.</li> </ul>
2009 .....	<ul style="list-style-type: none"> <li>• We completed our first rights issue exercise and raised funds of approximately HK\$524.0 million (approximately HK\$356 million of which was contributed by China Minmetals), which were fully underwritten by China Minmetals.</li> <li>• We completed our first share placement exercise and raised funds of approximately HK\$466.0 million.</li> <li>• China Minmetals injected approximately 230 million issued shares of China Jinmao Holdings Group Limited (formerly known as Franshion Properties (China) Limited) (Stock Code: 817) and cash in the sum of approximately HK\$172.0 million into us.</li> <li>• We completed our second share placement exercise and raised funds of approximately HK\$956.0 million.</li> </ul>

<u>Year</u>	<u>Events</u>
2010 .....	<ul style="list-style-type: none"> <li>• We acquired approximately 396,000 sq.m. of residential land in the Liaoning (Yingkou) Coastal Industrial Base for the development of Platinum Bay.</li> <li>• We entered into a cooperation agreement with Shenzhen Pan-China Engineering Co., Ltd. in Huizhou for the acquisition of 918,000 sq.m. of residential land in Huizhou, Guangdong Province, the PRC for the development of Hallstatt See.</li> <li>• Through the joint venture with Beijing Vanke Enterprise Co., Ltd., we acquired two parcels of land with a site area of 139,000 sq.m. in Xibeiwang Town, Haidian District, Beijing, the PRC for the development of Fortune Garden.</li> <li>• China Minmetals completed an asset injection of HK\$1.4 billion into us comprising the entire interests in the Minmetals International and Scotland Town projects and a 49 per cent. interest in LOHAS International Community.</li> </ul>
2011 .....	<ul style="list-style-type: none"> <li>• We acquired approximately 179,000 sq.m. of low-density residential land in Jiangning District, Nanjing, the PRC for the development of Sello Royale.</li> <li>• We secured a four-year syndicated loan of approximately HK\$5.0 billion.</li> </ul>
2012 .....	<ul style="list-style-type: none"> <li>• Our contracted sales for the year reached RMB5.0 billion.</li> </ul>
2013 .....	<ul style="list-style-type: none"> <li>• We acquired six parcels of residential land in Hexi New Zone, Nanjing, the PRC with a site area of approximately 136,000 sq.m. for the development of Academic Royale.</li> <li>• We had our debut issuance of U.S.\$225 million 5-year and U.S.\$125 million 10-year guaranteed bonds.</li> <li>• We acquired seven parcels of mixed-use land in Kaifu District, Changsha, the PRC with a site area of 150,000 sq.m. for the development of Qin Royale.</li> </ul>
2014 .....	<ul style="list-style-type: none"> <li>• We acquired two parcels of residential land in Xuanwu District, Nanjing, the PRC with a site area of 91,000 sq.m. for the development of Yan Shan Ju.</li> <li>• Our five-year syndicated loan in the amount of HK\$5.3 billion was renewed.</li> </ul>
2015 .....	<ul style="list-style-type: none"> <li>• Our contracted sales for the year reached RMB8.73 billion.</li> <li>• We sold out all Phase II residential units in Langfang Harrow Town soon after the launch of the pre-sale programme, which became the benchmark project in the Greater Beijing region.</li> </ul>

<u>Year</u>	<u>Events</u>
2016 .....	<ul style="list-style-type: none"> <li>• Our contracted sales for the year reached RMB11.7 billion.</li> <li>• We entered into entrusted management agreement with China Minmetals regarding 25 real estate development and management projects for potential asset injection in the future.</li> <li>• We acquired residential land with a site area of approximately 10,530 sq.m. in Yau Tong, Hong Kong, for the development of Montego Bay, marking our entry in the real estate market in Hong Kong.</li> <li>• We acquired residential land with an aggregate site area of 163,000 sq.m. in Jiangning District, Nanjing, the PRC for the development of Enchanté Oasis and Enchanté Cove, thus strengthening the brand name in Nanjing.</li> <li>• We adopted the Chinese name “五礦地產有限公司”, reinforcing our position as the sole listed real estate flagship of China Minmetals in Hong Kong.</li> <li>• We secured HK\$6 billion term loan facility with fourteen banks in Hong Kong.</li> <li>• We secured HK\$1.8 billion term loan facility with a bank in Hong Kong.</li> <li>• We acquired residential land with a site area of approximately 17,300 sq.m. in Panyu and approximately 42,500 sq.m. in Foshan, Guangzhou, the PRC for the development of Greenery Terrace and Foshan Academic Royale, respectively, marking our debut in Guangzhou.</li> </ul>
2017 .....	<ul style="list-style-type: none"> <li>• We acquired residential land with a site area of approximately 61,000 sq.m. and 62,400 sq.m. in Wuhan, the PRC, for the development of Enchanté Crest and Wuhan Scenery Cove, respectively, marking our debut in Wuhan.</li> <li>• We also acquired land with a site area of approximately 83,400 sq.m. in Pukou and approximately 43,000 sq.m. in Gulou District, Nanjing, the PRC for the development of Jiang Shan Da Jing and Majestic Mansion, respectively.</li> <li>• We secured a term loan facility of approximately HK\$5.5 billion.</li> </ul>



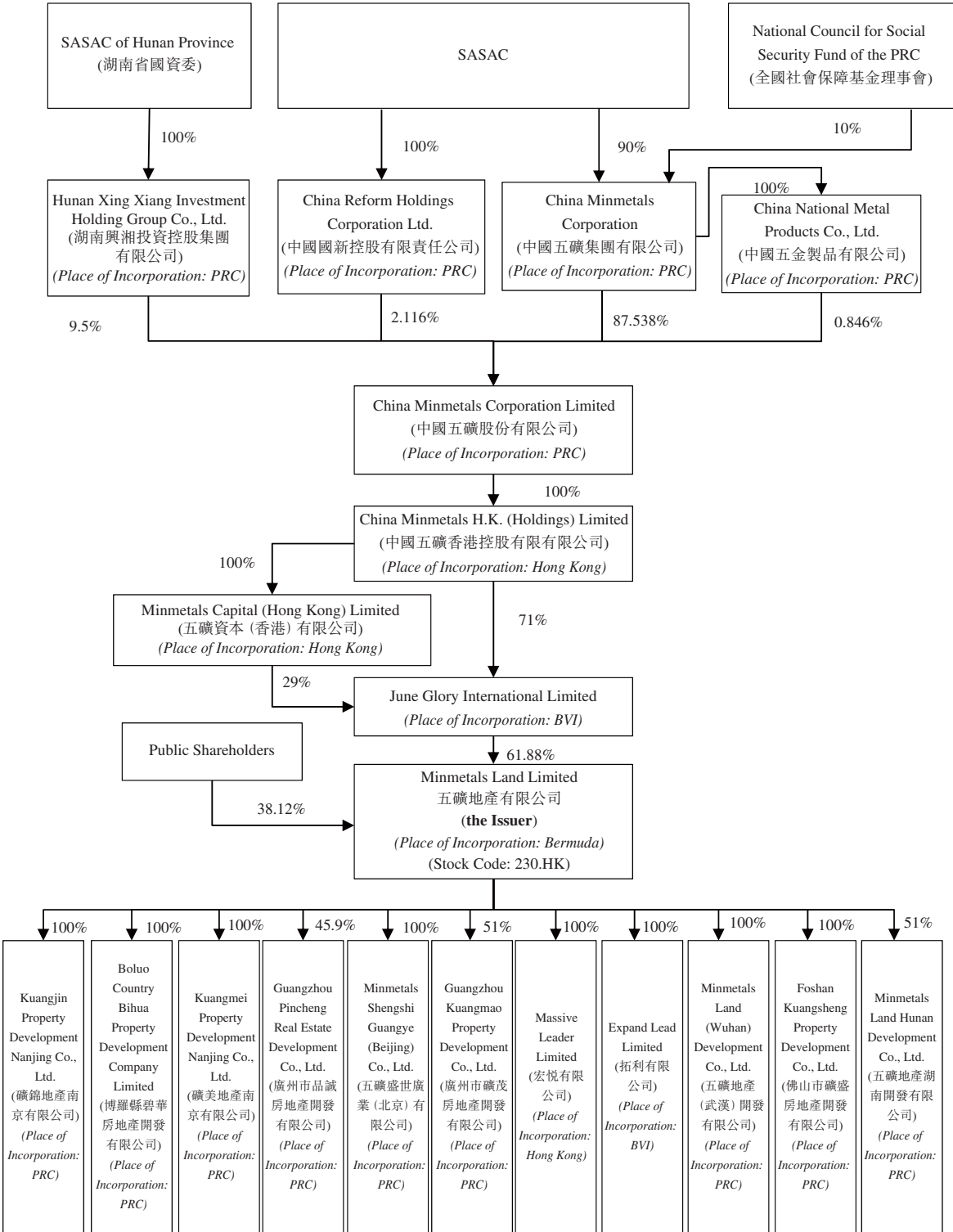
<u>Year</u>	<u>Events</u>
2018 .....	<ul style="list-style-type: none"> <li>• We issued perpetual securities in May 2018 in the principal amount of U.S.\$200 million.</li> <li>• We issued guaranteed bond in September 2018 in the principal amount of U.S.\$300 million.</li> <li>• We entered into a HK\$3.5 billion term loan facility agreement with a number of local banks in Hong Kong.</li> <li>• We entered into two revolving loan agreements for an aggregated principal amount of HK\$2.28 billion.</li> <li>• We obtained an asset-backed notes (“<b>ABN</b>”) quota of RMB5 billion in China and successfully issued the first tranche of the ABN products.</li> <li>• We formed a joint venture company with Tongxiang City Anhao Investment Management Co., Ltd. and three other parties in December 2018 for the development of Langyun Garden located in Guangzhou, the PRC.</li> <li>• We further acquired two parcels of residential land in Guangzhou with a site area of approximately 20,500 sq.m. and 72,000 sq.m. located in Huangpu District, Guangzhou, the PRC for the development of Regent Heights and Parc One, respectively.</li> <li>• Our contracted sales for the year reached RMB6.82 billion.</li> </ul>
2019 .....	<ul style="list-style-type: none"> <li>• We acquired four parcels of land located in each of Nanjing, Shenzhen, Chengdu and Changsha, the PRC with a total site area of approximately 136,000 sq.m. for the development of Enchanté Park, The Greenville, West Begonia and Nanhu Project, respectively.</li> <li>• We signed a cooperation agreement with the Chengdu Government for an urban development project in Pidu District, Chengdu, the PRC.</li> <li>• The transfer of 10 per cent. of the share capital of China Minmetals to the National Council for Social Security Fund of the PRC (“<b>Social Security Funds</b>”) was completed as a part of the PRC government’s efforts to support the Social Security Funds and compensate the deficiency of the basic endowment insurance funds for enterprise employees.</li> <li>• Our contracted sales for the year reached RMB8.64 billion.</li> </ul>

<u>Year</u>	<u>Events</u>
2020 .....	<ul style="list-style-type: none"> <li>• We received asset injection from China Minmetals comprising real estate assets of China Minmetals in Tianjin and Hunan, following which our company's land bank and assets had increased by 70 per cent. and 17 per cent. respectively.</li> <li>• We entered into a HK\$6.0 billion term loan facility agreement with eighteen banks in Hong Kong.</li> <li>• We entered into a revolving loan agreement with a principal amount of HK\$1.8 billion.</li> <li>• We acquired approximately 170,000 sq.m. of land located in Dayi County, Chengdu, the PRC for the development of Future-Eco City.</li> <li>• We acquired approximately 57,790 sq.m. of land located in Xiangtan city, Hunan Province, the PRC for the development of Xiangtan Scenery Cove.</li> <li>• We launched the corporate online sales platform “五礦好房”.</li> <li>• Our contracted sales for the year reached a record high of RMB19.36 billion, representing a year-on-year increase of 124 per cent.</li> <li>• We signed cooperation agreement with the Chengdu Government for an urban development project in Xindu District, Chengdu, the PRC.</li> <li>• We formed a joint venture with China Merchants Group and the Guangzhou Metro Group for the development of the Group's first TOD (transport-oriented development) project in Guangzhou, the PRC.</li> <li>• We disposed of our entire equity interest in Minmetals Condo (Shanghai) Construction Co., Ltd for approximately RMB4.28 million.</li> </ul>
2021 .....	<ul style="list-style-type: none"> <li>• We acquired approximately 709,000 sq.m. of land in cities in the PRC, including Chengdu, Beijing, Changsha and Suzhou, for both commercial and residential development.</li> <li>• We entered into cooperation agreements with local enterprises and governments of Nan'an City and Tong'an District of Xiamen City which has broadened the industrial resources of our Company.</li> <li>• The Group issued sustainable bonds with an aggregate principal amount of U.S.\$300 million and coupon rate of 4.95 per cent.</li> <li>• We completed the restructuring of three revolving loans in the aggregate amount of HK\$4.08 billion.</li> <li>• Our contracted sales for the year reached RMB26 billion, representing a year-on-year increase of 34 per cent.</li> </ul>

<u>Year</u>	<u>Events</u>
2022 .....	<ul style="list-style-type: none"> <li>• We acquired approximately 56,000 sq.m. of land in Nan'an, Fujian Province, the PRC for development of a multi-storey factory.</li> <li>• We entered into two new revolving loan agreements for an aggregated principal amount of HK\$1.5 billion.</li> <li>• We entered into a 4-year term loan facility in the amount of HK\$3.5 billion with certain banks, with the proceeds were used to refinance the existing borrowings.</li> <li>• We secured several construction loans and issued non-public directional debt financing instruments in the amount of RMB800 million to National Association of Financial Market Institution Investors.</li> <li>• Our contracted sales for the year was RMB13.3 billion.</li> </ul>
2023 .....	<ul style="list-style-type: none"> <li>• We entered into a 3-year club loan agreement of HK\$970 million with a number of banks.</li> <li>• We issued non-public unsecured bonds of RMB1.2 billion to domestic professional investors.</li> <li>• In May, we entered into a revolving loan agreement with a principal amount of HK\$700 million.</li> <li>• In May, we entered into a revolving loan agreement with a principal amount of RMB1 billion.</li> <li>• In July, we entered into a revolving loan agreement with a principal amount of HK\$1.5 billion.</li> <li>• In September, we entered into a revolving loan agreement with a principal amount of HK\$1.8 billion.</li> <li>• In December, we entered into a revolving loan agreement with a principal amount of HK\$780 million.</li> </ul>
2024 .....	<ul style="list-style-type: none"> <li>• In January, we entered into a 2-year club loan agreement of HK\$2.6 billion with a number of banks.</li> </ul>

**CORPORATE STRUCTURE**

The following chart illustrates the simplified corporate structure of the Group as at 30 June 2023.



## BUSINESS

### OVERVIEW

We are the sole Hong Kong-listed real estate flagship company and a subsidiary of China Minmetals, one of China's largest state-owned enterprises under the direct supervision of the SASAC. Founded in 1950, China Minmetals is one of the largest state-owned conglomerates in the PRC that operates globally in metals and mining businesses and emerging diversified businesses with core operation in (i) metals and minerals; (ii) metallurgical construction; (iii) trade and logistics and (iv) finance and real estate. In 2023, China Minmetals ranked the 65th among the Fortune Global 500 enterprises.

We are principally engaged in real estate development, specialised construction, property investment and property management businesses. We develop quality residential properties in China and Hong Kong. Our current real estate development projects are located in 18 cities in the Pan Bohai Rim, Yangtze River Delta, Central China region, Chengdu-Chongqing region and Pearl River Delta Regions in the PRC and Hong Kong. As at 30 June 2023, we had 43 projects at various stages of development located in these regions. As at 31 December 2021 and 2022, we had 42 and 44 projects at various stages located in the PRC and Hong Kong, respectively. We are also engaged in property management business in China and Hong Kong, which adheres to the "37°C Caring Service" principle to provide attractive, caring and value-added services to the property residents with safe and comfortable living environment in our completed real estate development projects.

Our specialised construction business mainly encompasses the design, production and installation of curtain walls system, windows and associated metal works. We have provided building solutions to a variety of building structures, including residential and office buildings, museums, sport centres, airports, shopping centres, swimming pools and hotels. As at 30 June 2023, we provided specialised construction services mainly in Hong Kong.

In addition, through our property investment business, we hold and lease two commercial investment properties including office and retail space in Hong Kong, namely the China Minmetals Tower and LKF29, which are located in Tsim Sha Tsui and Central, respectively. Since 2019, we have been leasing the commercial and retail complexes that we developed in Changsha and Taian in the PRC, to attract lifestyle-focused target customers.

### OUR COMPETITIVE STRENGTHS

We believe we have the following competitive strengths:

#### **We enjoy strong and continuing support from China Minmetals, our controlling shareholder and a leading state-owned conglomerate in China.**

As the sole Hong Kong-listed real estate flagship company of China Minmetals, we enjoy strong and continuing support from China Minmetals. China Minmetals is one of the largest state-owned conglomerates in the PRC that operates globally in metals and mining businesses and emerging diversified businesses, and holds a leading position in the global metals and mining industry. China Minmetals engages in metals and minerals business mainly through its listed subsidiaries MMG Limited (五礦資源有限公司, stock code: 1208.HK) and Hunan Changyuan Lico Co., Ltd. (湖南長遠鋰科股份有限公司, stock code: 688779.SH). China Minmetals' mines are concentrated in Asia, Oceania, South America and Africa. China Minmetals develops and trades many non-ferrous and ferrous products and smelt various basic metals. China Minmetals conducts its metallurgical construction business mainly through its listed subsidiaries Metallurgical Corporation of China Ltd. (中國冶金科工股份有限公司, stock code: 1618.HK, 601618.SH), Zhuzhou Smelter Group (株洲冶煉集團, stock code: 600961.SH) and China Tungsten and Hightech Materials Co., Ltd (中鎢高新材料股份有限公司, stock code: 000657.SZ), focusing on metallurgical engineering construction and equipment manufacturing, and infrastructure and urbanisation construction. China Metallurgical Group Corporation has extensive experience undertaking

planning, survey, design and construction projects of major large and medium-sized steel enterprises in China. In addition to metallurgical construction, China Minmetals has completed various notable projects in fields including housing construction, transportation infrastructure and environmental projects. China Minmetals engages in trade and logistics business mainly through its listed subsidiary Minmetals Development Co., Ltd. (五礦發展股份有限公司, 600058.SH). China Minmetals has a global trade network for both non-ferrous and ferrous metals. China Minmetals' trade network has been further expanded by cooperating with leading e-commerce enterprise on steel logistics and creating its own steel e-commerce platform, "www.wuage.com". China Minmetals conducts its real estate through us, and finance business mainly through another of its listed subsidiary Minmetals Capital Company Limited (五礦資本股份有限公司, stock code: 600390.SH). Through Minmetals Capital Company Limited (五礦資本股份有限公司), China Minmetals provides complete financial services solutions to customers by offering a wide range of financial services, which includes securities, trusts, futures, financing leasing, insurance, investment and commercial banking. China Minmetals benefits from the cooperation among its subsidiaries. For example, the expertise of China Minmetals' subsidiaries in the metals and minerals and metallurgical construction industries ensures its access to robust supply of steel and metal products as well as construction and design capabilities. China Minmetals ranked the 65th overall and second in the metals industry among the Fortune Global 500 enterprises in 2023.

In 2011, China Minmetals became one of the first centrally-administered state-owned enterprises approved by SASAC to develop and invest in real estate as its main business. Over the years, China Minmetals has accumulated considerable resources for its real estate development division and has provided us with various types of support. For example, in June 2008, China Minmetals transferred its 100 per cent. interest in China Minmetals Tower to us. In December 2010, China Minmetals injected assets into us comprising a 100 per cent. interest in the Minmetals International project and the Scotland Town project and a 49 per cent. interest in the LOHAS International Community project. In late 2015, we undertook a strategic review of China Minmetals' entire real estate development and construction division, and realigned our corporate strategy with China Minmetals' blueprint. Since March 2016, to establish a single business operation platform that eliminates internal competition, overlapping business operation and decentralised resource management, China Minmetals has been entrusting us with the management of all non-listed assets within its real estate development and construction division. In 2021, our contracted sales reached a record high which was mainly attributable to the contribution from the real estate development projects acquired from China Minmetals in 2020, coupled with the growth in contracted sales of the real estate development projects in the Yangtze River Delta. Through the integration of real estate projects, we have seen enhanced operational quality, expanded operational scale and optimised internal resource allocation in our real estate business, all of which are expected to drive for sustainable growth in the coming years.

We believe our association with and support from China Minmetals have helped us in strengthening our competitive advantages in obtaining timely governmental approvals and getting high-quality and low-cost land sites in prime locations in our target cities. Furthermore, most of our management team have worked or are working at China Minmetals or its subsidiaries. China Minmetals' management support and expertise also helped us to enhance our corporate management. We have also received funding and credit support from China Minmetals, who has helped us secure onshore and offshore bank loans at competitive funding cost, has given us access to shareholders' loans and has acted as the keepwell provider to our previous debt securities offering. Through the aforementioned forms of support, China Minmetals aims at turning us into a leading and influential real estate development company as well as urban operator in China. We believe that, with strong and continuing support from China Minmetals, we are well-positioned to further strengthen our brand and achieve our goal as a leading real estate developer in China.

**We have a well-recognised brand supported by our high-quality real estate development projects in China and property management services provided.**

We believe we enjoy strong brand recognition in the real estate development sector in China. We are the sole Hong Kong-listed real estate flagship company of China Minmetals, one of China's largest



state-owned enterprises under the direct supervision of SASAC. In 2022, we were awarded the “2022 Real Estate Outstanding Enterprise Performance” by the Guardian Index Academy (觀點指數研究院), “2022 Top 100 Chinese Real Estate Brand Influential Enterprises” and “2022 Chinese Real Estate Brand Social Contribution Enterprise” by China Real Estate Business (中國房地產報社) and China Urban & Regional Governance Research Institute (中國城市與區域治理研究院), “2022 Annual Top 20 Real Estate Enterprises with Investment Value” by Guardian Index Academy and “2022 Quality Real Estate Benchmarking Enterprise” by Leju Finance Research Institute (樂居財經研究院).

Our “5M Intelligent Health Project System” promotes the ideas and implements the concepts of healthy life, smart system, delicate management, comfortable environment and green materials into our property product lines. Our project has gained recognition both domestically and internationally because of our “5M Intelligent Health Product System”. For example, Beijing Chao Yang One and Guangzhou River Skyline have both received the Green Building Label from the MOHURD, Changsha Wanjing Yayuan has received “2023 GBE Best Green and Healthy Habitat Award” and “2023 GBE Best Landscape Design Award” from Global Business Engine, Changsha Minmetals Plaza has obtained LEED Gold Pre-certification, and Hong Kong Montego Bay has received WELL Building Standard™ certification from the International WELL Building Institute. See “*Real Estate Development — 5M Intelligent Health Project System*”.

In addition, the commercial portion of one of our real property projects, Huizhou Hallstatt See in Pearl River Delta, was awarded the 4A tourist attraction rating by China National Tourism Administration in 2015 and another of our projects, Wuhan Enchanté Crest was awarded the Gold Winner at the 2023 Titan Awards. We have also been recognised in the property management sector in China. For example, in 2022, we were awarded the “Property Management Pioneer Awards” by Property Management Services Authority (物業管理業監管局) of Hong Kong.

We believe that our “Minmetals Land” brand will continue to be of great value to us as we expand our real estate development business in China, and that we will be able to capitalise on our brand recognition to capture growth opportunities in the real estate development sector in China.

**We have land bank with high quality acquired at reasonable cost which is well suited to our real estate development needs.**

We have a successful track record of acquiring high-quality land at reasonable cost land sites that are suited to our real estate development needs. We continue to focus on development in Tier 1 and Tier 2 cities and will pay attention to those Tier 3 cities that have structural opportunities arising from spill over effect of Tier 1 cities. We also continue to broaden our perspectives to explore other means of expanding the land bank and continue to increase overseas business development. As at 30 June 2023, we had a land bank developable in GFA of approximately 7.4 million sq.m. across 43 real estate development projects in 18 cities located in the Pan Bohai Rim, Yangtze River Delta, Central China region, Chengdu-Chongqing region and Pearl River Delta in the PRC and Hong Kong. As at 31 December 2021 and 2022, we had a land bank developable in GFA of approximately 8.9 million sq.m. and 7.8 million sq.m. across 42 and 44 real estate projects in the PRC and Hong Kong, respectively.

We acquire our land sites for development through different channels, including participating in public bidding processes, acquiring other real estate development project companies and through cooperation with the local governments in the PRC, acquiring lands for urban development projects. For example, in 2022, we successfully acquired one parcel of prime industrial land in Nan’an at the reserve price. Based on the maximum plot ratio, the total developable GFA for the land parcel amounted to approximately 81,000 sq.m. The project marked a significant achievement for the Group’s transformation into an urban operator. Our ability to acquire new projects at favourable prices will help us effectively control investment risks and preserve our sustainable development.

The PRC government controls new land supply, and land use rights for residential and commercial real estate developments are granted by government agencies through public tender, auction or

listing-for-sale. The PRC government considers many factors in deciding to grant land use rights, including the price of the land and the experience of the potential buyer. We believe that our strong brand and association with and support from our controlling shareholder have helped us in strengthening our competitive advantages in identifying prime land sites, and that we have established a good reputation and strong relationships with local governments in cities we have targeted for our real estate development projects. We believe we have been able to maintain a reasonable land cost base. For the years ended 31 December 2021 and 2022 and the six months ended 30 June 2022 and 2023, our land acquisition cost recognised in cost of sales in respect of properties completed and sold accounted for 38.6 per cent., 44.7 per cent., 45.1 per cent. and 52.6 per cent. of our revenue from the sale of properties during the same periods, respectively. We believe that these factors, together with our track record of developing high-quality real estate development projects, will continue to help us in our efforts to acquire high-quality land for future projects at favourable costs.

**We have a highly stable and experienced management team making ongoing efforts to enhance efficiency.**

We have an experienced management team with a strong track record in the real estate development, property investment, specialised construction and property management industries. We believe our success is largely attributable to our experienced senior management team. Our senior management members, including Mr. He Jianbo, Mr. Liu Bo, Mr. Chen Xingwu and Mr. Yang Shangping, have an average of over 20 years of experience in the PRC real estate development, property investment, specialised construction and property management industries. Our management team has improved our operations by exercising stringent cost control and continuously adjusting production plan based on the demand of properties. Our management team has also enhanced the competitiveness of our products and satisfaction of our customers by ensuring the timely delivery of our products and providing high quality customer services. In addition, our management team has increased our marketing efforts by expanding our sales channels to include digital platforms such as Tik Tok, Weibo, Wechat and Xiaohongshu as well as key opinion leaders. The “digital brain” program received recognition as “2023 Real Estate Enterprises Services Excellent Case” from the China Real Estate Association awarding the program. Furthermore, we were ranked 48th among the “Top 100 China property Service Satisfaction Companies in 2023” and 120th among the “Top 500 China Property Service Enterprises in Comprehensive Strength in 2023”, both awarded by CRIC China in collaboration with China Real Estate Association. We believe that we will continue to benefit from the experience and industry knowledge of our senior management in achieving our goal as a leading real estate developer and urban operator in China (全國領先的城市運營服務商).

**We have a diversified and complementary portfolio of product and service offerings, including real estate development, specialised construction, property investment and property management.**

Through our real estate development business, we offer a range of mid to high-end residential property products, including low-rise and high-rise condominium units, town houses, semi-detached houses and villa houses. In recent years, we remain steadfast in pushing forward our transformation into an urban operator and we are developing industry city business model, to enrich our product portfolio, obtain mass resources for land development at low cost, and to achieve recurring income. See “*Real Estate Development — Industry City*”. In terms of geographical presence, our residential property projects are located in the Pan Bohai Rim, Yangtze River Delta, Central China region, Chengdu-Chongqing region and Pearl River Delta in the PRC and Hong Kong. We also provide property management services to our completed real estate development projects. We actively responded to changes in the market by adjusting our sales plans after analysing market trends and adopting an innovative sales initiative of expanding online sales to encourage offline sales activity.

In addition, we lease office and retail space in our two investment properties in Tsim Sha Tsui and Central, Hong Kong. In China, we own and lease two commercial and retail complexes that we built in Changsha and Taian. In addition to real estate development, property management and property investment, we also engage in the specialised construction business in Hong Kong.

As a result of our diversified and complementary portfolio of product and service offerings, we believe we enjoy more stable revenue, reduced operational risk and more sustainable growth, and are therefore less susceptible to market fluctuations and downturns.

**We enjoy strong liquidity with multiple sources of financing and have a prudent financial management policy.**

We have access to multiple sources of financing to fund our business operations, including commercial banking loans, funds raised from capital markets and direct financial support from our parent company, China Minmetals. We believe we have established good relationships with banks in financing our developments, due both to our strong operational track record and our continuing association with and support from our controlling shareholder, China Minmetals. As at 30 June 2023, we have a number of facilities in place, such as:

- On 20 March 2017, we entered into a 5.5-year secured loan of HK\$5.5 billion. On 21 September 2023, the final maturity date of the loan was extended to 31 March 2024 or six months after the date of the issuance of the certificate of compliance, whichever is the earlier. On 26 October 2017, we accepted the offer from a bank for the grant of a general banking facility in an aggregate amount of HK\$150 million, which is subject to periodic review.
- On 1 March 2019, we accepted the offer from a bank for the grant of general banking facility in aggregate amount of HK\$70 million, which is subject to annual review.
- On 20 January 2020, we entered into a 4-year loan of HK\$6.0 billion.
- On 17 June 2022, we entered into a 4-year term loan in an aggregate amount of HK\$3.5 billion.
- On 31 August 2022, we accepted the offer from a bank for a 1-year revolving loan facility in an aggregate amount of HK\$1.8 billion. The revolving loan facility was renewed in September 2023.
- On 19 December 2022, we accepted the offer from a bank for a 364-days revolving loan in the principal amount of HK\$780 million. The revolving loan was renewed in December 2023.
- On 3 February 2023, we entered into a 3-year term loan in an aggregate amount of HK\$970 million.
- On 2 May 2023, we accepted the offer from a bank for a revolving loan in the principal amount of HK\$700 million, which has no fixed term and is subject to periodic review.
- On 29 May 2023, we accepted the offer from a bank for a 1-year revolving loan in the principal amount of CNY1 billion.

In addition, on 22 July 2021, we issued offshore guaranteed bonds with a principal amount of U.S.\$300,000,000 bearing interest at the coupon rate of 4.95 per cent. per annum, which will mature on 22 July 2026. On 8 June 2022, we lodged an application to the National Association of Financial Market Institutional Investors, for the issuance of domestic directional debt financing instruments that were applied for non-public issuance to specific investors, and such application was approved on 16 August 2022. On 21 September 2022, we issued the unguaranteed bonds with a principal amount of RMB800,000,000 bearing interest at the coupon rate of 4.6 per cent. per annum, which will mature on 19 September 2025, in the domestic market. On 24 February 2023, we made an application to the Shanghai Stock exchange for the issuance of non-publicly traded corporate bonds for domestic professional investors and such application was approved on 4 April 2023. On 15 June 2023, we issued unsecured bonds with a principal amount of RMB1,200,000,000 at a coupon rate of 4.6 per cent. per annum, which will mature on 15 June 2027, in the domestic market.

We believe that our ability to access multiple sources of financing provides us with flexibility to fund our operations and enhance our liquidity position. As at 30 June 2023, we had access to total credit facilities of HK\$25,780 million, out of which HK\$5,691 million were unused.

We closely monitor our cash flows and financial position to achieve a balanced capital structure. We manage and seek to improve our liquidity profile by taking advantage of capital efficient projects, implementing proactive cost controls and adopting conservative budgeting procedures.

## **OUR BUSINESS STRATEGIES**

We aim to become a leading real estate development company and urban operator in the PRC. We intend to achieve this goal through the following strategies:

### **Further strengthen our “Minmetals Land” brand name.**

We intend to continue to promote our brand name and enhance our brand image by leveraging our association with China Minmetals, one of the largest SOEs in China and a Fortune Global 500 company. We believe we will benefit from China Minmetals’ well-recognised brand and its brand promotion as a result of the shared corporate brand of “Minmetals”. In addition, we plan to promote our brand name and enhance our brand image by reinforcing high-quality development, enhancing customer satisfaction for our products and services. To ensure the quality of our products, we have worked closely with reputable domestic and international architecture and design companies, such as P&T Architects and Engineers, and plan to continue to do so in the future. Further, we have engaged established construction companies, such as China Railway Construction Corporation and Shanghai Baoye Group Corp., Ltd. We also aim to continue providing superior property management services through our “37°C Caring Service” to achieve better customers satisfaction. We intend to maintain our stringent quality control standards. We believe that our focus on the quality of our products and services will continue to differentiate us from our competitors and provide us with a competitive advantage over them.

We have been promoting our new brands and product lines by advertising “Minmetals Land” across a variety of media in the international market and by participating in mega-brand campaigns across the real estate industry and we intend to continue to promote our brand name in the future. We also swiftly launched an online sales and marketing platform “五礦好房” to adopt innovative digital marketing initiatives under changing market conditions. We believe that, through effective marketing and our continuing focus on the quality of our products and services, we will be able to achieve our goal of further strengthening the “Minmetals Land” brand name in the PRC and overseas.

### **Adhere to prudent business development strategies and further improve our operational efficiency and profitability.**

We plan to continue adhering to our prudent business strategies and risk prevention systems. In the meanwhile, we intend to further improve our operational efficiency and profitability to speed up our property sales and inventory destocking, strengthen the ability of cash collection, to achieve sustainable profit growth and further enhance our competitiveness. We intend to continue to standardise product designs and construction materials across different project sites. Moreover, we plan to continue to launch new product lines first in more mature markets in the regions where we operate before developing these products in other cities. Our 5M Intelligent Health Project System has been applied to all of our real estate development projects and has gained good reputation and recognition and has won 32 national and international design awards during 2022. We will continue to administer the system to provide a safe, healthy and intelligent community for residents. We believe these strategies will improve our operational efficiency and profitability, accelerate project development cycles and increase our bargaining power in procuring materials and services. We also believe that our diversified business model which includes commercial property, industry city and property management services businesses will continue to supplement and enhance our real estate development operation in operating quality and profitability.

We plan to further strengthen our relationships with our business partners. We intend to continue to leverage our relationship with major raw material suppliers to obtain favourable purchase prices for construction materials. We also intend to strengthen our relationships with other service providers, such as construction companies and architecture and design firms to further improve our cost efficiency.

**Further optimise our land bank.**

To grow our real estate development business, we intend to continue to seek opportunities to acquire land at reasonable cost and further optimise our land bank through prudent project planning and selective acquisitions in order to maintain a land bank well-structured to meet customers' demand and capture growth potential in the PRC real estate development sector. We intend to continue our strategic acquisition of high-quality land sites for further development either directly through land acquisitions or indirectly by forming joint ventures or consortiums or acquiring equity interests in other real estate development companies that hold desired land use rights as well as through cooperation with the local government in the PRC acquiring lands for urban development projects. We will continue to acquire land after conducting thorough research and analysis of a project's expected costs and returns, as well as market trends in cities where the project is located. We plan to uphold prudent investment approach and intend to continue to focus our investment efforts primarily in Tier 1 and key Tier 2 cities, such as those in the Pan Bohai Rim, Yangtze River Delta, Central China region, Chengdu-Chongqing region and Pearl River Delta while seeking opportunities to expand to other regions in the PRC. We will also seize potential investment and project cooperation opportunities in Hong Kong and continue to carry out our overseas investment strategy. While maintaining our focus on residential real estate development, we also intend to diversify our land bank by increasing the number of our commercial real estate development projects as opportunities arise.

**Continue to maintain a diversified and complimentary portfolio of products and services.**

We plan to continue to maintain a diversified and complimentary portfolio of products and services. We intend to continue to focus on offering a range of mid- to high-end residential property products in the Pan Bohai Rim, Yangtze River Delta, Central China region, Chengdu-Chongqing region and Pearl River Delta in the PRC and Hong Kong while seeking opportunities to expand to other regions in the PRC as well as abroad. We plan to diversify our real estate development projects by increasing the number of our commercial real estate development projects when opportunities arise. We also intend to seek opportunities to improve our capabilities in operating investment properties for securing more cash flow through mid- to-long term leases with credible international and local tenants in the PRC as well as in Hong Kong. Revenue from the rental and management fee income from investment properties was HK\$53.2 million, HK\$42.0 million, HK\$21.6 million and HK\$23.2 million, representing 0.4 per cent., 0.4 per cent., 0.4 per cent. and 0.3 per cent. of our total revenue, for the years ended 31 December 2021 and 2022 and the six months ended 30 June 2022 and 2023, respectively. In addition, we have been managing our completed real estate development projects and intend to generally provide such services when other real estate development projects are completed by us. We also aim to adhere to the strategy of high-quality development with a focus on premium products, enhance our capabilities in commercial properties operation, make intensive efforts to develop our property management business and accelerate our transformation into an urban operator. We believe that a diversified and complimentary portfolio contributes to our revenue stability, reduces our operational risk and enhances the sustainability of our growth.



### **Maintain prudent financial management to ensure sufficient liquidity.**

A prudent financial management system can reduce our operational and financial risks and help achieve long-term sustainable growth. Therefore, we will continue to give full play to our competitive advantage as a listed flagship of China Minmetals in Hong Kong, adhere to prudent financial management principles and maintain stable financial strengths by enhancing cash flow and liquidity.

To secure sufficient liquidity, we will continue to strengthen our cash flow management and expedite the sales cash collection, while exploring new channels of funding in order to support sustainable business growth and satisfy our continuous financing needs. We also strive to reduce financing costs to increase efficiency in capital utilisation and access sufficient low-cost capital in the market.

### **Continue to leverage our position as the sole Hong Kong-listed real estate flagship of China Minmetals.**

We plan to continue to leverage our association with and support from China Minmetals, our controlling shareholder. As the sole Hong Kong-listed real estate flagship of China Minmetals, one of the largest SOEs in China, we believe that we are in an advantageous position to access and negotiate commercial bank financings at reasonable or favourable rates for our project companies. We believe that our association with and support from China Minmetals have helped us in selecting prime land sites as well as developing strong relationships with local governments in cities we have targeted for our real estate development projects. China Minmetals intends to build an extensive business platform, including real estate and financial services, to enhance its overall profitability and provide further diversification and effective hedges against commodity and macroeconomic cycles. China Minmetals intends to capitalise on its integrated business platform and capabilities to enhance synergies among its business segments to support many complementary growth opportunities to its emerging diversified business segments in the form of information sharing, intelligence gathering, fiscal support and customer relationships. Thus, we expect that the continued support from our controlling shareholder which we believe will help us maintain strong growth momentum and enhance our competitive position in the PRC real estate development market.

## **RECENT DEVELOPMENT**

### **Additional Indebtedness since 30 June 2023**

Since 30 June 2023, we have entered into additional financing arrangements and incurred indebtedness to finance our business development and for other general corporate purposes. For example, in July 2023, we entered into a revolving loan agreement with a principal amount of HK\$1.5 billion. In September 2023, we entered into a revolving loan agreement with a principal amount of HK\$1.8 billion. In December 2023, we entered into a revolving loan agreement with a principal amount of HK\$780 million. In January 2024, we entered into a 2-year club loan agreement of HK\$2.6 billion with a number of banks.

## **OUR BUSINESS SEGMENTS**

Our principal business segments are real estate development, specialised construction, property investment and property management. In our real estate development business, we develop and sell mid-to high-end residential properties in the Pan Bohai Rim, Yangtze River Delta, Central China region, Chengdu-Chongqing region and Pearl River Delta in the PRC and Hong Kong. In our specialised construction business, we primarily design, produce and install curtain walls and associated metal works, with operations mainly in Hong Kong. In addition, through our property investment business, we hold and lease office and retail space in our two investment properties in Hong Kong, the China Minmetals Tower and LKF29, which are located in Tsim Sha Tsui and Central, respectively. We also hold and lease two commercial and retail complexes in Changsha and Taian in the PRC. In addition, we provide property management services to our completed real estate development projects.



The following table sets forth information on revenue contribution from our three primary business segments for the periods indicated.

	For the year ended 31 December			
	2021		2022	
	HK\$	per cent.	HK\$	per cent.
	(in millions, except percentages)			
Real estate development <sup>(1)</sup>	12,511.0	97.1	9,875.0	98.1
Specialised construction	321.4	2.5	147.5	1.5
Property investment	53.2	0.4	42.0	0.4
<b>Total revenue</b>	<b>12,885.6</b>	<b>100.0</b>	<b>10,064.5</b>	<b>100.0</b>

	For the six months ended 30 June			
	2022		2023	
	HK\$	per cent.	HK\$	per cent.
	(in millions, except percentages)			
Real estate development <sup>(1)</sup>	6,183.9	98.4	8,185.2	98.1
Specialised construction	77.7	1.2	134.7	1.6
Property investment	21.6	0.4	23.2	0.3
<b>Total revenue</b>	<b>6,283.2</b>	<b>100.0</b>	<b>8,343.1</b>	<b>100.0</b>

Note:

(1) The revenue contribution from our property management business was included.

## REAL ESTATE DEVELOPMENT

### Overview

We are engaged in the development and sale of mid- to high-end residential properties in the Pan Bohai Rim, Yangtze River Delta, Central China region, Chengdu-Chongqing region and Pearl River Delta in the PRC and Hong Kong. As at 30 June 2023, we had 43 projects at various stages of development located in these regions. We classify real estate development projects for which we have obtained land use rights into the following three categories:

- **Completed properties.** A property is considered “completed” when a joint inspection report is signed by the relevant project company, contractors, design firms, surveying company and supervisory company and we have received the completion certificate from the relevant construction authority.
- **Properties under development.** A property is considered “under development” following the issuance of a construction permit but prior to the issuance of the completion certificate.
- **Properties held for future development.** A property is considered “held for future development” after we have obtained the relevant land use rights certificates, but prior to the issuance of a construction permit.

As some of our projects comprise multiple phases, a project may have phases that are completed, under development or held for future development. As at 30 June 2023, the Group had a land bank developable in GFA of approximately 7.4 million sq.m. across 43 real estate development projects in 18 cities located in mainland China, including Beijing, Yingkou, Langfang, Tianjin, Nanjing, Suzhou, Changsha, Xiangtan, Wuhan, Chengdu, Taian, Xining, Nan’an Huizhou, Foshan, Guangzhou, Shenzhen and Hong Kong.

## Our Real Estate Development Projects

Our real estate development projects are located in 18 cities in the Pan Bohai rim, Yangtze River Delta, Central China region, Chengdu-Chongqing region and Pearl River Delta in the PRC and Hong Kong. The following table sets forth the information of our 43 projects as at 30 June 2023:

	Attributable Interest to the Group	Site Area (sq.m.)	Construction Floor Area (sq.m.)	
<b>Pan Bohai Rim</b>				
1	Beijing Fortune Garden . . . . .	51.0 per cent.	139,000	414,000
2	Beijing Chao Yang One . . . . .	40.0 per cent.	49,000	189,000
3	Yingkou Platinum Bay . . . . .	100.0 per cent.	396,000	377,000
4	Langfang Harrow Town . . . . .	50.0 per cent.	550,000	1,285,000
5	Tianjin Minmetals International . . . . .	100.0 per cent.	21,000	183,000
6	Tianjin Neo-Metropolis . . . . .	49.0 per cent.	1,115,000	2,778,000
<b>Yangtze River Delta</b>				
7	Nanjing Sello Royale . . . . .	100.0 per cent.	179,000	270,000
8	Nanjing Academic Royale . . . . .	100.0 per cent.	136,000	482,000
9	Nanjing Yan Shan Ju . . . . .	100.0 per cent.	91,000	203,000
10	Nanjing Enchanté Oasis . . . . .	100.0 per cent.	95,000	255,000
11	Nanjing Enchanté Cove . . . . .	100.0 per cent.	68,000	148,000
12	Nanjing Jiang Shan Da Jing . . . . .	39.8 per cent.	83,000	285,000
13	Nanjing Majestic Mansion . . . . .	34.1 per cent.	43,000	233,000
14	Nanjing Enchanté Park . . . . .	100.0 per cent.	61,000	181,000
15	Suzhou City Valley . . . . .	55.0 per cent.	56,000	168,000
<b>Central China region</b>				
16	Changsha Wanjing Yayuan . . . . .	51.0 per cent.	137,000	310,000
17	Changsha LOHAS International Community . . . . .	100.0 per cent.	643,000	1,084,000
18	Changsha Scotland Town . . . . .	100.0 per cent.	333,000	442,000
19	Changsha Qin Royale . . . . .	100.0 per cent.	150,000	570,000
20	Changsha Minmetals Plaza . . . . .	100.0 per cent.	22,000	192,000
21	Changsha Realm of Landscape . . . . .	25.5 per cent.	87,000	311,000
22	Changsha Greenland Centre . . . . .	25.5 per cent.	23,000	259,000
23	Xiangtan Scenery Cove . . . . .	51.0 per cent.	428,000	1,104,000
24	Wuhan Enchanté Crest . . . . .	100.0 per cent.	61,000	180,000
25	Wuhan Scenery Cove . . . . .	100.0 per cent.	62,000	215,000
26	Taian Scenery Centre . . . . .	51.0 per cent.	51,000	148,000
27	Taian Scenery Cove . . . . .	51.0 per cent.	270,000	699,000
28	Xining Minmetals Chai Da Mu Plaza . . . . .	51.0 per cent.	152,000	464,000
<b>Chengdu-Chongqing region</b>				
29	Chengdu West Begonia . . . . .	100.0 per cent.	22,000	80,000
30	Chengdu West-Lake Future City . . . . .	100.0 per cent.	516,000	1,176,000
31	Chengdu Dayi Shaqu project . . . . .	100.0 per cent.	44,000	114,000
32	Chengdu Xindu Guiyu Mingdi . . . . .	51.0 per cent.	39,000	121,000
33	Chengdu Xindu Lanyue Xian Huayuan . . . . .	51.0 per cent.	44,000	140,000
<b>Pearl River Delta</b>				
34	Huizhou Hallstatt See . . . . .	100.0 per cent.	918,000	1,549,000
35	Foshan Academic Royale . . . . .	100.0 per cent.	43,000	214,000
36	Guangzhou Greenery Terrace . . . . .	100.0 per cent.	17,000	29,000
37	Guangzhou Regent Heights . . . . .	51.0 per cent.	21,000	72,000
38	Guangzhou Parc One . . . . .	51.0 per cent.	72,000	258,000
39	Guangzhou Langyun Garden . . . . .	10.0 per cent.	57,000	130,000
40	Guangzhou River Skyline . . . . .	45.9 per cent.	77,000	340,000
41	Shenzhen The Greenville . . . . .	51.0 per cent.	31,000	178,000
42	Nan'an Project . . . . .	70.0 per cent.	56,000	81,000
43	Hong Kong Montego Bay . . . . .	100.0 per cent.	11,000	65,000

The following table sets forth the breakdown of our land bank (including land pending land use rights certificates) by region and tier of city as at 30 June 2023:

Location	Total GFA (in thousand sq.m.)	Percentage of total GFA (per cent.)
Pan Bohai Delta . . . . .	2,483	33.4
Yangtze River Delta . . . . .	304	4.1
Central China region . . . . .	1,696	22.8
Chengdu-Chongqing region . . . . .	1,355	18.3
Pearl River Delta <sup>(1)</sup> . . . . .	1,591	21.4
<b>Total:</b> . . . . .	<b>7,429.0</b>	<b>100.0</b>

*Note:*

(1) Pearl River Delta includes Hong Kong.

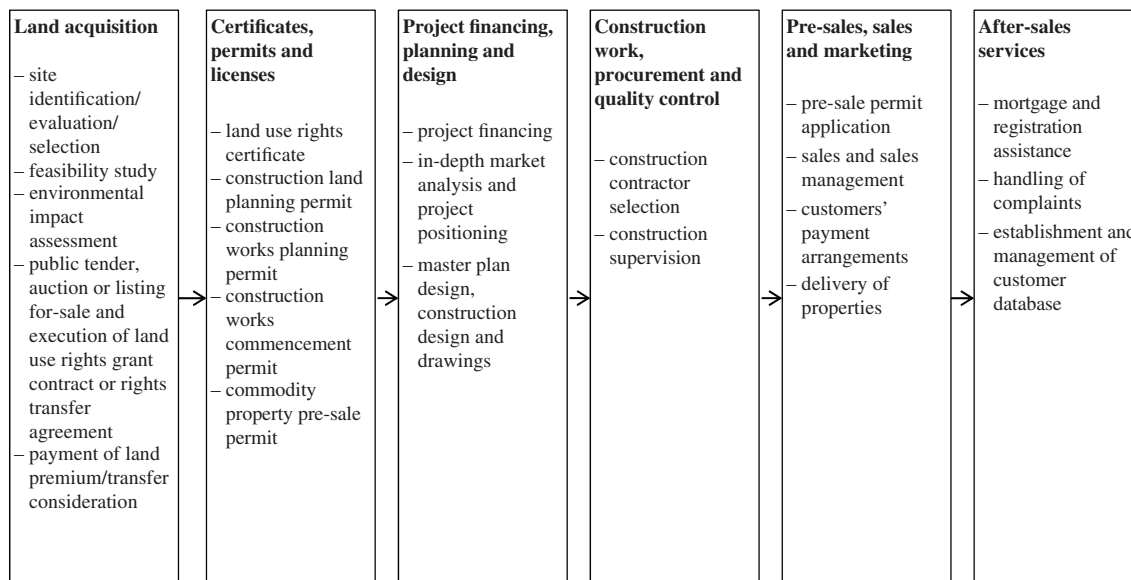
City Tier	Total GFA (in thousand sq.m.)	Percentage of total GFA (per cent.)
Tier 1 . . . . .	2,329	31.4
Tier 2 . . . . .	2,760	37.2
Tier 3 . . . . .	2,340	31.4
<b>Total:</b> . . . . .	<b>7,429.0</b>	<b>100.0</b>

### ***Industry City***

We remain steadfast in pushing forward our transformation into an urban operator. Leveraging years of practical experience, we have gradually established a unique business model and market competitiveness for the industry-city business. Chengdu West-lake Future City project aims to develop a community that integrates residence, leisure, entertainment and industry. Construction of the project has incorporated elements of ecological integration, leisure consumption, innovative entrepreneurship and co-construction, co-governance and sharing, as well as servicing resources such as humanistic education and green transportation. Nan'an project will be developed into an important valve manufacturing base with an objective of attracting leading valve and fire safety manufacturers. With a focus on valve business, the project will also include comprehensive industrial supporting facilities around the core industry to build a multi-functional industrial space that integrates various elements, such as production, research and development, storage, exhibition, inspection and testing services, to satisfy the different needs of quality corporations and growing enterprises.

## ***Real Estate Development Process***

We adopt a systematic approach to developing our properties, while catering to the specific preferences of individual target markets. The diagram below summarises the major stages typically involved in our real estate development projects.



### ***Land Acquisition***

Land acquisition begins with the site selection process. We place a strong emphasis on the site selection process and consider it fundamental to a project's success. We conduct in-depth market analysis to understand market prices and other trends in a property market before commencing or launching a real estate development project. An experienced team is responsible for identifying prospective sites for development.

We typically consider a number of key factors when deciding whether to pursue a site at a particular time. Such factors include, but are not limited to:

- the size, demographic and population of the city in which the site is located;
- the degree to which the proposed development fits in with our product profile and growth strategies;
- location, surrounding environment and amenities, and proximity and accessibility to city centres or business districts;
- local property market conditions and industry competitors/players;
- local urban planning and specifications;
- the infrastructure available or planned by the local government;
- estimated cost, investment and financial return;
- local regulatory incentives or subsidies;
- special governmental requirements for the development; and
- applicable zoning regulations and preferential government policies.

Prior to July 2002, land use rights could be obtained through a land use grant contract executed between a real estate developer and local government authorities. Since 1 July 2002, land use rights for purposes of commercial use, tourism, entertainment and commodity housing development must be granted by the government through public tender, auction or listing-for-sale. Since our real estate development projects are classified as commodity housing developments, land use rights for our projects must be granted in this manner. See “*PRC Regulations — Real Estate Development — Land for Real Estate Development*”. When deciding to whom the land use rights are granted, authorities consider not only the tender price, but also the credit history, qualifications and development proposal of the tendering party. When land use rights are granted by way of tender, an evaluation committee consisting of no fewer than five members (including a representative of the grantor and other experts) evaluates the tenders that have been submitted and selects the eventual grantee. When land use rights are granted by way of auction, a public auction is held by the relevant local land bureau and the land use rights are granted to the highest bidder. When land use rights are granted by way of listing-for-sale, the assignor issues a listing-for-sale announcement that specifies land grant conditions and invites bidders to list their applications at a specified land exchange within a specified period.

During the years ended 31 December 2021 and 2022 and the six months ended 30 June 2023, we successfully acquired land through public tender, auction and listing-for-sale. We intend to continue to acquire land for new real estate developments through the above means.

### ***Certificates, Permits and Licenses***

Once we have paid the land premium and obtained the right to develop a parcel of land, we begin applying for the various permits and licenses that we need in order to begin construction and sale of our properties. If land use rights are acquired by way of grant, the land use rights grant contract will be a pre-condition to applications for the following certificates, permits and licenses:

- ***Land use rights certificate.*** The state-owned land use rights certificate (國有土地使用權證) is issued by a local real estate and land resources bureau with respect to the land use rights;
- ***Construction land planning permit.*** The construction land planning permit (建設用地規劃許可證) is issued by a local urban zoning and planning bureau or equivalent authority;
- ***Construction works planning permit.*** The construction works planning permit (建設工程規劃許可證) is issued by a local urban zoning and planning bureau or equivalent authority;
- ***Construction works commencement permit.*** The construction works commencement permit (建築工程施工許可證) is issued by a local construction committee or equivalent authority; and
- ***Commodity property pre-sale permit.*** The commodity property pre-sale permit (商品房預售許可證) is issued by a local housing and building administrative bureau or equivalent authority.

A real estate developer is allowed to commence construction of a real estate development only upon obtaining a construction works commencement permit, which will only be issued after the land use rights certificate, construction land planning permit and construction works planning permit (together with the permit for commencement of construction work, collectively known as the “**four certificates**”) are obtained.

### ***Project Financing***

Our financing methods vary from project to project and are subject to limitations imposed by PRC regulations and monetary policies. Under applicable PRC regulations, commercial banks in the PRC are prohibited from advancing loans to fund the payment of land premiums, and as a result we have primarily used our internal funds to pay for land premiums. Our real estate development costs, including construction costs and additional financing for existing projects, are typically financed by internal funds and project loans from PRC banks.

The following summarises the main financing methods for our projects:

- **Internal funding from business operations.** Our internal funds primarily comprise proceeds from the sale and pre-sale of properties and rental income. We receive pre-sale proceeds when we enter into contracts to sell properties prior to their completion, which must be used for the construction of the projects which have been pre-sold. We typically receive an initial payment of 30 per cent. of the purchase price at the time of the execution of the pre-sale contract and receive the balance typically within a few months thereafter, by which time the customer is typically required under the contract to have obtained a bank mortgage.
- **Borrowings from banks and other parties.** We usually obtain project specific borrowings from commercial banks in the PRC. Such borrowings are typically secured by our properties under development and our land use rights. As at 30 June 2023, our outstanding PRC construction bank borrowings amounted to approximately HK\$1,628.8 million, of which HK\$1,233.6 million were secured. As at 30 June 2023, our outstanding current and non-current borrowings amounted to HK\$25,705.8 million.
- **Funds raised from capital markets.** In addition, on 26 April 2013, we issued offshore guaranteed bonds with a principal amount of U.S.\$225,000,000 and U.S.\$125,000,000 bearing interest at the coupon rate of 5.50 per cent. and 6.50 per cent., per annum respectively, which matured on 26 April 2018 and 26 April 2023, respectively. On 22 July 2021, we issued offshore guaranteed bonds with a principal amount of U.S.\$300,000,000 bearing interest at the coupon rate of 4.95 per cent. per annum, which will mature on 22 July 2026. On 8 June 2022, we lodged an application to the National Association of Financial Market Institutional Investors, for the issuance of domestic directional debt financing instruments that were applied for non-public issuance to specific investors, and such application was approved on 16 August 2022. On 21 September 2022, we issued the unguaranteed bonds with a principal amount of RMB800,000,000 bearing interest at the coupon rate of 4.6 per cent. per annum, which will mature on 19 September 2025, in the domestic market. On 24 February 2023, we made an application to the Shanghai Stock exchange for the issuance of non-publicly traded corporate bonds for domestic professional investors and such application was approved on 4 April 2023. On 15 June 2023, we issued unsecured bonds with a principal amount of RMB1,200,000,000 at a coupon rate of 4.6 per cent. per annum, which will mature on 15 June 2027, in the domestic market.
- **Fund contributions from the joint venture partners.** We obtained fund contributions from joint venture partners for our joint venture projects proportional to each party's equity holding. The fund contribution is usually deployed for the purpose of enlarging the share capital of the joint venture company, and the total capital contributions to be made to the joint venture company were usually arrived at after arm's length negotiation between the joint venture partner and ourselves after taking into account the costs of the project, including cost of land acquisition and estimated operating costs.

We plan to continue to fund our projects primarily by using a combination of sources, internally generated funds, bank borrowings and funds raised from the capital markets from time to time.

### ***Project Planning and Design***

Project planning and design is a critical step of the project development process. Our in-house planning and design team is responsible for the research and development of our real estate development projects. This team cooperates closely with our project managers and contracted designers and engineers on the overall planning of each development project.

We engage reputable and professional architectural and interior design firms to plan the architectural, landscape and interior designs of our projects in accordance with our specifications. We use a competitive bidding process in selecting architectural and interior design firms and make our selection based on their proposed designs, their reputation for reliability and quality as well as their bidding price.



Our in-house planning and design team is responsible for monitoring the progress and quality of the architectural design and interior design of our real estate developments. This team regularly monitors the work quality and progress of the engaged design firms to ensure that such firms meet our project quality and specification requirements. Our in-house planning and design team also works closely with our construction management department and sales and marketing team and generally considers their recommendations regarding product design and mix, project locations and market conditions.

### ***Project Construction***

We do not maintain an in-house construction team. Instead, we outsource our construction work to third-party construction companies and affiliated entities that are subsidiaries of China Minmetals. Third-party construction companies are typically selected through a tender process. We consider various factors including quality and safety, reputation, track record in similar-size projects, technical and construction capabilities, proposed construction schedule and price.

Our contracts with construction companies typically provide for the completion date of the construction projects, quality and safety requirements mandated by relevant PRC laws and regulations and our quality standards and other specifications. Prices for construction work are primarily based on estimated labour and material costs and are usually computed on a per sq.m. basis. In an effort to ensure the quality of services rendered by the contractors, our construction contracts generally provide for progressive payment arrangements according to construction phases throughout the construction process, and we typically withhold a portion of the contract sum for a pre-agreed period of time after the construction is completed to secure any claim we may have due to any potential construction defects.

Under PRC law, construction companies bear civil liability for personal injuries, accidents and deaths arising out of their construction work if such personal injuries, accidents and death are caused by the construction companies. The owner of the property under construction may also bear civil liability for personal injuries, accidents and death if such injuries, accidents and death are due to the fault of the owner. To date, we have not experienced any material destruction of or damage to our real estate development; nor has any material personal injury incident occurred on any of our project sites. We are not responsible for any labour problems our contractors might have. As to our risk in relation to environmental, social and safety problems due to noncompliance with PRC laws by the contractors, we may be held responsible for such problems but our construction contracts provide that we may seek indemnification from the contractors for any resulting damages. To help ensure construction safety on our project sites and compliance with PRC laws and regulations, including environmental, social and safety regulations, we have provided a set of standards and specifications in our construction contracts for external construction companies to comply with during the construction process. While we engage independent supervisory companies to conduct quality and safety control checks on our projects, we maintain a team of in-house professionals to monitor various aspects of our projects, such as progress and quality.

### ***Procurement of Building Materials and Equipment***

Equipment and construction materials needed for our construction work are generally procured by our contractors except for specified materials, including elevators, main entrance doors, paint, roof tiles and air conditioning systems, which we procure through our procurement team. Where the construction materials are considered key items, we typically designate a few brands which the contractors are required to procure. We have established a screening and bidding process to select material suppliers based on a set of factors including product quality, production capacity, management, implementation capability, track record and after-sales services.

### ***Quality Control and Construction Safety***

We emphasise quality control to ensure that we provide high-quality products and services to our customers. We have adopted our quality control procedures to ensure that our properties and services comply with relevant rules and regulations relating to quality, safety and planning criteria and meet market standards. We adopt written selection and specification requirements for procurement of each type of material and equipment, including brand requirements, quality, technical standards, sample inspection and random quality inspection. We impose ingredient specifications for certain important construction materials, such as cement. In addition, construction materials must be sampled and tested before they are used in our projects.

We have formulated internal control standards and procedures to regulate all major processes and procedures in our construction works. We require contractors to adhere to our guidelines in respect of standards and procedures, comply with relevant PRC laws and regulations in carrying out their work, and report any deviations and instances of non-compliance. Our project engineers perform on-site supervision during our construction process and conduct progressive inspections at each construction phase. We assign evaluation teams to perform on-site evaluation reviews of our existing contractors periodically with respect to construction quality, safety control and compliance with the relevant PRC regulations and standards relating to building materials and workmanship. We also prepare detailed quality evaluation reports for each unit of our projects after construction completion.

In addition, we engage independent third-party supervisory companies to monitor, control and manage the construction progress of our projects, including quality, cost control, safety, quality control of construction materials and equipment, and to conduct on-site inspection. Our contracts with supervisory companies generally set out payment terms, fee calculation methods and dispute resolution provisions. The supervisory fees are generally determined either at a negotiated percentage of the total construction cost of the construction project, or according to the number of supervisory personnel persons deployed. We generally make progressive payments to our supervisory companies according to construction phases until they complete the relevant services.

Furthermore, we emphasise construction safety to ensure that our properties are in compliance with the applicable laws and regulations relating to safety. We require our employees to adhere to our safety measures and procedures as stipulated in our work and safety policy. We monitor and supervise our employees closely in the implementation of all such safety measures and procedures during execution of work. Responsible employees shall be penalised in accordance with the policy when accidents related to work safety arise. We also perform safety control checks on all building materials, equipment and construction regularly to ensure the achievement of high construction safety standard.

We believe that we have developed a strong track record of quality control and construction safety in developing our projects.

### ***5M Intelligent Health Product System***

Our property projects under the “5M Intelligent Health Product System” focus on “Merit in healthy living, Mutual and intelligent system for households and community, Mindful of the need to provide caring services and protective security system, Merry and comfortable lifestyle and environment and to Master green construction”. “Merit in healthy living” demonstrates a commitment to creating residential environments with clean air, safe and clean water, and healthy lighting, by applying technologies such as water purification and ventilation systems. “Master green construction” focuses on providing residents with healthy, efficient and green residential space by utilising energy efficient equipment, monitoring pollutant and minimising resource waste. Examples of related technology include sponge city, radiant floor heating and solar panels. “Merry and comfortable lifestyle” concentrates on increasing residential comfort through adjusting heat and humidity, providing acoustic comfort and maintaining hot water

supplies. “Mutual and intelligent system” places emphasis on incorporating technology to create smart homes and smart communities. “Mindful of the need to provide caring services” focuses on building convenient living environments with features such as ergonomic facilities and considerate management services such as butler services.

### ***Pre-Sales***

In line with market practice, we pre-sell properties prior to completing construction. Under applicable PRC laws and regulations, the following conditions must be met prior to commencing any pre-sale of any particular real estate development:

- the relevant land use rights certificate has been duly issued;
- the construction works planning permit and the construction works commencement permit have been duly issued;
- the funds contributed to the real estate development may not be less than 25 per cent. of the total amount required to be invested in the project;
- the progress and the expected completion date and delivery date of the construction work have been ascertained; and
- a pre-sale permit has been duly issued by the relevant construction bureau or real estate administration authority.

In addition, the real estate developer should ensure that proceeds from pre-sales are used for the construction of the relevant pre-sold real estate development project. Pre-sale activities are also subject to local regulations of the cities where the real estate development projects are located.

### ***Sales and Marketing***

We have a sales and marketing team responsible for executing our overall sales and marketing strategy and product promotion plans. Our sales and marketing team conducts market analyses, prepares promotional designs and project brochures, organises on-site promotions, arranges advertising campaigns, recommends pricing, sets sales-related policies and manages our customer relationships. We provide training programs and courses to our sales and marketing staff with different levels of experience.

We promote our products through various media including newspapers, the Internet, television, radio and outdoor billboards. We also conduct advertising campaigns by means of direct mail, phone text messages and project promotional materials. In addition, in 2020, we launched the online sales platform “五礦好房” for sales and marketing activities which effectively overcame the loss attributed to the freezing physical property sales activities. We occasionally participate in real estate exhibitions to enhance our brand awareness and promote our products. As part of our sales strategy, we conduct onsite promotion and display units to potential customers.

We occasionally work with external sales and marketing agencies. We select such agencies based on their qualifications, reputation, past performance and market share, project proposal and qualifications and experience of their professional staff. Once engaged, representatives of such agencies act as our agents for sales of specific projects. Fees payable to external sales agencies are usually negotiated on the basis of prevailing market rates and settled according to negotiated contract terms.

### ***Customer’s Payment Arrangements***

Purchasers of our residential properties, including those purchasing pre-sale properties, may arrange for mortgage loans with banks. The mortgage payment terms for properties sold or pre-sold are substantially

the same. Purchasers typically make a down payment as required by applicable PRC regulations on the date of execution of the formal sale and purchase agreement. Currently first-time purchasers are required to make a down payment of at least of 30 per cent. of the purchase price; while purchasers who purchase additional properties are required to make a down payment of at least 50 per cent. of the purchase price. In each case, a mortgage loan with a maximum term of 30 years for the balance of the purchase price may be available to the purchasers. Purchasers are generally required to pay the balance of the purchase price within one month following the execution of the sale or pre-sale contract when they purchase properties using mortgage financing. If our purchasers choose not to finance their purchases with mortgage loan facilities, they are required to pay the purchase price in full at the time of the execution of the pre-sale or sales contract.

In accordance with industry practice, we provide guarantees to banks for the repayment of mortgage loans with respect to pre-sold properties. The guarantee is released upon the earlier of (i) the satisfaction of the mortgage loan by the purchaser of the property and (ii) the issuance of the property ownership certificate for the mortgaged property and the completion of the registration of the mortgage, which is generally available within six months to one year after the purchaser takes possession of the relevant property. In line with industry practice, we do not conduct independent credit checks on our purchasers but rely on the credit checks conducted by the mortgagee banks.

As at 30 June 2023, our outstanding guarantees given to banks for mortgage facilities granted to purchasers of our properties amounted to HK\$7,990 million. For the years ended 31 December 2021 and 2022 and the six months ended 30 June 2023, there were no material defaults under mortgage facilities secured by our guarantees, individually or in the aggregate. See “*Risk Factors — Risks Relating to Our Business — We may become liable if our customers default on mortgages we have guaranteed.*”

### ***Delivery of Properties***

We endeavour to deliver our products to our customers in a timely manner. We closely monitor the progress of construction of our real estate development projects and conduct pre-delivery property inspections to ensure the quality of our properties. The time frame for delivery is set out in sale and purchase agreements we enter into with our customers. In pre-sales transactions, delivery of a property generally takes place within one to three months after completion of the property, depending on the type of property, and we are required to make penalty payments to purchasers for any delay in delivery. Once a real estate development project or project phase has passed requisite government inspections and is ready for delivery, we notify our customers and hand over keys and possession of the properties.

### ***After-Sales Services***

Our after-sales services are customer-oriented. Our objective is to ensure continued customer satisfaction. We offer various types of after-sale services to our customers. For example, we generally assist the purchasers of our properties with mortgage financing applications, title registrations and obtaining property ownership certificates. We offer multiple communication channels for our customers to provide feedback and complaints about our products or services, including a customer service telephone hotline. We also study customer satisfaction through third-party research. We cooperate with our property management companies to handle customer complaints, and we seek to make timely adjustments to products and services to meet our customers’ needs.

## **PROPERTY MANAGEMENT**

We also engage in the provision of property management services to our completed real estate development projects. Our property management business in China and Hong Kong adheres to the “37°C Caring Service” principle to provide attractive, caring and value-added services to the property residents with safe and comfortable living environment in our completed real estate development projects. Our property management teams are well equipped with professional qualifications and extensive experience

in safety management, equipment operation and maintenance, environmental and building management. We have also established property management subsidiaries in China and Hong Kong to ensure professional and caring property management services are provided to buyers.

For the years ended 31 December 2021 and 2022 and the six months ended 2023, we received various awards in relation to our property management business, including the following:

Name of the residential property managed by us	Award
China Minmetals Tower . . . . .	“Honourable Managed Property Award” by Kowloon West Best Security Services Awards “Quality Water Supply Scheme for Buildings — Fresh Water (Management System) (Gold)” by the Water Supplies Department “Indoor Air Quality Certificate” by the Environmental Protection Department.
LKF29 . . . . .	“Quality Water Supply Scheme for Buildings — Fresh Water (Management System) (Gold)” by Water Supplies Department
Platinum Bay . . . . .	“2021 Liaoning Province Online and Offline Life Services Benchmarking Project” by the Department of Housing and Urban-Rural Development of Liaoning Province (遼寧省住房和城鄉建設廳) “Provincial Water-saving Community” jointly issued by the Department of Housing and Urban-Rural Development of Liaoning Province, the Development and Reform Commission of Liaoning Province (遼寧省發展與改革委員會), the Department of Water Resources (遼寧省水利廳), and the Department of Industry and Information Technology of Liaoning Province (遼寧省工業及資訊化廳)
Enchanté Cove . . . . .	“Nanjing City Property Management Demonstration Project” by Nanjing Housing Security and Real Estate. Management Bureau (南京市住房保障和房產局)

## SPECIALISED CONSTRUCTION

As at the date of this Offering Circular, we are engaged in the business of specialised construction via a wholly-owned subsidiary company, Minmetals Condo (Hong Kong) Engineering Company Limited (“**Condo Hong Kong**”) for the Hong Kong market. Through our specialised construction business, we provide our customers with integrated curtain wall system and metal roofing system solutions that are customised to meet the technical specifications and performance requirements of individual projects. Our services include design of structural systems, procurement of materials, production and assembly of curtain wall and metal roofing products, performance testing, and installation of products at construction sites and after-sales services. Our key products include curtain wall and roofing systems, aluminium windows, doors and internal cladding. We have provided building solutions to a variety of building structures, including residential and office buildings, museums, sport centres, airports, shopping centres, swimming pools and hotels, including the north satellite concourse of the Hong Kong International Airport and the new Tamar Hong Kong Government Headquarters. Our iconic projects include West Kowloon Palace Museum, Ocean Park Water World, Liantang Port and Xiqu Centre.

Condo Hong Kong’s active participation in both private development and public sector over the years has earned itself positive market recognition within the construction sector. However, as curtain wall construction companies from other regions enter into the Hong Kong market, competition has intensified. In view of persisting fierce market competition and a higher risk of increase in direct and indirect costs, Condo Hong Kong has adopted a relatively conservative bidding strategy and implemented tight risk management measures, and therefore did not undertake new projects in 2022 and the first half of 2023. Nonetheless, Condo Hong Kong has continued to maintain a sound cooperative relationship with local developers with ongoing efforts in seeking good development opportunities.

For the years ended 31 December 2021 and 2022 and the six months ended 30 June 2022 and 2023, revenue from our specialised construction amounted to HK\$321.4 million, HK\$147.5 million, HK\$77.7 million and HK\$134.7 million, respectively, contributing to 2.5 per cent., 1.5 per cent., 1.2 per cent. and 1.6 per cent., respectively, of our revenue for the same periods.

## PROPERTY INVESTMENT — RENTAL AND MANAGEMENT FEE INCOME FROM INVESTMENT PROPERTIES

Our investment property portfolio mainly comprises two commercial and office buildings for leasing in Hong Kong, the 20-storey China Minmetals Tower in Tsim Sha Tsui, Hong Kong and the 25-storey LKF29 in Central, Hong Kong, and two commercial and retail complexes in Changsha and Taian in the PRC. Our leases are generally for terms of two to three years. We consider various factors when selecting our tenants, such as the candidate tenants' reputation and history. Rents are typically determined based on prevailing market rates and calculated on a per sq.m. basis.

We intend to retain these properties for long-term investment. In managing our investment property portfolio, we take into account estimated long-term growth potential, overall market conditions and our cash flows and financial condition. We have taken measures to optimise the value of our investment properties. We have introduced all-scenario immersive shows to Huizhou Hallstatt See to attract visitors and redesigned the marketplace of Taian-Live to increase sales. To ensure the effective utilisation of our investment properties, we have attracted tenants that are well-known brands and minimised vacancies. We have also improved the operations of our investment properties by integrating management teams and introducing different ticket packages for different combinations of attractions. Furthermore, we have enhanced the customer service at our investment properties by increasing customer convenience with services such as pet boarding and offering free raincoats.

For the years ended 31 December 2021 and 2022 and the six months ended 30 June 2022 and 2023, respectively, our rental and management fee income from investment properties in Hong Kong amounted to HK\$53.2 million, HK\$42.0 million, HK\$21.6 million and HK\$23.2 million, representing 0.4 per cent., 0.4 per cent., 0.4 per cent. and 0.3 per cent. respectively, of our revenue for the same periods.

The table below summarises certain information with respect to our commercial and office buildings in Hong Kong as at 30 June 2023.

Investment Properties	Type	Total GFA held for investment (sq.m.)	GFA of tenanted portion (sq.m.)	Occupancy rate	Range of rental period (years)
China Minmetals Tower . . . . .	Office and retail	10,788	9,912	89.0 per cent.	1-3 years
LKF29 Tower . . . . .	Office and retail	5,038	4,625	89.1 per cent.	1-3 years
<b>Total</b> . . . . .		<b>15,826</b>	<b>14,537</b>		

As at 30 June 2023, the fair value of China Minmetals Tower was HK\$1,041 million and the fair value of LKF29 was HK\$907 million.

## COMPETITION

The property market in the PRC is fragmented and competitive. Competition is primarily based on factors such as location, types of properties offered, brand recognition, quality, facilities, government regulation and supporting infrastructure, services and pricing. Our existing and potential competitors include major domestic state-owned and private real estate developers in the PRC, and real estate developers from Hong Kong and elsewhere in Asia. Some of our competitors may have greater financial and other capital resources, marketing and other capabilities and name recognition than us. In addition, some local companies have extensive local knowledge and business relationships or a longer operational track record in the relevant local markets than us. Intensified competition between real estate developers may result in increased costs for land acquisition, oversupply of properties and a slowdown in the approval process for new real estate developments by the relevant government authorities. See “Risk Factors — Risks Relating to the PRC Real Estate Industry — Increasing competition in the PRC property market may adversely affect our profitability.”



## **INTELLECTUAL PROPERTY RIGHTS**

We rely on a combination of trademark and contractual arrangements to establish and protect our brand name and other intellectual property rights. We did not experience any material infringement of our intellectual property rights during the years ended 31 December 2021 and 2022 and the six months ended 30 June 2023, and we are not aware of any material unauthorised use of our brand name, logo or other forms of our brand image. Nor are we aware of any infringement by us of any third parties' intellectual property rights.

## **INSURANCE**

We maintain asset insurance policies for our properties and assets. We do not insure against potential losses or damage with respect to our properties for sale before their delivery to customers. Nor do we maintain insurance coverage against liability from tortious acts or other personal injuries on our project sites. The construction companies are responsible for quality and safety control during the course of construction and are required to maintain accident insurance for their construction workers pursuant to PRC laws and regulations. We believe our insurance practice is consistent with the customary practice in the PRC real estate industry.

For our specialised construction projects, we generally carry contractor all risk and third-party liability insurance coverage, but do not maintain any defective product or business disruption insurance policies. We rely on umbrella insurance policies for the buildings in which our curtain wall products are installed, for instance, to cover matters such as workers' compensation claims, and we only maintain separate workers' compensation policies in a limited number of instances where we are legally or contractually required to do so.

With respect to our investment properties in Hong Kong, we maintain insurance coverage against destruction of or damage to these two properties.

## **ENVIRONMENTAL MATTERS**

We are subject to PRC national, provincial and local environmental laws and regulations in the PRC. These include, without limitation, the Environmental Protection Law, the Prevention and Control of Noise Pollution Law, the Environmental Impact Assessment Law and the Administrative Regulations on Environmental Protection for Development Projects. Pursuant to these laws and regulations, each real estate development is required to undergo environmental assessment. A real estate developer must prepare an environmental impact assessment report for submission to the relevant PRC environmental authorities and obtain approval from such authorities before commencing construction.

During the construction stage, the environmental control facilities must be completed in accordance with the design and relevant codes of practice. We also must ensure that our construction contractors comply with applicable environmental laws and regulations during the construction stage. During the course of construction of development projects, the environment is typically impacted by an increased amount of dust around the site, increased construction waste and increased noise pollution. In each of these cases, our construction contractors, as part of the responsibilities under their contracts, are responsible for taking actions to clear waste, to keep dust levels low, to control noise pollution and to comply with all relevant environmental laws and regulations.

Upon completion of each project, the relevant environmental authorities will inspect the site and test the environmental control facilities to ensure compliance with all applicable environmental standards and prepare a report to confirm such compliance. The resulting report is presented together with other specified documents to the relevant construction administration authorities for their approval and record. Approval from the environmental authorities of such report is required before we can deliver the property to our customers.

We believe that we are in compliance in all material respects with applicable national, provincial and municipal environmental laws and regulations, and have not received any fines or penalties associated with breaching of any of them.

## HEALTH AND SAFETY MATTERS

In respect of social responsibility, in particular, labour health, safety, insurance and accidents, relevant laws and regulations mainly include the PRC Labour Law, PRC Labour Contract Law, Interim Regulation on Collection and Payment of Social Insurance Premiums, Regulations on Work-Related Injury Insurance, Safety Production Law, Regulations on the Reporting, Investigation and Disposition of Work Safety Accidents, Administrative Regulations on the Work Safety of Construction Projects and Regulations on the Management of the Housing Provident Fund. The aforementioned laws and regulations set forth relevant provisions on working hours, work safety, rest and vacation, wages, health and safety, social insurance and welfare for employees. We have purchased insurance for our employees according to PRC laws and regulations and we are planning to increase insurance coverage for our employees to include commercial accident insurance. We believe that as at the date of this Offering Circular, there had been no material violation of currently applicable PRC labour and safety regulations nor had there been any material employee safety issues involving us.

## EMPLOYEES

As at 30 June 2023, we had 1,075 staff (including the directors). The following table provides a breakdown of our employees by function as at the same date.

<b>Division</b>	<b>Number of Employees</b>
Market and Sales	93
Professional Technicians	227
Management Staff	222
Investment Planning	25
Property Management	347
Others	161
<b>Total</b>	<b>1,075</b>

Our employees are engaged under employment contracts and do not negotiate their terms of employment through any labour union or by way of collective bargaining agreements. We benchmark employee remuneration packages against our peers, and each package is based on the employee's qualifications, position and seniority. We believe the salaries and benefits that our employees receive are competitive in comparison with market rates. The remuneration package of our employees includes salary, incentive bonus, share-based compensation and welfare. We conduct annual appraisals for our employees and apply the appraisal results in our annual salary reviews, promotion assessments and annual bonus determinations. Commissions are paid only to sales staff.

We are subject to social insurance contribution plans organised by the PRC local governments. In accordance with the relevant national and local labour and social welfare laws and regulations, we are required to pay on behalf of our employees a monthly social insurance premium covering pension insurance, medical insurance, unemployment insurance, working injury insurance, maternity insurance and a housing reserve fund. In Hong Kong, we make employer contributions in accordance with rules related to mandatory provident funds.

We believe our relationship with our employees is good. We have not experienced significant labour disputes which have affected or are likely to have an adverse effect on our business operations.

## LEGAL PROCEEDINGS

From time to time, we are involved in legal disputes arising in the ordinary course of business, primarily including but not limited to disputes with suppliers. As at the date of this Offering Circular, we are not engaged in any litigation, arbitration or claim of material importance, and we are not aware of any litigation, arbitration or claim of material importance pending or threatened by or against us that would have a material adverse effect on our results of operations or financial condition.

## DIRECTORS AND SENIOR MANAGEMENT

### BOARD OF DIRECTORS

The Board assumes the responsibility for leadership and control of the Issuer and is collectively responsible for directing and supervising our affairs. The Board consists of four executive directors, two non-executive director and three independent non-executive directors as at the date of this Offering Circular.

Name	Age	Position/Title
He Jianbo . . . . .	54	Chairman of the Board and Executive Director
Liu Bo . . . . .	59	Managing Director and Executive Director
Chen Xingwu . . . . .	54	Deputy Managing Director and Executive Director
Yang Shangping . . . . .	50	Deputy Managing Director and Executive Director
He Xiaoli . . . . .	56	Non-executive Director
Huang Guoping . . . . .	61	Non-executive Director
Lam Chung Lun, Billy . . . . .	76	Independent Non-executive Director
Law Fan Chiu Fun, Fanny . . . . .	71	Independent Non-executive Director
Wang Xiuli . . . . .	58	Independent Non-executive Director

**Mr. He Jianbo** currently serves as the chairman of the Board and an executive director of our Company. Mr. He was appointed as an executive director and the managing director of our Company in December 2007. Mr. He is responsible for the overall strategic direction of the Group and organising the management for the strategic planning and business operations of our Company. Mr. He has extensive experience in real estate development, corporate management, strategic planning and investment. Prior to joining us, he had successively served as a director of the general administrative office, a director of the strategic planning division and a member of the strategic planning committee at China Minmetals since 1992. Mr. He graduated from Peking University with a bachelor's degree in economics. He also obtained a master's degree in international finance from Peking University and a master's degree in business administration from Saint Mary's University in Canada. Mr. He is a senior international business engineer (高級國際商務師) and a chief senior economist (正高級經濟師) in the PRC, the vice president of the China Real Estate Chamber of Commerce and a member of the Political Consultative Conference of Dongcheng District of Beijing, the PRC.

**Mr. Liu Bo** has been the general manager of our Company since January 2019 and also serves as an executive director and the managing director of our Company since March 2020. Prior to joining us, Mr. Liu had worked in China Metallurgical Group Corporation (the "MCC Group") since 1988 and was the chief economist of MCC Group and Metallurgical Corporation of China Ltd (中國冶金科工股份有限公司). He had held senior management positions in various subsidiaries of MCC Group for constructional design, and development and promotion of construction and technology works. He also possesses extensive experience in land development and city complex's EPC general contracting construction, including the EPC contracting construction of the Singapore Universal Studio project. Mr. Liu has participated in the research and development of technologies for which he has obtained various patents and scientific research achievement awards in the PRC. Mr. Liu was granted a special government grant by the State Council in 2011 in recognition of his distinguished contribution to the development of constructional technology in the PRC. Mr. Liu obtained a master's degree in engineering from Xi'an University of Architecture and Technology and is a qualified professoriate senior engineer (教授級高級工程師) in the PRC. He is also the expert of Expert Committee of the China Construction Industry Association and the deputy director/expert of Expert Group (Committee) of the Construction Project Management and Construction Division Branch of the China Construction Industry Association.

**Mr. Chen Xingwu** has served as a deputy general manager of our Company since June 2018 and an executive director and a deputy managing director of our Company since November 2018. Mr. Chen has extensive experience in strategic financing and investment, and corporate financial management. Mr. Chen joined China Minmetals in 1991 and has been serving in various departments and subsidiaries of

China Minmetals where his responsibility covered international trade, international mergers and acquisitions and corporate management. Mr. Chen obtained a bachelor's degree in economics from the University of International Business and Economics and is a qualified accountant and an international business engineer (國際商務師) in the PRC.

**Mr. Yang Shangping** has served as an executive director and a deputy managing director of our Company since June 2017. Mr. Yang first joined our Company as the general manager of our real estate development company in Nanjing in 2007. He is responsible for the strategic investment and urban development divisions of the Group. Mr. Yang has extensive experience in project management as well as sales and marketing and cost management. Prior to joining us, Mr. Yang worked in China Overseas Holdings Ltd. (中國海外集團有限公司) and Shanghai Vanke Co., Ltd. (上海萬科房地產有限公司) for over 10 years where he was engaged for project management. Mr. Yang obtained a bachelor's degree in civil structural engineering from Tongji University and a master's degree in business administration from Fudan University.

**Ms. He Xiaoli** has served as a non-executive director since November 2018 and has previously served as an executive director and a deputy managing director of our Company. Ms. He has extensive experience in corporate financing and investment, capital market operations and financial management. Prior to joining us, Ms. He worked at the then China National Nonferrous Metals Industry Corporation as the head of its business division and the deputy minister of the accounting information division of its finance department. She is currently a supervisor of Minmetals Development Co., Limited (五礦發展股份有限公司) and a non-executive director of China Minmetals H.K. (Holdings) Limited (中國五礦香港控股有限公司). Ms. He obtained a bachelor's degree in economics (major in accounting) from North China University of Technology and a master's degree in business administration from the University of South Australia. She is a qualified chief senior accountant (正高級會計師) in the PRC and a member of the Chinese Institute of Certified Public Accountants.

**Mr. Huang Guoping** has served as a non-executive director since February 2022. Mr. Huang joined China Minmetals in 2000 and has been serving in various subsidiaries of China Minmetals for non-ferrous metal metallurgy, trading and corporate management businesses. Mr. Huang was a director and the chairman of China Minmetals Rare Earth Co., Ltd. (五礦稀土股份有限公司). Mr. Huang has extensive experience in non-ferrous metal metallurgy and business management. Mr. Huang obtained a bachelor's degree in engineering (majoring in non-ferrous metal metallurgy) from Central South Institute of Mining and Metallurgy (now known as Central South University). Currently Mr. Huang is also a part-time external director and supervisor of China Minmetals and a director of Minmetals Development Co., Limited (五礦發展股份有限公司).

**Mr. Lam Chung Lun, Billy** has served as an independent non-executive director of our Company since September 2015. He joined the Hong Kong Government as an administrative officer in 1970 and was engaged in public services covering housing, environmental protection, land administration, procurement, financial services and large infrastructure projects. He had served as the chief executive officer of the Airport Authority and the managing director of the Urban Renewal Authority and a member of the Lantau Development Advisory Committee and the Country and Marine Parks Board. Mr. Lam graduated from the University of Hong Kong and obtained a Master of Science in Management degree from the Stanford Graduate School of Business. He is currently a director of Life Education Activity Programme, and a council member and an adjunct professor of the Hong Kong Polytechnic University. Mr. Lam, a Justice of Peace since 2004, was awarded the Golden Bauhinia Star Medal by the Hong Kong Government in 2008.

**Ms. Law Fan Chiu Fun, Fanny** has served as an independent non-executive director of our Company since April 2018. Prior to the retirement from her 30-year civil service in 2007, Ms. Law was the Commissioner of the Hong Kong Independent Commission Against Corruption and had worked in many fields, including medical and health, economic services, housing, land and planning, home affairs, social welfare, civil service, transport and education. Ms. Law was a member of the Executive Council of the

Hong Kong Government and served as an external director of China Resources (Holdings) Co., Ltd. (華潤(集團)有限公司) and an independent non-executive director of CLP Holdings Limited 中電控股有限公司. She is currently an independent non-executive director of four other listed companies in Hong Kong including, China Unicom (Hong Kong) Limited (中國聯合網絡通信(香港)股份有限公司), Nameson Holdings Limited (南旋控股有限公司), China Taiping Insurance Holdings Company Limited (中國太平保險控股有限公司) and New World Development Company Limited (新世界發展有限公司). Ms. Law graduated from the University of Hong Kong with a bachelor's degree in science. She received a master's degree in public administration from Harvard University and was named a Littauer Fellow. She also obtained a master's degree in education from the Chinese University of Hong Kong. Ms. Law was awarded the Gold Bauhinia Star and the Grand Bauhinia Medal in 2003 and 2017, respectively, by the Hong Kong Government in recognition of her distinguished service to the community. She is also a Justice of Peace since 2008.

**Professor Wang Xiuli** has served as an independent non-executive director of our Company since July 2022. Professor Wang has been teaching at the University of International Business and Economics since 1988 and is currently a professor at the Business School of the University of International Business and Economics. Professor Wang has extensive experience in financial accounting, corporate financial statements analysis and internationalisation of accounting standards. She previously served as an independent director of Minmetals Development Co., Ltd. (五礦發展股份有限公司), Three Squirrels Co., Ltd. (三隻松鼠股份有限公司) and Ecovacs Robotics Co., Ltd. (科沃斯機器人股份有限公司). Professor Wang holds a bachelor's degree in economics from Renmin University of China, a master's degree in management from the University of International Business and Economics and a doctorate degree in economics from the University of International Business and Economics. She is also a member of the Chinese Institute of Certified Public Accountants. Professor Wang is currently an independent director of Guoxin Health Insurance Service Group Co., Ltd. (國新健康保障服務集團股份有限公司) (a company listed on the Shenzhen Stock Exchange) and Zhongke Cambrian Technology Co., Ltd. (中科寒武紀科技股份有限公司) (a company listed on the Shanghai Stock Exchange).

## SENIOR MANAGEMENT

The table below sets forth certain information in respect of the senior management of our Company as at the date of this Offering Circular:

Name	Age	Position/Title
Ning Heqiu . . . . .	59	Deputy General Manager
Dai Pengyu . . . . .	41	Deputy General Manager
Tang Ying Kit, Edward . . . . .	50	Financial Controller and General Manager of Hong Kong Business Division
Cheng Ka Hang, Francis . . . . .	49	Company Secretary

**Mr. Ning Heqiu** has served as the deputy general manager of our Company since March 2020. Mr. Ning has over 30 years of experience in the construction sector in the PRC since he joined The 23rd Metallurgical Construction Group Co., Ltd. (the "23rd Metallurgical") of China Minmetals in 1986. He is currently the president of the 23rd Metallurgical, the vice president of Hunan Construction Industry Association and a deputy director of China National Association for Non-ferrous Metals Industries Construction. Mr. Ning has extensive experience in construction business and corporate management, and has gained recognitions for his professional achievement in Hunan Province. Mr. Ning obtained a master's degree in engineering from Wuhan University and is a qualified professoriate senior engineer (教授級高級工程師) in the PRC.

**Mr. Dai Pengyu** has served as a deputy general manager of our Company since March 2020 and is responsible for our operational management and market management departments. Mr. Dai has extensive experience in real estate operation management and marketing. First joining our Company in 2007, Mr. Dai has held senior management positions in various real estate development subsidiaries of our Company in central, eastern and southern China. Mr. Dai obtained a bachelor's degree in business administration from Xi'an University of Architecture and Technology.



*Mr. Tang Ying Kit, Edward* currently serves as our financial controller and the general manager of Hong Kong Business Division. Mr. Tang has extensive experience in corporate finance, and financial and general management. Prior to joining us in April 2013, Mr. Tang worked at listed companies and state-owned enterprises in Hong Kong. Mr. Tang obtained a Bachelor of Business Administration in Finance degree from Hong Kong University of Science and Technology. He is an associate member of the Hong Kong Institute of Certified Public Accountants and the Chartered Institute of Management Accountants, a fellow member of the Association of Chartered Certified Accountants and a Certified ESG Analyst.

*Mr. Cheng Ka Hang, Francis* has served as our Company Secretary since January 2022. Mr. Cheng has over 25 years of experience in compliance and company secretarial profession. Mr. Cheng is an associate member of both The Chartered Governance Institute and The Hong Kong Chartered Governance Institute.

## **BOARD COMMITTEE**

We have established five board committees under the Board, namely, the audit committee, the remuneration committee, the nomination committee, the sustainable development committee and the executive committee.

### **Audit Committee**

Our audit committee consists of three members, namely Mr. Lam Chung Lun, Billy, Ms. Law Fan Chiu Fun, Fanny and Professor Wang Xiuli. Professor Wang Xiuli is the chairwoman of the audit committee.

The Audit Committee is principally responsible for reviewing (i) the effectiveness of the financial reporting procedures and risk management and internal control systems of our Company; (ii) the appointment of independent auditors and the efficiency and quality of their work; and (iii) all internal audit reports as well as management feedback to such reports.

### **Remuneration Committee**

Our remuneration committee consists of four members, namely Mr. He Jianbo, Ms. Law Fan Chiu Fun, Fanny, Mr. Lam Chung Lun, Billy and Professor Wang Xiuli. Ms. Law Fan Chiu Fun, Fanny is the chairwoman of the remuneration committee.

The remuneration committee is principally responsible for the review of the remuneration and incentive scheme for our directors and senior management, and the establishment and maintenance of a reasonable and competitive remuneration packages in order to attract and retain the directors and senior management. The remuneration committee was authorised by the Board to determine the remuneration for the executive directors and senior management and make recommendation to the Board on the remuneration of the non-executive directors.

### **Nomination Committee**

Our nomination committee consists of four members, namely Mr. He Jianbo, Mr. Lam Chung Lun, Billy, Ms. Law Fan Chiu Fun, Fanny and Professor Wang Xiuli. Mr. He Jianbo is the chairman of the nomination committee.

The nomination committee is principally responsible for formulating policy for nomination of our directors and leading the process of identifying and nominating candidates suitably qualified to become board members. It reviews the structure, size and composition of the Board and makes recommendation to the Board on re-appointment of the directors as well as succession plan for the chairman of the Board and the chief executive officer of our Company. The nomination committee also reviews the independence of the independent non-executive directors.



### **Sustainable Development Committee**

Our sustainable development committee consists of three members, namely Mr. He Jianbo, Mr. Liu Bo and Mr. Chen Xingwu. The chairman of the executive committee is Mr. He Jianbo. The sustainable development committee is principally responsible for the Group's sustainability-related matters, including formulating sustainability strategies, identifying and managing sustainability risks, enhancing sustainability performance, and conducting sustainability reporting, etc.

### **Executive Committee**

Our executive committee consists of four members, namely Mr. He Jianbo, Mr. Liu Bo, Mr. Chen Xingwu and Mr. Yang Shangping. The chairman of the executive committee is Mr. He Jianbo. The executive committee is responsible for our daily operations and management.

## PRINCIPAL SHAREHOLDERS

As at 30 June 2023, according to the register of interests kept by us under Section 336 of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the “SFO”), the following persons had interests in our shares as disclosed to us under Divisions 2 and 3 of Part XV of the SFO.

Name of Principal Shareholder	Interest in Shares		Approximate Percentage of Total Issued Shares	
	Long Position	Short Position	Long Position	Short Position
China Minmetals <sup>(1)</sup> . . . . .	2,071,095,506	–	61.88%	–
China Minmetals Corporation Limited (“CMCL”) <sup>(1)</sup> . . . . .	2,071,095,506	–	61.88%	–
China Minmetals Non-Ferrous Holding Company Limited (“CMNH”) <sup>(1)</sup> . . . . .	2,071,095,506	–	61.88%	–
China Minmetals Non-Ferrous Metals Company Limited (“CMN”) <sup>(1)</sup> . . . . .	2,071,095,506	–	61.88%	–
Album Enterprises Limited (“Album Enterprises”) <sup>(1)</sup> . . . . .	2,071,095,506	–	61.88%	–
China Minmetals H.K. (Holdings) Limited (“Minmetals HK”) <sup>(1)</sup> . . . . .	2,071,095,506	–	61.88%	–
June Glory International Limited (“June Glory”) <sup>(1)</sup> . . . . .	2,071,095,506	–	61.88%	–

*Note:*

- (1) June Glory is a wholly-owned subsidiary of Minmetals HK, which in turn is owned as to approximately 39.04%, 38.95% and 22.01% by CMCL, Album Enterprises and Top Create Resources Limited, respectively. Album Enterprises and Top Create Resources Limited are wholly owned by CMN, which in turn is owned as to approximately 99.999% and 0.001% by CMNH and CMCL, respectively. CMNH is a wholly-owned subsidiary of CMCL. CMCL is owned as to approximately 88.4% by China Minmetals. Accordingly, each of China Minmetals, CMCL, CMNH, CMN, Album Enterprises and Minmetals HK was deemed as interested in the 2,071,095,506 shares of us held by June Glory.

Except as disclosed above, we are not aware of any person who, as at the date of this Offering Circular, had an interest or short position in our shares and underlying shares representing 5% or more of our issued share capital, which would be required to be disclosed to us under the provisions of Divisions 2 and 3 of Part XV of the SFO or which was required to be recorded in the register maintained by us under Section 336 of the SFO.

## DESCRIPTION OF THE LC BANK

*The information included below is for information purposes only and is based on, or derived or extracted from, among other sources, publicly available information. The Group has taken reasonable care in the compilation and reproduction of the information. None of the Issuer, the Managers, the Trustee, the Agents, the LC Proceeds Account Bank, the Pre-funding Account Bank or any of their respective affiliates, employees or professional advisers has independently verified such information. No representation or warranty, express or implied, is made or given by the Issuer, the Managers, the Trustee, the Agents, the LC Proceeds Account Bank, the Pre-funding Account Bank or any of their respective affiliates, employees or professional advisers as to the accuracy, completeness or sufficiency of such information. Accordingly, such information should not be unduly relied upon.*

*The Bonds will have the benefit of the Standby Letter of Credit which will be issued by China Bohai Bank Co., Ltd., Tianjin Branch as the LC Bank. Under PRC laws, the LC Bank is not a separate and independent legal person but has the capacity to carry on its activities within its scope of authorisation given by the Bank, and if the assets of the LC Bank are not sufficient to meet the obligations of the LC Bank under the Standby Letter of Credit, the Bank would have an obligation to satisfy the balance of the obligations under the Standby Letter of Credit.*

### OVERVIEW

The Bank was established on 30 December 2005 as a joint stock commercial bank and is headquartered in Tianjin City. On 16 July 2020, the Bank was listed on the main board of the Hong Kong Stock Exchange with the stock code 9668. The Bank holds a financial institution license numbered B0017H112000001 from the CBIRC. As at 30 June 2023, the Bank has established outlets in 25 provinces, municipalities and autonomous regions, five sub-provincial cities and Hong Kong, covering 65 key cities nationwide.

Adhering to its strategic vision of becoming a modern wealth and treasury manager offering the best experience, the Bank is devoted to serving the national strategy, serving the real economy, creating sustainable value for shareholders, creating a broad stage for employees and fulfilling social responsibilities. The Bank aims to build an eco-banking model of “Bank the world” to create five strategic capabilities of “Ecosystem”, “Engaged”, “Enable”, “Everywhere” and “Engined”, achieving comprehensive upgrade of business model. The Bank always emphasises the unification of economic responsibility and social responsibility, comprehensively pushes forward the construction of a green financial system, prevents and controls environmental and social risks, and contributes financial strength to accelerate the formation of green production and lifestyle, peak carbon emissions and achieve carbon neutrality.

The Bank has received numerous honours and awards in recognition of its outstanding business performance and sound management, including:

- In 2022, the Bank ranked 114th among the “Top 1000 World Banks” by the British magazine, The Banker.
- At the 2022 Digital Finance Innovation Release Week and the 18th Publicity Year Annual Ceremony (2022數字金融創新發佈周暨第十八屆宣傳年年度盛典) hosted by China Financial Certification Authority (CFCA), Digital Finance Joint Publicity Year and Cebnet.com.cn, the Bank won the “Best Smart Service Award in Mobile Banking (手機銀行最佳智能服務獎)” and the “Best Business Innovation Award in Digital Finance (數字金融最佳業務創新獎)”.
- At the 2022 China Financial Technology Annual Conference and the 13th Financial Technology Application Innovation Award Ceremony (2022中國金融科技年會暨第十三屆金融科技應用創新獎頒獎典禮) hosted by the PBOC’s Financial Computerising Magazine, the Bank won the “Award for Outstanding Contribution to the Digital Transformation of the Financial Industry in 2022 (2022金融業數字化轉型突出貢獻獎)”.

- The Bank won the “2022 Lianhe Zhiping Wealth Management Fengyun Award (2022聯合智評理財風雲獎)” in the selection of the first “Lianhe Zhiping • Golden Toad Award (聯合智評 • 金蟾獎)” in 2022 hosted by Lianxin Zhiping Digital Technology Co., Ltd. (聯信智評數字科技有限公司).
- At the 10th China Innovation and Entrepreneurship Leaders Summit and 2022 Innovation and Entrepreneurship Ceremony (第十屆中國創新創業領袖峰會暨2022年度雙創盛典), China Bohai Bank’s official WeChat public account was awarded the “2022 Most Influential New Media in the Industry Market (2022年度最具行業市場影響力新媒體)”.
- At the first “Golden Camellia” China Wealth Consultant Elite Competition (“金耐冬花”中國財富顧問大賽) hosted by Securities Times and professionally guided by the Financial Planning Standards Board (China), the Bank won the “2022 Golden Ridge Award for Innovative Financial Institutions in Digital Transformation (2022年度數字化轉型創新金融機構金嶺)”.
- At the 8th Annual Conference of China Securitisation Forum (CSF), the Bank won the “Annual Innovative Institution (年度創新機構嘉勉)” award.
- At China’s Financial Innovation Forum and China Financial Innovation Award Presentation (中國金融創新論壇暨中國金融創新獎成果發佈會) hosted by the magazine Chinese Banker, the Bank won the “Top 10 Transaction Banking Innovation Award (十佳交易銀行創新獎)” and “Top 10 Risk Management Innovation Award (十佳風險管理創新獎)”.
- At the “13th Fund and Wealth Management • Jiefu award” ceremony hosted by Finance Vision China, the Bank won the “Outstanding Customer Service Award in Private Banking (私人銀行傑出客戶服務獎)” while CBHB Wealth Management Co., Ltd. (渤銀理財有限責任公司) won the “Wealth Management Banking Subsidiary with Excellent Growth (卓越成長力銀行理財子公司)” award.
- At the China Asset Management and Wealth Management Industry Annual Summit 2022 and the second “Golden Honor Award” ceremony hosted by PYSTANDARD, the Bank won five awards, namely “Excellent Wealth Management Bank (卓越財富管理銀行)”, “Excellent Private Bank (卓越私人銀行)”, “Excellent Bank for Transformation Development (卓越轉型發展銀行)”, “Bank with Outstanding Investment Return (卓越投資回報銀行)” and “Bank with Outstanding Operational Management Capability (卓越運營管理能力銀行)”.
- The Bank won the “Best Customer Management Award (最佳客群經營獎)” in the selection of the 6th Retail Banking Innovation Practice Awards (第六屆零售銀行創新實踐大獎) jointly organised by Retail Banking and Digital Banking.
- The Bank received the “Award for Rural Revitalisation with Digital Inclusive Financial Services (數字普惠金融服務鄉村振興獎)” at the 2022 “Science and Technology China” China Digital Inclusive Finance Conference (“科創中國”中國數字普惠金融大會) hosted by the China Association for Science and Technology.
- The Bank was selected as one of the “outstanding cases of data asset management” in the 6th Big Data “Galaxy” Cases selection jointly organised by the China Academy of Information and Communications Technology and China Communications Standards Association’s Big Data Technical Standards Promotion Committee.
- At the 2022 (6th) China Customer Service Festival, the Bank was awarded the “Best Star Team of 2022 China Customer Service Festival (2022年中國客戶服務節最佳明星班組)”.
- The Bank was awarded the Star of Ingenious Service in the 2022 “Excellent Credit Card” selection event sponsored by the Financial Digital Development Alliance and jointly organised by China UnionPay Data, Yin Shu Guan Ka (銀數觀卡) and China Credit Card.

- The Bank received the “Annual Gold Medal Innovative Financial Institution (年度金牌創新力金融機構)” and “Annual Gold Medal Innovative Financial Product (年度金牌創新力金融產品)” awards in the selection of the 13th “Golden Pixiu Awards (金貔貅獎)” for 2022 hosted by Each Finance and the Financial Money magazine.

## **PRINCIPAL BUSINESS ACTIVITIES**

The Bank’s principal businesses include corporate banking, retail banking and financial market business.

### **Corporate Banking**

Corporate banking business is one of the Bank’s most important sources of operating income. The Bank offers corporate customers a broad array of products and services to support their business needs, primarily including corporate loans and advances, corporate deposits, transaction banking services, investment banking services and other fee and commission-based products and services.

#### *Corporate loans and advances*

The Bank provides corporate customers primarily with working capital loans, which address their daily financing needs, and fixed asset loans, which provide financial support to infrastructure, construction and other fixed asset investment projects.

#### *Corporate deposits*

The Bank provides corporate customers with time deposit and demand deposit products, denominated in both RMB and foreign currencies including U.S. Dollar, Japanese Yen, Hong Kong Dollar, Pound Sterling and Euro. The Bank’s corporate deposit customers include government agencies, public institutions, state-owned enterprises and private enterprises.

#### *Transaction banking services*

The Bank provides corporate banking customers with a broad range of transaction banking services, including cash management, supply chain finance, and trade finance and settlement services.

#### *Investment banking services*

Besides traditional loans and deposits businesses, the Bank provides corporate customers with comprehensive investment banking services, including debt securities underwriting, financial advisory services, structured financing and asset securitisation services. For the debt securities underwriting services, the Bank investment banking team actively participates in the underwriting of debt securities to leverage its strong capacity in managing capital market transactions, and to broaden its customer base. Capitalising on the Bank’s expertise in debt securities and analytical capabilities on China’s economy, the Bank aims to accurately seize market opportunities for security issuance, and to establish and maintain long-term relationships with its investors, all of which enabled the Bank to achieve a strong track record in recent years and enhance market recognition.

#### *Other Fee and Commission-Based Corporate Banking Products and Services*

The Bank provides corporate customers with other fee and commission-based products and services, primarily corporate wealth management services, custodian and asset management operation outsourcing services, entrusted loan services, and guarantee services.

## **Retail Banking**

The Bank provides retail banking customers with a wide range of products and services, including personal loans, personal deposits, card services, and other fee and commission-based retail products and services.

### ***Personal Loans***

The Bank provides retail banking customers with various personal loan products, including residential and commercial housing loans, personal consumption loans, personal business loans, and credit cards. For residential and commercial housing loans, the Bank provides retail banking customers with residential and commercial housing loans to facilitate their purchases of new and second-hand residential and commercial properties. For personal business loans, the Bank provides personal business loans to owners of individual businesses and owners of micro and small enterprises, to serve their business operation needs. Considering that the capital needs of these business owners are often relatively urgent, frequent, and in smaller amounts, the Bank offers tailor-made products to satisfy their requirements. For personal consumption loans, the Bank provides personal consumption loans to retail banking customers to help meet their personal and household consumption needs, such as home renovation, education, traveling, medical treatment, and purchases of cars and other durable consumer goods. In line with the rapid development and future trends of internet finance, one of the Bank's key development strategies is to enhance technology innovation capacity and channel digitalisation progress within the personal consumption loan segment.

### ***Personal Deposits***

The Bank offers traditional personal deposit products, including basic demand and time deposits denominated in RMB and foreign currencies, as well as signature deposit products, such as "Bohai Time Deposits (渤海定存)", where customers may enjoy differentiated interest rates based on the amounts deposited and convenient access to online services.

### ***Card Services***

The Bank issues debit cards and credit cards to retail banking customers. For debit cards, retail banking customers can access basic banking services such as deposits and withdrawals, consumption, bill payment, as well as transfers and remittances. The Bank is a member of China UnionPay, which allows retail customers to access China UnionPay's network across China and around the globe. For credit cards, the Bank offers credit cards based on the credit ratings of the applicants. Holders of each type of credit cards can enjoy the corresponding credit lines. In line with the Bank's instalment-oriented marketing strategy, the Bank offers diversified instalment products and convenient instalment repayment services so as to increase instalment fee income through various promotional efforts.

### ***Other Fee and Commission-Based Retail Banking Products and Services***

The Bank provides a wide variety of fee and commission-based retail banking products and services, primarily personal wealth management services, agency services, and settlement services. For personal wealth management services, The Bank provide retail banking customers with personal wealth management products and services under the brand name of "Bohai Infinite Wealth Management (浩瀚理财)", offering differentiated non-principal protected products under the product lines of "Bo Sheng (渤海盛)", "Bo Xiang (渤海祥)" and "Bo Tai (渤海泰)", each designed to meet liquidity needs, risk appetites and investment return expectations of various target customer groups. The Bank sells personal wealth management products through a variety of channels, including counters, mobile banking apps, and personal online banking website.

## **Financial Market Business**

The Bank's financial market business primarily consists of interbank market transactions, investment management, wealth management, and bill discounting and rediscounting.



### ***Interbank Market Transactions***

The Bank's interbank market transactions business primarily consists of: (i) interbank deposits; (ii) interbank placements; and (iii) purchase under resale agreements and sale under repurchase agreements, which mainly involves bonds and bills.

### ***Investment Management***

The Bank's investment management business mainly consists of debt securities investment and other investment. Debt securities in which invest include debt securities issued by PRC government, policy banks, commercial banks and other financial institutions, and enterprises. Other investment primarily consists of the Bank's investments in trust plans, asset management plans, wealth management products, and investment funds.

### ***Wealth Management***

The Bank issues both principal-protected and non-principal protected wealth management products to corporate customers (including interbank customers) and retail customers. The Bank set varying maturity terms and expected rates of return for different tranches of wealth management products in order to capture a broader range of customers with different wealth management needs and risk tolerance levels and have steadily expanded its online distribution channels.

### ***Bill Discounting and Rediscounting***

The Bank engages in interbank discounts of commercial bills with other qualified financial institutions or rediscounts of commercial bills with the PBOC, to generate working capital and income from interest spreads. The Bank offers interbank discount services such as bills purchase, bills sale, bills purchased under resale agreements and sold under repurchase agreements. The Bank rediscounts bills in accordance with the regulations of the PBOC.

## **GENERAL AND FINANCIAL INFORMATION**

The registered address of the Bank is No. 218 Haihe East Road, Hedong District, Tianjin, the PRC. The Bank's website address is [www.cbhb.com.cn](http://www.cbhb.com.cn). Information contained on the Bank's website is subject to change from time to time and does not form part of this Offering Circular.

Copies of the published audited consolidated financial statements and unaudited but reviewed consolidated financial statements of the Bank, as well as its public filings, can be downloaded free of charge from the website of the Bank and the Hong Kong Stock Exchange at [www.cbhb.com.cn](http://www.cbhb.com.cn) and [www.hkex.com.hk](http://www.hkex.com.hk), respectively. Such financial statements and public information are not included in and do not form part of this Offering Circular. The information contained on the websites of the Bank and the Hong Kong Stock Exchange is subject to change from time to time. No representation is made by the Issuer, the Managers, the Trustee, the LC Proceeds Account Bank, the Pre-funding Account Bank or any Agent or any of their respective affiliates, directors, officers, employees, agents, representatives and advisers or any person who controls any of them and none of the Issuer, the Managers, the Trustee, the LC Proceeds Account Bank, the Pre-funding Account Bank or any Agent or their respective affiliates, directors, officers, employees, agents, representatives or advisers or any person who controls any of them takes any responsibility for any information contained on the websites of the Bank and the Hong Kong Stock Exchange.

## PRC REGULATIONS

This section summarises the main PRC laws and regulations which are relevant to the Group's business and operations. As this is a summary, it does not contain a detailed analysis of relevant laws and regulations.

### INCORPORATION OF A REAL ESTATE DEVELOPMENT ENTERPRISE

Pursuant to the Administration Law on Urban Property of the PRC (中華人民共和國城市房地產管理法) (the “**Urban Property Law**”) promulgated by the Standing Committee of the National People's Congress on 5 July 1994 and amended on 30 August 2007, 27 August 2009 and 26 August 2019 respectively, a real estate development enterprise is defined as an enterprise which engages in the development and sale of property for profit-making purposes. Under the Administration Regulations on Development of Urban Property (城市房地產開發經營管理條例) (the “**Development Regulations**”) promulgated by the State Council on 20 July 1998 and amended on 8 January 2011, 19 March 2018, 24 March 2019 and 29 November 2020 respectively, a real estate developer is required to meet the following requirements: (i) its minimum registered capital shall be RMB1 million; and (ii) it shall employ at least four full-time professional property/construction technicians and at least two full-time accounting officers, each of whom shall hold relevant qualification certificates. The Development Regulations also establish that the local government of a province, autonomous region or municipality directly under the central government may, based on local circumstances, impose more stringent requirements on the amount of registered capital of, and the qualifications of professionals retained by real estate developers.

Under the Development Regulations, a real estate developer should register with the local Administration for Industry and Commerce. The real estate developer must also file with the real estate development authority in the location of the registration authority, within 30 days upon receipt of its business license.

### FOREIGN-INVESTED PROPERTY ENTERPRISES

On 27 December 2021, MOFCOM and the NDRC jointly issued the Special Administrative Measures (Negative List) for Foreign Investment Access (Edition 2021) (外商投資准入特別管理措施(負面清單)(2021年版)), effective from 1 January 2022, according to which, the real estate development industry is not industries prohibited from investment by foreign investors.

Under the Foreign Investment Law of the People's Republic of China (中華人民共和國外商投資法) promulgated by the NPC of the PRC on 15 March 2019 and effective as of 1 January 2020, the State implements the management system of pre-establishment national treatment plus negative list for foreign investment, and grants national treatment to foreign investment outside the negative list. With effect from 1 January 2020, the Law of the People's Republic of China on Sino-foreign Equity Joint Ventures, the Law of the People's Republic of China on Sino-foreign Cooperative Joint Ventures and the Law of the People's Republic of China on Wholly Foreign-owned Enterprises shall be repealed simultaneously.

MOFCOM and the SAMR jointly promulgated the Measures on the Reporting of Foreign Investment Information (外商投資信息報告辦法) on 30 December 2019, which took effect on 1 January 2020 and replaced the Provisional Measures on Administration of Filing for Establishment and Change of Foreign Investment Enterprises (外商投資企業設立及變更備案管理暫行辦法). Foreign investors or foreign-funded enterprises shall submit investment information to the competent commerce departments through the Enterprise Registration System (企業登記系統) and the National Enterprise Credit Information Publicity System (國家企業信用信息公示系統).

### QUALIFICATIONS OF A REAL ESTATE DEVELOPMENT ENTERPRISE

#### Classifications for the Qualifications of Real Estate Development Enterprises

Under the Development Regulations, the real estate development authorities shall examine applications for classification of a real estate development enterprise's qualification, taking assets, technical

professionals and business performance into consideration. A real estate development enterprise shall only engage in real estate development projects within the scope of its approved qualification grade.

Under the Provisions on Administration of Qualification of Real Estate Developers (房地產開發企業資質管理規定) (the “**Qualification Provisions**”) promulgated by the MOHURD, effective as at 29 March 2000, and subsequently was revised on 4 May 2015 and 2 March 2022, a real estate development enterprise shall apply for registration of its qualifications. An enterprise may not engage in the development and sale of property without a qualification classification certificate for real estate development. In accordance with the Qualification Provisions, qualifications of a real estate development enterprise are classified into two classes: class 1 and class 2. Different classes of qualification shall be examined and approved by corresponding authorities.

Class 1 qualification shall be subject to both preliminary examination by the construction authority at provincial level and final approval of the construction authority at national level. Class 2 qualification shall be subject to examination by the construction authority at provincial level or its authorised real estate development supervisory department at city level with districts. A developer that passes the qualification examination will be issued a qualification certificate of the relevant class by the qualification examination authority.

### **The Business Scope of a Real Estate Development Enterprise**

Under the Qualification Provisions, a developer under any qualification classification may only engage in the development and sale of the property within its approved scope of business. A class 1 real estate development enterprise may undertake real estate development projects without any limitation on the scale of the project. A real estate development enterprise of class 2 may undertake a project with a GFA of less than 250,000 sq.m.

## **REAL ESTATE DEVELOPMENT**

### **Land for Real Estate Development**

Under the Provisional Regulations of the PRC on the Grant and Transfer of the Land-Use Rights of State-owned Urban Land (中華人民共和國城鎮國有土地使用權出讓和轉讓暫行條例) (the “**Grant and Transfer Regulations**”) promulgated by the State Council on 19 May 1990 and revised on 29 November 2020, which establish a system of grant and transfer of the right to use state-owned land. A land user shall pay the land premium to the State as consideration for the grant of the right to use a land site within a certain term, and the land user may transfer, lease, mortgage or otherwise commercially exploit the land use rights within the term of use. Under the Grant and Transfer Regulations and the Urban Property Law, the land administration authority at city or county level shall enter into a land use rights grant contract with the land user. The land user shall pay the land premium as provided by the grant contract. After full payment of the land premium, the land user shall register with the land administration authority and obtain a land use rights certificate which evidences the acquisition of land use rights. The Development Regulations provide that the land use right for a land parcel intended for real estate development shall be obtained through grant except for land use rights which may be obtained through appropriation pursuant to PRC laws or the stipulations of the State Council.

The Rules Regarding the Grant of State-owned Land Use Rights by Way of Tender, Auction and Listing-for-sale (招標拍賣掛牌出讓國有土地使用權規定) (the “**Circular 11**”) issued by the MLR provide that, as at 1 July 2002, land use rights for the purposes of commercial use, tourism, entertainment and commodity residential real estate development in China may be granted by the government only through public tender, auction or listing-for-sale.

To amend Circular 11, on 28 September 2007, the MLR further promulgated the Rules Regarding the Grant of State-owned Construction Land Use Rights by Way of Tender, Auction and Listing-for-sale (招標拍賣掛牌出讓國有建設用地使用權規定) which became effective on 1 November 2007, requiring that

land for industrial use, except land for mining, must also be granted by public tender, auction and invitation for bidding. Only after the grantee has paid the land premium in full under the land grant contract, can the grantee apply for the land registration and obtain the land use right certificates. Furthermore, land use rights certificates may not be issued in proportion to the land premium paid under the land grant contract.

In November 2009, the Ministry of Finance, the MLR, the PBOC, the PRC Ministry of Supervision and the PRC National Audit Office jointly promulgated the Circular on Further Enhancing the Revenue and Expenditure Control over Land Grants (關於進一步加強土地出讓收支管理的通知). The Circular raises the minimum down payment proportion for land premium to 50 per cent. and requires the land premium to be fully paid within one year after the signing of a land grant contract, subject to limited exceptions. Any developer defaulting in such payment may not participate in any new transactions of land grant.

On 8 March 2010, the MLR promulgated the Circular on Strengthening Real Estate Land Supply and Supervision, (關於加強房地產用地供應和監管有關問題的通知), which reiterated and reinforced certain measures on land supply and land use, such as requiring the execution of the land grant contract within 10 business days on the completion of the land grant, and a down payment 50 per cent. of the total land premiums within one month after the execution of the land grant contract with the remaining balance payable in instalments within one year.

In September 2010, the MLR and the MOHURD jointly issued the Circular On Further Strengthening the Administration and Control of Real Estate Land and Construction (關於進一步加強房地產用地和建設管理調控的通知), which stipulates, among other things, that the planning and construction conditions and land use standards should be specified when a parcel of land is to be granted, and the restrictions on the area of one parcel of land granted for commodity properties should be strictly implemented. The development and construction of large low-density residential properties should be strictly restricted, and the floor area ratio for residential land is required to be more than one.

In December 2010, the MLR further issued the Circular on Strict Implementation of Policies Regarding Regulation and Control of Real Estate Land and Promotion of the Healthy Development of Land Markets (關於嚴格落實房地產用地調控政策促進土地市場健康發展有關問題的通知) to tighten the examination of land bidders' qualification. Before starting examination, the authorities should conduct online inquiry about the credit records of real estate developers in land development and utilisation via the on-line database of the MLR and the competent departments of land and resources of all provinces (autonomous regions and municipalities directly under the central government). Where bidders or their controlling shareholders act in violation of relevant laws, regulations and contracts such as obtaining land by forging official documents, illegally reselling land, illegally transferring land use rights, leaving land idle for more than one year due to reasons on the part of enterprises, and developing and utilising land in violation of the conditions prescribed in land use rights grant contracts, relevant bidders cannot pass the bidding qualification examination. The competent departments of land and resources of relevant cities and counties should publish such acts in violation of relevant laws, regulations and contracts which they discovered during the examination. Relevant enterprises and their controlling shareholders cannot participate in land bidding activities before such acts are investigated, punished and rectified.

On 26 January 2011, the State Council issued the Circular on Further Regulating the Real Estate Market (關於進一步做好房地產市場調控工作有關問題的通知), which provides a more stringent supervision on housing land supply and stipulates that the PRC government will confiscate land use rights and impose an fine of not less than one year if a developer fails to obtain the construction permit and commence development for more than two years from the commencement date stipulated in the land grant contract.

On 26 February 2013, the General Office of the State Council issued the Circular on Continuing the Regulation of the Real Estate Market (國務院辦公廳關於繼續做好房地產市場調控工作的通知), which announces new tightening measures and sets forth several guidelines as follows:

- Property prices should be stabilised (including by requiring each major city in the PRC to establish a well-structured accountability system (based on home price stability) and releasing a target for price controls in relation to newly completed commodity properties);

- Speculative purchases of properties should be strictly limited. For those cities with home purchase restrictions (HPRs), local governments should strictly execute existing HPRs. For those cities without HPRs where prices increase too rapidly, provincial governments should implement HPRs;
- Lending policies designed to control lending for speculative/investment purchases should continue to be differentiated, while real estate tax pilot schemes should extend to additional cities;
- The supply of small to ordinary medium-sized commodity properties and land should continue;
- Construction of social housing for low-income individuals should be accelerated;
- Market regulations should be strengthened, including better management of the pre-sale system, with prices clearly delineated during the selling/marketing process; and
- The information system relating to home ownership should be enhanced, including improved monitoring and release of market information.

### **Termination of the Land Use Rights**

In accordance with the Land Administrative Law of the PRC (中華人民共和國土地管理法) promulgated by the Standing Committee of the National People's Congress on 25 June 1986 and as amended on 29 December 1988, 29 August 1998, 28 August 2004 and 26 August 2019, the land administrative authorities may forfeit the state-owned land use rights with the approval of the people's governments that originally grants the approvals or the relevant competent people's governments under any of the following circumstances:

- use of land for the sake of public interests (subject to proper compensation);
- use of land for adjustment in re-building old city districts in order to implement urban construction plans (subject to proper compensation);
- when the term for the land use rights stipulated in the land compensated use contract expires, the land user has failed to apply for an extension or failed to obtain approval for an extension;
- cease to use originally-allocated state-owned land due to cancellation or removal of units; and
- roads, railways, airports and mining sites that have been approved to be abandoned.

Under the Grant and Transfer Regulations, the maximum term of the land use rights shall be determined, based on the purposes of land: (i) 70 years for residential purposes; (ii) 40 years for commercial, tourism and entertainment purposes; and (iii) 50 years for education, science, culture, public health, physical education, industrial, comprehensive utilisation or other purposes.

### ***Commencement of Development of a Real Estate Project and Idle Land***

Under the Urban Property Law, those who have obtained the land use rights by assignment must develop the land in accordance with the usage and construction commencement requirement as prescribed by the land grant contract. According to the Measures on Disposing Idle Land (閑置土地處置辦法) promulgated by the MLR on 28 April 1999 and as amended on 1 July 2012, a parcel of land can be treated as idle land under any of the following circumstances:

- any state-owned construction land, of which the holder of the land use rights fails to commence the construction and development of the land within one year after the commencement date as prescribed in the contract for fee-based use of state-owned construction land or the decision on allocation of state-owned land for construction; or
- any state-owned construction land of which the construction and development have commenced but the area of land under construction and development is less than one third of the total area of land that should have been under construction and development or the amount invested is less than 25 per cent. of the total investment, and the construction and development of which has been suspended for more than one year.

Unless the delay in development of the land is caused by government actions as stipulated by the Measures on Disposing Idle Land, a parcel of land which has been deemed as idle land by competent authority of land and resources may be disposed of in the following ways:

- where the land has remained idle for more than one year, the competent authority of land and resources at the municipal or county level may, with the approval of the people's government at the same level, issue a Decision on Collecting Idle Land Fee to the holder of the land use rights and collect the idle land fee at the rate of 20 per cent. of the land assignment or allocation price, and such idle land fee shall not be included in the production cost by the holder of the land use rights; and
- where the land has remained idle for more than two years, the competent authority of land and resources at the municipal or county level may, with the approval of the people's government having the jurisdiction to approve thereof, issue a Decision on Forfeiting the Right to Use the State-owned Construction Land to the holder of the land use rights to forfeit the state-owned construction land use rights without compensation.

In January 2008, the Circular on Promoting the Saving and Intensification of Use of Land (關於促進節約集約用地的通知) issued by the State Council urges the full and effective use of existing construction land and the preservation of farming land and emphasises the enforcement of the current rules on idle land fee for any land left idle for over one year but less than two years, with such idle land fee charged at 20 per cent. of the land premium.

### **Planning of a Real Estate Project**

According to the Measures for Control and Administration of the Grant and Transfer of the Right to Use Urban State-owned Land (城市國有土地使用權出讓轉讓規劃管理辦法) promulgated by the MOHURD on 4 December 1992 and amended on 26 January 2011, after signing the land grant contract, a real estate development enterprise shall apply for a construction land planning permit from the city planning authority.

The Urban and Rural Planning Law (城鄉規劃法), promulgated by the Standing Committee of the National People's Congress in October 2007 effective as at January 2008 and amended on 24 April 2015 and 23 April 2019, stipulates that a real estate development enterprise shall apply for a construction works planning permit from the competent people's government of the city or county or to the township people's government designated by the provincial level people's government, and where any construction



project is commenced without obtaining a construction works planning permit, or where construction works planning permit has been obtained but construction has proceeded not in accordance with such permit, the Urban and Rural Planning Department at the county level or above may issue an order to cease construction. In the case that the construction can be remedied to eliminate the impact on the implementation of the plan, an order may be made to rectify the construction in a prescribed period of time and a fine in the amount of five per cent. to 10 per cent. of the total construction cost may be imposed. Where the construction fails to remedy the construction to eliminate the impact on the implementation of the plan, an order for its demolition in a prescribed period of time will be issued or, where demolition is not possible, the property or illegal income derived from the property will be confiscated and a fine up to 10 per cent. of the construction cost will be imposed.

### **Construction of a Real Estate Project**

According to the Measures for the Administration of Construction Permits for Construction Projects (建築工程施工許可管理辦法) promulgated by the MOHURD on 15 October 1999, and as amended on 4 July 2001, 25 October 2014, 28 September 2018 and 30 March 2021, after obtaining the construction works planning permit, a real estate development enterprise shall apply for a construction works commencement permit from the construction authority at the county level or above at the place where the construction project is located. The Circular Regarding the Strengthening and Regulation of the Management of New Projects (關於加強和規範新開工項目管理的通知), promulgated by the General Office of the State Council on 17 November 2007, provides that before commencement of construction, all kinds of projects shall fulfil certain conditions, including, among other things, compliance with national industrial policy, development and construction plan, land supply policy and market access standard, completion of all approval and filing procedures, compliance with zoning plan in terms of site and planning, completion of proper land use procedures and obtaining proper environmental impact assessment approvals, completion of energy conservation assessment and examination of fixed asset investment projects and construction permit or commencement report and compliance with other relevant requirements in compliance with PRC laws and regulations.

### **Completion of a Real Estate Project**

According to the Development Regulations and the Regulation on the Quality Management of Construction Projects (建設工程質量管理條例) promulgated by State Council on 30 January 2000 and as amended on 7 October 2017 and 23 April 2019, the Measures on Filing for Acceptance Examination Upon Completion of Buildings and Municipal Infrastructure (房屋建築和市政基礎設施工程竣工驗收備案管理辦法) promulgated by the MOHURD in April 2000 and amended in October 2009, after the completion of construction of a project, the property must pass inspection and receive relevant approvals from local authorities including planning bureaus, fire safety authorities and environmental protection authorities and then shall apply with the real estate development authority at the county level or above at the place where the construction project is located for a record of acceptance examination.

## **TRANSFER AND SALE OF PROPERTY**

### **Transfer of Property**

Pursuant to the Urban Property Law and the Provisions on Administration of Transfer of Urban Property (城市房地產轉讓管理規定) promulgated by the MOHURD on 7 August 1995 and as amended on 15 August 2001, a real estate owner may sell, bequeath or otherwise legally transfer property to another person or legal entity. When transferring the title to a building, the ownership of the building and the land use rights to the site on which the building is situated are transferred simultaneously. The relevant parties shall enter into a property transfer contract in writing and register the transfer with the property administration authority having jurisdiction over the location of the property within 90 days of the execution of the transfer contract.

Where the land use rights were originally obtained by grant, the real property may only be transferred on the condition that: (i) the land premium has been paid in full as provided by the land grant contract and a

land use rights certificate has been obtained; or (ii) development has been carried out according to the land grant contract and, in the case of a project in which buildings are being developed, development representing more than 25 per cent. of the total investment has been completed. Where the construction of property is already completed when the real estate is transferred, certification for the ownership rights to the property must also be provided.

If the land use rights were originally obtained by allocation, transfer of the real property shall be subject to the approval of the competent government as required by the State Council. Upon obtaining such approval, the transferee shall complete the formalities for transfer of the land use rights, unless the relevant regulations require otherwise, and pay the transfer price according to the relevant regulations.

### **Pre-sale and Sale**

Pursuant to the Administrative Measures on the Sale of Commodity Buildings (商品房銷售管理辦法) promulgated by the MOHURD on 4 April 2001 and implemented as at 1 June 2001, sale of commodity buildings includes both pre-completion sales (pre-sale) and post-completion sales.

According to the Development Regulations and the Administrative Measures on Pre-sale of Urban Commodity Buildings (城市商品房預售管理辦法) (the “**Pre-sale Measures**”) promulgated by the MOHURD on 15 November 1994 and as amended on 15 August 2001 and 20 July 2004, the pre-sale of commodity buildings shall be subject to a licensing system, and a real estate development enterprise intending to sell a commodity building before its completion shall register with the real estate development authority at city or county level to obtain a pre-sale permit. A commodity building may be sold before completion only if: (i) the land premium has been paid in full and a land use rights certificate has been obtained; (ii) a construction works planning permit and construction works commencement permit have been obtained; (iii) by making computation on the basis of the commodity buildings offered for advance sale, the funds invested in the development of the commodity buildings shall amount to at least 25 per cent. of the total project investment and the progress of works and the completion and delivery dates have been ascertained, and the construction progress and the completion and delivery date have been determined; and (iv) the pre-sale has been registered and a pre-sale permit has been obtained. The Pre-sale Measures require that the income of a real estate development enterprise from the pre-sale of commodity buildings must be used for the construction of the relevant project.

On 13 April 2010, the MOHURD issued the Circular on Further Enhancing the Supervision of the Real Estate market and Perfecting the Pre-sale System of Commodity Properties (關於進一步加強房地產市場監管完善商品住房預售制度有關問題的通知) to further emphasise that, without pre-sale approval, pre-sale of commodity properties is not permitted and real estate developers are not allowed to charge buyers any deposit, pre-payment or payment of similar nature. Within 10 days after obtaining the relevant pre-sale permits, real estate developers are required to make a public announcement on all information relating to the units available for pre-sale and the price of each unit. In addition, the circular stipulates that local governments can enact regulations on sale of completed commodity properties in light of the local conditions, and encourages real estate developers to engage in the practice of selling completed commodity properties.

Under the regulatory Measures on the Sale of Commodity Buildings (商品房銷售管理辦法), commodity buildings may be sold only when the following preconditions have been satisfied: (i) the real estate development enterprise shall have a business license and a qualification certificate of a real estate development enterprise; (ii) the enterprise shall obtain a land use rights certificate or other approval documents for land use; (iii) the enterprise shall have the construction works planning permit and construction works commencement permit; (iv) the building shall have been completed, inspected and accepted as qualified; (v) the relocation of the original residents shall have been completed; (vi) the provision of essential facilities for supplying water, electricity, heating, gas, communication, and other essential utilities and public facilities shall have been made available, or a construction progress and a date for their delivery shall have been specified; and (vii) the property management plan shall have been completed.

## **Mortgages of Property**

Under the Civil Code of the People's Republic of China (中華人民共和國民法典) promulgated on 28 May 2020 and took effect on 1 January 2021 and the Administrative Measures on the Mortgages of Property in Urban Areas (城市房地產抵押管理辦法) promulgated by the MOHURD in May 1997 and as amended on 15 August 2001 and 30 March 2021, when a mortgage is lawfully created on a building, a mortgage shall be simultaneously created on the land use rights of the land on which the building is situated. The mortgagor and the mortgagee shall sign a mortgage contract in writing. Within 30 days after a property mortgage contract is signed, the parties to the mortgage shall register the mortgage with the property administration authorities at the location where the property is situated. A property mortgage contract shall become effective on the date of registration of the mortgage. If a mortgage is created on property in respect of which a house ownership certificate has been obtained, the registration authority shall make an entry under the "third-party rights" item on the original house ownership certificate and then issue the foresaid certificate and a certificate of third-party rights to the mortgagee. If a mortgage is created on the pre-sold commodity building or building under construction, the registration authority shall record the details on the mortgage contract. If construction of a real property is completed during the term of a mortgage, the parties involved shall re-register the mortgage after the issuance of certificates evidencing the ownership of the property.

## **Property Financing**

The PBOC issued the Circular on Further Strengthening the Management of Property Loans (關於進一步加強房地產信貸業務管理的通知) on 5 June 2003 to specify the requirements for banks to provide loans for the purposes of residential development, individual home mortgages and individual commodity buildings as follows: (a) loans from commercial banks to real estate enterprises may be granted only as real estate development loans and it is strictly prohibited to extend such loans as current capital loans for real estate development projects or other purposes. No lending shall be granted to enterprises which have not obtained the relevant land use right certificates, construction land permits, construction planning permit and construction work permits; (b) that commercial banks may not grant loans to real estate developers to finance land premium payments; and (d) that commercial banks may not grant loans in any form for a property development project without a land use rights certificate, construction land planning permit, construction works planning permit and construction works commencement permit.

On 24 May 2006, the State Council issued the Opinions on Adjusting the Housing Supply Structure and Stabilising Housing Prices (關於調整住房供應結構穩定住房價格的意見). The main provisions relating to property financing are as follows:

- commercial banks shall not provide loans to those real estate enterprises that fail to meet loan conditions, such as having a project capital of less than 35 per cent.;
- with respect to the real estate development enterprises that have large volumes of idle land and vacant commodity buildings, the commercial banks shall, in light of the principle of prudent operations, be stricter in controlling the renewal of loans or any form of revolving credit; and
- the commercial banks shall not accept any commodity building that has been idle for three or more years as collateral for loans.

According to the Circular on Standardising the Admittance and Administration of Foreign Capital in the Property Market (關於規範房地產市場外資准入和管理的意見) jointly promulgated by six PRC government agencies including the MOHURD, MOFCOM, the NDRC and SAFE on 11 July 2006 and amended in 2015, foreign-invested real estate enterprises which failed to obtain a land use rights certificate, or the fund of the development project is less than 35 per cent. of the total investment fund for the development project, will be prohibited from obtaining a loan in or outside China, and SAFE shall not approve their application for the conversion of foreign loans to Renminbi.

## **REGULATIONS RELATING TO OFFSHORE BOND ISSUANCE**

### **Financial Services Business**

Pursuant to the MOF Circular, state-owned financial institutions should carefully evaluate the sources and ability of repayment by issuers that are local government financing vehicles, seeking to issue offshore bonds, before they provide financing support to such issuers, especially when the proceeds will be used for infrastructure construction. Where the revenue source made by an issuer involves government investment funds, the state-owned financial institution shall carry out due-diligence investigation and carefully verify the legality and authenticity of such repayment source. In bond issuance documents such as bond offering circular, such enterprise shall not make any statement or disclosure that implicitly or explicitly indicates government endorsement by describing the local or national government's creditworthiness, such as financial information regarding revenue, expenditures and government debt, nor issue any misleading public statement that implies such issuer having a connection or an association with the government's creditworthiness. Furthermore, such issuer shall specify in the relevant bond offering circulars that the local government, as a shareholder, bears only limited liability to the extent of its equity contribution in the issuer, and the debt owed by such issuer shall be repaid by such issuer, in the case of a local state-owned enterprise, as an independent legal person.

### **Prevention of Foreign Debt Risks and Local Debt Risks**

The NDRC and the MOF promulgated the Joint Circular on 11 May 2018 and the Joint Circular took effect on the same day. Pursuant to the Joint Circular, an enterprise that intends to issue medium and long-term debt in offshore markets shall have established a sound and stable corporate governance structure, management decision-making mechanism and financial management system. Such enterprise shall also establish a market-based investment return mechanism that creates sustainable, stable and feasible financial expected yield for investment projects financially supported by the funds from the foreign debt.

An enterprise that intends to issue medium and long-term debt in offshore markets is required to standardise its information disclosure. In bond issuance documents such as bond offering circular, such enterprise shall not make any statement or disclosure that implicitly or explicitly indicates government endorsement by describing the local or national government's creditworthiness, such as financial information regarding revenue and expenditures and government debt, nor issue any misleading public statement which implies such issuer having a connection or an association with the government's creditworthiness. Moreover, such enterprise shall specify in the relevant bond offering circulars that the local government, as a shareholder, bears only limited liability to the extent of its equity contribution in the issuer, and the debt owed by such enterprise shall be repaid by such enterprise, in the case of a local state-owned enterprise, as an independent legal person.

In particular, the Joint Circular provides that an enterprise (including financial institutions) that intends to issue medium and long-term debt in offshore markets shall have existing operations, implement market-based financing in compliance with laws and regulations, and fully demonstrate the necessity, feasibility, economy, and financial sustainability of offering debt in offshore markets, and such enterprise shall form a debt and interest repayment scheme based on its own credit and indebtedness situations and implement repayment security measures. Furthermore, an enterprise shall not request or accept any offer by its local government or a government department to provide guarantee or assume debt repayment obligations for its debt issued in offshore markets.

## **ENVIRONMENTAL PROTECTION**

The Environmental Impact Assessment Law (環境影響評價法), promulgated by the Standing Committee of the National People's Congress on 28 October 2002 and as amended on 1 September 2016 and 29 December 2018, the Administration Rules on Environmental Protection of Construction Projects (建設項目環境保護管理條例), promulgated by the State Council on 29 November 1998 and as amended on 1

October 2017, pursuant to these laws and rules, depending on the impact of the project on the environment, a report on environmental impact or a statement on environmental impact must be submitted by a developer before the relevant authorities grant approval for the commencement of construction of the property development, or a registration form on environmental impact must be filed by a developer with the relevant authorities prior to the commencement of construction of the property development.

## **FOREIGN EXCHANGE CONTROLS**

Under the PRC Foreign Currency Administration Rules (中華人民共和國外匯管理條例) promulgated in 1996 and revised in 1997 and as amended in 2008, and various regulations issued by SAFE and other relevant PRC government authorities, Renminbi is convertible into other currencies for the purpose of current account items, such as trade-related receipts and payments and the payment of interest and dividends. The conversion of Renminbi into other currencies and remittance of the converted foreign currency outside the PRC for the purpose of capital account items, such as direct equity investments, loans and repatriation of investment, generally requires the prior approval from SAFE or its local office. On 1 September 2006, the MOHURD and SAFE jointly issued the Opinions on Regulating the Foreign Exchange Administration of the Real Estate Market (關於規範房地產市場外匯管理有關問題的通知) which is revised on 4 May 2015, providing regulations on real estate development enterprises mainly as follows:

- For real estate development enterprises, the current account for foreign exchange shall not maintain property purchase payments remitted by residents of Hong Kong, Macau and Taiwan and overseas Chinese expatriates; and
- For a real estate FIE, the state-owned land use rights certificate is yet to be obtained, or the capital fund of development project has not reached 35 per cent. of the total amount of the project investment, such Real Estate FIE is not permitted to borrow foreign loans from overseas; nor shall SAFE handle foreign debt registration or approve the foreign exchange settlement for foreign debt.

## **Record Filing and Registration**

According to the Circular 2044, which was issued by the NDRC on 14 September 2015 and came into effect on the same day, if a PRC enterprise or an offshore enterprise controlled by a PRC enterprise wishes to issue bonds outside of the PRC with a maturity of one year or more than one year, such enterprise must in advance of issuing such bonds, file certain prescribed documents with the NDRC and procure a registration certificate from the NDRC in respect of such issue. The NDRC Administrative Measures, which was issued on 5 January 2023 and came into effect on 10 February 2023, replace the Circular 2044. The NDRC Administrative Measures impose the following additional regulatory requirements:

- The enterprise for issuance of foreign debts, its controlling shareholders or de facto controlling persons (i) shall not have committed any crime relating to corruption, bribery, embezzlement or misappropriation of assets or other criminal offences that may impede the order of the socialist market economy, and (ii) shall not be under formal investigation for criminal offences or material breach of laws or regulations, in each case, within the past three years;
- Enterprises are required to undergo review and registration procedure to obtain the Certificate of Review and Registration of Enterprise Borrowing of Foreign Debts. The NDRC Administrative Measures provide that the NDRC may take disciplinary measures against non-compliant enterprises and their main responsible persons, such as regulatory interview or public warning;

- Record-filing and registration materials to be submitted by an enterprise for the issuance of foreign debts shall include: application report for the issuance of foreign debts and issuance plan, including the currency, size, interest rate, and maturity of foreign debts, the purpose of the funds raised, back flow of funds, etc. The applicant shall be responsible for the authenticity, legality, and completeness of the application materials and information;
- Use of proceeds from foreign debt shall not threaten or be detrimental to information and data security, increase local government's hidden debts, or be used for speculative purposes. The NDRC Administrative Measures remove the restriction that the proceeds of foreign debt shall not be applied to make up the losses, and, in relation to on-lending of proceeds, such arrangement is prohibited unless it has been disclosed in the application documents and approved by the NDRC;
- Enterprises are required to, among others, report on the status of the foreign debt within ten working days after the expiry of the relevant registration certificates, report on use of proceeds, principal and interest repayment status and arrangement and key business indicators within five working days prior to the end of January and July each year, and promptly report on any material event that may affect the due performance of their debt obligations; and
- Enterprises and their main responsible persons may be subject to a public warning, if there is any concealment, false record, misleading statement or material omission in the application documents and information disclosed by such enterprises, or if they fail comply with certain reporting obligations.



## TAXATION

*The following summary of certain tax consequences of the purchase, ownership and disposition of the Bonds is based upon applicable laws, regulations, rulings and decisions in effect as at the date of this Offering Circular, all of which are subject to change (possibly with retroactive effect). This discussion does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Bonds and does not purport to deal with consequences applicable to all categories of investors, some of which may be subject to special rules. Neither these statements nor any other statements in this Offering Circular are to be regarded as advice on the tax position of any holder of the Bonds or any persons acquiring, selling or otherwise dealing in the Bonds or on any tax implications arising from the acquisition, sale or other dealings in respect of the Bonds. Persons considering the purchase of the Bonds should consult their own tax advisers concerning the possible tax consequences of buying, holding or selling any Bonds under the laws of their country of citizenship, residence or domicile.*

### **BERMUDA**

Under current Bermuda legislation, there is no withholding tax, capital gains tax, income or profits tax, capital transfer tax, estate duty or inheritance tax payable in Bermuda by us or our shareholders or holders of the Bonds other than those shareholders or holders ordinarily resident in Bermuda.

The Bonds will not be subject to stamp duty in Bermuda.

### **HONG KONG**

#### **Withholding Tax**

No withholding tax is payable in Hong Kong in respect of payments of principal or interest on the Bonds or in respect of any capital gains arising from the sale of the Bonds.

#### **Profits Tax**

Hong Kong profits tax is chargeable on every person carrying on a trade, profession or business in Hong Kong in respect of profits arising in or derived from Hong Kong from such trade, profession or business (excluding profits arising from the sale of capital assets).

Interest on the Bonds may be deemed to be profits arising in or derived from Hong Kong from a trade, profession or business carried on in Hong Kong in the following circumstances:

- (a) interest on the Bonds is derived from Hong Kong and is received by or accrues to a corporation carrying on a trade, profession or business in Hong Kong;
- (b) interest on the Bonds is derived from Hong Kong and is received by or accrues to a person other than a corporation, carrying on a trade, profession or business in Hong Kong and is in respect of the funds of that trade, profession or business;
- (c) interest on the Bonds is received by or accrues to a financial institution (as defined in the Inland Revenue Ordinance (Cap. 112) of Hong Kong (the “**IRO**”)) and arises through or from the carrying on by the financial institution of its business in Hong Kong; or
- (d) interest on the Bonds is received by or accrues to a corporation, other than a financial institution, and arises through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the IRO).

Sums received by or accrued to a financial institution by way of gains or profits arising through or from the carrying on by the financial institution of its business in Hong Kong from the sale, disposal or redemption of Bonds will be subject to Hong Kong profits tax. Sums received by or accrued to a

corporation, other than a financial institution, by way of gains or profits arising through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the IRO) from the sale, disposal or other redemption of Bonds will be subject to Hong Kong profits tax.

Sums derived from the sale, disposal or redemption of Bonds will be subject to Hong Kong profits tax where received by or accrued to a person, other than a financial institution, who carries on a trade, profession or business in Hong Kong and the sum has a Hong Kong source unless otherwise exempted. The source of such sums will generally be determined by having regard to the manner in which the Bonds are acquired and disposed of.

In addition, the Inland Revenue (Amendment) (Taxation on Specified Foreign-sourced Income) Ordinance 2022 of Hong Kong (the “**Amendment Ordinance**”) came into effect on 1 January 2023. Under the Amendment Ordinance, certain foreign-sourced interest on the Bonds accrued to an MNE entity (as defined in the Amendment Ordinance) carrying on a trade, profession or business in Hong Kong is regarded as arising in or derived from Hong Kong and subject to Hong Kong profits tax when it is received in Hong Kong. The Amendment Ordinance also provides for relief against double taxation in respect of certain foreign-sourced income and transitional matters.

In certain circumstances, Hong Kong profits tax exemptions (such as concessionary tax rates) may be available. Investors are advised to consult their own tax advisers to ascertain the applicability of any exemptions to their individual position.

### **Stamp Duty**

No Hong Kong stamp duty will be chargeable upon the issue or transfer of a Bond.

### **PRC**

The following summary describes the principal PRC tax consequences of ownership of the Bonds by beneficial owners who, or which, are not residents of mainland China for the PRC tax purposes.

These beneficial owners are referred to as non-PRC holders of the Bonds in this “*Taxation — PRC*” section. In considering whether to invest in the Bonds, investors should consult their individual tax advisers with regard to the application of the PRC tax laws to their particular situations as well as any tax consequences arising under the laws of any other tax jurisdiction.

Pursuant to the EIT Law, enterprise that are established under laws of foreign countries and regions (including Hong Kong, Macau and Taiwan) but whose “*de facto* management bodies” are within the territory of the PRC are deemed as PRC resident enterprises for the purpose of the EIT Law and must pay enterprise income tax at the rate of 25 per cent. in respect of their worldwide income. If relevant PRC tax authorities decide, in accordance with applicable tax rules and regulations, that the “*de facto* management body” of the Issuer is within the territory of the PRC, the Issuer may be held to be a PRC resident enterprise for the purpose of the EIT Law and be subject to enterprise income tax at the rate of 25 per cent. for its income sourced from both within and outside PRC.

As confirmed by the Issuer, as at the date of this Offering Circular, the Issuer has not been notified or informed by the PRC tax authorities that it is considered as a PRC resident enterprise for the purpose of the EIT Law. However, there is no assurance that the Issuer will not be treated as a PRC resident enterprise under the EIT Law and related implementation regulations in the future. If the Issuer is treated as a PRC resident enterprise, the interest the Issuer pays in respect of the Bonds may be subject to PRC withholding tax at a rate of 10 per cent. if paid to a non-PRC resident enterprise holder of the Bonds and 20 per cent. if paid to a non-PRC resident individual holder of the Bonds, and any gain a holder may realise from the transfer of the Bonds, may be treated as income derived from sources within the PRC and may be subject to PRC withholding tax at a rate of up to 10 per cent. in the case of a non-PRC resident enterprise holder and 20 per cent. in the case of a non-PRC resident individual holder (in each case unless

an applicable treaty provides otherwise). In the event that the Issuer is treated as a non-resident enterprise and it does not have an establishment or place of business within the PRC, it should be subject to PRC enterprise income tax for income derived from or accrued in the PRC, at the tax rate of 10 per cent. If it has an establishment or place of business within the PRC while the income derived from or accruing in the PRC does not have a de facto relationship with that establishment or place of business, the tax rate of 10 per cent. shall also apply.

In addition, on 23 March 2016, the MOF and the SAT issued the Circular 36, which stipulates that VAT will be applicable where the entities or individuals provide financial services, such as providing the loans within the PRC. The services are treated as being sold within the PRC where either the service provider or the service recipient is located in the PRC. It is further clarified under Circular 36 that “loans” refer to the activity of lending capital for another’s use and receiving the interest income thereon. Based on the definition of “loans” under Circular 36, the issuance of Bonds is likely to be treated as the holders of the Bonds providing “loans” to the Issuer, which will therefore be regarded as financial services for VAT purposes. In the event the Issuer is deemed to be a PRC resident enterprise in the PRC by the PRC tax authorities, the holders of the Bonds may be regarded as providing financial services within the PRC and consequently, the amount of interest payable by the Issuer to any non-resident holders of the Bonds may be subject to withholding VAT at the rate of 6 per cent. plus related local surcharges. It is uncertain whether VAT is applicable to any transfer of the Bonds between entities or individuals outside the PRC, but VAT shall be applicable if either the seller or buyer of Bonds is located inside the PRC. However, individuals (including non-resident individuals) are exempt from VAT for transfer of financial products. If VAT is exempted, local surcharges shall also be exempted.

For the redemption or repurchase of Bonds by the Issuer (if it is deemed to be a PRC resident enterprise in the PRC by the PRC tax authorities), the holders of the Bonds may be subject to PRC income taxes and PRC VAT plus the related surcharges (non-PRC resident individuals may be exempted from VAT (as well local surcharges) if the redemption is deemed as transfer of financial products or if the interest amount received by such non-PRC resident individuals is below certain threshold of imposing VAT) depending on whether relevant payment would be regarded as including interest or capital gains (tax treaties may provide preferential treatments if certain criteria are satisfied).

Since Circular 36 together with other laws and regulations pertaining to VAT reform are relatively new, the interpretation and enforcement of such laws and regulations involve uncertainties.

Subject to certain exceptions, the Issuer has agreed to pay additional amounts to holders of the Bonds so that holders of the Bonds would receive the full amount of the scheduled payment, as further set out in the Terms and Conditions of the Bonds. The requirement to pay additional amounts as a result of any such PRC withholding tax will increase the cost of servicing the debt and could have an adverse effect on the Issuer’s financial condition.

No PRC stamp tax will be chargeable upon the issue or transfer (for so long as the register of holders of the Bonds is maintained outside the PRC, the issuance and the sale of the Bonds are conducted outside of the PRC, no service under the relevant contracts has been or will be provided within the PRC, relevant contracts are signed outside the PRC and their governing law is not PRC law) of a Bond.

Under the Provisional Regulations of the PRC on Real Estate Tax (中華人民共和國房產稅暫行條例), promulgated by the State Council in September 1986 and amended in January 2011, real estate tax applicable to domestic enterprises is 1.2 per cent. if it is calculated on the basis of the residual value of a building and 12 per cent. if it is calculated on the basis of the value of a rental lease.

Under the PRC Deed Tax Law (中華人民共和國契稅法) effective from 1 September 2021, a deed tax is chargeable to transferees of land use rights and/or ownership in real properties within the territory of China. The deed tax rate is from 3 per cent. to 5 per cent. subject to determination by local governments at the provincial level in light of local conditions.

Under the Urban Maintenance and Construction Tax Law of the PRC (中華人民共和國城市維護建設稅法) effective from 1 September 2021 and its relevant predecessor regulations, any taxpayer, whether an entity or individual, of consumption tax, value-added tax or business tax shall be required to pay municipal maintenance tax. The tax rate shall be 7 per cent. for a taxpayer whose domicile is in an urban area, 5 per cent. for a taxpayer whose domicile is in a county and a town, and 1 per cent. for a taxpayer whose domicile is not in any urban area or county or town.

Under the Interim Provisions on Imposition of Education Surcharge (徵收教育費附加的暫行規定) enacted by the State Council on 28 April 1986 and revised on 7 June 1990 and 20 August 2005 and 8 January 2011, a taxpayer, whether an entity or individual, of consumption tax, VAT or business tax shall pay an education surcharge, unless such obliged taxpayer is instead required to pay a rural area education surcharge as provided by the Notice of the State Council on Raising Funds for Schools in Rural Areas (國務院關於籌措農村學校辦學經費的通知).

## SUBSCRIPTION AND SALE

We have entered into a subscription agreement with the Managers dated 12 March 2024 (the “**Subscription Agreement**”), pursuant to which and subject to certain conditions contained therein. We have agreed to sell to the Managers, and the Managers have, severally, but not jointly, agreed to use their best endeavours to subscribe and pay for, or to procure subscribers to subscribe and pay for, the aggregate principal amount of the Bonds indicated in the following table.

	<b>Principal amount of the Bonds to be subscribed<sup>(1)</sup></b>
	(CNY)
Haitong International Securities Company Limited . . . . .	50,000,000
China Galaxy International Securities (Hong Kong) Co., Limited . . . . .	50,000,000
Huatai Financial Holdings (Hong Kong) Limited . . . . .	50,000,000
ABCI Capital Limited . . . . .	50,000,000
China Industrial Securities International Brokerage Limited . . . . .	50,000,000
BOCOM International Securities Limited . . . . .	50,000,000
China International Capital Corporation Hong Kong Securities Limited . . . . .	50,000,000
China Securities (International) Corporate Finance Company Limited . . . . .	50,000,000
China Zheshang Bank Co., Ltd. (Hong Kong Branch). . . . .	50,000,000
CLSA Limited. . . . .	50,000,000
Hua Xia Bank Co., Limited Hong Kong Branch . . . . .	50,000,000
Standard Chartered Bank . . . . .	50,000,000
<b>Total</b> . . . . .	<b>600,000,000</b>

*Note:*

(1) On a several but not joint basis.

The Subscription Agreement provides that we will indemnify the Managers and their affiliates against certain liabilities in connection with the offer and sale of the Bonds. The Subscription Agreement provides that the obligations of the Managers are subject to certain conditions precedents, and entitles the Managers to terminate it in certain circumstances prior to payment being made to us.

In connection with the issue of the Bonds, the Stabilisation Managers or any person acting on behalf of the Stabilisation Managers may, to the extent permitted by applicable laws and directives, over-allot the Bonds or effect transactions with a view to supporting the price of the Bonds at a level higher than that which might otherwise prevail, but in so doing, the Stabilisation Managers or any person acting on behalf of the Stabilisation Managers shall act as principal and not as our agent. However, there is no assurance that the Stabilisation Managers or any person acting on behalf of the Stabilisation Managers will undertake stabilisation action. Any loss or profit sustained as a consequence of any such over-allotment or stabilisation shall be for the account of the Managers.

The Managers and certain of their subsidiaries or affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities (“**Banking Services or Transactions**”). The Managers and their respective affiliates may have, from time to time, performed, and may in the future perform, various Banking Services or Transactions with us for which they have received, or will receive, fees and expenses.

In connection with the offering of the Bonds, the Managers and/or their respective affiliates, or our affiliates, may act as investors and place orders, receive allocations and trade the Bonds for their own account and such orders, allocations or trading of the Bonds may be material. Such entities may hold or sell such Bonds or purchase further Bonds for their own account in the secondary market or deal in any other securities of us, and therefore, they may offer or sell the Bonds or other securities otherwise than in connection with the offering of the Bonds. Accordingly, references herein to the offering of the Bonds should be read as including any offering of the Bonds to the Managers and/or their respective affiliates, or our affiliates as investors for their own account. Such entities are not expected to disclose such transactions or the extent of any such investment, otherwise than in accordance with any applicable legal or regulatory requirements. If such transactions occur, the trading price and liquidity of the Bonds may be impacted.

Furthermore, it is possible that a significant proportion of the Bonds may be initially allocated to, and subsequently held by, a limited number of investors. If this is the case, the trading price and liquidity of trading in the Bonds may be constrained. Neither of the Managers nor us are under obligation to disclose the extent of the distribution of the Bonds amongst individual investors, otherwise than in accordance with any applicable legal or regulatory requirements.

In the ordinary course of their various business activities, the Managers and their respective affiliates make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of us, including the Bonds and could adversely affect the trading price and liquidity of the Bonds. The Managers and their affiliates may make investment recommendations and/or publish or express independent research views (positive or negative) in respect of the Bonds or other financial instruments of us, and may recommend to their clients that they acquire long and/or short positions in the Bonds or other financial instruments of us.

**Notice to capital market intermediaries and prospective investors pursuant to paragraph 21 of the Hong Kong SFC Code of Conduct — Important Notice to CMIs (including private banks):** This notice to CMIs (including private banks) is a summary of certain obligations the SFC Code imposes on CMIs, which require the attention and cooperation of other CMIs (including private banks). Certain CMIs may also be acting as OCs for this offering and are subject to additional requirements under the SFC Code.

Prospective investors who are the directors, employees or major shareholders of the Issuer, a CMI or its group companies would be considered under the SFC Code as having an Association with the Issuer, the CMI or the relevant group company. CMIs should specifically disclose whether their investor clients have any Association when submitting orders for the Bonds. In addition, private banks should take all reasonable steps to identify whether their investor clients may have any Associations with the Issuer or any CMI (including its group companies) and inform the Managers accordingly.

CMIs are informed that the marketing and investor targeting strategy for this offering includes institutional investors, sovereign wealth funds, pension funds, hedge funds, family offices and high net worth individuals, in each case, subject to the selling restrictions set out elsewhere in this Offering Circular.

CMIs should ensure that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). CMIs should enquire with their investor clients regarding any orders which appear unusual or irregular. CMIs should disclose the identities of all investors when submitting orders for the Bonds (except for omnibus orders where underlying investor information may need to be provided to any OCs when submitting orders). Failure to provide underlying investor information for omnibus orders, where required to do so, may result in that order being rejected. CMIs should not place “X-orders” into the order book.



CMI should segregate and clearly identify their own proprietary orders (and those of their group companies, including private banks as the case may be) in the order book and book messages.

CMI (including private banks) should not offer any rebates to prospective investors or pass on any rebates provided by the Issuer. In addition, CMI (including private banks) should not enter into arrangements which may result in prospective investors paying different prices for the Bonds.

The SFC Code requires that a CMI disclose complete and accurate information in a timely manner on the status of the order book and other relevant information it receives to targeted investors for them to make an informed decision. In order to do this, those Managers in control of the order book should consider disclosing order book updates to all CMIs.

When placing an order for the Bonds, private banks should disclose, at the same time, if such order is placed other than on a “principal” basis (whereby it is deploying its own balance sheet for onward selling to investors). Private banks who do not provide such disclosure are hereby deemed to be placing their order on such a “principal” basis. Otherwise, such order may be considered to be an omnibus order pursuant to the SFC Code. Private banks should be aware that placing an order on a “principal” basis may require the relevant affiliated Manager(s) (if any) to categorise it as a proprietary order and apply the “proprietary orders” requirements of the SFC Code to such order.

In relation to omnibus orders, when submitting such orders, CMIs (including private banks) that are subject to the SFC Code should disclose underlying investor information in respect of each order constituting the relevant omnibus order (failure to provide such information may result in that order being rejected). Underlying investor information in relation to omnibus orders should consist of:

- The name of each underlying investor;
- A unique identification number for each investor;
- Whether an underlying investor has any “Associations” (as used in the SFC Code);
- Whether any underlying investor order is a “Proprietary Order” (as used in the SFC Code);
- Whether any underlying investor order is a duplicate order.

Underlying investor information in relation to omnibus order should be sent to: [dcm@htisec.com](mailto:dcm@htisec.com), [DCM@chinastock.com.hk](mailto:DCM@chinastock.com.hk), [dcm@xyzq.com.hk](mailto:dcm@xyzq.com.hk), [abcic.dcm@abci.com.hk](mailto:abcic.dcm@abci.com.hk), [dcm\\_hk@czbank.com](mailto:dcm_hk@czbank.com), [projectlayue@clsa.com](mailto:projectlayue@clsa.com) and [SYNHK@sc.com](mailto:SYNHK@sc.com).

To the extent information being disclosed by CMIs and investors is personal and/or confidential in nature, CMIs (including private banks) agree and warrant: (A) to take appropriate steps to safeguard the transmission of such information to any OCs; and (B) that they have obtained the necessary consents from the underlying investors to disclose such information to any OCs. By submitting an order and providing such information to any OCs, each CMI (including private banks) further warrants that it and the underlying investors have understood and consented to the collection, disclosure, use and transfer of such information by any OCs and/or any other third parties as may be required by the SFC Code, including to the Issuer, relevant regulators and/or any other third parties as may be required by the SFC Code, for the purpose of complying with the SFC Code, during the bookbuilding process for this offering. CMIs that receive such underlying investor information are reminded that such information should be used only for submitting orders in this offering. The Managers may be asked to demonstrate compliance with their obligations under the SFC Code, and may request other CMIs (including private banks) to provide evidence showing compliance with the obligations above (in particular, that the necessary consents have been obtained). In such event, other CMIs (including private banks) are required to provide the relevant Manager with such evidence within the timeline requested.

## **GENERAL**

The distribution of this Offering Circular or any offering material and the offering, sale or delivery of the Bonds is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Offering Circular or any offering material are advised to consult with their own legal advisers as to what restrictions may be applicable to them and to observe such restrictions. This Offering Circular may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised.

No action has been or will be taken in any jurisdiction by the Issuer or the Managers that would permit a public offering, or any other offering under circumstances not permitted by applicable law, of the Bonds, or possession or distribution of this Offering Circular, any amendment or supplement thereto issued in connection with the proposed resale of the Bonds or any other offering or publicity material relating to the Bonds, in any country or jurisdiction where action for that purpose is required. Accordingly, the Bonds may not be offered or sold, directly or indirectly, and neither this Offering Circular nor any other offering material or advertisements in connection with the Bonds may be distributed or published, by the Issuer or the Managers, in or from any country or jurisdiction, except in circumstances which will result in compliance with all applicable rules and regulations of any such country or jurisdiction and will not impose any obligations on the Issuer or the Managers. If a jurisdiction requires that an offering of Bonds be made by a licenced broker or dealer and the Managers or any affiliate of the Managers is a licenced broker or dealer in that jurisdiction, such offering shall be deemed to be made by the Managers or such affiliate on behalf of the Issuer in such jurisdiction.

## **UNITED STATES**

The Bonds and the Standby Letter of Credit have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States.

The Bonds are being offered and sold outside of the United States in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering of the Bonds, an offer or sale of Bonds within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

## **UNITED KINGDOM**

Each of the Managers has represented, warranted and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the “FSMA”)) received by it in connection with the issue or sale of the Bonds in circumstances in which Section 21 (1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

## **HONG KONG**

Each Manager has represented, warranted and agreed that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Bonds other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the “SFO”) and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the “C(WUMP)O”) or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Bonds, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Bonds which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under the SFO.

## **THE PEOPLE’S REPUBLIC OF CHINA**

Each Manager has represented, warranted and agreed that the Bonds are not being offered or sold and may not be offered or sold, directly or indirectly, in the People’s Republic of China (for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan), except as permitted by the securities laws of the People’s Republic of China.

## **SINGAPORE**

Each Manager has acknowledged that this Offering Circular has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Manager has represented, warranted and agreed that it has not offered or sold any Bonds or caused the Bonds to be made the subject of an invitation for subscription or purchase and will not offer or sell any Bonds or cause the Bonds to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Bonds, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the “SFA”)) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

**Singapore SFA Product Classification:** In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “**CMP Regulations 2018**”), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Bonds as “prescribed capital markets products” (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

## **JAPAN**

The Bonds have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the “**Financial Instruments and Exchange Act**”). Accordingly, each Manager has represented, warranted and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Bonds in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

## **BERMUDA**

Each Manager has represented, warranted and undertaken that the Bonds will not be offered, sold or transferred in Bermuda or to or between any person, firm or company regarded as resident of Bermuda for exchange control purposes.

## GENERAL INFORMATION

1. **Clearing Systems:** The Bonds have been accepted for clearance through CMU under the CMU Instrument Code BNYHFB24009, with the Common Code 274756403 and the ISIN HK0000985033. The Legal Entity Identifier Code of the Issuer is 5493002MXB7W828NT823.
2. **Listing of the Bonds:** Application will be made to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Bonds by way of debt issues to Professional Investors only. It is expected that the listing of, and permission to deal in, the Bonds on the Hong Kong Stock Exchange will become effective on or about 19 March 2024.
3. **Authorisations:** The Issuer has obtained all necessary consents, approvals and authorisations in connection with the issue and performance of its obligations under the Bonds. The issue of the Bonds was authorised by resolutions of the board of directors of the Issuer on 24 January 2024. China Minmetals has obtained the NDRC Pre-issuance Registration Certificate on 5 September 2023.
4. **No Material Adverse Change:** There has been no material adverse change in the financial or trading position or prospects of the Issuer and the Group since 30 June 2023.
5. **Litigation:** None of the Issuer or any other members of the Group is or has been engaged in or has pending or threatened, any governmental, legal or arbitration proceedings during the previous 12 months, which may have, or have had in the recent past, a significant effect on the business or financial position of the Issuer or the Group.
6. **Available Documents:** For so long as any of the Bonds is outstanding, copies of the following documents will be available for inspection at our principal place of business in Hong Kong at 18/F, China Minmetals Tower, 79 Chatham Road South, Tsim Sha Tsui, Kowloon, Hong Kong, and upon written request and satisfactory proof of holding and with prior appointment during normal business hours, and the following documents (except for the Sustainable Finance Framework) will be available (i) for inspection or collection by the Bondholders from the Issue Date at all reasonable times during normal business hours in Hong Kong (being between 9:00 a.m. to 3:00 p.m. from Monday to Friday (other than public holidays)) at the principal office for the time being of the Trustee (being at the Issue Date at Level 26, Three Pacific Place, 1 Queen's Road East, Hong Kong) and at the specified office for the time being of the CMU Lodging and Paying Agent and (ii) electronically from the CMU Lodging and Paying Agent, following prior written request and proof of holding and identity to the satisfaction of the Trustee or, as the case may be, the CMU Lodging and Paying Agent:
  - (a) the Trust Deed;
  - (b) the Agency Agreement;
  - (c) the Standby Letter of Credit; and
  - (d) the Sustainable Finance Framework.
7. **Financial Statements of the Group:** The Audited Financial Statements, which are included in this Offering Circular, were audited by Ernst & Young and were prepared and presented in accordance with HKFRSs issued by HKICPA. The Reviewed Financial Statements, which are included in this Offering Circular, were reviewed by Ernst & Young in accordance with HKSRE 2410 and were prepared and presented in accordance with HKAS 34 issued by HKICPA.
8. **Financial Statements of the Bank:** Copies of the latest annual and interim reports of the Bank, as well as its public filings, can be downloaded free of charge from the website of the Hong Kong Stock Exchange and the Bank on the internet at [www.hkex.com.hk](http://www.hkex.com.hk) and [www.cbhb.com.cn](http://www.cbhb.com.cn), respectively.

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# INDEPENDENT REVIEW REPORT

## 獨立審閱報告



Ernst & Young  
27/F, One Taikoo Place  
979 King's Road  
Quarry Bay, Hong Kong

安永會計師事務所  
香港鰂魚涌  
英皇道979號  
太古坊一座27樓

Tel 電話: +852 2846 9888  
Fax 傳真: +852 2868 4432  
ey.com

**To the board of directors of Minmetals Land Limited**

*(Incorporated in Bermuda with limited liability)*

**致五礦地產有限公司董事會**

*(於百慕達註冊成立之有限公司)*

### INTRODUCTION

We have reviewed the interim financial information set out on pages 42 to 81, which comprises the condensed consolidated statement of financial position of Minmetals Land Limited (the "Company") and its subsidiaries (the "Group") as at 30 June 2023 and the related condensed consolidated statements of profit or loss, profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 *Interim Financial Reporting* ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

### SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the HKICPA. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### 引言

本核數師(以下簡稱「我們」)已審閱列載於第42至81頁的中期財務資料，當中包括五礦地產有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)於二零二三年六月三十日的簡明綜合財務狀況表與截至該日止六個月期間的相關簡明綜合損益表、簡明綜合損益及其他全面收益表、簡明綜合權益變動表和簡明綜合現金流量表，以及解釋附註。香港聯合交易所有限公司證券上市規則規定，就中期財務資料編製的報告必須符合以上規則的有關條文以及香港會計師公會(「香港會計師公會」)頒佈的香港會計準則第34號「中期財務報告」(「香港會計準則第34號」)。貴公司董事須負責根據香港會計準則第34號編製及列報本中期財務資料。我們的責任是根據我們的審閱對本中期財務資料作出結論。根據我們的委聘協定條款，我們的報告僅向閣下作為一個全體彙報，而不作任何其他用途。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。

### 審閱範圍

我們已根據香港會計師公會頒佈的香港審閱委聘準則第2410號「由實體的獨立核數師審閱中期財務資料」進行審閱。審閱中期財務資料包括主要向負責財務和會計事務的人員作出詢問，及應用分析性和其他審閱程序。審閱的範圍遠小於根據香港審計準則進行的審核，故我們不能保證我們將知悉在審核中可能發現的所有重大事項。因此，我們不會發表審核意見。



## CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

### **Ernst & Young**

*Certified Public Accountants*

Hong Kong  
24 August 2023

## 結論

按照我們的審閱，我們並無發現任何事項，令我們相信中期財務資料在各重大方面未有根據香港會計準則第34號編製。

安永會計師事務所  
執業會計師

香港  
二零二三年八月二十四日

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

## 中期簡明綜合損益表

For the six months ended 30 June 2023 截至二零二三年六月三十日止六個月

		<b>Six months ended 30 June</b>		
		<b>截至六月三十日止六個月</b>		
		<b>2023</b>	2022	
		二零二三年	二零二二年	
		<b>HK\$'000</b>	HK\$'000	
		千港元	千港元	
		<b>(Unaudited)</b>	(Unaudited)	
		<b>(未經審核)</b>	(未經審核)	
		Notes		
		附註		
<b>REVENUE</b>	<b>收入</b>	4	<b>8,343,105</b>	6,283,210
Cost of sales	銷售成本		<b>(6,540,081)</b>	(5,435,987)
<b>Gross profit</b>	<b>毛利</b>		<b>1,803,024</b>	847,223
Other income	其他收入	5	<b>38,367</b>	52,642
Fair value changes on investment properties	投資物業公允值變動	12	<b>(14,912)</b>	(57,052)
Selling and marketing expenses	銷售及營銷費用		<b>(165,329)</b>	(166,055)
Administrative and other expenses	行政及其他開支		<b>(231,983)</b>	(284,196)
Allowance for impairment of inventories	存貨減值撥備		<b>(192,274)</b>	(168,944)
Impairment loss reversed/(recognised) under the expected credit loss model, net	預期信貸虧損模型項下回撥/(確認)之減值虧損淨額	6	<b>328</b>	(7,269)
Finance income	財務收入		<b>95,070</b>	87,029
Finance costs	財務成本	7	<b>(245,355)</b>	(63,987)
Share of results of associates	分佔聯營公司業績		<b>(67,846)</b>	(63,197)
Share of results of joint ventures	分佔合營公司業績		<b>11,710</b>	94,743
<b>PROFIT BEFORE TAX</b>	<b>除稅前溢利</b>		<b>1,030,800</b>	270,937
Income tax expense	所得稅開支	8	<b>(437,661)</b>	(220,785)
<b>PROFIT FOR THE PERIOD</b>	<b>本期間溢利</b>	9	<b>593,139</b>	50,152
<b>Profit/(loss) for the period attributable to:</b>	<b>本期間溢利/(虧損)歸屬於:</b>			
Equity holders of the Company	本公司股權持有人		<b>111,693</b>	90,293
Holders of perpetual capital instruments	永久資本工具持有人		—	46,990
Non-controlling interests	非控股股東權益		<b>481,446</b>	(87,131)
			<b>593,139</b>	50,152
<b>EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY, IN HK CENTS</b>	<b>本公司股權持有人應佔溢利之每股盈利，港仙</b>			
Basic	基本	11	<b>3.34</b>	2.70
Diluted	攤薄	11	<b>3.34</b>	2.70

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

## 中期簡明綜合損益及其他全面收益表

For the six months ended 30 June 2023 截至二零二三年六月三十日止六個月

		<b>Six months ended 30 June</b>	
		<b>截至六月三十日止六個月</b>	
		<b>2023</b>	2022
		<b>二零二三年</b>	二零二二年
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
		<b>(Unaudited)</b>	(Unaudited)
		<b>(未經審核)</b>	(未經審核)
<b>PROFIT FOR THE PERIOD</b>	本期間溢利	<b>593,139</b>	50,152
<b>OTHER COMPREHENSIVE (EXPENSE)/INCOME</b>	其他全面(支出)/收入		
Other comprehensive (expense)/income that may be reclassified to profit or loss in subsequent periods:	後續期間可能重新分類至損益之其他全面(支出)/收入：		
Currency translation differences	匯兌差額	<b>(740,445)</b>	(1,301,126)
Fair value (loss)/gain on hedging instruments in cash flow hedges	現金流對沖的對沖工具之公允值(虧損)/收益	<b>(11,703)</b>	44,252
Share of other comprehensive expense of associates	分佔聯營公司其他全面支出	<b>(67,913)</b>	(143,248)
Share of other comprehensive expense of joint ventures	分佔合營公司其他全面支出	<b>(10,912)</b>	(12,161)
		<b>(830,973)</b>	(1,412,283)
Other comprehensive expense that will not be reclassified to profit or loss in subsequent periods:	後續期間不會重新分類至損益之其他全面支出：		
Fair value loss on financial assets at fair value through other comprehensive income	透過其他全面收益按公允值計量之財務資產重估所產生之公允值虧損	<b>(125,073)</b>	(80,769)
<b>OTHER COMPREHENSIVE EXPENSE FOR THE PERIOD</b>	本期間其他全面支出	<b>(956,046)</b>	(1,493,052)
<b>TOTAL COMPREHENSIVE EXPENSE FOR THE PERIOD</b>	本期間全面支出總額	<b>(362,907)</b>	(1,442,900)
<b>Total comprehensive (expense)/income for the period attributable to:</b>	本期間全面(支出)/收入總額歸屬於：		
Equity holders of the Company	本公司股權持有人	<b>(518,606)</b>	(809,930)
Holders of perpetual capital instruments	永久資本工具持有人	—	(60,690)
Non-controlling interests	非控股股東權益	<b>155,699</b>	(572,280)
		<b>(362,907)</b>	(1,442,900)

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## 中期簡明綜合財務狀況表

30 June 2023 二零二三年六月三十日

			30 June 2023 二零二三年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2022 二零二二年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
		Notes 附註		
<b>NON-CURRENT ASSETS</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	12	648,187	662,273
Investment properties	投資物業	12	2,752,924	2,774,432
Interests in associates	於聯營公司之權益	13	2,133,874	2,269,633
Interests in joint ventures	於合營公司之權益	14	343,035	341,852
Financial assets at fair value through other comprehensive income	透過其他全面收益按公允值計量之財務資產	15	276,355	401,428
Other financial assets	其他財務資產	19	—	31,270
Other receivables	其他應收款項		7,860	9,039
Deferred tax assets	遞延稅項資產		520,756	754,807
Total non-current assets	非流動資產總額		<b>6,682,991</b>	7,244,734
<b>CURRENT ASSETS</b>	<b>流動資產</b>			
Inventories	存貨	16	33,697,122	39,506,138
Prepayments, trade and other receivables	預付款項、貿易及其他應收款項	17	10,759,036	11,009,807
Prepaid income tax	預付所得稅		667,992	818,011
Contract assets	合約資產	18	123,537	144,360
Contract costs	合約成本		246,849	238,300
Other financial assets	其他財務資產	19	19,567	—
Cash and bank deposits, restricted	受限制現金及銀行存款		320,155	724,314
Cash and bank deposits, unrestricted	不受限制現金及銀行存款		7,033,572	7,701,361
Total current assets	流動資產總額		<b>52,867,830</b>	60,142,291
<b>Total assets</b>	<b>資產總額</b>		<b>59,550,821</b>	67,387,025
<b>EQUITY</b>	<b>權益</b>			
Share capital	股本		334,691	334,691
Reserves	儲備	20	5,966,232	6,484,838
Equity attributable to equity holders of the Company	本公司股權持有人應佔之權益		6,300,923	6,819,529
Non-controlling interests	非控股股東權益		10,063,858	9,992,569
<b>Total equity</b>	<b>權益總額</b>		<b>16,364,781</b>	16,812,098

			<b>30 June 2023</b> 二零二三年 六月三十日 <b>HK\$'000</b> 千港元 <b>(Unaudited)</b> (未經審核)	31 December 2022 二零二二年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
		Notes 附註		
<b>NON-CURRENT LIABILITIES</b>	<b>非流動負債</b>			
Borrowings	借款	21	<b>13,045,602</b>	17,176,328
Other payables	其他應付款項		<b>233,816</b>	250,256
Deferred tax liabilities	遞延稅項負債		<b>254,435</b>	316,495
Lease liabilities	租賃負債		<b>6,494</b>	10,021
Total non-current liabilities	非流動負債總額		<b>13,540,347</b>	17,753,100
<b>CURRENT LIABILITIES</b>	<b>流動負債</b>			
Borrowings	借款	21	<b>12,660,232</b>	7,132,439
Trade and other payables	貿易及其他應付款項	22	<b>9,412,089</b>	13,581,206
Contract liabilities	合約負債		<b>6,900,746</b>	11,415,551
Lease liabilities	租賃負債		<b>10,561</b>	18,893
Taxation payable	應付稅項		<b>662,065</b>	673,738
Total current liabilities	流動負債總額		<b>29,645,693</b>	32,821,827
<b>Total liabilities</b>	<b>負債總額</b>		<b>43,186,040</b>	50,574,927
<b>Total equity and liabilities</b>	<b>權益及負債總額</b>		<b>59,550,821</b>	67,387,025
<b>Net current assets</b>	<b>流動資產淨值</b>		<b>23,222,137</b>	27,320,464
<b>Total assets less current liabilities</b>	<b>資產總額減流動負債</b>		<b>29,905,128</b>	34,565,198

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## 中期簡明綜合權益變動表

For the six months ended 30 June 2023 截至二零二三年六月三十日止六個月

		Attributable to equity holders of the Company 本公司股權持有人應佔			Non- controlling interests 非控股股東	Total equity 權益總額
		Share capital 股本 HK\$'000 千港元 (Unaudited) (未經審核)	Reserves 儲備 HK\$'000 千港元 (Unaudited) (未經審核) (Note 20) (附註20)	Total 總額 HK\$'000 千港元 (Unaudited) (未經審核)	權益 HK\$'000 千港元 (Unaudited) (未經審核)	權益總額 HK\$'000 千港元 (Unaudited) (未經審核)
At 1 January 2023	於二零二三年一月一日	334,691	6,484,838	6,819,529	9,992,569	16,812,098
Profit for the period	本期間溢利	—	111,693	111,693	481,446	593,139
Other comprehensive expense for the period	本期間其他全面支出	—	(630,299)	(630,299)	(325,747)	(956,046)
Total comprehensive (expense)/ income for the period	本期間全面(支出)/收入 總額	—	(518,606)	(518,606)	155,699	(362,907)
Capital reduction paid to non- controlling shareholders of subsidiaries	向附屬公司非控股股東支付 的資本削減	—	—	—	(84,410)	(84,410)
At 30 June 2023	於二零二三年六月三十日	334,691	5,966,232	6,300,923	10,063,858	16,364,781



		Attributable to equity holders of the Company 本公司股權持有人應佔					
		Share capital	Reserves	Total	Perpetual capital instruments	Non- controlling interests	Total equity
		股本	儲備	總額	工具	權益	權益總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)
			(Note 20)				
			(附註20)				
At 1 January 2022	於二零二二年一月一日	334,691	9,685,770	10,020,461	2,448,182	10,649,268	23,117,911
Profit/(loss) for the period	本期間溢利/(虧損)	—	90,293	90,293	46,990	(87,131)	50,152
Other comprehensive expense for the period	本期間其他全面支出	—	(900,223)	(900,223)	(107,680)	(485,149)	(1,493,052)
Total comprehensive expense for the period	本期間全面支出總額	—	(809,930)	(809,930)	(60,690)	(572,280)	(1,442,900)
Contribution from a non-controlling shareholder of a subsidiary	一家附屬公司一名非控股股東之注資	—	—	—	—	489,908	489,908
Dividends declared to a non-controlling shareholder of a subsidiary	向一家附屬公司一名非控股股東宣派之股息	—	—	—	—	(171,887)	(171,887)
Repayment of perpetual capital instruments	償還永久資本工具	—	—	—	(2,338,600)	—	(2,338,600)
Distributions paid to holders of perpetual capital instruments	向永久資本工具持有人支付之股息	—	—	—	(48,892)	—	(48,892)
Dividends declared to shareholders of the Company	向本公司股東宣派之股息	—	(66,938)	(66,938)	—	—	(66,938)
		—	(66,938)	(66,938)	(2,387,492)	318,021	(2,136,409)
At 30 June 2022	於二零二二年六月三十日	334,691	8,808,902	9,143,593	—	10,395,009	19,538,602

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

## 中期簡明綜合現金流量表

For the six months ended 30 June 2023 截至二零二三年六月三十日止六個月

		<b>Six months ended 30 June</b> 截至六月三十日止六個月	
		<b>2023</b> 二零二三年 <b>HK\$'000</b> 千港元 <b>(Unaudited)</b> (未經審核)	<b>2022</b> 二零二二年 <b>HK\$'000</b> 千港元 (Unaudited) (未經審核)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b> 經營活動現金流量			
Cash generated from/(used in) operations 經營業務所產生/(所用)現金		<b>1,208,785</b>	(1,313,633)
Income tax paid 已付所得稅		<b>(116,906)</b>	(262,076)
Interest paid 已付利息		<b>(632,729)</b>	(403,160)
Net cash from/(used in) operating activities 經營活動所得/(所用)現金淨額		<b>459,150</b>	(1,978,869)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b> 投資活動現金流量			
Purchase of property, plant and equipment 購買物業、廠房及設備		<b>(17,949)</b>	(6,437)
Proceeds from disposal of property, plant and equipment 出售物業、廠房及設備所得款項		<b>113</b>	366
Additions of investment properties 添置投資物業		<b>(17,731)</b>	—
Investment in a joint venture 於一家合營公司之投資		<b>(385)</b>	—
Advances to non-controlling shareholders of subsidiaries 墊資予附屬公司之非控股股東		<b>(205,128)</b>	(666,885)
Repayments from associates 還款自聯營公司		<b>3,736</b>	5,846
Repayments from joint ventures 還款自合營公司		<b>146,026</b>	552,641
Repayment from a fellow subsidiary 還款自一家同系附屬公司		<b>1,385</b>	—
Interest received 已收利息		<b>95,070</b>	87,029
Net cash from/(used in) investing activities 投資活動所得/(所用)現金淨額		<b>5,137</b>	(27,440)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b> 融資活動現金流量			
Advances from/(repayment to) non-controlling shareholders of subsidiaries 墊資自/(還款予)附屬公司之非控股股東		<b>3,263</b>	(865,485)
(Repayments to)/advances from fellow subsidiaries (還款予)/墊資自同系附屬公司		<b>(1,337,259)</b>	1,805,617
Repayments to an associate 還款予一家聯營公司		<b>(1,002,497)</b>	(28,000)
Advance from a joint venture 墊資自一家合營公司		<b>—</b>	18,104
New borrowings 新增借款		<b>4,159,228</b>	2,293,869
Repayments of borrowings 償還借款		<b>(2,624,386)</b>	(720,000)
Repayments of lease liabilities 償還租賃負債		<b>(12,190)</b>	(21,512)
Distributions paid to holders of perpetual capital instruments 向永久資本工具持有人支付之股息		<b>—</b>	(48,892)
Dividends paid to a non-controlling shareholder of a subsidiary 向一家附屬公司一名非控股股東支付之股息		<b>—</b>	(57,296)
Repayment of perpetual capital instruments 償還永久資本工具		<b>—</b>	(2,338,600)
Capital reduction paid to non-controlling shareholders of subsidiaries 向附屬公司非控股股東支付的資本削減		<b>(84,410)</b>	—
Net cash (used in)/from financing activities 融資活動(所用)/所得現金淨額		<b>(898,251)</b>	37,805
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b> 現金及現金等價物減少淨額		<b>(433,964)</b>	(1,968,504)
Cash and cash equivalents at beginning of the period 期初之現金及現金等價物		<b>7,701,361</b>	10,956,126
Effect of foreign exchange rate changes, net 外匯匯率變動之影響，淨額		<b>(233,825)</b>	(470,040)
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b> 期末之現金及現金等價物		<b>7,033,572</b>	8,517,582

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

## 中期簡明綜合財務資料附註

30 June 2023 二零二三年六月三十日

### 1. GENERAL INFORMATION

Minmetals Land Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) are principally engaged in real estate development, specialised construction and property investment. The People’s Republic of China is the major market for the Group’s businesses.

The Company is a limited liability company incorporated in Bermuda. The Company is listed on The Stock Exchange of Hong Kong Limited. Its immediate holding company is June Glory International Limited (incorporated in the British Virgin Islands) and its ultimate holding company is China Minmetals Corporation (incorporated in Mainland China).

The interim condensed consolidated financial information has been approved for issue by the board of directors of the Company on 24 August 2023.

### 2. BASIS OF PREPARATION

The interim condensed consolidated financial information has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2022.

The interim condensed consolidated financial information is presented in thousands of units of Hong Kong dollars (“HK\$’000”), unless otherwise stated, which is also the functional currency of the Company.

### 1. 一般資料

五礦地產有限公司(「本公司」)及其附屬公司(統稱「本集團」)之主要業務為房地產發展、專業建築及物業投資。中華人民共和國為本集團業務之主要市場。

本公司為一家在百慕達註冊成立之有限責任公司。本公司在香港聯合交易所有限公司上市。其直接控股公司為June Glory International Limited(於英屬處女群島成立)，而其最終控股公司為中國五礦集團有限公司(於中國內地成立)。

中期簡明綜合財務資料已經由本公司董事會於二零二三年八月二十四日批准刊發。

### 2. 編製基準

中期簡明綜合財務資料乃根據香港會計師公會(「香港會計師公會」)頒佈之香港會計準則(「香港會計準則」)第34號「中期財務報告」及香港聯合交易所有限公司證券上市規則(「上市規則」)附錄16之適用披露規定編製。

中期簡明綜合財務資料不包括年度財務報表所要求的所有資料及披露，應與本集團截至二零二二年十二月三十一日止年度之綜合財務報表一併閱讀。

除非另有註明，中期簡明綜合財務資料以港幣千元(「千港元」)列值，其亦為本公司的功能貨幣。

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

## 中期簡明綜合財務資料附註

30 June 2023 二零二三年六月三十日

### 3. CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2022, except for the adoption of the following new and revised Hong Kong Financial Reporting Standards ("HKFRSs") for the first time for the current period's financial information.

HKFRS 17 *Insurance Contracts*

Amendments to HKFRS 17 *Insurance Contracts*

Amendment to HKFRS 17 *Initial Application of HKFRS 17 and HKFRS 9 — Comparative Information*

Amendments to HKAS 1 and HKFRS Practice Statement 2 *Disclosure of Accounting Policies*

Amendments to HKAS 8 *Definition of Accounting Estimates*

Amendments to HKAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

Amendments to HKAS 12 *International Tax Reform — Pillar Two Model Rules*

### 3. 會計政策變動

編製中期簡明綜合財務資料所採納的會計政策與編製本集團截至二零二二年十二月三十一日止年度之綜合財務報表所採納的會計政策一致，惟本期間財務資料中首次採納以下新訂及經修訂香港財務報告準則（「香港財務報告準則」）除外。

香港財務報告準則 保險合約  
第17號

香港財務報告準則 保險合約  
第17號之修訂

香港財務報告準則 香港財務報告準則第17號及香港財務報告準則第9號首次採用 — 比較信息

香港會計準則第1號及香港財務報告準則實務公告第2號之修訂 會計政策披露

香港會計準則第8號之修訂 會計估計之定義

香港會計準則第12號之修訂 與單一交易產生的資產及負債相關的遞延稅項

香港會計準則第12號之修訂 國際稅務改革 — 第二支柱範本規則

### 3. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

The nature and impact of the new and revised HKFRSs that are applicable to the Group are described below:

- (a) Amendments to HKAS 1 require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Amendments to HKFRS Practice Statement 2 provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. The Group has applied the amendments since 1 January 2023. The amendments did not have any significant impact on the Group's interim condensed consolidated financial information.
- (b) Amendments to HKAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies. Accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify how entities use measurement techniques and inputs to develop accounting estimates. The Group has applied the amendments to changes in accounting policies and changes in accounting estimates that occur on or after 1 January 2023. Since the Group's policy of determining accounting estimates aligns with the amendments, the amendments did not have any significant impact on the financial position or performance of the Group.

### 3. 會計政策變動(續)

本集團適用的新訂及經修訂香港財務報告準則的性質及影響敘述如下：

- (a) 香港會計準則第1號之修訂規定實體需披露彼等主要會計政策資料而非重大會計政策。倘連同實體財務報表內其他資料一併考慮，會計政策資料可以合理預期會影響通用財務報表的主要使用者根據該等財務報表所作出的決定，則該會計政策資料屬重大。香港財務報告準則實務公告第2號之修訂就如何將重要性概念應用於會計政策披露提供非強制指引。本集團自二零二三年一月一日起應用該等修訂。該等修訂對本集團的中期簡明綜合財務資料概無產生任何重大影響。
- (b) 香港會計準則第8號之修訂明確區分會計估計之變動及會計政策之變動。會計估計的定義為在計量不明朗因素的財務報表之貨幣金額。該等修訂亦闡明如何使用計量技術及輸入數據得出會計估計。本集團已就二零二三年一月一日或之後發生的會計政策變動及會計估算變動採用該等修訂。由於本集團確定會計估計的政策與該等修訂一致，因此該等修訂對本集團的財務狀況或業績概無任何重大影響。

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

## 中期簡明綜合財務資料附註

30 June 2023 二零二三年六月三十日

### 3. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

(c) Amendments to HKAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* narrow the scope of the initial recognition exception in HKAS 12 so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, entities are required to recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions. The amendments did not have any significant impact on the financial position of the Group as at 1 January 2022 and 31 December 2022 or its consolidated financial performance for the year ended 31 December 2022. The Group has adopted the amendments on temporary differences related to leases from 1 January 2023.

### 3. 會計政策變動 (續)

(c) 香港會計準則第12號之修訂與單一交易產生的資產及負債相關的遞延稅項縮窄了其初始確認豁免的範圍，使其不再適用於產生同等應課稅及可扣減暫時性差異的交易（如租賃及退役責任）。因此，實體須就該等交易產生的暫時性差異確認遞延稅項資產（在有足夠的應課稅溢利情況下）及遞延稅項負債。該等修訂對本集團於二零二二年一月一日及二零二二年十二月三十一日的財務狀況或其於截至二零二二年十二月三十一日止年度的綜合財務表現概無產生任何重大影響。本集團已從二零二三年一月一日起採用與租賃相關的暫時性差異的修訂。



### 3. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

(d) Amendments to HKAS 12 *International Tax Reform — Pillar Two Model Rules* introduce a mandatory temporary exception from the recognition and disclosure of deferred taxes arising from the implementation of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development. The amendments also introduce disclosure requirements for the affected entities to help users of the financial statements better understand the entities' exposure to Pillar Two income taxes, including the disclosure of current tax related to Pillar Two income taxes separately in the periods when Pillar Two legislation is effective and the disclosure of known or reasonably estimable information of their exposure to Pillar Two income taxes in periods in which the legislation is enacted or substantively enacted but not yet in effect. Entities are required to disclose the information relating to their exposure to Pillar Two income taxes in annual periods beginning on or after 1 January 2023, but are not required to disclose such information for any interim periods ending on or before 31 December 2023. The Group has applied the amendments retrospectively. Since the Group did not fall within the scope of the Pillar Two model rules, the amendments did not have any significant impact to the Group.

### 3. 會計政策變動(續)

(d) 香港會計準則第12號之修訂國際稅務改革 — 第二支柱範本規則對執行由經濟合作與發展組織發佈的第二支柱範本規則而產生的遞延稅項的確認和披露引進了一項強制性臨時豁免。該等修訂還對受影響的實體引進了披露要求以協助財務報表的使用者更加了解實體在第二支柱所得稅的風險，包括於第二支柱立法生效期間單獨披露第二支柱所得稅相關的當前稅項，以及於立法制定或實質上制定但尚未生效期間披露其第二支柱所得稅風險的已知或可合理估計的資料。實體須於二零二三年一月一日或之後開始的年度期間披露其第二支柱所得稅風險的相關資料，但毋須於截至二零二三年十二月三十一日或之前的任何中期期間披露該等資料。本集團已追溯應用該等修訂。由於本集團不屬於第二支柱範本規則的範圍內，故該等修訂對本集團並無重大影響。

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

## 中期簡明綜合財務資料附註

30 June 2023 二零二三年六月三十日

### 4. REVENUE AND SEGMENT INFORMATION 4. 收入及分部資料

An analysis of revenue is as follows:

收入分析如下：

		<b>Six months ended 30 June</b>	
		<b>截至六月三十日止六個月</b>	
		<b>2023</b>	2022
		二零二三年	二零二二年
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
		<b>(Unaudited)</b>	(Unaudited)
		(未經審核)	(未經審核)
<i>Revenue from contracts with customers</i>	來自客戶合約的收入	<b>8,319,895</b>	6,261,579
<i>Revenue from other sources</i>	其他來源的收入		
Rental and management fee income from investment properties	來自投資物業的租賃及 管理費收入	<b>23,210</b>	21,631
		<b>8,343,105</b>	6,283,210

#### 4. REVENUE AND SEGMENT INFORMATION (CONTINUED)

##### Disaggregated revenue information for revenue from contracts with customers

For the six months ended 30 June 2023

#### 4. 收入及分部資料(續)

來自客戶合約收入的收入細分資料

截至二零二三年六月三十日止六個月

Segments	分部	Real estate development 房地產發展 HK\$'000 千港元 (Unaudited) (未經審核)	Specialised construction 專業建築 HK\$'000 千港元 (Unaudited) (未經審核)	Total 總計 HK\$'000 千港元 (Unaudited) (未經審核)
<b>Types of goods or services</b>	<b>貨物或服務類別</b>			
Sales of properties	銷售物業	7,939,111	—	7,939,111
Specialised construction services	專業建築服務	—	134,742	134,742
Management services	管理服務	246,042	—	246,042
Total revenue from contracts with customers	來自客戶合約的收入總額	8,185,153	134,742	8,319,895
<b>Geographical markets</b>	<b>區域市場</b>			
Mainland China	中國內地	8,182,552	—	8,182,552
Hong Kong	香港	2,601	134,742	137,343
Total revenue from contracts with customers	來自客戶合約的收入總額	8,185,153	134,742	8,319,895
<b>Timing of revenue recognition</b>	<b>收入確認時間</b>			
Properties transferred at a point in time	物業於某一時間點轉讓	7,939,111	—	7,939,111
Specialised construction services transferred over time	專業建築服務隨時間轉讓	—	134,742	134,742
Management services transferred over time	管理服務隨時間轉讓	246,042	—	246,042
Total revenue from contracts with customers	來自客戶合約的收入總額	8,185,153	134,742	8,319,895

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

## 中期簡明綜合財務資料附註

30 June 2023 二零二三年六月三十日

### 4. REVENUE AND SEGMENT INFORMATION (CONTINUED)

### 4. 收入及分部資料(續)

#### Disaggregated revenue information for revenue from contracts with customers (Continued)

#### 來自客戶合約收入的收入細分資料(續)

For the six months ended 30 June 2022

截至二零二二年六月三十日止六個月

Segments	分部	Real estate development 房地產發展 HK\$'000 千港元 (Unaudited) (未經審核)	Specialised construction 專業建築 HK\$'000 千港元 (Unaudited) (未經審核)	Total 總計 HK\$'000 千港元 (Unaudited) (未經審核)
<b>Types of goods or services</b>	<b>貨物或服務類別</b>			
Sales of properties	銷售物業	5,977,052	—	5,977,052
Specialised construction services	專業建築服務	—	77,695	77,695
Management services	管理服務	206,832	—	206,832
Total revenue from contracts with customers	來自客戶合約的收入總額	6,183,884	77,695	6,261,579
<b>Geographical markets</b>	<b>區域市場</b>			
Mainland China	中國內地	6,181,946	—	6,181,946
Hong Kong	香港	1,938	77,695	79,633
Total revenue from contracts with customers	來自客戶合約的收入總額	6,183,884	77,695	6,261,579
<b>Timing of revenue recognition</b>	<b>收入確認時間</b>			
Properties transferred at a point in time	物業於某一時間點轉讓	5,977,052	—	5,977,052
Specialised construction services transferred over time	專業建築服務隨時間轉讓	—	77,695	77,695
Management services transferred over time	管理服務隨時間轉讓	206,832	—	206,832
Total revenue from contracts with customers	來自客戶合約的收入總額	6,183,884	77,695	6,261,579

#### 4. REVENUE AND SEGMENT INFORMATION (CONTINUED)

The chief operating decision maker has been identified as the executive directors of the Company (the “Executive Directors”). The Executive Directors review the Group’s internal financial reports in order to assess performance and allocate resources. The Executive Directors have determined the operating segments based on these reports as follows:

Real estate development:	Development and sales of residential and commercial properties
Specialised construction:	Design, installation and selling of curtain walls and aluminum windows, doors and other materials
Property investment:	Holding of properties to generate rental income and/or to gain from the appreciation in properties’ values in the long term

During the year ended 31 December 2022, the Group changed the internal reporting structure for making decisions about resource allocation and performance assessment. The “Securities investment” segment was no longer disclosed separately. Accordingly, the amounts previously reported under the reportable operating segments have been aggregated to conform with the current period’s presentation.

#### 4. 收入及分部資料(續)

主要營運決策者已確認為本公司之執行董事(「執行董事」)。執行董事審閱本集團內部財務報告，以評估表現及分配資源。執行董事已根據該等報告決定劃分下列各經營分部：

房地產發展：	發展及銷售住宅及商用物業
專業建築：	設計、安裝及銷售幕牆、鋁窗、門及其他物料
物業投資：	從出租物業賺取租金收入及／或就長遠而言，自物業升值中獲取收益

截至二零二二年十二月三十一日止年度，本集團變更內部報告架構，以作出有關資源分配及表現評估的決策。「證券投資」分部不再單獨列示。因此，過去在可報告經營分部下呈報之金額已經重新彙總，以與本期間的呈列保持一致。

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

## 中期簡明綜合財務資料附註

30 June 2023 二零二三年六月三十日

### 4. REVENUE AND SEGMENT INFORMATION 4. 收入及分部資料(續)

(CONTINUED)

#### Segment revenue and results

#### 分部收入及業績

		Real estate development 房地產發展		Specialised construction 專業建築		Property investment 物業投資		Total 總額	
		Six months ended 30 June 截至六月三十日止六個月		Six months ended 30 June 截至六月三十日止六個月		Six months ended 30 June 截至六月三十日止六個月		Six months ended 30 June 截至六月三十日止六個月	
		2023	2022	2023	2022	2023	2022	2023	2022
		二零二三年	二零二二年	二零二三年	二零二二年	二零二三年	二零二二年	二零二三年	二零二二年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)
REVENUE	收入								
Total segment revenue	總分部收入	8,185,153	6,183,884	134,742	77,695	26,529	24,568	8,346,424	6,286,147
Inter-segment revenue	分部間收入	—	—	—	—	(3,319)	(2,937)	(3,319)	(2,937)
Sales to external customers	對外客戶銷售	8,185,153	6,183,884	134,742	77,695	23,210	21,631	8,343,105	6,283,210
RESULTS	業績								
Segment results	分部業績	1,301,961	316,280	5,595	(22,144)	6,123	9,208	1,313,679	303,344
Unallocated corporate expenses, net	未分配企業開支，淨額							(76,458)	(86,995)
Finance income	財務收入							1,237,221	216,349
Finance costs	財務成本							95,070	87,029
Share of results of associates	分佔聯營公司業績							(245,355)	(63,987)
Share of results of joint ventures	分佔合營公司業績							(67,846)	(63,197)
								11,710	94,743
Profit before tax	除稅前溢利							1,030,800	270,937



## 4. REVENUE AND SEGMENT INFORMATION 4. 收入及分部資料(續)

(CONTINUED)

### Segment assets and liabilities

### 分部資產及負債

		Real estate development 房地產發展		Specialised construction 專業建築		Property investment 物業投資		Total 總額	
		30 June 2023 二零二三年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2022 二零二二年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)	30 June 2023 二零二三年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2022 二零二二年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)	30 June 2023 二零二三年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2022 二零二二年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)	30 June 2023 二零二三年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2022 二零二二年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Assets	資產								
Segment assets	分部資產	52,546,438	58,273,797	195,922	190,449	2,068,698	2,084,007	54,811,058	60,548,253
Unallocated corporate assets	未分配企業資產							4,739,763	6,838,772
Total assets	資產總額							59,550,821	67,387,025
		Real estate development 房地產發展		Specialised construction 專業建築		Property investment 物業投資		Total 總額	
		30 June 2023 二零二三年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2022 二零二二年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)	30 June 2023 二零二三年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2022 二零二二年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)	30 June 2023 二零二三年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2022 二零二二年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)	30 June 2023 二零二三年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2022 二零二二年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Liabilities	負債								
Segment liabilities	分部負債	41,869,104	49,213,791	186,422	98,193	17,626	13,675	42,073,152	49,325,659
Unallocated corporate liabilities	未分配企業負債							1,112,888	1,249,268
Total liabilities	負債總額							43,186,040	50,574,927

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

## 中期簡明綜合財務資料附註

30 June 2023 二零二三年六月三十日

### 5. OTHER INCOME

### 5. 其他收入

		<b>Six months ended 30 June</b>	
		截至六月三十日止六個月	
		<b>2023</b>	2022
		二零二三年	二零二二年
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
		<b>(Unaudited)</b>	(Unaudited)
		(未經審核)	(未經審核)
Government subsidies	政府資助	<b>9,053</b>	9,987
Dividend income	股息收益	<b>5,201</b>	28,339
Management fee income from a fellow subsidiary	收取一家同系附屬公司之管理費收入	<b>1,354</b>	1,453
Others	其他	<b>22,759</b>	12,863
		<b>38,367</b>	52,642

### 6. EXPECTED CREDIT LOSS, NET

### 6. 預期信貸虧損淨額

		<b>Six months ended 30 June</b>	
		截至六月三十日止六個月	
		<b>2023</b>	2022
		二零二三年	二零二二年
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
		<b>(Unaudited)</b>	(Unaudited)
		(未經審核)	(未經審核)
Impairment loss (reversed)/recognised on trade and other receivables and contract assets	貿易及其他應收款項及合約資產之(回撥)/確認減值虧損	<b>(328)</b>	7,269

**7. FINANCE COSTS****7. 財務成本**

		<b>Six months ended 30 June</b> 截至六月三十日止六個月	
		<b>2023</b> 二零二三年 <b>HK\$'000</b> 千港元 <b>(Unaudited)</b> (未經審核)	2022 二零二二年 HK\$'000 千港元 (Unaudited) (未經審核)
Interest on bank and other borrowings	銀行及其他借款之利息	<b>632,729</b>	401,826
Interest on lease liabilities	租賃負債之利息	<b>693</b>	1,334
		<b>633,422</b>	403,160
Less: Amount capitalised as properties under development	減：以資本化方式撥入發展中物業之金額	<b>(388,067)</b>	(339,173)
		<b>245,355</b>	63,987

**8. INCOME TAX EXPENSE**

Hong Kong profits tax has been provided at the rate of 16.5% (30 June 2022: 16.5%) on the estimated assessable profits arising in Hong Kong. Under the two-tiered profits tax regime, the first HK\$2,000,000 (30 June 2022: HK\$2,000,000) of the profits of qualifying group entities established in Hong Kong have been taxed at 8.25%, and profits above that amount have been subject to the tax rate of 16.5%. The profits of the group entities not qualifying for the two-tiered profits tax rates regime continue to be taxed at a rate of 16.5%.

The PRC enterprise income tax has been calculated on the estimated assessable profit derived in Mainland China for the period at the rate of 25% (30 June 2022: 25%).

**8. 所得稅開支**

香港利得稅乃以源自香港之估計應課稅溢利按16.5% (二零二二年六月三十日：16.5%)之稅率計提。根據利得稅兩級制，於香港成立之合資格集團實體的首2,000,000港元 (二零二二年六月三十日：2,000,000港元) 溢利按8.25%之稅率徵稅，而超過該金額的溢利按16.5%之稅率徵稅。不合資格使用利得稅兩級制之集團實體的溢利繼續按16.5%之稅率徵稅。

中國企業所得稅乃以本期間源自中國內地之估計應課稅溢利按25% (二零二二年六月三十日：25%)之稅率計算。

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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### 8. INCOME TAX EXPENSE (CONTINUED)

Land appreciation tax is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including costs of land and development and construction expenditures.

### 8. 所得稅開支(續)

土地增值稅根據土地價值之增長(即出售物業所得款項扣除可扣減支出(包括土地成本、發展及建築支出))按累進稅率30%至60%徵收。

		<b>Six months ended 30 June</b>	
		<b>截至六月三十日止六個月</b>	
		<b>2023</b>	2022
		二零二三年	二零二二年
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
		<b>(Unaudited)</b>	(Unaudited)
		(未經審核)	(未經審核)
Current tax	即期稅項		
PRC enterprise income tax	中國企業所得稅	<b>186,203</b>	(29,684)
PRC land appreciation tax	中國土地增值稅	<b>64,421</b>	107,311
Hong Kong profits tax	香港利得稅	<b>142</b>	82
		<b>250,766</b>	77,709
Deferred tax	遞延稅項	<b>186,895</b>	143,076
		<b>437,661</b>	220,785

**9. PROFIT FOR THE PERIOD****9. 本期間溢利****Six months ended 30 June**  
**截至六月三十日止六個月**

<b>2023</b>	2022
二零二三年	二零二二年
<b>HK\$'000</b>	HK\$'000
千港元	千港元
<b>(Unaudited)</b>	(Unaudited)
(未經審核)	(未經審核)

Profit for the period has been arrived at after charging:	本期間溢利已扣除：		
Cost of properties sold (i)	已售出物業成本(i)	<b>6,409,782</b>	5,347,171
Cost of specialised construction	專業建築成本	<b>123,394</b>	81,924
Depreciation	折舊	<b>15,454</b>	30,179
Direct operating expenses incurred for investment properties that generated rental income	賺取租金收入之投資物業產生之直接營運開支	<b>6,905</b>	6,892
Allowance for impairment of inventories	存貨減值撥備	<b>192,274</b>	168,944
Net foreign exchange loss	匯兌虧損淨額	<b>1,773</b>	27,170
Employee benefit expense (including directors' emoluments) (ii)	僱員福利支出 (包括董事酬金)(ii)	<b>156,910</b>	177,573

(i) Included in cost of properties sold are capitalised interest expenses of HK\$408,582,000 (30 June 2022: HK\$154,763,000).

(ii) Employee benefit expense capitalised as properties under development was HK\$30,163,000 (30 June 2022: HK\$40,211,000).

(i) 已售出物業成本中包括408,582,000港元(二零二二年六月三十日：154,763,000港元)之資本化利息支出。

(ii) 僱員福利支出以資本化方式撥入發展中物業為30,163,000港元(二零二二年六月三十日：40,211,000港元)。

**10. DIVIDENDS**

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2023 (30 June 2022: Nil).

**11. EARNINGS PER SHARE**

The calculation of basic earnings per share is based on the profit attributable to equity holders of the Company divided by the weighted average number of ordinary shares in issue during the period.

Since there were no dilutive potential ordinary shares during the periods ended 30 June 2023 and 2022, the diluted earnings per share is equal to the basic earnings per share.

**10. 股息**

董事不建議就截至二零二三年六月三十日止六個月派發中期股息(二零二二年六月三十日：無)。

**11. 每股盈利**

每股基本盈利乃按本公司股權持有人應佔溢利除以期內已發行普通股之加權平均股數計算。

由於截至二零二三年及二零二二年六月三十日止期間並未有任何稀釋性之潛在普通股，故每股攤薄盈利與每股基本盈利相同。

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#### 12. PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

#### 12. 物業、廠房及設備及投資物業

		<b>Property, plant and equipment</b> 物業、廠房及設備	<b>Investment properties</b> 投資物業
		HK\$'000 千港元 (Unaudited) (未經審核)	HK\$'000 千港元 (Unaudited) (未經審核)
At 1 January 2023	於二零二三年一月一日	<b>662,273</b>	<b>2,774,432</b>
Additions	添置	<b>17,949</b>	<b>17,731</b>
Decrease in fair value recognised in profit or loss (note)	於損益內確認之公允值減少(附註)	—	<b>(14,912)</b>
Disposals	出售	<b>(113)</b>	—
Depreciation	折舊	<b>(15,454)</b>	—
Exchange differences	匯兌差額	<b>(16,468)</b>	<b>(24,327)</b>
		<b>648,187</b>	<b>2,752,924</b>
At 30 June 2023	於二零二三年六月三十日	<b>648,187</b>	<b>2,752,924</b>
At 1 January 2022	於二零二二年一月一日	487,803	2,664,793
Additions	添置	6,437	—
Decrease in fair value recognised in profit or loss (note)	於損益內確認之公允值減少(附註)	—	(57,052)
Disposals	出售	(366)	—
Depreciation	折舊	(30,179)	—
Exchange differences	匯兌差額	(13,951)	(29,886)
		<b>449,744</b>	<b>2,577,855</b>
At 30 June 2022	於二零二二年六月三十日	<b>449,744</b>	<b>2,577,855</b>

As at 30 June 2023, the Group's buildings with carrying amounts of HK\$189,191,000 (31 December 2022: HK\$195,283,000) and investment properties with the fair value of HK\$180,639,000 (31 December 2022: HK\$186,457,000) have been pledged as collateral for bank borrowings.

Note:

The investment properties were fair-valued at 30 June 2023 by Cushman & Wakefield Limited, independent valuer (31 December 2022: Cushman & Wakefield Limited). The valuation for completed investment properties was arrived at by considering the income capitalisation of the properties or, where appropriate, by reference to market evidence of transaction prices for similar properties in the same locations and conditions as direct comparison. In estimating the fair value of the investment properties, the highest and best use of the properties is their current use. A fair value loss of HK\$14,912,000 (30 June 2022: HK\$57,052,000) was recognised directly in profit or loss during the period.

於二零二三年六月三十日，本集團賬面值為189,191,000港元(二零二二年十二月三十一日：195,283,000港元)的樓宇及公允值為180,639,000港元(二零二二年十二月三十一日：186,457,000港元)的投資物業已質押作為銀行借款之抵押品。

附註：

投資物業於二零二三年六月三十日之公允值由獨立估值師戴德梁行有限公司(二零二二年十二月三十一日：戴德梁行有限公司)重新估值。已竣工投資物業的估值乃考慮物業之收益資本化或參考與可資比較物業在位置及規模上相似的實際市場交易，作為直接比較。在估計投資物業公允值時，現時用途乃其最高及最佳用途。於本期間，公允值虧損14,912,000港元(二零二二年六月三十日：57,052,000港元)直接於損益內確認。



## 13. INTERESTS IN ASSOCIATES

## 13. 於聯營公司之權益

		<b>30 June 2023</b>	31 December 2022
		二零二三年 六月三十日	二零二二年 十二月三十一日
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
		<b>(Unaudited)</b>	(Audited)
		(未經審核)	(經審核)
At beginning of the period/year	於期初／年初	<b>2,269,633</b>	3,306,006
Exchange differences	匯兌差額	<b>(67,913)</b>	(249,951)
Share of results of associates (i)	分佔聯營公司業績(i)	<b>(67,846)</b>	(786,422)
		<hr/>	<hr/>
At end of the period/year	於期末／年末	<b>2,133,874</b>	2,269,633

(i) The share of results of associates included the share of allowance for impairment of inventories made by associates (net of tax), which amounted to HK\$77,261,000 (31 December 2022: HK\$716,349,000).

(i) 分佔聯營公司業績包括分佔聯營公司所作存貨減值撥備(扣除稅項)，金額為77,261,000港元(二零二二年十二月三十一日：716,349,000港元)。

## 14. INTERESTS IN JOINT VENTURES

## 14. 於合營公司之權益

		<b>30 June 2023</b>	31 December 2022
		二零二三年 六月三十日	二零二二年 十二月三十一日
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
		<b>(Unaudited)</b>	(Audited)
		(未經審核)	(經審核)
At beginning of the period/year	於期初／年初	<b>341,852</b>	227,863
Additions	添置	<b>385</b>	—
Exchange differences	匯兌差額	<b>(10,912)</b>	(23,784)
Share of results of joint ventures (i)	分佔合營公司業績(i)	<b>11,710</b>	137,773
		<hr/>	<hr/>
At end of the period/year	於期末／年末	<b>343,035</b>	341,852

(i) The share of results of joint ventures included the share of allowance for impairment of inventories made by joint ventures (net of tax), which amounted to Nil (31 December 2022: HK\$110,958,000).

(i) 分佔合營公司業績包括分佔合營公司所作存貨減值撥備(扣除稅項)，金額為零(二零二二年十二月三十一日：110,958,000港元)。

## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

### 中期簡明綜合財務資料附註

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#### 15. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

#### 15. 透過其他全面收益按公允值計量之財務資產

	<b>30 June 2023</b>	31 December 2022
	二零二三年 六月三十日	二零二二年 十二月三十一日
	<b>HK\$'000</b>	HK\$'000
	千港元	千港元
	<b>(Unaudited)</b>	(Audited)
	(未經審核)	(經審核)
Listed investments:		
Listed equity securities in Hong Kong	<b>276,355</b>	401,428
上市投資：		
於香港上市之股本證券	<b>276,355</b>	401,428

#### 16. INVENTORIES

#### 16. 存貨

	<b>30 June 2023</b>	31 December 2022
	二零二三年 六月三十日	二零二二年 十二月三十一日
	<b>HK\$'000</b>	HK\$'000
	千港元	千港元
	<b>(Unaudited)</b>	(Audited)
	(未經審核)	(經審核)
Properties under development		
— located in Mainland China	<b>19,397,027</b>	19,364,770
— located in Hong Kong	<b>7,428,533</b>	6,948,179
	<b>26,825,560</b>	26,312,949
Properties held for sale		
— located in Mainland China	<b>6,871,562</b>	13,193,189
	<b>33,697,122</b>	39,506,138

As at 30 June 2023, inventories with carrying amounts of HK\$12,179,344,000 (31 December 2022: HK\$12,729,428,000) have been pledged as collateral for bank borrowings.

於二零二三年六月三十日，賬面值為12,179,344,000港元(二零二二年十二月三十一日：12,729,428,000港元)的存貨已質押作為銀行借款之抵押品。

## 17. PREPAYMENTS, TRADE AND OTHER RECEIVABLES

The following is an aging analysis of trade receivables at the end of the reporting period based on the due date for rental receivables, date of properties delivered to purchasers and billing date of construction services certified:

		<b>30 June</b> <b>2023</b> 二零二三年 六月三十日 <b>HK\$'000</b> 千港元 <b>(Unaudited)</b> (未經審核)	31 December 2022 二零二二年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Within 90 days	90日內	<b>141,855</b>	119,632
91 to 180 days	91至180日	<b>12,370</b>	3,784
181 days to 1 year	181日至一年	<b>21,868</b>	1,848
1 year to 2 years	一年至兩年	<b>32,323</b>	31,960
Over 2 years	兩年以上	<b>25,183</b>	26,978
		<b>233,599</b>	184,202
Less: Allowance for impairment	減：減值撥備	<b>(41,374)</b>	(43,677)
		<b>192,225</b>	140,525

## 18. CONTRACT ASSETS

Construction services  
Retention receivables

建築服務  
應收保固金

		<b>30 June</b> <b>2023</b> 二零二三年 六月三十日 <b>HK\$'000</b> 千港元 <b>(Unaudited)</b> (未經審核)	31 December 2022 二零二二年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
		<b>72,160</b>	92,983
		<b>51,377</b>	51,377
		<b>123,537</b>	144,360

## 17. 預付款項、貿易及其他應收款項

以下為於報告期末按照應收租金到期日、物業交付予買家的日期及已認證建築服務的賬單日期劃分的貿易應收款項之賬齡分析：

## 18. 合約資產

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## 中期簡明綜合財務資料附註

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### 19. OTHER FINANCIAL ASSETS

### 19. 其他財務資產

	<b>30 June 2023</b>	31 December 2022
	二零二三年 六月三十日	二零二二年 十二月三十一日
	<b>HK\$'000</b>	HK\$'000
	千港元	千港元
	<b>(Unaudited)</b>	(Audited)
	(未經審核)	(經審核)
<b>Derivatives under hedge accounting</b>		
Cash flow hedges		
— Interest rate swap contracts		
Matured within twelve months	<b>19,567</b>	—
Matured after twelve months	—	31,270
	<b>19,567</b>	31,270

As at 30 June 2023, the Group had the following interest rate swap contract designated as highly effective hedging instruments in order to manage the Group's interest rate exposure in relation to the bank borrowings on a floating interest rate basis.

The terms of the interest rate swap contract have been negotiated to match the terms of the respective designated hedged items. The major terms of this contract are as follows:

<b>Notional amount</b> 名義金額	<b>Maturity</b> 到期日	<b>Swaps</b> 掉期
HK\$1,000,000,000 1,000,000,000 港元	January 2024 二零二四年一月	From floating rates to fixed interest rates 由浮動利率至固定利率

During the period, a fair value loss of HK\$11,703,000 (30 June 2022: fair value gain of HK\$44,252,000) has been recognised in other comprehensive income and accumulated in equity.

於二零二三年六月三十日，本集團擁有下列指定作為高度有效對沖工具的利率掉期合約，藉此管理本集團就按浮動利率計息之銀行借款所面對的利率風險。

利率掉期合約的條款乃經磋商釐定，以配合各相關指定對沖項目的條款。該合約的主要條款如下：

於本期間，公允值虧損11,703,000港元（二零二二年六月三十日：公允值收益44,252,000港元）已於其他全面收益內確認，並於權益累計。

## 20. RESERVES

## 20. 儲備

		Share premium	Contributed surplus	Capital redemption reserve	Investment revaluation reserve	Cash flow hedging reserve	Revaluation reserve	Other reserves	Exchange reserve	Retained earnings	Total
		股份溢價	實繳盈餘	資本贖回儲備	投資重估儲備	現金流對沖儲備	重估儲備	其他儲備	匯兌儲備	保留盈利	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)
At 1 January 2023	於二零二三年一月一日	4,275,172	515,336	769	(184,647)	31,270	46,509	(296,142)	(1,316,173)	3,412,744	6,484,838
Profit for the period	本期間溢利	—	—	—	—	—	—	—	—	111,693	111,693
Other comprehensive expense for the period	本期間其他全面支出	—	—	—	(125,073)	(11,703)	—	—	(493,523)	—	(630,299)
Total comprehensive (expense)/income for the period	本期間全面(支出)/收入總額	—	—	—	(125,073)	(11,703)	—	—	(493,523)	111,693	(518,606)
At 30 June 2023	於二零二三年六月三十日	4,275,172	515,336	769	(309,720)	19,567	46,509	(296,142)	(1,809,696)	3,524,437	5,966,232
At 1 January 2022	於二零二二年一月一日	4,275,172	515,336	769	(2,304)	(23,439)	43,783	(296,142)	330,445	4,842,150	9,685,770
Profit for the period	本期間溢利	—	—	—	—	—	—	—	—	90,293	90,293
Other comprehensive (expense)/income for the period	本期間其他全面(支出)/收入	—	—	—	(80,769)	44,252	—	—	(863,706)	—	(900,223)
Total comprehensive (expense)/income for the period	本期間全面(支出)/收入總額	—	—	—	(80,769)	44,252	—	—	(863,706)	90,293	(809,930)
2021 final dividends declared	宣派二零二一年末期股息	—	—	—	—	—	—	—	—	(66,938)	(66,938)
At 30 June 2022	於二零二二年六月三十日	4,275,172	515,336	769	(83,073)	20,813	43,783	(296,142)	(533,261)	4,865,505	8,808,902

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## 中期簡明綜合財務資料附註

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### 21. BORROWINGS

### 21. 借款

		<b>30 June 2023</b> 二零二三年 六月三十日 <b>HK\$'000</b> 千港元 <b>(Unaudited)</b> (未經審核)	31 December 2022 二零二二年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
<b>Non-current</b>	<b>非流動</b>		
Bank borrowings, secured	銀行借款，有抵押	<b>1,139,020</b>	1,386,825
Bank borrowings, unsecured	銀行借款，無抵押	<b>6,306,384</b>	11,329,880
Guaranteed bonds, unsecured (ii)	擔保債券，無抵押(ii)	<b>2,345,362</b>	2,332,362
Bonds, unsecured (iii)	債券，無抵押(iii)	<b>2,164,755</b>	893,197
Loans from non-controlling shareholders of a subsidiary, unsecured (note 27 (b))	一間附屬公司非控股股東 之貸款，無抵押 (附註27(b))	<b>1,090,081</b>	1,234,064
		<b>13,045,602</b>	17,176,328
<b>Current</b>	<b>流動</b>		
Bank borrowings, secured	銀行借款，有抵押	<b>2,916,286</b>	3,143,723
Bank borrowings, unsecured	銀行借款，無抵押	<b>9,675,690</b>	2,975,325
Guaranteed bonds, unsecured (i)	擔保債券，無抵押(i)	—	973,837
Bonds, unsecured (iii)	債券，無抵押(iii)	<b>34,352</b>	—
Loans from non-controlling shareholders of a subsidiary, unsecured (note 27 (b))	一間附屬公司非控股股東 之貸款，無抵押 (附註27(b))	<b>33,904</b>	39,554
		<b>12,660,232</b>	7,132,439
		<b>25,705,834</b>	24,308,767



## 21. BORROWINGS (CONTINUED)

- (i) On 26 April 2013, the Group issued the guaranteed bonds ("2013 Guaranteed Bonds") with a principal amount of US\$225,000,000 and US\$125,000,000 bearing interest at the coupon rates of 5.50% and 6.50%, per annum, respectively. The 2013 Guaranteed Bonds of US\$125,000,000 were matured on 26 April 2023 and were repaid accordingly. The 2013 Guaranteed Bonds with a principal amount of US\$225,000,000 were matured on 26 April 2018 and were repaid accordingly. The 2013 Guaranteed Bonds were guaranteed by the Company and had the benefit of a keep well deed from China Minmetals Corporation, the ultimate controlling shareholder of the Company. Upon the occurrence of a change of control triggering event, the bondholders will have the right, at the bondholders' option, to require the Group to redeem all, but not some only, of the outstanding 2013 Guaranteed Bonds at 101% of their principal amounts, together with accrued interest. If the Group would be obliged to pay additional tax amounts in respect of the 2013 Guaranteed Bonds as a result of any change in, or amendment to, specified tax laws or regulations, all outstanding 2013 Guaranteed Bonds may be redeemed at the Group's option, in whole but not in part, at their principal amounts together with interest accrued up to but excluding the redemption date.

The Group may at its option redeem the 2013 Guaranteed Bonds at any time, in whole but not in part, at a Make Whole Price as of, and accrued and unpaid interest, if any, to (but excluding), the redemption date.

"Make Whole Price" means with respect to the 2013 Guaranteed Bonds at any redemption date, the greater of (1) the present value of the principal amount of the 2013 Guaranteed Bonds, plus all required remaining scheduled interest payments due on the 2013 Guaranteed Bonds from the optional redemption date to the maturity date (but excluding accrued and unpaid interest to the option redemption date), computed using a discount rate, which the rate per annum equal to the semi-annual equivalent yield in maturity of the comparable treasury issue, plus 0.50 per cent, and (2) the principal amount of the 2013 Guaranteed Bonds.

Early redemption options are regarded as embedded derivatives not closely related to the host debt instrument. The Directors consider that the fair value of the above early redemption options was insignificant on initial recognition as at 31 December 2022.

The effective interest rate of the 2013 Guaranteed Bonds was 6.85% for US\$125,000,000 as at 31 December 2022.

## 21. 借款(續)

- (i) 於二零一三年四月二十六日，本集團發行擔保債券（「二零一三年擔保債券」），本金金額分別為225,000,000美元及125,000,000美元，票面年利率分別為5.50%和6.50%，125,000,000美元的二零一三年擔保債券於二零二三年四月二十六日到期，並已償還。本金金額225,000,000美元的二零一三年擔保債券已於二零一八年四月二十六日到期及償還。二零一三年擔保債券乃由本公司擔保，並受惠於本公司最終控股股東中國五礦集團有限公司提供的維好協議。於本公司發生控制權變化觸發的事件後，債券持有人有權按其選擇要求向本集團贖回全部（而非部分）未償還的二零一三年擔保債券之101%本金連同應計利息。倘因特定稅務法律或法規變動或修訂，導致本集團須就二零一三年擔保債券支付額外稅項，全部（完整而非部分）未償還的二零一三年擔保債券可應本集團之選擇被贖回，贖回金額為本金連同直至但不包括贖回日期之累計利息。

本集團可自行選擇在任何時間以整體而不是部分，以整體價格贖回二零一三年擔保債券，及由（但不包括）贖回日期開始計算應計及未付的利息（如有）。

「整體價格」是指二零一三年擔保債券於任何贖回日期的以下較高者(1)二零一三年擔保債券的本金現值，再加上二零一三年擔保債券已折現的贖回日期至到期日所需餘下利息（但不包括期權贖回日期的應計及未付利息），使用的折現率為等期的已發行美國國庫券半年孳息率的年利率，加上百分之0.50及(2)二零一三年擔保債券的本金。

提早贖回權被視為與主借貸工具並無密切關係的嵌入式衍生工具。董事認為上述提早贖回權於初次確認時及於二零二二年十二月三十一日的公允值並不重大。

於二零二二年十二月三十一日，125,000,000美元之二零一三年擔保債券的實際利率為6.85%。

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

## 中期簡明綜合財務資料附註

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### 21. BORROWINGS (CONTINUED)

- (ii) On 22 July 2021, the Group issued the guaranteed bonds ("2021 Guaranteed Bonds") with a principal amount of US\$300,000,000 bearing interest at the coupon rate of 4.95% per annum. The 2021 Guaranteed Bonds will mature on 22 July 2026. The 2021 Guaranteed Bonds are guaranteed by the Company and have the benefit of a keep well deed from China Minmetals Corporation, the ultimate controlling shareholder of the Company. Upon the occurrence of a change of control triggering event, the bondholders will have the right, at the bondholders' option, to require the Group to redeem all, but not some only, of the outstanding 2021 Guaranteed Bonds at 101% of their principal amounts, together with accrued interest. If the Group would be obliged to pay additional tax amounts in respect of the 2021 Guaranteed Bonds as a result of any change in, or amendment to, specified tax laws or regulations, all outstanding 2021 Guaranteed Bonds may be redeemed at the Group's option, in whole but not in part, at their principal amounts together with interest accrued up to but excluding the redemption date.

The effective interest rate of the 2021 Guaranteed Bonds was 5.10% as at 30 June 2023 and 31 December 2022.

- (iii) On 8 June 2022, the Group had lodged an application to the National Association of Financial Market Institutional Investors, for the issuance of domestic directional debt financing instruments that were applied for non-public issuance to specific investors. On 16 August 2022, the application had been approved. On 21 September 2022, the Group issued this unguaranteed bonds ("2022 Bonds") with a principal amount of RMB800,000,000 bearing interest at the coupon rate of 4.6% per annum. The 2022 Bonds will be matured on 19 September 2025.

The effective interest rate of the 2022 Bonds was 4.71% as at 30 June 2023 and 31 December 2022.

On 24 February 2023, the Group made an application to the Shanghai Stock Exchange for the issuance of non-publicly traded corporate bonds for domestic professional investors. On 4 April 2023, the application was approved. On 15 June 2023, the Group issued unsecured bonds with a principal amount of RMB1,200,000,000 (the "2023 Bonds") at a coupon rate of 4.6% per annum for a term of four years, with the option to adjust the coupon rate and the investors' option to sell back to the issuer at the end of the second year. The 2023 Bonds will mature on 15 June 2027.

The effective interest rate of the 2023 Bonds was 4.66% as at 30 June 2023.

As at 30 June 2023, the bank borrowings carry interests at rates ranging from 3.30% to 6.96% per annum (31 December 2022: 3.50% to 6.25%).

### 21. 借款(續)

- (ii) 於二零二一年七月二十二日，本集團發行擔保債券(「二零二一年擔保債券」)，本金金額為300,000,000美元，票面年利率為4.95%。二零二一年擔保債券將於二零二六年七月二十二日到期。二零二一年擔保債券乃由本公司擔保，並受惠於本公司最終控股股東中國五礦集團有限公司提供的維好協議。於本公司發生控制權變化觸發之事件後，債券持有人有權按其選擇要求向本集團贖回全部(而非部分)未償還的二零二一年擔保債券之101%本金連同應計利息。倘因特定稅務法律或法規變動或修訂，導致本集團須就二零二一年擔保債券支付額外稅項，全部(完整而非部分)未償還的二零二一年擔保債券可應本集團之選擇被贖回，贖回金額為本金連同直至但不包括贖回日期之累計利息。

於二零二三年六月三十日及二零二二年十二月三十一日，二零二一年擔保債券的實際利率為5.10%。

- (iii) 於二零二二年六月八日，本集團向中國銀行間市場交易商協會提出申請，發行國內定向債務融資工具，申請向特定投資者非公開發行。於二零二二年八月十六日，該申請已獲批准。於二零二二年九月二十一日，本集團發行本金為800,000,000元人民幣的無擔保債券(「二零二二年債券」)，票面年利率為4.6%。二零二二年債券將於二零二五年九月十九日到期。

於二零二三年六月三十日及二零二二年十二月三十一日，二零二二年債券的實際利率為4.71%。

於二零二三年二月二十四日，本集團向上海證券交易所提出申請，面向國內專業投資者非公開發行公司債券。於二零二三年四月四日，該申請已獲批准。於二零二三年六月十五日，本集團發行本金為1,200,000,000元人民幣的無擔保債券(「二零二三年債券」)，票面年利率為4.6%，期限四年，附第二年末票面利率調整選擇權和投資者回售選擇權。二零二三年債券將於二零二七年六月十五日到期。

於二零二三年六月三十日，二零二三年債券的實際利率為4.66%。

於二零二三年六月三十日，銀行借款乃按利率計息，年利率介乎3.30%至6.96%之間(二零二二年十二月三十一日：3.50%至6.25%)。



## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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#### 23. ACQUISITION OF ASSETS (CONTINUED)

The fair values of the identifiable assets and liabilities of Chengdu Xiangkuang Real Estate Co., Ltd. as at the date of acquisition were as follows:

#### 23. 收購資產(續)

成都香礦置業有限公司於收購日可識別資產及負債之公允值如下：

		Fair value recognised on acquisition 收購時確認之 公允值 HK\$'000 千港元 (Unaudited) (未經審核)
Cash and bank deposits, unrestricted	不受限制現金及銀行存款	65,703
Inventories	存貨	1,608,723
Other receivables	其他應收款項	2,401
Other payables	其他應付款項	(1,550,402)
Total identifiable net assets at fair value	按公允值計量之可識別淨資產總額	126,425
Non-controlling interests	非控股股東權益	(60,802)
Satisfied by cash	以現金償付	65,623

An analysis of the cash flows in respect of the acquisition of a subsidiary is as follows:

就收購一家附屬公司之現金流量分析如下：

		HK\$'000 千港元
Cash consideration paid	已付現金代價	(65,623)
Less: cash and bank deposits acquired	減：已收購現金及銀行存款	65,703
Net inflow of cash and cash equivalents included in cash flows from investing activities	計入投資活動所得現金流量之現金及現金等價物流入淨額	80

**24. CAPITAL COMMITMENTS****24. 資本承擔**

		<b>30 June</b>	31 December
		<b>2023</b>	2022
		二零二三年	二零二二年
		六月三十日	十二月三十一日
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
		<b>(Unaudited)</b>	(Audited)
		<b>(未經審核)</b>	(經審核)
Contracted but not provided for	已訂約但未撥備		
— Expenditure in respect of acquisition of land use rights	— 有關收購土地使用權之開支	—	1,550
— Expenditure in respect of property, plant and equipment	— 有關物業、廠房及設備之開支	<b>213,030</b>	221,337
— Expenditure in respect of investment properties	— 有關投資物業之開支	<b>177,653</b>	183,729
		<b>390,683</b>	406,616

**25. FINANCIAL GUARANTEES**

As at 30 June 2023, guarantees given to banks for mortgage facilities granted to certain purchasers of the Group's properties amounted to HK\$7,989,623,000 (31 December 2022: HK\$8,919,141,000). Such guarantees will terminate upon the earlier of (i) the issuance of the property ownership certificate which will generally be available within one year after the purchasers take possession of the relevant properties; or (ii) the repayment of mortgage loans by the purchasers. After taking into account the net realisable value of the related properties and the low default rate, the Directors consider that the fair values of the financial guarantee contracts at initial recognition and subsequently at the end of each reporting period are not significant.

**25. 財務擔保**

於二零二三年六月三十日，就授予本集團物業買家之按揭融資而給予銀行之擔保達7,989,623,000港元(二零二二年十二月三十一日：8,919,141,000港元)。該等擔保將於下列較早發生者終止：(i)獲發物業所有權證(一般於買家接管相關物業後一年內獲取)；或(ii)買家償付按揭款。考慮到該等物業的變現淨值及低違約比率，董事認為財務擔保在初始確認及後續各報告期末的公允值並不重大。

## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION 中期簡明綜合財務資料附註

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### 26. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

The Group's financial assets that are measured at fair value on a recurring basis are set out below:

The Group's equity securities investments and interest rate swap contracts are measured at fair value at the end of each reporting period.

### 26. 財務工具的公允值計量

本集團的財務資產以經常性基準按公允值計量並載於下文：

本集團的股本證券投資及利率掉期合約於各報告期末乃按公允值計量。

		Fair value as at 於以下日期的公允值		Fair value hierarchy		Valuation technique(s) and key input(s) 公允值級別 估值技術及主要輸入數據
		30 June 2023 二零二三年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2022 二零二二年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)			
<b>Financial assets</b>	<b>財務資產</b>					
Financial assets at fair value through other comprehensive income — Listed equity securities in Hong Kong	透過其他全面收益按公允值計量之財務資產 — 於香港上市之股本證券	276,355	401,428	Level 1 第一級	Quoted prices in an active market. 於活躍市場的掛牌買入價	
Other financial assets — Interest rate swap contracts	其他財務資產 — 利率掉期合約	19,567	31,270	Level 2 第二級	Discounted cash flow. Future cash flows are based on forward interest rates (from observable yield curves at the end of the reporting period) and contracted interest rates, discounted at a rate that reflects the credit risk of various counterparties. 貼現現金流量。未來現金流量乃根據遠期利率(來自於報告期末之可觀察收益曲線)及約定利率，並按反映各交易方信貸風險之比率予以貼現而得出。	

The Directors consider that the carrying amounts of financial assets recorded at amortised cost in the interim condensed consolidated statement of financial position approximate their fair values.

董事認為，於中期簡明綜合財務狀況表按攤銷成本入賬的財務資產的賬面值與其公允值相若。



## 27. RELATED PARTY TRANSACTIONS

The Group itself is part of a larger group of companies under China Minmetals Corporation (“China Minmetals”), which is controlled by the PRC government. The Group conducts businesses with entities directly or indirectly owned or controlled, jointly controlled or significantly influenced by the PRC government (“government-related entities”) in the ordinary course of business. In establishing its pricing strategies and approval process for transactions with other government-related entities, the Group does not differentiate whether the counterparty is a government-related entity or not. The Group is of the opinion that it has provided, in the best of its knowledge, adequate and appropriate disclosure of related party transactions in the interim condensed consolidated financial information.

The Group has entered into various transactions, including sales, purchases, borrowings and other operating expenses with other government-related entities during the period in which the Directors are of the opinion that it is impracticable to ascertain the identities of the counterparties and accordingly whether the counterparties are government-related entities.

## 27. 關聯方交易

本集團本身乃為中國五礦集團有限公司（「中國五礦」）（該公司由中國政府控制）旗下一大型集團公司的組成部分。本集團於正常業務過程中與中國政府直接或間接擁有或控制、共同控制或受重大影響的實體（「政府關聯企業」）進行業務往來。本集團於與其他政府相關企業建立交易定價戰略及審批過程中並無分辨對方是否為政府相關企業。本集團認為，據其所深知，已於中期簡明綜合財務資料內就關連方交易作出充足及適當的披露。

本集團已於期內與其他政府相關企業訂立多項交易（包括銷售、購買、借款及其他經營費用），而董事認為，確定對方的身份及該等交易是否為與政府相關企業進行乃不切實際。

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

## 中期簡明綜合財務資料附註

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### 27. RELATED PARTY TRANSACTIONS

(CONTINUED)

Other than disclosed elsewhere in the interim condensed consolidated financial information, the Group had the following material transactions and balances with related parties, which were carried out in the ordinary and normal course of business of the Group:

#### (a) Transactions with related parties

### 27. 關聯方交易(續)

除中期簡明綜合財務資料其他部分所披露外，本集團與關聯方於本集團之日常及一般業務中進行之重大交易及結餘如下：

#### (a) 與關聯方之交易

		<b>Six months ended 30 June</b>	
		<b>截至六月三十日止六個月</b>	
		<b>2023</b>	2022
		二零二三年	二零二二年
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
		<b>(Unaudited)</b>	(Unaudited)
		<b>(未經審核)</b>	(未經審核)
Construction costs to fellow subsidiaries for real estate development projects (i)	給予同系附屬公司有關房地產發展項目之建築成本(i)	<b>1,639,042</b>	1,048,543
Management fee income from a fellow subsidiary (ii)	向一家同系附屬公司收取之管理費收入(ii)	<b>1,354</b>	1,453
Rental and management fee income from fellow subsidiaries (iii)	向同系附屬公司收取之租金及管理費收入(iii)	<b>5,166</b>	4,137
Interest expense on lease liabilities with a fellow subsidiary (iv)	向一家同系附屬公司支付之租賃負債利息支出(iv)	<b>211</b>	50
Interest expenses to a fellow subsidiary (v)	向一家同系附屬公司支付之利息支出(v)	<b>3,852</b>	7,626
Interest expenses to non-controlling shareholders of subsidiaries (v)	向附屬公司非控股股東支付之利息支出(v)	<b>38,075</b>	58,461
Interest income from a non-controlling shareholder of a subsidiary (vii)	收取一家附屬公司一名非控股股東之利息收入(vii)	<b>12,761</b>	14,623
Interest income from a fellow subsidiary (viii)	收取一家同系附屬公司之利息收入(viii)	<b>14,274</b>	20,197
Interest income from joint ventures (x)	收取合營公司之利息收入(x)	<b>47,551</b>	36,555

**27. RELATED PARTY TRANSACTIONS****(CONTINUED)****(b) Balances with related parties****27. 關聯方交易 (續)****(b) 與關聯方之結餘**

		<b>30 June</b>	31 December
		<b>2023</b>	2022
		二零二三年	二零二二年
		六月三十日	十二月三十一日
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
		<b>(Unaudited)</b>	(Audited)
		(未經審核)	(經審核)
Construction payables to fellow subsidiaries for real estate development projects (i)	應付同系附屬公司之房地產發展項目建築款項(i)	<b>1,954,018</b>	1,593,036
Lease liabilities with a fellow subsidiary (iv)	有關一家同系附屬公司之租賃負債(iv)	<b>7,709</b>	9,243
Amounts due to a fellow subsidiary (vi)	應付一家同系附屬公司款項(vi)	<b>1,195,052</b>	2,613,562
Amounts due to non-controlling shareholders of subsidiaries (vi)	應付附屬公司非控股股東款項(vi)	<b>570,600</b>	585,540
Amounts due to associates (vi)	應付聯營公司款項(vi)	<b>955,790</b>	2,021,119
Amount due to a joint venture (vi)	應付一家合營公司款項(vi)	<b>55,440</b>	57,219
Amounts due from non-controlling shareholders of subsidiaries (vii)	應收附屬公司非控股股東款項(vii)	<b>5,286,198</b>	5,244,098
Amounts due from associates (ix)	應收聯營公司款項(ix)	<b>922,076</b>	955,518
Amounts due from joint ventures (x)	應收合營公司款項(x)	<b>2,520,027</b>	2,751,595
Amount due from a fellow subsidiary (ix)	應收一家同系附屬公司款項(ix)	<b>1,302</b>	2,687
Current deposits placed in a fellow subsidiary (viii)	存置於一家同系附屬公司之活期存款(viii)	<b>3,235,801</b>	3,320,865
Loans from non-controlling shareholders of a subsidiary (xi)	來自一家附屬公司非控股股東之貸款(xi)	<b>1,123,985</b>	1,273,618

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## 中期簡明綜合財務資料附註

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### 27. RELATED PARTY TRANSACTIONS

(CONTINUED)

#### (c) Key management compensation

Salaries and short-term employee benefits	薪金及短期僱員福利		
Pension costs — defined contribution plans	退休金成本 — 定額供款計劃		

**1,269**

1,818

**141**

167

**1,410**

1,985

**(d)** The Guaranteed Bonds were guaranteed by the Company and have the benefit of a keep well deed from China Minmetals, the ultimate controlling shareholder of the Company.

Notes:

- (i) Construction costs to fellow subsidiaries for real estate development projects were based on terms mutually agreed by both parties.
- (ii) Management fee income and receivables from a fellow subsidiary of the Company were based on the terms in the agreements entered into between the parties involved.
- (iii) Rental and management fee income received from fellow subsidiaries of the Company was based on the terms in the agreements entered into between the parties involved.
- (iv) The Group has entered into a lease agreement for the use of an office with a fellow subsidiary for three years in 2022, based on terms mutually agreed by both parties.
- (v) Interest expenses to a fellow subsidiary and non-controlling shareholders of subsidiaries were based on terms in the agreements entered into between both parties.

### 27. 關聯方交易 (續)

#### (c) 主要管理人員之薪酬

Six months ended 30 June

截至六月三十日止六個月

<b>2023</b>	2022
二零二三年	二零二二年
<b>HK\$'000</b>	HK\$'000
千港元	千港元
<b>(Unaudited)</b>	(Unaudited)
(未經審核)	(未經審核)

**(d)** 擔保債券乃由本公司擔保，並受惠於本公司最終控股股東中國五礦提供的維好協議。

附註：

- (i) 就房地產發展項目給予同系附屬公司之建築成本乃按雙方共同協定之條款釐定。
- (ii) 應收本公司一家同系附屬公司之管理費收入乃根據有關訂約方所訂立多項協議之條款釐定。
- (iii) 向本公司同系附屬公司收取租金及管理費收入乃根據有關訂約方所訂立多項協議之條款釐定。
- (iv) 本集團與一家同系附屬公司於二零二二年簽訂為期三年之辦公室租賃協議，乃基於雙方共同協定之條款。
- (v) 向一家同系附屬公司及附屬公司非控股股東支付之利息支出乃根據有關訂約方所訂立多項協議之條款釐定。

## 27. RELATED PARTY TRANSACTIONS (CONTINUED)

Notes: (Continued)

- (vi) The amounts due to non-controlling shareholders of subsidiaries, associates, a joint venture, and a fellow subsidiary are unsecured, interest-free and repayable on demand.
- (vii) Except for balances of HK\$644,122,000 (31 December 2022: HK\$704,830,000) bearing interest at 3.85% per annum, the amounts due from non-controlling shareholders of subsidiaries are interest-free. The balances are unsecured and repayable on demand.
- (viii) The interest rate of the current deposits placed in a fellow subsidiary ranges from 0.46% to 1.15% per annum.
- (ix) The amounts due from associates and a fellow subsidiary are unsecured, interest-free and repayable on demand.
- (x) Except for balances of HK\$1,783,593,000 (31 December 2022: HK\$1,930,373,000) bearing interest at 8.8% per annum, the amounts due from joint ventures are interest-free. The balances are unsecured and repayable on demand.
- (xi) The loans from non-controlling shareholders of subsidiaries were unsecured, bearing interest at 6.2% per annum (31 December 2022: 6.2%), and repayable within 1 year to 3 years.

## 27. 關聯方交易 (續)

附註：(續)

- (vi) 應付附屬公司非控股股東、聯營公司、一家合營公司，及一家同系附屬公司之款項為無抵押、免息及須按要求償還。
- (vii) 除按年利率3.85%計息的結餘644,122,000港元(二零二二年十二月三十一日：704,830,000港元)外，應收附屬公司非控股股東之款項為免息。結餘為無抵押及須按要求償還。
- (viii) 存置於一家同系附屬公司之活期存款按年利率0.46%至1.15%計息。
- (ix) 應收聯營公司及一家同系附屬公司款項為無抵押、免息及須按要求償還。
- (x) 除按年利率8.8%計息的結餘1,783,593,000港元(二零二二年十二月三十一日：1,930,373,000港元)外，應收合營公司款項為免息。結餘為無抵押及須按要求償還。
- (xi) 附屬公司非控股股東之貸款為無抵押，按年利率6.2%(二零二二年十二月三十一日：6.2%)計息，並須於一年至三年內償還。

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告



Ernst & Young  
27/F, One Taikoo Place  
979 King's Road  
Quarry Bay, Hong Kong

安永會計師事務所  
香港鰂魚涌  
英皇道979號  
太古坊一座27樓

Tel 電話: +852 2846 9888  
Fax 傳真: +852 2868 4432  
ey.com

### To the shareholders of Minmetals Land Limited

*(Incorporated in Bermuda with limited liability)*

### OPINION

We have audited the consolidated financial statements of Minmetals Land Limited (the "Company") and its subsidiaries (the "Group") set out on pages 131 to 319, which comprise the consolidated statement of financial position as at 31 December 2022, and the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2022, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### 致五礦地產有限公司股東

*(於百慕達註冊成立之有限公司)*

### 意見

本核數師(以下簡稱「我們」)已審核列載於第131至319頁之五礦地產有限公司(「貴公司」)及其附屬公司(「貴集團」)的綜合財務報表，此綜合財務報表包括於二零二二年十二月三十一日的綜合財務狀況表與截至該日止年度的綜合損益表、綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

我們認為，綜合財務報表根據香港會計師公會(「香港會計師公會」)頒佈的《香港財務報告準則》(「香港財務報告準則」)真實而中肯地反映貴集團於二零二二年十二月三十一日的綜合財務狀況及截至該日止年度的綜合財務表現及綜合現金流量，並根據香港《公司條例》的披露規定妥為編製。



## INDEPENDENT AUDITOR'S REPORT

### 獨立核數師報告

#### BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSAs”) issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor’s responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA’s *Code of Ethics for Professional Accountants* (“the Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor’s responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

#### 意見的基礎

我們已根據香港會計師公會頒佈的《香港審計準則》(「香港審計準則」)進行審核。我們在該等準則下承擔的責任已在本報告「核數師就審核綜合財務報表承擔的責任」部分中作進一步闡述。根據香港會計師公會頒佈的《專業會計師道德守則》(「道德守則」)，我們獨立於貴集團，並已履行道德守則中的其他專業道德責任。我們相信，我們所獲得的審核憑證能充足及適當地為我們的審核意見提供基礎。

#### 關鍵審核事項

關鍵審核事項是根據我們的專業判斷，認為對本期綜合財務報表的審核最為重要的事項。這些事項是在我們審核整體綜合財務報表及出具意見時處理，我們不會對這些事項提供單獨的意見。

我們已履行本報告「核數師就審核綜合財務報表須承擔的責任」部分闡述的責任，包括與該等事項相關的責任。相應地，我們的審計工作包括執行為應對評估的綜合財務報表重大錯誤陳述風險而設計的審計程序。我們執行審計程序的結果，包括處理下述事項所執行的程序，為綜合財務報表審計意見提供基礎。

## KEY AUDIT MATTERS (CONTINUED)

### Key audit matter

#### 關鍵審核事項

### Valuation of investment properties

#### 投資物業估值

As at 31 December 2022, the Group's investment properties were measured at fair value amounted to HK\$2,774 million. Decrease of HK\$69 million in fair value of investment properties was recognised in the consolidated statement of profit or loss for the year then ended.

於二零二二年十二月三十一日，貴集團按公允值計量之投資物業為2,774,000,000港元。投資物業公允值減少69,000,000港元已於截至該日止年度之綜合損益表確認。

We identified the valuation of investment properties as a key audit matter because the valuation process is based on an estimation of future results, a set of assumptions and a determination of key inputs, which are judgmental. Any changes to these inputs may have a significant impact on the fair value. Management determined the fair value of the Group's investment properties as at 31 December 2022 with the assistance of an independent external valuer.

我們將投資物業估值識別為關鍵審核事項，原因是估值過程乃以未來業績之估計、一套假設及釐定之主要輸入數據為基礎，有關因素皆屬於判斷性質。該等輸入數據之任何變動均可能對公允值造成重大影響。管理層在獨立外部估值師之協助下，釐定貴集團投資物業於二零二二年十二月三十一日之公允值。

Details of the investment properties and the related key estimation uncertainty are set out in notes 15 and 3, respectively, to the consolidated financial statements.

有關投資物業及相關主要估計不明朗因素之詳情分別載於綜合財務報表附註15及3。

## 關鍵審核事項 (續)

### How our audit addressed the key audit matter

#### 我們的審核如何對關鍵審核事項進行處理

Our procedures in relation to management's valuation of investment properties mainly included:

我們就管理層對投資物業估值履行之程序主要包括以下各項程序：

1. Evaluating the competence, capabilities and objectivity of the external valuer engaged by management;  
我們評估管理層所委聘的外部估值師之資格、能力及客觀性；
2. Obtaining a copy of the valuation report prepared by the external valuer and discussing with the external valuer to obtain an understanding of the basis of determination of valuation; and  
我們取得由外部估值師編製的估值報告，並與外部估值師溝通以了解估值確定依據；和
3. Assessing, with the assistance from our internal valuation specialists, the methodologies and judgements used in valuing the investment properties and obtaining the market evidence that the external valuer used to support the key inputs.  
在我們的內部估值專家的協助下，評估投資物業估值所使用的方法和判斷，並獲取外部估值師用來支持關鍵輸入數據的市場證據。

**KEY AUDIT MATTERS (CONTINUED)****關鍵審核事項(續)****Key audit matter****關鍵審核事項****How our audit addressed the key audit matter****我們的審核如何對關鍵審核事項進行處理****Revenue from sales of properties****銷售物業收入**

Revenue from sales of a property is recognised when the completed property is transferred to the customer, being at the point that the customer obtains the control of the completed property and the Group has present right to payment and collection of the consideration is probable.

銷售物業收入乃於竣工物業轉移至客戶時(即客戶取得竣工物業控制權及貴集團擁有權利收取付款且有可能收取代價之時)確認。

For the year ended 31 December 2022, the Group recognised revenue from sales of properties of approximately HK\$9,406 million.

截至二零二二年十二月三十一日止年度，貴集團確認銷售物業收入約9,406,000,000港元。

We identified the revenue from sales of properties as a key audit matter due to the significance of the amount and volume of sales transactions recognised during the year and there is judgement involved in determining the appropriate point at which to recognise revenue from sales of properties. 由於年內確認的銷售交易金額和數量的重要性，我們將物業銷售收入確定為關鍵審計事項，並且在確定確認物業銷售收入的適當時間點時涉及判斷。

Details of revenue from sales of properties are set out in note 5 to the consolidated financial statements.

有關銷售物業收入詳情載於綜合財務報表附註5。

Our procedures in relation to revenue from sales of properties mainly included:

我們就銷售物業收入履行之程序主要包括：

1. Obtaining an understanding of, evaluating and testing the key controls over revenue recognition on a sample basis; and  
了解、評價並通過抽樣測試與收入確認相關的主要控制；和
2. Selecting property sales transactions on a sample basis and:  
通過抽樣挑選物業銷售交易，並且：
  - (1) reading the signed sale and purchase agreements to obtain an understanding of the relevant terms of the timing of property delivery and title transfer;  
閱讀已簽署買賣協議，以了解物業交付時間及業權轉讓的相關條款；
  - (2) obtaining evidence regarding the property delivery and title transfer;  
取得物業交付及業權轉讓的憑證；
  - (3) reviewing the relevant supporting documents in relation to the property delivery to buyers prior to the year end, on a sample basis, to assess whether the revenue has been recognised in an appropriate period; and  
抽樣審閱年末前向買家交付物業的相關證明文件，以評估收入是否已在適當期間確認；和
  - (4) reconciling the monetary amounts of recorded transactions and related payments to those in the signed sale and purchase agreements.  
將已記錄交易的貨幣金額及相關付款與已簽署買賣協議對賬。

## KEY AUDIT MATTERS (CONTINUED)

## 關鍵審核事項 (續)

### Key audit matter

#### 關鍵審核事項

### How our audit addressed the key audit matter

#### 我們的審核如何對關鍵審核事項進行處理

### Net realisable value of properties under development and properties held for sale

#### 發展中物業及持作出售物業的可變現淨值

Properties under development and properties held for sale at the end of each reporting period are stated at the lower of cost and net realisable value.

於各報告期末發展中物業及持作出售物業按成本與可變現淨值中的較低者入賬。

Net realisable value for properties under development is determined by reference to estimated selling price in the ordinary course of business less estimated costs to completion and the estimated costs necessary to make the sales. Net realisable value for properties held for sale is determined by reference to estimated selling price in the ordinary course of business less the estimated costs necessary to make the sales. 發展中物業的可變現淨值乃參考日常業務過程中的估計售價減估計完工成本及進行銷售所需的估計成本釐定。持作出售物業的可變現淨值乃參考日常業務過程中的估計售價減進行銷售所需的估計成本釐定。

As at 31 December 2022, the Group's properties under development and properties held for sale amounted to HK\$39,506 million. For the year ended 31 December 2022, the Group recognised impairment losses of HK\$550 million on properties under development and properties held for sale.

於二零二二年十二月三十一日，貴集團的發展中物業及持作出售物業為39,506,000,000港元。截至二零二二年十二月三十一日止年度，貴集團就發展中物業及持作出售物業確認減值虧損550,000,000港元。

Our procedures in relation to net realisable value of properties under development and properties held for sale mainly included:

我們就有關發展中物業及持作出售物業可變現淨值履行之程序包括：

1. Obtaining an understanding of, evaluating and testing the key controls over cost budgeting for estimated costs to completion;  
了解、評價並測試估計完工成本的成本預算的主要控制；
2. Assessing the reasonableness of estimated selling prices by comparing the management's estimated selling price to the recent average contracted selling price in the same project or the prevailing market price of comparable properties with similar type, size and location;  
透過將管理層估計的售價與近期相同項目的已訂約平均售價或相若類型、大小及地點的相關物業的當前市價進行比較，以評估估計售價是否合理；

### KEY AUDIT MATTERS (CONTINUED)

### 關鍵審核事項(續)

#### Key audit matter

#### 關鍵審核事項

#### How our audit addressed the key audit matter

#### 我們的審核如何對關鍵審核事項進行處理

#### Net realisable value of properties under development and properties held for sale (Continued)

#### 發展中物業及持作出售物業的可變現淨值(續)

We identified the net realisable value for properties under development and properties held for sale as a key audit matter as a significant management estimate is required in assessing the net realisable value.

由於評估可變現淨值需要重大管理層估算，我們已識別發展中物業及持作出售物業的可變現淨值作為關鍵審核事項。

Details of net realisable value of properties under development and properties held for sale are set out in notes 20 and 3, respectively, to the consolidated financial statements.

發展中物業及持作出售物業的可變現淨值詳情分別載於綜合財務報表附註20及3。

3. Assessing the reasonableness of estimated costs necessary to make the sales by comparing with the average historical expense rate of the Group, and reviewing the supporting documents of the adjustments that management made according to historical data; and

透過與貴集團的過往平均費率進行比較，評估進行銷售所需的估計成本的合理性，並審閱管理層根據過往數據進行調整的支持性文件；及

4. Assessing the appropriateness of the estimated costs to completion by comparing the latest estimated costs to completion to the budget approved by management and examining the supporting documents such as construction contracts, internal correspondence and approvals.

通過比較最新預計完工成本與經管理層批准的預算以及檢查支持性文件(如建造合同、內部通信以及審批)以評估預計完工成本是否適當。

## OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

## 其他資料包括於年報內

貴公司董事須對其他資料負責。其他資料包括年報內的資料，但不包括綜合財務報表及我們的核數師報告。

我們對綜合財務報表的意見並不涵蓋其他資料，我們亦不對該等其他資料發表任何形式的鑒證結論。

結合我們對綜合財務報表的審核，我們的責任是閱讀其他資料，在此過程中，考慮其他資料是否與綜合財務報表或我們在審核過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。基於我們已執行的工作，如果我們認為其他資料存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

## 董事就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的《香港財務報告準則》及香港《公司條例》的披露規定編製真實而中肯的綜合財務報表，並對其認為使綜合財務報表的編製不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

在編製綜合財務報表時，貴公司董事負責評估貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及使用持續經營為會計基礎，除非貴公司董事有意將貴集團清盤或停止經營，或別無其他實際的替代方案。

貴公司董事在審核委員會的協助下履行職責，監督貴集團的財務報告流程。



## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, in accordance with section 90 of the Bermuda Companies Act 1981, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

## 核數師就審核綜合財務報表承擔的責任

我們的目標為合理核證整體上綜合財務報表是否不存在由於欺詐或錯誤而導致的重大錯誤陳述，並發出包含我們意見的核數師報告。我們僅根據一九八一年《百慕達公司法》第90條向閣下(作為整體)報告，除此之外，本報告別無其他目的。本核數師並不會就本報告之內容對任何其他人士負責或承擔任何責任。

合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審核，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或滙總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

在根據《香港審計準則》進行審核的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

- 識別及評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審核程序以應對這些風險，以及獲取充足和適當的審核憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審核相關的內部控制，以設計適當的審核程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

## 核數師就審核綜合財務報表承擔的責任(續)

- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審核憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則修訂我們的意見。我們的結論是基於核數師報告日止所取得的審核憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。
- 就貴集團內實體或業務活動的財務資料獲取充足、適當的審核憑證，以便對綜合財務報表發表意見。我們負責貴集團審核工作的指導、監督和執行。我們須為我們的審核意見承擔全部責任。

除其他事項外，我們與審核委員會溝通了計劃的審核範圍、時間安排、重大審核發現等，包括我們在審核中識別出內部控制的任何重大缺陷。

我們還向審核委員會提交聲明，說明我們已符合有關獨立性的相關專業道德要求，並與他們溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及在適用的情況下，採取消除威脅的行動相關的防範措施。

## INDEPENDENT AUDITOR'S REPORT

### 獨立核數師報告

#### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Wong Kwok Yin.

#### **Ernst & Young**

*Certified Public Accountants*  
Hong Kong

23 March 2023

#### 核數師就審核綜合財務報表承 擔的責任 (續)

從與審核委員會溝通的事項中，我們確定哪些事項對本期間的綜合財務報表的審核最為重要，因而構成關鍵審核事項。我們在核數師報告中描述這些事項，除非法律法規不允許公開披露這些事項，或在極端罕見的情況下，如果合理預期在我們報告中溝通某事項造成的負面後果超過產生的公眾利益，我們決定不應在報告中溝通該事項。

負責此審核項目及簽發本獨立核數師報告的審核項目合夥人為黃國賢。

#### 安永會計師事務所

執業會計師  
香港

二零二三年三月二十三日

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS

## 綜合損益表

Year ended 31 December 2022 截至二零二二年十二月三十一日止年度

		Notes 附註	2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
<b>REVENUE</b>	收入	5	<b>10,064,529</b>	12,885,638
Cost of sales	銷售成本		<b>(9,011,215)</b>	(10,500,165)
<b>Gross profit</b>	毛利		<b>1,053,314</b>	2,385,473
Other income	其他收入	6	<b>126,839</b>	91,590
Fair value changes on investment properties	投資物業公允值變動	15	<b>(68,814)</b>	(153,467)
Selling and marketing expenses	銷售及營銷費用		<b>(394,500)</b>	(468,420)
Administrative and other expenses	行政及其他開支		<b>(582,408)</b>	(695,485)
(Allowance)/reversal of allowance for impairment of inventories	存貨減值(撥備)/減值回撥	7	<b>(550,403)</b>	47,598
Impairment losses reversed/(recognised) under expected credit loss model, net	預期信貸虧損模型項下回撥/(確認)之減值虧損淨額	10	<b>1,145</b>	(13,640)
Finance income	財務收入	8	<b>178,863</b>	249,115
Finance costs	財務成本	8	<b>(138,144)</b>	(163,076)
Share of results of associates	分佔聯營公司業績	17	<b>(786,422)</b>	(264,007)
Share of results of joint ventures	分佔合營公司業績	18	<b>137,773</b>	48,253
<b>(LOSS)/PROFIT BEFORE TAX</b>	除稅前(虧損)/溢利		<b>(1,022,757)</b>	1,063,934
Income tax expense	所得稅開支	11	<b>(337,467)</b>	(432,127)
<b>(LOSS)/PROFIT FOR THE YEAR</b>	本年度(虧損)/溢利	7	<b>(1,360,224)</b>	631,807
<b>(Loss)/profit for the year attributable to:</b>	本年度(虧損)/溢利歸屬於:			
Equity holders of the Company	本公司股權持有人		<b>(1,362,468)</b>	89,209
Holders of perpetual capital instruments	永久資本工具持有人		<b>45,197</b>	164,996
Non-controlling interests	非控股股東權益	44(b)	<b>(42,953)</b>	377,602
			<b>(1,360,224)</b>	631,807
<b>(LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY, IN HK CENTS</b>	本公司股權持有人應佔之每股(虧損)/盈利, 港仙			
Basic	基本	13	<b>(40.71)</b>	2.67
Diluted	攤薄	13	<b>(40.71)</b>	2.67

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

## 綜合損益及其他全面收益表

Year ended 31 December 2022 截至二零二二年十二月三十一日止年度

	Notes 附註	2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
<b>(LOSS)/PROFIT FOR THE YEAR</b>	本年度(虧損)/溢利	<b>(1,360,224)</b>	631,807
<b>OTHER COMPREHENSIVE (EXPENSE)/ INCOME</b>	其他全面(支出)/收入		
Other comprehensive (expense)/income that may be reclassified to profit or loss in subsequent periods:	後續期間可能重新分類至損益之其他全面(支出)/收入：		
Currency translation differences	匯兌差額	<b>(2,521,773)</b>	820,438
Fair value gain on hedging instruments in cash flow hedges	現金流對沖的對沖工具之公允值收益	<b>54,709</b>	36,407
Share of other comprehensive (expense)/income of associates	分佔聯營公司其他全面(支出)/收入	<b>(249,951)</b>	97,917
Share of other comprehensive (expense)/income of joint ventures	分佔合營公司其他全面(支出)/收入	<b>(23,784)</b>	6,688
		<b>(2,740,799)</b>	961,450
Other comprehensive (expense)/income that will not be reclassified to profit or loss in subsequent periods:	後續期間不會重新分類至損益之其他全面(支出)/收入：		
Gain on revaluation of owner-occupied properties upon transfer to investment properties	業主佔用物業轉移至投資物業後之重估收益	<b>2,726</b>	39,424
Fair value loss on financial assets at fair value through other comprehensive income	透過其他全面收益按公允值計量之財務資產所產生之公允值虧損	<b>(182,343)</b>	(267,345)
		<b>(179,617)</b>	(227,921)
<b>OTHER COMPREHENSIVE (EXPENSE)/ INCOME FOR THE YEAR, NET OF TAX</b>	本年度其他全面(支出)/收入，已扣除稅項	<b>(2,920,416)</b>	733,529
<b>TOTAL COMPREHENSIVE (EXPENSE)/ INCOME FOR THE YEAR</b>	本年度全面(支出)/收入總額	<b>(4,280,640)</b>	1,365,336
<b>Total comprehensive (expense)/ income for the year attributable to:</b>	本年度全面(支出)/收入總額歸屬於：		
Equity holders of the Company	本公司股權持有人	<b>(3,133,994)</b>	487,604
Holders of perpetual capital instruments	永久資本工具持有人	<b>(162,576)</b>	234,811
Non-controlling interests	非控股股東權益	<b>(984,070)</b>	642,921
		<b>(4,280,640)</b>	1,365,336

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## 綜合財務狀況表

31 December 2022 二零二二年十二月三十一日

		Notes 附註	2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
<b>NON-CURRENT ASSETS</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	14	662,273	487,803
Investment properties	投資物業	15	2,774,432	2,664,793
Interests in associates	於聯營公司之權益	17	2,269,633	3,306,006
Interests in joint ventures	於合營公司之權益	18	341,852	227,863
Financial assets at fair value through other comprehensive income	透過其他全面收益按公允值計量之財務資產	19	401,428	555,433
Other financial assets	其他財務資產	33	31,270	—
Other receivables	其他應收款項		9,039	9,813
Deferred tax assets	遞延稅項資產	30	754,807	871,999
Total non-current assets	非流動資產總額		7,244,734	8,123,710
<b>CURRENT ASSETS</b>	<b>流動資產</b>			
Inventories	存貨	20	39,506,138	43,113,619
Prepayments, trade and other receivables	預付款項、貿易及其他應收款項	21	11,009,807	12,522,896
Prepaid income tax	預付所得稅		818,011	876,091
Contract assets	合約資產	22	144,360	286,253
Contract costs	合約成本	23	238,300	217,454
Cash and bank deposits, restricted	受限制現金及銀行存款	24	724,314	1,077,095
Cash and bank deposits, unrestricted	不受限制現金及銀行存款	25	7,701,361	10,956,126
Total current assets	流動資產總額		60,142,291	69,049,534
<b>Total assets</b>	<b>資產總額</b>		67,387,025	77,173,244
<b>EQUITY</b>	<b>權益</b>			
Share capital	股本	26	334,691	334,691
Reserves	儲備	27	6,484,838	9,685,770
<b>Equity attributable to equity holders of the Company</b>	<b>本公司股權持有人應佔之權益</b>		6,819,529	10,020,461
<b>Perpetual capital instruments</b>	<b>永久資本工具</b>	28	—	2,448,182
<b>Non-controlling interests</b>	<b>非控股股東權益</b>	44(b)	9,992,569	10,649,268
<b>Total equity</b>	<b>權益總額</b>		16,812,098	23,117,911



# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## 綜合財務狀況表

31 December 2022 二零二二年十二月三十一日

			2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
		Notes 附註		
<b>NON-CURRENT LIABILITIES</b>	<b>非流動負債</b>			
Borrowings	借款	29	<b>17,176,328</b>	14,469,201
Other payables	其他應付款項	31	<b>250,256</b>	—
Deferred tax liabilities	遞延稅項負債	30	<b>316,495</b>	370,398
Lease liabilities	租賃負債	16	<b>10,021</b>	16,390
Other financial liabilities	其他財務負債	33	—	4,571
			<b>17,753,100</b>	14,860,560
Total non-current liabilities	非流動負債總額		<b>17,753,100</b>	14,860,560
<b>CURRENT LIABILITIES</b>	<b>流動負債</b>			
Borrowings	借款	29	<b>7,132,439</b>	6,547,465
Trade and other payables	貿易及其他應付款項	31	<b>13,581,206</b>	15,656,127
Contract liabilities	合約負債	32	<b>11,415,551</b>	15,848,803
Lease liabilities	租賃負債	16	<b>18,893</b>	35,115
Taxation payable	應付稅項		<b>673,738</b>	1,088,395
Other financial liabilities	其他財務負債	33	—	18,868
			<b>32,821,827</b>	39,194,773
Total current liabilities	流動負債總額		<b>32,821,827</b>	39,194,773
<b>Total liabilities</b>	<b>負債總額</b>		<b>50,574,927</b>	54,055,333
<b>Total equity and liabilities</b>	<b>權益及負債總額</b>		<b>67,387,025</b>	77,173,244
<b>Net current assets</b>	<b>流動資產淨值</b>		<b>27,320,464</b>	29,854,761
<b>Total assets less current liabilities</b>	<b>資產總額減流動負債</b>		<b>34,565,198</b>	37,978,471

**He Jianbo 何劍波**  
Director 董事

**Chan Xingwu 陳興武**  
Director 董事

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## 綜合權益變動表

Year ended 31 December 2022 截至二零二二年十二月三十一日止年度

		Attributable to equity holders of the Company 本公司股權持有人應佔			Perpetual capital instruments 永久 資本工具 HK\$'000 千港元 (note 28) (附註28)	Non- controlling interests 非控股 股東權益 HK\$'000 千港元 (note 44(b)) (附註44(b))	Total equity 權益總額 HK\$'000 千港元
		Share capital 股本 HK\$'000 千港元 (note 26) (附註26)	Reserves 儲備 HK\$'000 千港元 (note 27) (附註27)	Total 總額 HK\$'000 千港元			
At 1 January 2021	於二零二一年一月一日	334,691	9,264,260	9,598,951	3,947,539	8,863,517	22,410,007
Profit for the year	年內溢利	—	89,209	89,209	164,996	377,602	631,807
Other comprehensive income for the year	年內其他全面收入	—	398,395	398,395	69,815	265,319	733,529
Total comprehensive income for the year, net of tax	本年度除稅後全面收入總額	—	487,604	487,604	234,811	642,921	1,365,336
Contributions from non-controlling shareholders of subsidiaries	附屬公司之非控股股東之注資	—	—	—	—	1,210,590	1,210,590
Gain on partial disposal of equity interests in a subsidiary	出售於一家附屬公司部分權益之收益	—	844	844	—	(844)	—
Redemption of perpetual capital instruments	贖回永久資本工具	—	—	—	(1,560,075)	—	(1,560,075)
Distributions paid to holders of perpetual capital instruments	向永久資本工具持有人支付之股息	—	—	—	(174,093)	—	(174,093)
Dividends paid to shareholders of the Company (note 12)	向本公司股東支付之股息(附註12)	—	(66,938)	(66,938)	—	—	(66,938)
Dividends paid to a non-controlling shareholder of a subsidiary	向一家附屬公司之一名非控股股東支付之股息	—	—	—	—	(66,916)	(66,916)
At 31 December 2021	於二零二一年十二月三十一日	334,691	9,685,770	10,020,461	2,448,182	10,649,268	23,117,911
(Loss)/profit for the year	年內(虧損)/溢利	—	(1,362,468)	(1,362,468)	45,197	(42,953)	(1,360,224)
Other comprehensive expense for the year	年內其他全面支出	—	(1,771,526)	(1,771,526)	(207,773)	(941,117)	(2,920,416)
Total comprehensive expense for the year, net of tax	本年度除稅後全面支出總額	—	(3,133,994)	(3,133,994)	(162,576)	(984,070)	(4,280,640)
Contributions from non-controlling shareholders of subsidiaries	附屬公司之非控股股東之注資	—	—	—	—	491,923	491,923
Repayment of perpetual capital instruments	償還永久資本工具	—	—	—	(2,238,800)	—	(2,238,800)
Distributions paid to holders of perpetual capital instruments	向永久資本工具持有人支付之股息	—	—	—	(46,806)	—	(46,806)
Dividends paid to shareholders of the Company (note 12)	向本公司股東支付之股息(附註12)	—	(66,938)	(66,938)	—	—	(66,938)
Dividends paid to a non-controlling shareholder of a subsidiary	向一家附屬公司之一名非控股股東支付之股息	—	—	—	—	(164,552)	(164,552)
At 31 December 2022	於二零二二年十二月三十一日	334,691	6,484,838	6,819,529	—	9,992,569	16,812,098

# CONSOLIDATED STATEMENT OF CASH FLOWS

## 綜合現金流量表

Year ended 31 December 2022 截至二零二二年十二月三十一日止年度

	Notes 附註	2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash (used in)/generated from operations	36(a)	(1,458,801)	4,917,862
Income tax paid		(648,118)	(1,327,455)
Interest paid		(958,523)	(822,614)
<b>Net cash flows (used in)/from operating activities</b>		<b>(3,065,442)</b>	2,767,793
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(5,909)	(7,497)
Proceeds on disposals of property, plant and equipment		824	283
Additions of investment properties		(2,949)	(257,873)
Net cash inflow on acquisition of assets	35	80	—
Advances to associates		—	(42,651)
Repayment from an associate		8,171	106,939
Repayments from joint ventures		43,867	1,721,495
Advances to non-controlling shareholders of subsidiaries		(702,214)	(2,357,446)
Advance to a fellow subsidiary		(2,687)	—
Interest received		178,863	249,115
<b>Net cash flows used in investing activities</b>		<b>(481,954)</b>	(587,635)

	Notes 附註	2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>融資活動現金流量</b>		
New borrowings	新增借款	<b>3,364,751</b>	4,645,188
Repayments of borrowings	償還借款	<b>(1,004,924)</b>	(3,286,617)
Advances from/(repayments to) fellow subsidiaries	墊資自/(還款予)同系 附屬公司	36(b) <b>1,615,603</b>	(498,108)
Advance from a joint venture	一家合營公司之墊資	36(b) <b>19,086</b>	41,666
(Repayments to)/advances from associates	聯營公司之(還款)/墊資	36(b) <b>(233,189)</b>	112,850
(Repayments to)/advances from non-controlling shareholders of subsidiaries	附屬公司之非控股股東之 (還款)/墊資	36(b) <b>(11,304)</b>	209,781
Dividends paid to shareholders of the Company	派付予本公司股東之股息	<b>(66,938)</b>	(66,938)
Dividends paid to a non-controlling shareholder of a subsidiary	派付予一家附屬公司之 一名非控股股東之股息	<b>(164,552)</b>	(66,916)
Repayment/redemption of perpetual capital instruments	償還/贖回永久資本工具	<b>(2,238,800)</b>	(1,560,075)
Distributions paid to holders of perpetual capital instruments	派付予永久資本工具 持有人之股息	<b>(46,806)</b>	(174,093)
Repayments of lease liabilities	償還租賃負債	36(b) <b>(36,240)</b>	(29,876)
Contributions from non-controlling shareholders of subsidiaries	附屬公司之非控股股東之 注資	<b>2,015</b>	1,210,590
<b>Net cash flows from financing activities</b>	<b>融資活動所得現金淨額</b>	<b>1,198,702</b>	537,452
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>現金及現金等價物 (減少)/增加淨額</b>	<b>(2,348,694)</b>	2,717,610
Cash and cash equivalents at beginning of the year	年初之現金及現金等價物	<b>10,956,126</b>	8,238,516
Effect of foreign exchange rate changes, net	匯率變動的影響淨額	<b>(906,071)</b>	—
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	<b>年終之現金及現金等價物</b>	25 <b>7,701,361</b>	10,956,126

### 1. CORPORATE AND GROUP INFORMATION

Minmetals Land Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) are principally engaged in real estate development, specialised construction and property investment. The People’s Republic of China is the major market for the Group’s businesses.

The Company is a limited liability company incorporated in Bermuda. The Company is listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). Its immediate holding company is June Glory International Limited (incorporated in the British Virgin Islands) and its ultimate holding company is China Minmetals Corporation (“China Minmetals”) (incorporated in Mainland China).

The addresses of the registered office and principal place of business of the Company are disclosed in the Corporate Information section to the annual report.

#### 2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the accounting principles generally accepted in Hong Kong. In addition, these financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (“Listing Rules”) and by the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties, derivative financial instruments and equity investments which have been measured at fair value. These financial statements are presented in Hong Kong dollars (“HK\$” or “HK dollar(s)”) which is also the functional currency of the Company, and all values are rounded to the nearest thousand except when otherwise indicated.

### 1. 企業及集團資料

五礦地產有限公司(「本公司」)及其附屬公司(統稱「本集團」)之主要業務為房地產發展、專業建築及物業投資。中華人民共和國為本集團業務之主要市場。

本公司為一家在百慕達註冊成立之有限公司。本公司在香港聯合交易所有限公司(「聯交所」)上市。其直接控股公司為June Glory International Limited，一家在英屬處女群島成立的公司，而其最終控股公司為中國五礦集團有限公司(「中國五礦」)，一家在中國內地成立的公司。

本公司的註冊辦事處及主要營業地點披露於年報的「公司資料」章節。

#### 2.1 編製基準

該等財務報表乃按照香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」)，包括所有香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋)及香港公認會計原則而編製。此外，該等財務報表包括聯交所證券上市規則(「上市規則」)及香港公司條例規定的適用披露。財務報表乃根據歷史成本慣例編製(按公允價值計量的投資物業、衍生金融工具及股權投資除外)。該等財務報表以港元(「港元」)列值，亦為本公司之功能貨幣。除另有指明者外，所有價值約整至最接近的千位數。

## 2.1 BASIS OF PREPARATION (CONTINUED)

### Basis of consolidation

The consolidated financial statements include the financial statements of the Company and the Group for the year ended 31 December 2022. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

## 2.1 編製基準(續)

### 綜合賬目的基準

綜合財務報表包括本公司及本集團截至二零二二年十二月三十一日止年度的財務報表。附屬公司為本公司直接或間接控制的實體(包括結構性實體)。當本集團對參與投資對象業務的浮動回報承擔風險或享有權利以及能透過對投資對象的權力(即本集團獲賦予現有能力以主導投資對象相關活動的既存權利)影響該等回報時,即取得控制權。

一般情況下,有一個推定,即多數投票權形成控制權。倘本公司直接或間接擁有少於投資對象大多數投票權或類似權利,則本集團於評估其是否擁有對投資對象的權力時會考慮一切相關事實及情況,包括:

- (a) 與投資對象的其他投票權持有人的合約安排;
- (b) 其他合約安排所產生的權利;及
- (c) 本集團的投票權及潛在投票權。

附屬公司的財務報表使用與本公司一致的會計政策按同一報告期間編製。附屬公司的業績由本集團取得控制權當日起計入綜合賬目,並持續計入綜合賬目至該控制權終止當日為止。

損益及其他全面收益的各個組成部份歸屬於本公司股權持有人及非控股權益,即使此舉會導致非控股權益有虧絀結餘。所有有關本集團各成員公司間的交易集團內部公司間資產及負債、權益、收入、開支及現金流量會於綜合賬目時全數抵銷。

倘事實及情況顯示上文所述三項控制因素之一項或多項出現變化,本集團會重新評估其是否控制投資對象。於一家附屬公司的擁有權權益變動,惟並無失去控制權,則以權益交易入賬。



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## 2.1 BASIS OF PREPARATION (CONTINUED)

### Basis of consolidation (Continued)

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained earnings, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

## 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised HKFRSs for the first time for the current year's financial statements.

Amendments to HKFRS 3	<i>Reference to the Conceptual Framework</i>
Amendments to HKAS 16	<i>Property, Plant and Equipment: Proceeds before Intended Use</i>
Amendments to HKAS 37	<i>Onerous Contracts — Cost of Fulfilling a Contract</i>
Annual Improvements to HKFRSs 2018–2020	Amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41

## 2.1 編製基準 (續)

### 綜合賬目的基準 (續)

倘本集團失去附屬公司的控制權，則會終止確認(i)該附屬公司的資產(包括商譽)及負債；(ii)任何非控股權益的賬面值；及(iii)計入權益的累計匯兌差額；並確認(i)已收取代價的公允值；(ii)任何保留投資的公允值；及(iii)所產生並於損益確認的任何盈餘或虧絀。先前已於其他全面收益確認的本集團應佔組成部分乃重新分類至損益或保留盈利(倘適用)，基準與本集團直接出售相關資產或負債所需使用的基準相同。

## 2.2 會計政策及披露變動

本集團於本年度的財務報表中首次採納下列經修訂的香港財務報告準則。

香港財務報告準則第3號之修訂	對框架概念之提述
香港會計準則第16號之修訂	物業、廠房及設備：擬定用途前的所得款項
香港會計準則第37號之修訂	虧損性合約 — 履行合約的成本
香港財務報告準則二零一八年至二零二零年之年度改進	香港財務報告準則第1號、香港財務報告準則第9號、香港財務報告準則第16號隨附之說明性示例及香港會計準則第41號之修訂

## 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

The nature and the impact of the revised HKFRSs that are applicable to the Group are described below:

- (a) Amendments to HKFRS 3 replace a reference to the previous *Framework for the Preparation and Presentation of Financial Statements* with a reference to the *Conceptual Framework for Financial Reporting* (the “Conceptual Framework”) issued in June 2018 without significantly changing its requirements. The amendments also add to HKFRS 3 an exception to its recognition principle for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for liabilities and contingent liabilities that would be within the scope of HKAS 37 or HK(IFRIC)-Int 21 if they were incurred separately rather than assumed in a business combination, an entity applying HKFRS 3 should refer to HKAS 37 or HK(IFRIC)-Int 21 respectively instead of the Conceptual Framework. Furthermore, the amendments clarify that contingent assets do not qualify for recognition at the acquisition date. The Group has applied the amendments prospectively to business combinations that occurred on or after 1 January 2022. As there were no contingent assets, liabilities and contingent liabilities within the scope of the amendments arising in the business combination that occurred during the year, the amendments did not have any significant impact on the financial position and performance of the Group.

## 2.2 會計政策及披露變動(續)

適用於本集團之經修訂香港財務報告準則的性質及影響敘述如下：

- (a) 香港財務報告準則第3號之修訂以二零一八年六月頒佈的財務報告框架概念(「框架概念」)之提述取代先前財務報表編製及呈列框架之提述，而毋須大幅更改其規定。該等修訂亦對香港財務報告準則第3號有關實體參考框架概念以釐定資產或負債之構成之確認原則加入一項例外情況。該例外情況規定，對於屬香港會計準則第37號或香港(國際財務報告詮釋委員會)－詮釋第21號範圍內的負債及或然負債而言，倘該等負債屬單獨產生而非於業務合併中產生，則應用香港財務報告準則第3號的實體應分別參考香港會計準則第37號或香港(國際財務報告詮釋委員會)－詮釋第21號而非框架概念。此外，該等修訂澄清或然資產於收購日期不符合確認條件。本集團已對二零二二年一月一日或之後發生的業務合併追溯應用該等修訂。由於年內發生的業務合併並無產生該等修訂範圍內的或然資產、負債及或然負債，故該等修訂對本集團的財務狀況及表現並無任何重大影響。

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## 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

- (b) Amendments to HKAS 16 prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling any such items, and the cost of those items as determined by HKAS 2 *Inventories*, in profit or loss. The Group has applied the amendments retrospectively to items of property, plant and equipment made available for use on or after 1 January 2022. Since there was no sale of items produced prior to the property, plant and equipment being available for use, the amendments did not have any significant impact on the financial position or performance of the Group.
- (c) Amendments to HKAS 37 clarify that for the purpose of assessing whether a contract is onerous under HKAS 37, the cost of fulfilling the contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract include both the incremental costs of fulfilling that contract (e.g., direct labour and materials) and an allocation of other costs that relate directly to fulfilling that contract (e.g., an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract as well as contract management and supervision costs). General and administrative costs do not relate directly to a contract unless they are explicitly chargeable to the counterparty under the contract. The Group has applied the amendments prospectively to contracts for which it has not yet fulfilled all its obligations at 1 January 2022 and no onerous contracts were identified. Therefore, the amendments did not have any significant impact on the financial position or performance of the Group.

## 2.2 會計政策及披露變動(續)

- (b) 香港會計準則第16號之修訂禁止實體從物業、廠房及設備項目的成本中扣除使資產達到管理層擬定之營運狀態所需位置與條件過程中產生的項目銷售之任何所得款項。相反，實體須於損益中確認銷售任何有關項目之所得款項及香港會計準則第2號存貨所釐定之該等項目之成本。本集團已對二零二二年一月一日或之後可供使用的物業、廠房及設備項目追溯應用該等修訂。由於物業、廠房及設備在可供使用前並無產生可供銷售項目，故該等修訂對本集團的財務狀況或表現並無任何重大影響。
- (c) 香港會計準則第37號之修訂澄清，就根據香港會計準則第37號評估合約是否屬虧損性而言，履行合約的成本包括與合約直接相關的成本。與合約直接相關的成本包括履行該合約的增量成本(例如直接勞工及材料)及與履行合約直接相關的其他成本分配(例如分配履行合約所用物業、廠房及設備項目的折舊費用以及合約管理及監管成本)。一般及行政成本與合約並無直接關連，除非根據合約明確向對手方收取。本集團已對二零二二年一月一日尚未履行其所有責任的合約追溯應用該等修訂，並無識別出虧損性合約。因此，該等修訂對本集團的財務狀況或表現並無任何重大影響。

## 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

(d) *Annual Improvements to HKFRSs 2018–2020* sets out amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41. Details of the amendments that are applicable to the Group are as follows:

- HKFRS 9 *Financial Instruments*: clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. The Group has applied the amendment prospectively from 1 January 2022. As there was no modification or exchange of the Group's financial liabilities during the year, the amendment did not have any significant impact on the financial position or performance of the Group.

## 2.2 會計政策及披露變動 (續)

(d) 香港財務報告準則二零一八年至二零二零年之年度改進載列香港財務報告準則第1號、香港財務報告準則第9號、香港財務報告準則第16號隨附之說明性示例及香港會計準則第41號之修訂。適用於本集團之該等修訂詳情如下：

- 香港財務報告準則第9號金融工具：澄清實體於評估一項新訂或經修訂財務負債之條款是否實質上不同於原財務負債之條款時所計入之費用。該等費用僅包括借款人與貸款人之間已付或已收之費用，其中包括借款人或貸款人代表另一方支付或收取之費用。本集團已自二零二二年一月一日起追溯應用該等修訂。由於本集團的財務負債於年內並無修訂或交換，故該等修訂對本集團的財務狀況或表現並無任何重大影響。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

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### 2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not early adopted the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

Amendments to HKFRS 10 and HKAS 28 (2011)	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> <sup>3</sup>
Amendments to HKFRS 16	<i>Lease Liability in a Sale and Leaseback</i> <sup>2</sup>
HKFRS 17	<i>Insurance Contracts</i> <sup>1</sup>
Amendments to HKFRS 17	<i>Insurance Contracts</i> <sup>1, 5</sup>
Amendment to HKFRS 17	<i>Initial Application of HKFRS 17 and HKFRS 9 — Comparative Information</i> <sup>6</sup>
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current (the "2020 Amendments")</i> <sup>2, 4</sup>
Amendments to HKAS 1	<i>Non-current Liabilities with Covenants (the "2022 Amendments")</i> <sup>2</sup>
Amendments to HKAS 1 and HKFRS Practice Statement 2	<i>Disclosure of Accounting Policies</i> <sup>1</sup>
Amendments to HKAS 8	<i>Definition of Accounting Estimates</i> <sup>1</sup>
Amendments to HKAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i> <sup>1</sup>

### 2.3 已頒布但尚未生效的香港財務報告準則

本集團並未於該等財務報表中提早採納以下已頒布但未生效的新訂及經修訂的香港財務報告準則。

香港財務報告準則第10號及香港會計準則第28號之修訂 (二零一一年)	投資者與其聯營公司或合營企業之間的資產出售或注資 <sup>3</sup>
香港財務報告準則第16號之修訂	售後租回的租賃負債 <sup>2</sup>
香港財務報告準則第17號	保險合約 <sup>1</sup>
香港財務報告準則第17號之修訂	保險合約 <sup>1, 5</sup>
香港財務報告準則第17號之修訂	香港財務報告準則第17號及香港財務報告準則第9號首次採用 — 比較信息 <sup>6</sup>
香港會計準則第1號之修訂	分類負債為流動或非流動(「二零二零年修訂」) <sup>2, 4</sup>
香港會計準則第1號之修訂	附帶契諾的非流動負債(「二零二二年修訂」) <sup>2</sup>
香港會計準則第1號及香港財務報告準則實務公告第2號之修訂	會計政策披露 <sup>1</sup>
香港會計準則第8號之修訂	會計估計之定義 <sup>1</sup>
香港會計準則第12號之修訂	與單一交易產生的資產及負債相關的遞延稅項 <sup>1</sup>

## 2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

- <sup>1</sup> Effective for annual periods beginning on or after 1 January 2023
- <sup>2</sup> Effective for annual periods beginning on or after 1 January 2024
- <sup>3</sup> No mandatory effective date yet determined but available for adoption
- <sup>4</sup> As a consequence of the 2022 Amendments, the effective date of the 2020 Amendments was deferred to annual periods beginning on or after 1 January 2024. In addition, as a consequence of the 2020 Amendments and 2022 Amendments, Hong Kong Interpretation 5 *Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause* was revised to align the corresponding wording with no change in conclusion
- <sup>5</sup> As a consequence of the amendments to HKFRS 17 issued in October 2020, HKFRS 4 was amended to extend the temporary exemption that permits insurers to apply HKAS 39 rather than HKFRS 9 for annual periods beginning before 1 January 2023
- <sup>6</sup> An entity that chooses to apply the transition option relating to the classification overlay set out in this amendment shall apply it on initial application of HKFRS 17

## 2.3 已頒布但尚未生效的香港財務報告準則(續)

- <sup>1</sup> 於二零二三年一月一日或之後開始的年度期間生效
- <sup>2</sup> 於二零二四年一月一日或之後開始的年度期間生效
- <sup>3</sup> 尚未釐定強制生效日期，惟可供採納
- <sup>4</sup> 由於二零二二年修訂，二零二零年修訂的生效日期已遞延至二零二四年一月一日或之後開始的年度期間。此外，由於二零二零年修訂及二零二二年修訂，香港詮釋第5號財務報表的呈報 — 借款人對載有按要求償還條款的定期貸款的分類已進行修訂，以使相應措詞保持一致而結論不變
- <sup>5</sup> 由於在二零二零年十月頒佈香港財務報告準則第17號之修訂，香港財務報告準則第4號獲修訂以擴大暫時豁免，允許保險公司於二零二三年一月一日之前開始的年度期間應用香港會計準則第39號而非香港財務報告準則第9號
- <sup>6</sup> 實體於首次應用香港財務報告準則第17號時應採用該修訂所列明有關分類重疊法之過渡選擇權



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## 2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

Further information about those HKFRSs that are expected to be applicable to the Group is described below.

Amendments to HKFRS 10 and HKAS 28 (2011) address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 (2011) was removed by the HKICPA in January 2016 and a new mandatory effective date will be determined after the completion of a broader review of accounting for associates and joint ventures. However, the amendments are available for adoption now. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. The amendments are effective for annual periods beginning on or after 1 January 2024 and shall be applied retrospectively to sale and leaseback transactions entered into after the date of initial application of HKFRS 16 (i.e., 1 January 2019). Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

## 2.3 已頒布但尚未生效的香港財務報告準則(續)

預期適用於本集團的香港財務報告準則之進一步資料於下文描述。

香港財務報告準則第10號及香港會計準則第28號之修訂(二零一一年)針對香港財務報告準則第10號及香港會計準則第28號(二零一一年)之間有關投資者與其聯營公司或合資企業之間的資產出售或注資兩者規定的不一致性。該等修訂規定，當投資者與其聯營公司或合資企業之間的資產出售或注資構成一項業務時，須確認由於下游交易導致的全數收益或虧損。當交易涉及不構成一項業務的資產時，由該交易產生的收益或虧損於該投資者的損益內確認，惟僅以不相關投資者於該聯營公司或合資企業的權益為限。該等修訂將於日後應用。香港財務報告準則第10號及香港會計準則第28號(二零一一年)之修訂前之強制生效日期已於二零一六年一月被香港會計師公會移除，新強制生效日期將於對聯營公司及合資企業之會計處理進行更廣泛檢討完成後決定。然而，該等修訂現已可供採納。該等修訂預期不會對本集團的財務報表產生任何重大影響。

香港財務報告準則第16號之修訂明確計量售後回租交易產生的租賃負債所用的賣方 — 承租人之規定，以確保賣方 — 承租人不會確認與所保留使用權有關的任何損益金額。該等修訂於二零二四年一月一日或之後開始的年度期間生效，並應追溯應用於香港財務報告準則第16號首次應用日期(即二零一九年一月一日)之後訂立的售後回租交易。允許提前採用。該等修訂預期不會對本集團的財務報表產生任何重大影響。

## 2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

Amendments to HKAS 1 *Classification of Liabilities as Current or Non-current* clarify the requirements for classifying liabilities as current or non-current, in particular the determination over whether an entity has a right to defer settlement of the liabilities for at least 12 months after the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability. The amendments also clarify the situations that are considered a settlement of a liability. In 2022, the HKICPA issued the 2022 Amendments to further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. In addition, the 2022 Amendments require additional disclosures by an entity that classifies liabilities arising from loan arrangements as non-current when it has a right to defer settlement of those liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period. The amendments are effective for annual periods beginning on or after 1 January 2024 and shall be applied retrospectively. Earlier application is permitted. An entity that applies the 2020 Amendments early is required to apply simultaneously the 2022 Amendments, and vice versa. The Group is currently assessing the impact of the amendments and whether existing loan agreements may require revision. Based on a preliminary assessment, the amendments are not expected to have any significant impact on the Group's financial statements.

## 2.3 已頒布但尚未生效的香港財務報告準則(續)

香港會計準則第1號分類負債為流動或非流動之修訂澄清了將負債分類為流動或非流動負債之規定，特別是確定實體是否有權將負債結算延遲至報告期後至少12個月。負債的分類不受實體行使其推遲清償負債的權利的可能性的影響。修訂亦澄清被視為清償債務的情況。於二零二二年，香港會計師公會頒佈二零二二年修訂，進一步澄清在貸款安排產生的負債契約中，只有實體必須於報告日期或之前遵守的契約方會影響該負債的流動或非流動分類。此外，二零二二年修訂要求將貸款安排產生的負債歸類為非流動負債的實體在有權推遲結算該實體於報告期後12個月內遵守未來契約的負債時進行額外披露。該修訂於二零二四年一月一日或之後開始的年度期間生效，並應追溯應用。允許提前採用。提前應用二零二零年修訂的實體必須同時應用二零二二年修訂，反之亦然。本集團目前正在評估修訂的影響以及現有貸款協議是否需要修訂。根據初步評估，該等修訂預期不會對本集團的財務報表產生任何重大影響。

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## 2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

Amendments to HKAS 1 *Disclosure of Accounting Policies* require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Amendments to HKFRS Practice Statement 2 provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. Amendments to HKAS 1 are effective for annual periods beginning on or after 1 January 2023 and earlier application is permitted. Since the guidance provided in the amendments to HKFRS Practice Statement 2 is non-mandatory, an effective date for these amendments is not necessary. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies. Accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

## 2.3 已頒布但尚未生效的香港財務報告準則(續)

香港會計準則第1號之修訂會計政策披露規定實體需披露彼等主要會計政策資料而非重大會計政策。倘連同實體財務報表內其他資料一併考慮，會計政策資料可以合理預期會影響通用財務報表的主要使用者根據該等財務報表所作出的決定，則該會計政策資料屬重大。香港財務報告準則實務公告第2號之修訂就如何將重要性概念應用於會計政策披露提供非強制指引。香港會計準則第1號之修訂於二零二三年一月一日或之後開始的年度期間生效及允許提前採用。由於香港財務報告準則實務公告第2號之修訂提供的指引為非強制性，則該等修訂的生效日期屬非必要。該等修訂預期不會對本集團的財務報表產生任何重大影響。

香港會計準則第8號之修訂明確區分會計估計之變動及會計政策之變動。會計估計的定義為在計量不明朗因素的財務報表之貨幣金額。該等修訂亦闡明如何使用計量技術及輸入數據得出會計估計。該等修訂於二零二三年一月一日或之後開始的年度報告期間生效，並在該期間開始或之後應用會計政策的變動及會計估計的變動。允許提前採用。該等修訂預期不會對本集團的財務報表產生任何重大影響。

### 2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

Amendments to HKAS 12 narrow the scope of the initial recognition exception in HKAS 12 so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, entities are required to recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and shall be applied to transactions related to leases and decommissioning obligations at the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to the opening balance of retained earnings or other component of equity as appropriate at that date. In addition, the amendments shall be applied prospectively to transactions other than leases and decommissioning obligations. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

### 2.3 已頒布但尚未生效的香港財務報告準則(續)

香港會計準則第12號之修訂縮小香港會計準則第12號首次確認例外情況的範圍，使其不再適用於產生相同的應課稅及可扣減臨時差異的交易，如租賃及退役責任。因此，實體須因該等交易產生的臨時差異，而確認遞延稅項資產(前提是有足夠的應課稅溢利)及遞延稅項責任。該等修訂於二零二三年一月一日或之後開始的年度期間生效，並須於所呈列的較早比較期間開始時，應用與租賃及退役責任相關的交易，任何累計影響均確認為於該日對期初保留盈利或權益的其他組成部分結餘的調整。此外，該等修訂須對除租賃及退役責任以外的交易進行追溯。允許提前採用。該等修訂預期不會對本集團的財務報表產生任何重大影響。

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## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Business combinations or asset acquisitions

#### Optional concentration test

The Group can elect to apply an optional concentration test, on a transaction-by-transaction basis, that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The concentration test is met if substantially all of the fair values of the gross assets acquired are concentrated in a single identifiable asset or group of similar identifiable assets. The gross assets under assessment exclude cash and cash equivalents, deferred tax assets, and goodwill resulting from the effects of deferred tax liabilities. If the concentration test is met, the set of activities and assets is determined not to be a business and no further assessment is needed.

#### Asset acquisitions

When the Group acquires a group of assets and liabilities that do not constitute a business, the Group identifies and recognises the individual identifiable assets acquired and liabilities assumed by allocating the purchase price to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction does not give rise to goodwill or bargain purchase gain.

#### Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

Except for certain recognition exemptions, the identifiable assets acquired and liabilities assumed must meet the definitions of an asset and a liability in the *Conceptual Framework for Financial Reporting*.

## 2.4 主要會計政策概要

### 業務合併或資產收購

#### 選擇性集中度測試

本集團可選擇在逐筆交易的基礎上實施選擇性集中度測試，簡化所收購的一組活動及資產是否屬於業務的評估。如果所購總資產之公允值基本上都集中於單一可識別資產或一組相似的可識別資產中，則滿足集中度測試。評估總資產不包括現金及現金等價物、遞延稅項資產以及由遞延稅項負債的影響所致的商譽。若滿足集中度測試，則該組活動及資產不是一項業務，因此並無需進行進一步評估。

#### 資產收購

倘本集團收購一組並不構成業務的資產及負債，本集團識別及確認所收購的個別可識別資產及所承擔的負債，按其於購買日的相對公允值分配至可識別資產及負債。該項交易並無產生商譽或議價購買收益。

#### 業務合併

收購業務乃應用收購法入賬。於業務合併中轉讓按公允值計量的對價，而計算方法為本集團所轉讓的資產、本集團對被收購方原持有人產生的負債及本集團為交換被收購方的控制權所發行的股權於收購日的公允值的總和。與收購有關的成本一般於產生時在損益中確認。

除若干確認豁免外，所收購之可識別資產及所承擔之負債必須符合「財務報告概念框架」下資產及負債之定義。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Business combinations or asset acquisitions (Continued)

#### Business combinations (Continued)

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 *Income Taxes* and HKAS 19 *Employee Benefits* respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 *Share-based Payment* at the acquisition date;
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard; and
- lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in HKFRS 16) as if the acquired leases were new leases at the acquisition date, except for leases for which (a) the lease term ends within 12 months of the acquisition date; or (b) the underlying asset is of low value. Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

## 2.4 主要會計政策概要(續)

### 業務合併或資產收購(續)

#### 業務合併(續)

於收購日，所收購可辨別資產及所承擔負債按其公允值確認，惟下文所述者除外：

- 遞延稅項資產或負債及與僱員福利安排有關之資產或負債，乃分別根據香港會計準則第12號「所得稅」及香港會計準則第19號「僱員福利」確認及計量；
- 與被收購方之以股份支付安排或與本集團之以股份支付安排取代被收購方之以股份支付安排相關之負債或權益工具乃於收購日根據香港財務報告準則第2號「以股份為基礎之付款」計量；
- 根據香港財務報告準則第5號「持作出售非流動資產及已終止業務」被分類為持作出售之資產(或出售組別)乃根據該準則計量；及
- 租賃負債按剩餘租賃付款(定義見香港財務報告準則第16號)的現值確認及計量，猶如收購的租賃於收購日均為新租賃，惟(a)租賃期限於收購日12個月內結束的租賃；或(b)相關資產屬低價值除外。使用權資產按與相關租賃負債相同的金額確認及計量，並經調整以反映與市場條款相比租賃的有利或不利條款。



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## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Business combinations or asset acquisitions (Continued)

#### Business combinations (Continued)

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after re-assessment, the net amount of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets or at fair value. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at their fair values.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

## 2.4 主要會計政策概要 (續)

### 業務合併或資產收購 (續)

#### 業務合併 (續)

商譽確認為所轉讓的對價、於被收購方的任何非控股股東權益金額及收購方先前持有被收購方股權 (如有) 的公允值的總和超出所收購可辨別資產及所承擔負債於收購日的淨值的部分。倘 (在重新評估過後) 所收購可辨別資產及所承擔負債的淨值超出所轉讓的對價、於被收購方的任何非控股股東權益金額及收購方先前持有被收購方權益 (如有) 的公允值的總和, 則超出部分即時於損益內確認為議價收購收益。

屬現有擁有權權益及賦予其持有人權利於清盤時按比例分佔相關子公司淨資產之非控股股東權益可初步按非控股股東權益分佔被收購方可識別淨資產已確認金額之比例或按公允值計量。計量基準乃按逐項交易基準進行選擇。其他類型非控股股東權益按公允值計量。

倘本集團於業務合併中轉讓之對價包括或然對價安排, 或然對價按其收購日公允值計量並視為於業務合併中所轉讓對價之一部分。或然對價之公允值變動 (如符合計量期間調整資格) 可追溯調整。計量期間調整為於「計量期間」(計量期間自收購日起計不得超過一年) 就於收購日存在之事實及情況獲得額外資訊而引致之調整。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Business combinations or asset acquisitions (Continued)

#### *Business combinations (Continued)*

The subsequent accounting for the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured to fair value at subsequent reporting dates, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control), and the resulting gain or loss, if any, is recognised in profit or loss or other comprehensive income, as appropriate. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income and measured under HKFRS 9 would be accounted for on the same basis as would be required if the Group had disposed directly of the previously held equity interest.

## 2.4 主要會計政策概要(續)

### 業務合併或資產收購(續)

#### *業務合併(續)*

不符合計量期間調整資格之或然對價之隨後入賬，取決於或然對價之分類結果。劃分為權益之或然對價不會於後續報告日重新計量，而其後續結算於權益內入賬。劃分為資產或負債之或然對價於後續報告日重新計量為公允值，而相應之收益或虧損於損益內確認。

倘業務合併分階段完成，則本集團過往所持有被收購方之股權會重新計量至收購日(即本集團獲得控制權當日)之公允值，而所產生之收益或虧損(如有)會於損益或其他全面收益(如適用)確認。如本集團已直接出售先前持有之股權，先前已於其他全面收益確認並根據香港財務報告準則第9號計量的在收購日前於被收購方的權益所產生之金額，將須按相同基準入賬。

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## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 *Share-based Payment*, leasing transactions that are accounted for in accordance with HKFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 *Inventories* or fair value less costs of disposal in HKAS 36 *Impairment of Assets*.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial instruments and investment properties which are transacted at fair value and a valuation technique that unobservable inputs are to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that at initial recognition, the results of the valuation technique equals the transaction price.

## 2.4 主要會計政策概要(續)

### 公允值計量

公允值為市場參與者於計量日在有序交易中出售資產所收取的價格或轉讓負債所支付的價格，不論該價格是否可直接觀察到或應用其他估值技巧估計。於估計資產或負債的公允值時，本集團所考慮資產或負債的特色為資產或負債於計量日定價時，市場參與者可考慮資產或負債的特色。於綜合財務報表內計量及／或披露的公允值按此基準釐定，惟屬於香港財務報告準則第2號「以股份為基礎之付款」內以股份為基礎之交易、香港財務報告準則第16號之租賃交易及與公允值類似但並非公允值之計量(如香港會計準則第2號「存貨」之可變現淨值或香港會計準則第36號「資產減值」之公允價值減去出售成本)除外。

非財務資產的公允值計量會參考市場參與者透過按最高及最佳用途使用資產或向另一名市場參與者(而其將按最高及最佳用途使用該資產)出售資產的方式產生經濟利益的能力。

按公允值交易之財務工具及投資物業，凡於其後期間應用以不可觀察數據計量公允值之估值方法，估值方法應予校正，以致於初始確認時估值方法之結果相等於交易價格。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Fair value measurement (Continued)

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as below:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

### Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates and joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates and joint ventures used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances.

## 2.4 主要會計政策概要(續)

### 公允值計量(續)

此外，就財務報告而言，根據可觀察公允值計量的輸入參數及公允值計量的輸入參數對其整體的重要性程度，公允值計量分為第一、第二及第三級，於下文有所說明：

- 第一級輸入數據乃企業於計量日可得出之相同資產或負債於活躍市場中所報的未調整價格；
- 第二級輸入數據乃根據與資產或負債相關的可觀察資料，除第1級所含報價以外，直接或間接獲得；及
- 第三級輸入數據乃資產或負債的不可觀察輸入數據。

### 投資於聯營公司及合營公司

聯營公司指本集團對其有重大影響力之實體。重大影響力乃指參與制定被投資方之財務及經營政策之權力，但並非控制或共同控制該等政策。

合營公司為合營安排，據此，對安排擁有共同控制權的訂約方對合營安排資產淨值擁有權利。共同控制為按合約協議分佔安排的控制權，其僅於涉及有關活動的決策需要共同控制方一致同意時方存在。

對聯營公司及合營公司的業績、資產及負債按權益法會計納入該等綜合財務報表。按權益法核算的聯營公司及合營公司的財務報表是用在相似情況下與集團類似交易及事項統一的會計政策來編製的。

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## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Investments in associates and joint ventures (Continued)

Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. Changes in net assets of the associate/joint venture other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

## 2.4 主要會計政策概要(續)

### 投資於聯營公司及合營公司(續)

根據權益會計法，於聯營公司或合營公司的投資初步於綜合財務狀況表按成本確認及其後予以調整，以確認本集團應佔聯營公司或合營公司的損益及其他全面收益。聯營公司／合營公司資產淨值變動(損益及其他全面收益除外)不予入賬，除非有關變動導致本集團持有的擁有權益變動。當本集團應佔聯營公司或合營公司虧損超出本集團於聯營公司或合營公司的權益(包括實際上組成本集團於聯營公司或合營公司投資淨額一部分任何長期權益)，則本集團終止確認應佔額外虧損。額外虧損僅於本集團已產生法律或推定責任或代表聯營公司或合營公司付款時確認。

自被投資方成為聯營公司或合營公司當日起，對聯營公司或合營公司之投資以權益法入賬。收購聯營公司或合營公司投資時，任何投資成本超逾本集團應佔收購日所確認聯營公司或合營公司可識別資產及被投資方負債公允淨值之任何差額均確認為商譽，而有關商譽乃計入投資之賬面值。任何本集團應佔可識別資產及負債之公允淨值超逾投資成本之差額，在重估後於收購投資期間內隨即在損益內確認。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Investments in associates and joint ventures (Continued)

The Group assesses whether there is an objective evidence that the interest in an associate or a joint venture may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When the Group ceases to have significant influence over an associate or a joint venture, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset within the scope of HKFRS 9, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate or joint venture and the fair value of any retained interest and any proceeds from disposing of the relevant interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal/partial disposal of the relevant associate or joint venture.

## 2.4 主要會計政策概要(續)

### 投資於聯營公司及合營公司(續)

本集團評估是否有客觀證據顯示聯營公司或合營公司之權益可能需要進行減值。如有任何客觀證據存在，投資(包括商譽)的全部賬面值將視作單一資產並按香港會計準則第36號透過將其可收回金額(即使用價值和公允值減出售成本之較高者)與賬面值作比較以進行減值測試。任何已確認之減值虧損(未被分配至任何資產，包括商譽)會成為投資賬面值的一部分。倘投資之可收回金額其後回升，減值虧損之任何撥回會按照香港會計準則第36號確認。

當本集團不再對聯營公司或合營公司有重大影響力時，將入賬列作出售其於該被投資方之全部權益，而所產生之收益或虧損則於損益確認。當本集團保留其於前聯營公司或合營公司權益，且保留的權益符合香港財務告準則第9號界定的財務資產範疇時，本集團於當日按公允值計量保留權益，而該公允值視為其初次確認公允值。聯營公司或合營公司的賬面值、任何保留權益公允值及出售於聯營公司或合營公司相關權益之任何所得款項的差額計入出售聯營公司或合營公司損益結果。此外，本集團將先前於其他全面收益確認與該聯營公司或合營公司有關之所有金額按該聯營公司或合營公司直接出售有關資產或負債所規定之基準入賬。因此，倘該聯營公司或合營公司先前於其他全面收益確認之收益或虧損將重新分類至出售有關資產或負債之收益或虧損，當出售／部分出售相關聯營公司或合營公司時，本集團自權益之收益或虧損重新分類至損益(作為重新分類調整)。



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## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Investments in associates and joint ventures (Continued)

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

### Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors of the Company that make strategic decisions.

## 2.4 主要會計政策概要(續)

### 投資於聯營公司及合營公司(續)

當於聯營公司之投資成為於合營公司之投資，或於合營公司之投資成為於聯營公司之投資時，本集團繼續應用權益法。出現該等擁有權權益變動後不會重新計量公允值。

倘本集團減少其於聯營公司或合營公司之擁有權權益但本集團繼續使用權益法，則本集團於出售有關資產或負債時會將該收益或虧損重新分類至損益之情況下，會將先前就該等擁有權權益減少而於其他全面收益確認之收益或虧損按比例重新分類至損益。

倘一集團實體與本集團一家聯營公司或合營公司進行交易，與該聯營公司或合營公司進行交易所產生的損益僅於該聯營公司或合營公司的權益與本集團無關的情況下，才會在本集團的綜合財務報表確認。

### 分部報告

經營分部之報告方式與向主要營運決策者提供之內部報告方式一致。作出策略決定之本公司執行董事為主要營運決策者，負責分配資源並評核經營分部之表現。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Foreign currencies

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("functional currency").

Foreign currency transactions are translated into the functional currency of respective entities of the Group using the exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise except for:

- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings; and
- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the Group's interests.

## 2.4 主要會計政策概要(續)

### 外幣匯兌

本集團各個實體之財務報表所列項目均以該實體營運所在主要經濟環境之貨幣(「功能貨幣」)計量。

外幣交易應用交易日之匯率換算為集團附屬公司之功能貨幣。於各報告期終日，以外幣計值之貨幣項目按現行匯率於有關日期重新換算。當公允值已釐定時，按公允值計算並以外幣計值之非貨幣項目按有關日期以現行匯率換算。按歷史成本計算並以外幣計值之非貨幣項目並不重新換算。

因結付貨幣項目及重新換算貨幣項目而產生的匯兌差異於產生期間於損益確認，惟以下各項除外：

- 當有關日後生產使用之在建資產之外幣借貸匯兌差額被視為外幣借貸之利息成本之調整時，匯兌差額計入該等資產之成本；及
- 應收或應付一項海外業務之貨幣項目匯兌差額，既無計劃結算，發生結算之可能性亦不大，因而構成海外業務投資淨額之一部份，並初步於其他全面收益確認及於出售或部分出售本集團權益時由權益重新分類至損益。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Foreign currencies (Continued)

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the end of the reporting period;
- income and expenses for each statement of profit or loss are translated at average exchange rates (unless exchange rates fluctuate significantly during the period, in which case income and expenses are translated at the dates of the transactions).

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint venture or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the equity holders of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposal of associates or joint ventures that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments on identifiable assets and liabilities arising on an acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

## 2.4 主要會計政策概要 (續)

### 外幣匯兌 (續)

功能貨幣與列賬貨幣不同之所有集團實體(當中概無嚴重通脹貨幣)之業績及財務狀況按下列方法換算為列賬貨幣:

- 所呈列各份財務狀況表之資產及負債按報告日之收市匯率換算;
- 各損益表內之收入及支出按平均匯率換算, 除非此匯率於期內大幅波動; 在此情況下, 收入及支出按交易日之匯率換算。

於出售海外業務(即出售本集團於海外業務之全部權益, 或出售涉及失去包含海外業務附屬公司之控制權或出售於合營公司或聯營公司(包含海外業務)之部份權益, 當中的保留權益成為財務資產時)時, 就本公司股益持有人應佔之業務於權益累計之所有匯兌差額重新分類至損益。

此外, 有關出售附屬公司之部份權益, 卻不會導致本公司喪失對附屬公司的控制權時, 累計匯兌差額比例份額重新計入非控股股東權益且不於損益確認。其他之部分出售(即出售聯營公司或合營公司之部份權益, 卻不會導致本公司喪失重大影響力或共同控制), 累計匯兌差額比例部分重新分類至損益。

收購海外業務所產生可識別資產及負債之商譽及公允值調整視為該海外業務之資產及負債處理, 並按各報告期終的當時匯率換算。所產生之匯兌差額於其他全面收益確認。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Revenue from contracts with customers

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group’s performance as the Group performs;
- the Group’s performance creates or enhances an asset that the customer controls as the Group performs; or
- the Group’s performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract asset represents the Group’s right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9. In contrast, a receivable represents the Group’s unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group’s obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

## 2.4 主要會計政策概要(續)

### 客戶合約收入

當(或於)滿足履約義務時,本集團確認收入,即於特定履約義務的相關貨品或服務的「控制權」轉讓予客戶時確認。

履約責任指一項可明確區分的貨品或服務(或一批貨品或服務)或一系列大致相同的明確貨品或服務。

倘符合以下其中一項準則,則控制權隨時間轉移,而收入則參照完成相關履約責任的進展情況而隨時間確認:

- 隨本集團履約,客戶同時取得並耗用本集團履約所提供的利益;
- 本集團之履約創建或強化一資產,該資產於創建或強化之時即由客戶控制;或
- 本集團的履約並未產生對本集團有替代用途的資產,且本集團對迄今已完成履約之款項具有可執行之權利。

否則,收入於客戶獲得貨品或服務控制權的時間點確認。

合約資產指本集團就向客戶換取本集團已轉讓的貨品或服務收取代價的權利(尚未成為無條件)。其根據香港財務報告準則第9號評估減值。相反,應收款項指本集團收取代價的無條件權利,即代價付款到期前僅需時間推移。

合約負債指本集團因已自客戶收取對價(或已可自客戶收取對價),而須轉讓貨品或勞務予客戶之義務。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Revenue from contracts with customers (Continued)

A contract asset and a contract liability relating to the same contract are accounted for and presented on a net basis.

#### *Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation* Input method

The progress towards complete satisfaction of a performance obligation is measured based on input method, which is to recognise revenue on the basis of the Group's efforts or inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation, that best depicts the Group's performance in transferring control of goods or services.

#### *Existence of significant financing component*

In determining the transaction price, the Group adjusts the promised amount of consideration for the effects of the time value of money if the timing of payments agreed (either explicitly or implicitly) provides the customer or the Group with a significant benefit of financing the transfer of goods or services to the customer. In those circumstances, the contract contains a significant financing component. A significant financing component may exist regardless of whether the promise of financing is explicitly stated in the contract or implied by the payment terms agreed to by the parties to the contract.

For contracts where the period between payment and transfer of the associated goods or services is less than one year, the Group applies the practical expedient of not adjusting the transaction price for any significant financing component.

For advance payments received from customers before the transfer of the associated goods or services in which the Group adjusts for the promised amount of consideration for a significant financing component, the Group applies a discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception.

## 2.4 主要會計政策概要 (續)

### 客戶合約收入 (續)

與同一合約有關的合約資產及合約負債以淨額列賬。

#### *隨時間確認收入：衡量完成履約責任的進展情況* 投入法

完成履行履約責任的進展情況乃根據投入法衡量，即根據本集團為履行履約責任的付出或投入相比履行有關履約責任的總預期投入而確認收入，最能說明本集團於轉讓貨品或服務控制權時的表現。

#### *存在重大融資成分*

於釐定交易價格時，倘向客戶就轉移貨品或服務（不論以明示或暗示方式）而協定之付款時間為客戶或本集團帶來重大融資利益，則本集團就金錢時間值之影響而調整已承諾之代價金額。於該等情況下，合約存在重大融資成分。不論於合約中以明示呈列或合約訂約方協定之支付條款暗示融資承諾，合約中均存在重大融資成分。

就相關貨品或服務之支付與轉移期間少於一年之合約而言，本集團就任何重大融資成分應用不調整交易價格之可行權宜方法。

在轉移相關貨品或服務前，本集團將對已收取客戶之預收款項進行調整，本集團將應用與客戶之間於合約開始時獨立融資交易中反映之折現率，就重大融資成分而調整已承諾之代價金額。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Revenue from contracts with customers (Continued)

#### *Principal versus agent*

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent).

The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer.

The Group is an agent if its performance obligation is to arrange for the provision of the specified good or service by another party. In this case, the Group does not control the specified good or service provided by another party before that good or service is transferred to the customer. When the Group acts as an agent, it recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

#### *Contract costs*

##### *Incremental costs of obtaining a contract*

Incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained.

The Group recognises such costs (sales commissions) as an asset if it expects to recover these costs. The asset so recognised is subsequently amortised to profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the assets relate.

The Group applies the practical expedient of expensing all incremental costs to obtain a contract if these costs would otherwise have been fully amortised to profit or loss within one year.

## 2.4 主要會計政策概要 (續)

### 客戶合約收入 (續)

#### *主事人與代理*

倘向客戶提供貨品或服務涉及另一方，本集團會釐定其承諾性質是否為其本身提供指定貨品或服務的履約責任（即本集團為主事人），抑或是安排另一方提供該等貨品或服務（即本集團為代理）。

倘本集團於指定貨品或服務轉交客戶前控制該貨品或服務，則本集團為主事人。

倘本集團之履約責任為安排另一方提供指定貨品或服務，則本集團為代理。在此情況下，本集團於另一方所提供指定貨品或服務轉交客戶前並無控制該貨品或服務。倘本集團以代理身分行事，會就其預期於安排其他方提供指定貨品或服務時有權收取之任何費用或佣金金額確認收入。

#### *合約成本*

##### *獲得合約之增量成本*

獲得合約之增量成本指本集團取得客戶合約所產生之成本，倘未獲得該合約，則不會產生有關成本。

倘預期可收回有關成本，則本集團確認該等成本（銷售佣金）為一項資產。所確認資產隨後按與向客戶轉移有關該資產之貨品或服務一致之系統基準攤銷至損益。

倘該等成本將在一年內悉數攤銷至損益，則本集團將應用可行權宜方法，支銷所有獲得合約之增量成本。



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## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Leases

#### Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified or arising from business combinations on or after the date of initial application or arising from business combinations, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

#### The Group as a lessee

##### Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

As a practical expedient, leases with similar characteristics are accounted on a portfolio basis when the Group reasonably expects that the effects on the consolidated financial statements would not differ materially from individual leases within the portfolio.

##### Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis or another systematic basis over the lease term.

## 2.4 主要會計政策概要(續)

### 租賃

#### 租賃的定義

倘合約為換取代價轉讓已識別資產於一段時間內的控制使用權，則該合約為租賃或包含租賃。

對於首次應用日或之後或因業務合併而訂立或修訂或源於業務合併的合約，本集團根據香港財務報告準則第16號的定義，於開始日、修訂日或收購日(如適用)評估合約是否為一項租賃或包含一項租賃。除非合約條款及條件其後發生變更，否則不會對此類合約進行重新評估。

#### 本集團作為承租人

##### 分配代價至合約組成部分

就含有租賃成分以及一項或多項額外租賃或非租賃成分的合約而言，本集團根據租賃成分的相對獨立價格及非租賃成分的獨立價格總額將合約代價分配至各租賃成分。

作為實際權宜之計，當本集團合理預測對綜合財務報表的影響與組合內個別租賃並無重大差異時，具有類似特徵的租賃乃按組合基準入賬。

##### 短期租賃及低價值資產租賃

本集團將短期租賃確認豁免應用於租期自開始日期起為12個月或以下的租賃，且並不包括購買選擇權。其亦對低價值資產租賃應用確認豁免。短期租賃及低價值資產租賃之租賃付款於租期內按直線法或其他有系統的基準確認為開支。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Leases (Continued)

#### The Group as a lessee (Continued)

##### Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received; and
- any initial direct costs incurred by the Group.

Except for those that are classified as investment properties and measured under fair value model, right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. The right-of-use assets are buildings which are depreciated on a straight-line basis over the lease terms of 3 to 5 years.

The Group presents right-of-use assets that do not meet the definition of investment property or inventory in "property, plant and equipment", the same line item within which the corresponding underlying assets would be presented if they were owned. Right-of-use assets that meet the definition of investment property and inventory are presented within "investment properties" and "inventories" respectively.

## 2.4 主要會計政策概要(續)

### 租賃(續)

#### 本集團作為承租人(續)

##### 使用權資產

使用權資產成本包括：

- 租賃負債的初始計量金額；
- 於開始日或之前所作的任何租賃付款，減去所得的任何租賃優惠；及
- 本集團招致的任何初始直接成本。

除分類為投資物業及根據公允值模型計量者外，使用權資產按成本減任何累計折舊及減值虧損計量，並就任何重新計量租賃負債作出調整。

本集團可於租賃期末合理確定取得相關租賃資產擁有權的使用權資產自使用年期開始至結束折舊。使用權資產為樓宇，於3至5年的租期內按直線法折舊。

本集團將不符合投資物業或存貨定義的使用權資產呈列為「物業、廠房及設備」，倘對應相關資產為自有，其亦呈列至上述同一項目內。符合投資物業及存貨定義的使用權資產分別列入「投資物業」及「存貨」。

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## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Leases (Continued)

#### The Group as a lessee (Continued)

##### Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise the option; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) when the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

## 2.4 主要會計政策概要 (續)

### 租賃 (續)

#### 本集團作為承租人 (續)

##### 租賃負債

於租賃開始日，本集團按當日未付的租賃付款現值確認及計量租賃負債。在計算租賃付款的現值時，倘租賃中內涵的利率不易確定，則本集團使用租賃開始日的增量借款利率計算。

租賃付款包括：

- 固定付款(包括實質上之固定付款)減任何應收租賃獎勵；
- 取決於指數或利率的可變租賃付款，初始計量以開始日的指數或匯率釐定；
- 預計將根據剩餘價值擔保支付的金額；
- 合理確定本集團將行使的購買選擇權的行使價；及
- 倘租期反映本集團行使終止選擇權，則終止租賃而需支付的罰款。

於開始日後，租賃負債通過利息增加及租賃付款進行調整。

當租賃條款發生變化或行使購買選擇權的評估發生變化，本集團重新計算租賃負債(並對相關的使用權資產作出相應調整)，在此等情況下，通過使用重新評估日的經修訂折現率貼現經修訂租賃付款重新計量相關的租賃負債。

本集團於綜合財務狀況表將租賃負債呈列為獨立項目。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Leases (Continued)

#### The Group as a lessee (Continued)

##### Lease modifications

Except for Covid-19-related rent concessions in which the Group applied the practical expedient, the Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities and lease incentives from lessor by making corresponding adjustments to the relevant right-of-use asset. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

## 2.4 主要會計政策概要(續)

### 租賃(續)

#### 本集團作為承租人(續)

##### 租賃修改

除2019冠狀病毒相關租金減免中本集團應用可行權宜方法外，在下列情況下，本集團將租賃修改作為單獨租賃入賬：

- 該修改通過增加一項或多項相關資產的使用權利擴大租賃範圍；及
- 租賃代價增加的金額相當於範圍擴大對應的獨立價格，及按照特定合約的情況對獨立價格進行的任何適當調整。

就未作為單獨租賃入賬的租賃修改而言，本集團根據經修改租賃條款，通過使用修改生效日的經修訂貼現率貼現經修訂租賃付款並重新計量租賃負債。

本集團透過對相關使用權資產作出相應調整將租賃負債及來自出租人的租賃獎勵的重新計量入賬。倘一份經修訂合約包含租賃部份及一個或以上額外租賃或非租賃部份，本集團按租賃部份的相對獨立價格及非租賃部份的獨立價格總額基準將經修訂合約代價分配至各租賃部份。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Leases (Continued)

#### *The Group as a lessee (Continued)*

##### Covid-19-related rent concessions

In relation to rent concessions that occurred as a direct consequence of the Covid-19 pandemic, the Group has elected to apply the practical expedient not to assess whether the change is a lease modification if all of the following conditions are met:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments originally due on or before 30 June 2022; and
- there is no substantive change to other terms and conditions of the lease.

A lessee applying the practical expedient accounts for changes in lease payments resulting from rent concessions the same way it would account for the changes applying HKFRS 16 if the changes are not a lease modification. Forgiveness or waiver of lease payments are accounted for as variable lease payments. The related lease liabilities are adjusted to reflect the amounts forgiven or waived with a corresponding adjustment recognised in the profit or loss in the period in which the event occurs.

## 2.4 主要會計政策概要 (續)

### 租賃 (續)

#### *本集團作為承租人 (續)*

##### 2019冠狀病毒相關租金減免

就2019冠狀病毒疫情直接導致的租金減免而言，本集團已選擇在滿足下列所有條件時應用可行權宜方法不評估有關變動是否為一項租賃修改：

- 租賃付款變動導致的租賃的經修訂代價與緊接變動前的租賃代價基本相同或低於該代價；
- 租賃付款的減少僅影響原定於二零二二年六月三十日或之前到期的付款；及
- 租賃的其他條款及條件並無實質性變動。

應用可行權宜方法將租金減免導致的租賃付款變動列賬的承租人將以同一方式將應用香港財務報告準則第16號的變動入賬（倘變動並非租賃修訂）。租賃付款的寬免或豁免被入賬列作可變租賃付款。相關租賃負債獲調整以反映寬免或豁免的金額，並於該事件發生的期間內在損益中確認相應調整。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Leases (Continued)

#### *The Group as a lessor*

##### Classification and measurement of leases

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognised as an expense on a straight-line basis over the lease term except for investment properties measured under fair value model.

Rental income which are derived from the Group's ordinary course of business are presented as revenue.

##### Allocation of consideration to components of a contract

When a contract includes both leases and non-lease components, the Group applies HKFRS 15 *Revenue from Contracts with Customers* ("HKFRS 15") to allocate consideration in a contract to lease and non-lease components. Non-lease components are separated from lease component on the basis of their relative stand-alone selling prices.

##### Sublease

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset.

## 2.4 主要會計政策概要 (續)

### 租賃 (續)

#### *本集團作為出租人*

##### 租賃之分類及計量

本集團為出租人的租賃分類為融資或經營租賃。倘租賃條款將與相關資產所有權有關的絕大部分風險及回報轉移予承租人，合約則被分類為融資租賃。所有其他租賃均分類為經營租賃。

經營租賃租金收入以直線法按相關租賃期於損益內確認。就經營租賃進行磋商和作出安排所產生的初始直接成本，會加入租賃資產的賬面值，而有關成本以直線法按租賃期確認為開支，惟本集團的投資物業按公允值模型計量除外。

來自本集團日常業務過程的租金收入呈列為收益。

##### 分配代價至合約的部分

倘合約包括租賃及非租賃部分，則本集團應用香港財務報告準則第15號「來自客戶合約的收益」(「香港財務報告準則第15號」)將合約的代價分配予租賃及非租賃部分。非租賃部分根據其相對獨立售價與租賃部分分開。

##### 分租

當本集團為中介出租人時，目標集團會將主租賃與分租賃入賬列為兩項獨立合約。本集團參照主租賃所產生之使用權資產(而非相關資產)將分租賃分類為融資或經營租賃。



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## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Leases (Continued)

#### *The Group as a lessor (Continued)*

##### Lease modification

Changes in considerations of lease contracts that were not part of the original terms and conditions are accounted for as lease modifications, including lease incentives provided through forgiveness or reduction of rentals.

The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

##### *Sale and leaseback transactions*

The Group applies the requirements of HKFRS 15 to assess whether sale and leaseback transaction constitutes a sale by the Group.

##### *The Group as a seller-lessee*

For a transfer that satisfies the requirements as a sale, the Group as a seller-lessee measures the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset retained and recognises any gain or loss that relates to the rights transferred to the buyer-lessor only.

## 2.4 主要會計政策概要 (續)

### 租賃 (續)

#### *本集團作為出租人 (續)*

##### 租賃修訂

不屬於原條款及條件的租賃合約代價的變化作為租賃修訂入帳，包括透過免除或減少租金提供的租賃獎勵。

本集團由經營租賃修訂之生效日期起將修改入賬列為新租賃，當中會將任何就原租賃預付或累計之租賃付款視為新租賃之租賃付款的一部分。

##### *售後回租交易*

本集團應用香港財務報告準則第15號規定評估售後回租交易是否構成本集團的銷售。

##### *本集團作為賣方承租人*

就符合銷售規定的轉讓而言，本集團作為賣方承租人按該保留資產先前賬面值比例計量由回租產生的使用權資產並僅就轉讓予購買出租人的權利涉及的任何盈虧予以確認。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Any specific borrowing that remain outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

### Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are included in the "other income".

## 2.4 主要會計政策概要(續)

### 借款成本

可直接歸屬且需經較長時間進行購建活動方能達至預定可使用或出售狀態之合資格資產購建或生產之借款成本，計入該等資產之成本，直至達至其預定可使用或出售狀態為止。

任何於相關資產準備用於其擬定用途或出售後仍未償還的特定借款會計入一般借款組別，以計算一般借款的資本化比率。在特定借款撥作合資格資產支出前之暫時投資所賺取之投資收入，須自合資格資本化之借款成本中扣除。

所有其他借款成本於其產生期間於損益確認。

### 政府補助金

政府補助金不會被確認，直至在能夠合理確保本集團將會遵守附加於其上之條件以及確保可收到補助金時確認。

政府補助金乃就本集團確認有關成本為開支(預期補助金旨在補償之開支)期間按系統化之基準於損益中確認。須明確的是，政府補助金首要條件為本集團購買、建造或以其他方式取得非流動資產，政府補助金於綜合財務狀況表確認為遞延收入，並按有關資產可使用年期按系統化之基準轉撥至損益。

作為已產生開支或虧損之補償或向本集團提供即時財務資助(並無日後相關成本)而應收與收入有關的政府補助，乃於其成為應收款項之期間於損益中確認。此補助計入「其他收入」項下。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repair and maintenance costs are expensed in the profit or loss during the period in which they are incurred.

Depreciation is calculated on the straight-line basis to allocate the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Leasehold land and buildings	2%–5%
Leasehold improvements	Over the remaining period of the lease
Machinery	5%–25%
Furniture, fixtures and equipment	15%–25%
Motor vehicles	20%–30%

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Gain and loss on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the profit or loss.

## 2.4 主要會計政策概要(續)

### 物業、廠房及設備

物業、廠房及設備按歷史成本減累計折舊及減值虧損列賬。歷史成本包括收購該項目直接應佔之開支。

其後成本僅在與該項目相關之未來經濟利益很有可能流入本集團，且該項目之成本能可靠計量時，方計入資產之賬面值或確認為獨立資產(視適用情況而定)。已更換部分之賬面值會終止確認。所有其他維修及保養成本在產生期間內於損益列支。

折舊以直線法按每個物業、廠房及設備項目之估計可使用年期將成本分配至剩餘價值計算。就此目的所採用之主要年率如下：

租賃土地及樓宇	2%–5%
租賃物業裝修	剩餘租賃期
機器	5%–25%
傢具、裝置及設備	15%–25%
車輛	20%–30%

估計可使用年期、餘值及折舊法於各報告期末檢討，任何估計變動的影響按未來適用基準列賬。

出售收益及虧損乃按賬面值與所得款項之比較而定，並於損益內確認。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation (including properties under construction for such purposes).

Investment properties also include leased properties which are being recognised as right-of-use assets upon application of HKFRS 16 and subleased by the Group under operating leases.

Investment properties are measured initially at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at their fair value, adjusted to exclude any prepaid or accrued operating lease income.

Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

Construction costs incurred for investment properties under construction are capitalised as part of the carrying amount of the investment properties under construction.

If a property becomes an investment property because its use has been changed as evidenced by end of owner-occupation, any differences between the carrying amount and the fair value of that item (including the relevant leasehold land classified as right-of-use assets) at the date of transfer is recognised in other comprehensive income and accumulated in property revaluation reserve. On the subsequent sale or retirement of the property, the relevant revaluation reserve will be transferred directly to retained earnings.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. A leased property which is recognised as a right-of-use asset is derecognised if the Group as intermediate lessor classifies the sublease as a finance lease. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

## 2.4 主要會計政策概要(續)

### 投資物業

投資物業指持作賺取租金及／或資本升值之物業(包括就該用途的在建中物業)。

投資物業亦包括租賃物業，該等租賃物業於應用香港財務報告準則第16號時確認為使用權資產，並由本集團根據經營租賃分租。

投資物業最初按成本計量(包括任何直接應佔支出)。在首次確認後，投資物業按其公允值計量，就撇除任何預付或應計營運租賃收入而作出調整。

投資物業公允值變動產生的收益或虧損於其產生期間計入損益。

在建投資物業所產生之建造成本資本化為在建中投資物業賬面值之部分。

如有物業因用途改變(以業主終止佔用為證)而變成投資物業，則該項目賬面值與轉撥日公允值間之差額(包括分類為使用權資產的相關租賃土地)於其他全面收益確認及於物業重估儲備中累計。其後物業出售或報廢時，相關重估儲備將直接轉移至保留盈利。

投資物業於出售或永久作廢時且預期出售並無未來經濟收益時終止確認。倘本集團(作為中間出租人)將分租分類為融資租賃，則終止確認為使用權資產的租賃物業。終止確認物業產生的任何收益或虧損(按出售所得淨款及資產賬面值差額計算)於物業終止確認期間計入損益。

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## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Investment properties (Continued)

#### *Transfer from inventories to investment properties carried at fair value*

The Group transfers a property from inventories to investment properties when there is a change in use to hold the property to earn rentals or/and for capital appreciation rather than for sale in the ordinary course of business, which is evidenced by the inception of an operating lease to another party. Any difference between the fair value of the property at the date of transfer and its previous carrying amount is recognised in profit or loss.

### Impairment on property, plant and equipment, right-of-use assets and contract costs

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets and contract costs with finite useful lives to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss, if any.

The recoverable amount of property, plant and equipment and right-of-use assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

## 2.4 主要會計政策概要(續)

### 投資物業(續)

#### *從存貨轉撥至以公允值列賬的投資物業*

當持有物業的目的發生改變，以賺取租金或／及實現資本增值，而非於日常業務過程中出售(以向另一方提供經營租賃開始為證)時，本集團將存貨轉至投資物業。於轉撥日期之物業公允值與其先前賬面金額之間的任何差異於損益表確認。

### 物業、廠房及設備、使用權資產及合約成本的減值

於報告期末，本集團對使用年限釐定的物業、廠房及設備、使用權資產及合約成本之賬面值進行審閱，以釐定該等資產是否出現減值跡象。倘出現任何有關跡象，則對該等相關資產之可收回金額進行估算，以釐定減值虧損之程度(如有)。

物業、廠房及設備及使用權資產的可收回金額個別估計。倘若不大可能個別估計可收回金額，則本集團估計資產所屬現金產生單位的可收回金額。

於測試現金產生單位的減值時，倘可設立合理及一致的分配基準，則公司資產分配至相關現金產生單位，或分配至現金產生單位內可設立合理及一致分配基準的最小組別。可收回金額按公司資產所屬現金產生單位或現金產生單位組別釐定，並與相關現金產生單位或現金產生單位組別的賬面值相比較。

## 2.4 SUMMARY OF SIGNIFICANT

### ACCOUNTING POLICIES (CONTINUED)

#### Impairment on property, plant and equipment, right-of-use assets and contract costs (Continued)

Before the Group recognises an impairment loss for assets capitalised as contract costs under HKFRS 15, the Group assesses and recognises any impairment loss on other assets related to the relevant contracts in accordance with applicable standards. Then, impairment loss, if any, for assets capitalised as contract costs is recognised to the extent the carrying amounts exceeds the remaining amount of consideration that the Group expects to receive in exchange for related goods or services less the costs which relate directly to providing those goods or services that have not been recognised as expenses. The assets capitalised as contract costs are then included in the carrying amount of the cash-generating unit to which they belong for the purpose of evaluating impairment of that cash-generating unit.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

## 2.4 主要會計政策概要(續)

#### 物業、廠房及設備、使用權資產及合約成本的減值(續)

在本集團根據香港財務報告準則第15號將資本化為合約成本之資產確認減值虧損前，本集團按適用準則評估和確認任何與相關合約有關的其他資產減值虧損。屆時，倘賬面值超過本集團預期收取以換取相關貨品或服務的對價餘額減與直接關於提供該等貨品或服務的成本(已確認為開支)，則就作為合約成本的資本化資產而言之減值虧損(如有)得以確認。作為合約成本的資本化資產屆時就評估相關現金產生單位減值，而計入它們所屬的現金產生單位之賬面值。

可收回金額為公允值減去銷售成本及使用價值兩者中之較高者。於評估使用價值時，估計未來現金流量乃以稅前貼現率貼現至現值，該貼現率能反映當前市場所評估之貨幣時間值及資產(或現金產生單位)特定風險(就此而言，未來現金流量估計尚未作出調整)。



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## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Impairment on property, plant and equipment, right-of-use assets and contract costs (Continued)

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or a group of cash-generating units) other than goodwill is increased to the revised estimate of its recoverable amount, the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

## 2.4 主要會計政策概要(續)

### 物業、廠房及設備、使用權資產及合約成本的減值(續)

倘資產(或現金產生單位)之估計可收回金額低於其賬面值，則有關資產(或現金產生單位)之賬面值將減低至其可收回金額。就未能按合理一致的基準分配至現金產生單位的企業資產或部分企業資產，本集團會比較一個組別的現金產生單位賬面值(包括已分配至該組現金產生單位的企業資產或部分企業資產的賬面值)與該組現金產生單位的可收回金額。分配減值虧損時，首先分配減值虧損以減少商譽(倘適用)的賬面值，其後根據有關單位內各項資產或一組現金產生單位之賬面值按比例分配至其他資產。一項資產之賬面值不會減至其公允價值減出售成本(倘可計量)、其使用價值(倘可釐定)與零之最高者以下。原本會分配至資產之減值虧損金額會按比例分配至該單位內其他資產或一組現金產生單位。減值虧損即時於損益中確認。

倘減值虧損其後撥回，則資產賬面值(或現金產生單位或一組現金產生單位)增至其可收回數額之經修訂估算，增加之賬面值不得高於在往年並未確認資產(或現金產生單位或一組現金產生單位)減值虧損時釐定之賬面值。減值虧損撥回即時於損益中確認。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Inventories

Inventories are stated at the lower of cost and net realisable value. Inventories represent properties under development and completed properties held for sale.

Properties under development which are intended to be sold upon completion of development and properties for sale are classified as current assets. Except for the leasehold land element which is measured at cost model in accordance with the accounting policies of right-of-use assets upon the application of HKFRS 16, properties under development/properties for sale are carried at the lower of cost and net realisable value. Cost is determined on a specific identification basis including allocation of the related development expenditure incurred and where appropriate, borrowing costs capitalised. Net realisable value represents the estimated selling price for the properties less estimated cost to completion and costs necessary to make the sales.

Properties under development for sale are transferred to properties for sale upon completion.

## 2.4 主要會計政策概要(續)

### 存貨

存貨以成本及可變現淨值的較低者呈列。存貨指發展中物業及持作銷售之已落成物業。

擬於發展完成後出售的發展中物業及待售物業被分類為流動資產。除租賃土地部分於應用香港財務報告準則第16號後按照使用權資產之會計政策計量外，發展中物業／待售物業以成本及可變現淨值兩者之較低者入賬。成本按特定識別基準釐定，包括分配所產生之有關開發成本及(倘適用)資本化借貸成本。可變現淨值指物業估計售價減完成銷售之估計成本及作出銷售之必要成本。

發展中待售物業於落成後轉撥至持作出售物業。

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## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

## 2.4 主要會計政策概要(續)

### 財務工具

倘集團實體成為該工具合約條文之訂約方，應確認財務資產及財務負債。所有以常規方式購入或出售財務資產乃按交易日期基準確認及終止確認。以常規方式購入或出售指須於市場規定或慣例所訂時限內交付資產的財務資產購入或出售。

財務資產及財務負債初步按公允值計量，源於客戶合約的貿易應收款項按香港財務報告準則第15號初步計量。收購或發行財務資產及財務負債(透過損益按公允值列賬的財務資產及財務負債除外)直接應佔之交易成本於初始確認時從財務資產或財務負債之公允值加入或扣除(如適用)。收購透過損益按公允值列賬的財務資產或財務負債直接應佔的交易成本即時於損益確認。

實際利率法為計算財務資產或財務負債的攤銷成本及按有關期間攤分利息收入及利息開支之方法。實際利率是按財務資產或財務負債之預計年期或較短期間(如適用)，將估計未來現金收入及付款(包括支付或收取構成實際利率組成部份的所有費用及點數、交易成本及其他溢價或折價)準確折讓至初步確認時的賬面淨值之比率。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Financial instruments (Continued)

#### Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income:

- the financial asset is held within a business model whose objective is achieved by both selling and collecting contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value through profit or loss, except that at initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 *Business Combinations* applies.

## 2.4 主要會計政策概要 (續)

### 財務工具 (續)

#### 財務資產

財務資產的分類及期後計量

滿足以下條件其後按攤銷成本計量的財務資產：

- 以收取合約現金流量為目的而持有資產之經營模式下持有之財務資產；及
- 合約條款於指定日期產生之現金流量純粹為支付本金及未償還本金之利息。

滿足以下條件其後透過其他全面收益按公允值計量的財務資產：

- 同時以收取合約現金流量及出售為目的而持有資產之經營模式下持有之財務資產；及
- 合約條款於指定日期產生之現金流量純粹為支付本金及未償還本金之利息。

所有其他財務資產其後按公允值計入損益計量，惟在初始確認財務資產之日，倘該股本投資並非持作買賣，亦非收購方在香港財務報告準則第3號「業務合併」所適用的業務合併中確認的或然代價，本集團可不可撤銷地選擇於其他綜合收益呈列股本投資公允值的其後變動。

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## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Financial instruments (Continued)

#### Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or fair value through other comprehensive income as measured at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch.

## 2.4 主要會計政策概要 (續)

### 財務工具 (續)

#### 財務資產 (續)

財務資產的分類及期後計量 (續)

倘符合下列條件，則財務資產乃視作為持作買賣：

- 其主要取得目的為於短期內出售；或
- 於初步確認時，其為本集團共同管理之可識別財務工具組合的一部分，並具有短期套利的近期實際模式；或
- 其屬於並非指定及作為有效對沖工具的衍生工具。

此外，倘如此可消除或大幅減少會計錯配，則本集團可不可撤銷地指定符合按攤銷成本或透過其他全面收益按公允值計量之財務資產按公允值計入損益計量。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Financial instruments (Continued)

#### Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

(i) *Amortised cost and interest income*

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

(ii) *Equity instruments designated as at fair value through other comprehensive income*

Investments in equity instruments at fair value through other comprehensive income are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investment revaluation reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will be transferred to retained earnings.

Dividends from these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "other income" line item in profit or loss.

## 2.4 主要會計政策概要 (續)

### 財務工具 (續)

#### 財務資產 (續)

財務資產的分類及期後計量 (續)

(i) *攤銷成本及利息收入*

其後按攤銷計量的財務資產乃使用實際利息法予以確認利息收入。利息收入乃對一項財務資產賬面總值應用實際利率予以計算，惟其後出現信用減值的財務資產除外。就其後出現信用減值的財務資產而言，自下一報告期起，利息收入乃對財務資產攤銷成本應用實際利率予以確認。倘出現信用減值之財務工具的信用風險好轉，使財務資產不再出現信用減值，於釐定資產不再出現信用減值後，自報告期開始起利息收入乃對財務資產賬面總值應用實際利率予以確認。

(ii) *指定為透過其他全面收益按公允價值計量之權益工具*

指定為透過其他全面收益按公允價值計量之權益工具的投資其後按公允價值計量，其公允價值變動產生的收益及虧損於其他綜合收益確認及於投資重估儲備累積；無須作減值評估。累計損益將不會重新分類至出售股本投資之損益，並將轉撥至保留盈利。

當本集團確認收取股息的權利時，該等權益工具投資的股息於損益中確認，除非股息明確表示為收回部分投資成本。股息計入損益中「其他收入」的項目中。



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## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Financial instruments (Continued)

#### Financial assets (Continued)

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9

The Group performs impairment assessment under expected credit loss (“ECL”) model on financial assets (including cash and bank deposits and trade and other receivables), and other items (lease receivables, contract assets and financial guarantee contracts) which are subject to impairment assessment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL (“12m ECL”) represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment is done based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables, contract assets and lease receivables. The ECL on these assets are assessed individually for debtors with significant increase in credit risk or related parties and collectively for the rest using a provision matrix with appropriate groupings.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

## 2.4 主要會計政策概要 (續)

### 財務工具 (續)

#### 財務資產 (續)

財務資產減值及香港財務報告準則第9號項下須進行減值評估的其他項目

本集團就財務資產(包括現金及銀行存款以及貿易及其他應收款項)及其他項目(應收租賃款項、合約資產及財務擔保合約)(須根據香港財務報告準則第9號作出減值)進行預期信貸虧損(「預期信貸虧損」)模型項下的減值評估。預期信貸虧損金額於各報告日期更新,以反映信貸風險自初始確認以來的變動。

全期預期信貸虧損指於相關工具於預計壽命內所有可能的違約事件而導致的預期信貸虧損。相反,12個月預期信貸虧損(「12個月預期信貸虧損」)則指預期於報告日期後12個月內可能發生的違約事件而導致的部分全期預期信貸虧損。評估乃根據本集團過往信貸虧損經驗,並根據債務人特定因素、綜合經濟狀況以及對於報告日期之當時狀況及未來狀況預測的評估作調整。

本集團一直就貿易應收款項、合約資產及應收租賃款項確認全期預期信貸虧損。該等資產的預期信貸虧損對於信貸風險顯著增加的應收款項或關聯方進行個別評估及對於剩餘其他資產使用具有適當分組的撥備矩陣而進行集體評估。

就所有其他工具而言,本集團計量虧損撥備等於12個月預期信貸虧損,除非當信貸風險自初始確認以來顯著上升,則於該情況下本集團確認全期預期信貸虧損。評估是否應確認年期預期信貸虧損乃根據自初始確認以來發生違約的可能性或風險顯著上升而定。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Financial instruments (Continued)

#### Financial assets (Continued)

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 (Continued)

##### (i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

## 2.4 主要會計政策概要 (續)

### 財務工具 (續)

#### 財務資產 (續)

財務資產減值及香港財務報告準則第9號項下須進行減值評估的其他項目 (續)

##### (i) 信貸風險顯著增加

於評估信貸風險是否自初始確認以來已顯著增加時，本集團比較財務工具於報告日出現違約的風險與該財務工具於初始確認日出現違約的風險。進行此評估時，本集團會考慮合理及有理據的定量及定性資料，包括過往經驗及毋須付出不必要成本或努力即可獲得的前瞻性資料。

特別是，在評估信貸風險是否顯著增加時，會考慮下列資料：

- 財務工具的外部 (如有) 或內部信貸評級的實際或預期顯著惡化；
- 外部市場信貸風險指標顯著惡化，例如信貸息差及債務人的信貸違約掉期價格顯著增加；
- 業務、財務或經濟狀況出現或預期出現不利變動，預期將導致債務人履行其債務責任的能力顯著下降；
- 債務人經營業績出現實際或預期出現顯著惡化；
- 債務人監管、經濟或技術環境出現實際或預期出現重大不利變動，導致債務人履行其債務責任的能力大幅下降。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Financial instruments (Continued)

#### Financial assets (Continued)

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 (Continued)

#### (i) Significant increase in credit risk (Continued)

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if i) it has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

## 2.4 主要會計政策概要 (續)

### 財務工具 (續)

#### 財務資產 (續)

財務資產減值及香港財務報告準則第9號項下須進行減值評估的其他項目 (續)

#### (i) 信貸風險顯著增加 (續)

儘管如此，倘一項債務工具於報告日期確定為信貸風險較低，則本集團假設該債務工具的信貸風險自初始確認以來並無顯著增加。倘一項債務工具i) 違約風險較低；ii) 借款人近期具充分償付合約現金流量負債的能力；及iii) 長遠而言經濟及業務狀況的不利變動可能但未必會降低借款人償付合約現金流量負債的能力，則該項債務工具可確定為信貸風險較低。

就財務擔保合約而言，本集團成為不可撤銷承擔條文之訂約方的日期被視為財務工具之初始確認日期並用作日後評估減值。於評估財務擔保合約之信貸風險是否自初始確認以來已顯著上升時，本集團考慮風險轉變導致特定債務人於該合約違約的情況。

本集團定期監控用以識別信用風險有否顯著增加的標準之效益，且修訂標準(如適當)來確保標準能在金額逾期前識別信用風險顯著增加。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Financial instruments (Continued)

#### Financial assets (Continued)

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 (Continued)

#### (ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

#### (iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- (e) the disappearance of an active market for that financial asset because of financial difficulties.

## 2.4 主要會計政策概要 (續)

### 財務工具 (續)

#### 財務資產 (續)

財務資產減值及香港財務報告準則第9號項下須進行減值評估的其他項目 (續)

#### (ii) 違約定義

就內部信貸風險管理而言，本集團認為，違約事件在內部制訂或得自外界來源的資料顯示債務人不大可能悉數向債權人（包括本集團）還款（未計及本集團所持任何抵押品）時發生。

#### (iii) 出現信用減值之財務資產

財務資產在一項或以上事件（對該財務資產估計未來現金流量構成不利影響）發生時出現信用減值。財務資產出現信用減值的證據包括有關下列事件的可觀察數據：

- (a) 發行人或借款人的重大財困；
- (b) 違反合約（如違約或逾期事件）；
- (c) 借款人的貸款人因有關借款人財困的經濟或合約理由而向借款人批出貸款人不會另行考慮的優惠；
- (d) 借款人將可能陷入破產或其他財務重組；或
- (e) 該財務資產因財政困難而失去活躍市場。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Financial instruments (Continued)

#### Financial assets (Continued)

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 (Continued)

#### (iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

#### (v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group uses a practical expedient in estimating ECL on trade receivables using a provision matrix taking into consideration historical credit loss experience, adjusted for forward looking information that is available without undue cost or effort.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition. For a lease receivable, the cash flows used for determining the ECL is consistent with the cash flows used in measuring the lease receivable in accordance with HKFRS 16.

## 2.4 主要會計政策概要 (續)

### 財務工具 (續)

#### 財務資產 (續)

財務資產減值及香港財務報告準則第9號項下須進行減值評估的其他項目 (續)

#### (iv) 撇銷政策

資料顯示交易方處於嚴重財困及無實際收回可能時(例如交易方被清盤或已進入破產程序時),本集團則撇銷財務資產。經考慮法律意見後(倘合適),遭撇銷的財務資產可能仍須按本集團收回程序進行強制執行活動。撇銷構成終止確認事項。任何其後收回在損益中確認。

#### (v) 預期信貸虧損的計量及確認

預期信貸虧損的計量乃違約概率、違約虧損率(即違約造成虧損的幅度)及違約風險的函數。違約概率及違約虧損率的評估基於歷史數據並結合前瞻性資料調整。預期信貸虧損的預估乃無偏概率加權平均金額,以各自發生違約的風險為權重確定。本集團經考慮過往信貸虧損經驗後使用撥備矩陣並應用實際權益法估計貿易應收款項的預期信貸虧損,並按毋需花費不必要成本或精力可取得的前瞻性資料調整。

一般而言,預期信貸虧損為根據合約應付本集團的所有合約現金流量與本集團預期收取的現金流量之間的差額,並以初始確認時釐定的貼現率貼現。就應收租賃款項而言,釐定預期信貸虧損所用的現金流量與根據香港財務報告準則第16號計量應收租賃所用的現金流量一致。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Financial instruments (Continued)

#### Financial assets (Continued)

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 (Continued)

#### (v) Measurement and recognition of ECL (Continued)

For a financial guarantee contract, the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed. Accordingly, the ECL is the present value of the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

For ECL on financial guarantee contracts for which the effective interest rate cannot be determined, the Group will apply a discount rate that reflects the current market assessment of the time value of money and the risks that are specific to the cash flows but only if, and to the extent that, the risks are taken into account by adjusting the discount rate instead of adjusting the cash shortfalls being discounted.

Lifetime ECL for certain trade receivables are considered on a collective basis taking into consideration past due information and relevant credit information such as forward-looking macroeconomic information.

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

## 2.4 主要會計政策概要(續)

### 財務工具(續)

#### 財務資產(續)

財務資產減值及香港財務報告準則第9號項下須進行減值評估的其他項目(續)

#### (v) 預期信貸虧損的計量及確認(續)

就財務擔保合約而言，本集團僅須在債務人違約時根據其給予擔保之合約條款償付款項。因此，預期信貸虧損為本集團為債務人償還之款項的現值扣除預期從債務人或其他訂約方收取之款項。

就無法釐定實際利率的財務擔保合約的預期信貸虧損而言，本集團將採納一個能夠反映當前市場所評估之貨幣時間值及現金流特定風險的貼現率估計預期信貸虧損。在考慮現金流特定風險時，其風險將在貼現率調整反映而非透過調整該被折現的現金流量。

若干應收交易款項的全期預期信貸虧損經考慮過往逾期資料及前瞻性宏觀經濟資料等相關信貸資料按集體基準考慮。

就集體評估而言，本集團訂立組別時考慮以下特徵：

- 逾期狀況；
- 債務人的性質、規模和行業；及
- 外部信貸評級(倘有)。



## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Financial instruments (Continued)

#### Financial assets (Continued)

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 (Continued)

#### (v) Measurement and recognition of ECL (Continued)

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

For financial guarantee contracts, the loss allowances are recognised at the higher of the amount of the loss allowance determined in accordance with HKFRS 9; and the amount initially recognised less, where appropriate, cumulative amount of income recognised over the guarantee period.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by recognising the corresponding adjustment through a loss allowance account, with the exception of financial guarantee contracts where the Group recognises an impairment gain or loss by adjusting their carrying amount.

#### Derecognition/modification of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

## 2.4 主要會計政策概要 (續)

### 財務工具 (續)

#### 財務資產 (續)

財務資產減值及香港財務報告準則第9號項下須進行減值評估的其他項目 (續)

#### (v) 預期信貸虧損的計量及確認 (續)

歸類工作經管理層定期檢討，以確保各組別成份繼續分擔類似信貸風險特性。

利息收入按財務資產的總賬面值計算，倘財務資產信貸減值，則利息收入按財務資產的攤銷成本計算。

就財務擔保合約而言，虧損撥備按根據香港財務報告準則第9號釐定的虧損撥備，與首次確認的金額減(如適用)於擔保期間確認的累計收入款項的較高者確認。

本集團通過調整所有財務工具的虧損撥備於損益確認其減值收益或虧損，惟財務擔保合約除外，本集團通過調整其賬面值確認減值損益。

#### 終止確認/修訂財務資產

僅於資產現金流量之合約權利屆滿時，或將財務資產擁有權絕大部分風險及回報轉讓予另一實體時，本集團方會終止確認財務資產。

於終止確認按攤銷本計量之財務資產時，資產賬面值與已收或應收代價之總和之差額，將於損益確認。



## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Financial instruments (Continued)

#### Financial assets (Continued)

##### Derecognition/modification of financial assets (Continued)

On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

A modification of a financial asset occurs if the contractual cash flows are renegotiated or otherwise modified.

When the contractual terms of a financial asset are modified, the Group assesses whether the revised terms result in a substantial modification from original terms taking into account all relevant facts and circumstances including qualitative factors. If qualitative assessment is not conclusive, the Group considers the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received, and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial asset, after reducing gross carrying amount that has been written off.

For non-substantial modifications of financial assets that do not result in derecognition, the carrying amount of the relevant financial assets will be calculated at the present value of the modified contractual cash flows discounted at the financial assets' original effective interest rate. Transaction costs or fees incurred are adjusted to the carrying amount of the modified financial assets and are amortised over the remaining term. Any adjustment to the carrying amount of the financial asset is recognised in profit or loss at the date of modification.

## 2.4 主要會計政策概要(續)

### 財務工具(續)

#### 財務資產(續)

##### 終止確認/修訂財務資產(續)

於終止確認時本集團於初始確認時選擇透過其他全面收益按公允值計量的股本工具投資時，先前於投資重估儲備累計之累計溢利或虧損不會重新分類至損益，惟會轉撥至保留盈利。

倘合約現金流量重新磋商或以其他方式修訂，則產生財務資產的修改。

當財務資產的合約條款被修訂時，本集團會考慮所有相關因素及情況(包括定性因素)，評估經修訂的條款是否導致對原有條款有重大修訂。倘定性評估並無定論，則倘根據新條款的現金流量(包括任何已付費用扣除任何已收費用，並使用原實際利率貼現)的貼現值與原財務資產剩餘現金流量的貼現值經計及已撇銷的賬面總值後相差至少10%，則本集團認為該等條款有重大差異。

就不會導致財務資產取消確認的不重大修訂而言，相關財務資產的賬面值將會按金融資產的原有實際利率貼現的經修訂合約現金流量的現值計算。產生的交易成本或費用已調整至經修訂財務資產的賬面值，並於餘下年期予以攤銷。財務資產賬面值的任何調整於修訂日期在損益確認。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Financial instruments (Continued)

#### Financial liabilities and equity instruments

##### Classification as debt or equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

##### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Perpetual capital instruments, which include no contractual obligations for the Group to deliver cash or other financial assets or the Group has the sole discretion to defer payment of distribution and redemption of principal amount indefinitely are classified as equity instruments.

##### Financial liabilities

Financial liabilities including borrowings and trade and other payables are subsequently measured at amortised cost using effective interest method.

##### Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument. Financial guarantee contract liabilities are measured initially at their fair values. It is subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with HKFRS 9; and
- the amount initially recognised less, where appropriate, cumulative amortisation recognised over the guarantee period.

## 2.4 主要會計政策概要 (續)

### 財務工具 (續)

#### 財務負債及權益工具

##### 債務或權益工具之分類

由本集團發行之債務及權益工具，按合約之安排性質，以及財務負債及權益工具的定義分類為財務負債或權益工具。

##### 權益工具

權益工具是一種合約，可以證明在本集團扣除所有負債之後所剩的資產權益。由本集團發行之權益工具以扣減直接發行成本後所收之款項確認。

永久資本工具，包括本集團並無交付現金或其他財務資產或本集團可全權酌情無限期遞延分配付款及贖回本金的合約義務，被分類為權益工具。

##### 財務負債

財務負債(包括借貸及貿易及其他應付款項)其後使用實際利率法攤銷成本計量。

##### 財務擔保合約

財務擔保合約為發行人須因指定債務人未能根據債務工具之條款支付到期款項致使持有人蒙受損失時，向持有人償付指定款項之合約。財務擔保合約負債初步按其公允值計量，並其後按以下較高者計量：

- 根據香港財務報告準則第9號釐定的虧損撥備金額；及
- 初步確認的金額減(如適用)於擔保期內確認之累計攤銷。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Financial instruments (Continued)

#### *Financial liabilities and equity instruments (Continued)*

##### *Derecognition/substantial modification of financial liabilities*

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the contractual terms of a financial liability are modified, the Group assess whether the revised terms result in a substantial modification from original terms taking into account all relevant facts and circumstances including qualitative factors. If qualitative assessment is not conclusive, the Group considers that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received, and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. Accordingly, such modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. The exchange or modification is considered as non-substantial modification when such difference is less than 10 per cent.

For non-substantial modifications of financial liabilities that do not result in derecognition, the carrying amount of the relevant financial liabilities will be calculated at the present value of the modified contractual cash flows discounted at the financial liabilities' original effective interest rate. Transaction costs or fees incurred are adjusted to the carrying amount of the modified financial liabilities and are amortised over the remaining term. Any adjustment to the carrying amount of the financial liability is recognised in profit or loss at the date of modification.

## 2.4 主要會計政策概要(續)

### 財務工具(續)

#### *財務負債及權益工具(續)*

##### *財務負債的終止確認/重大修訂*

本集團僅於本集團的責任已履行、註銷或已屆滿時方會取消確認財務負債。所終止確認財務負債的賬面值與已付及應付代價間之差額於損益確認。

當財務負債的合約條款被修訂時，本集團會考慮所有相關事實和情況(包括定性因素)，評估經修訂條款是否導致對原條款的重大修改。如定性評估並無結論，倘新條款項下現金流折現現值(包括任何已付費用扣除任何已收費用及使用原有實際利率折現)與原有財務負債的餘下現金流的折現現值有最少百分之十的差別，則本集團視為條款有重大差別。據此，有關條款修訂入賬為消除，任何所產生成本或費用確認為消除的收益或虧損的一部分。倘差異少於百分之十，消除或修訂視為非重大修訂。

就不會導致終止確認的財務負債非重大修訂，相關財務負債的賬面值將按財務負債原有實際利率貼現的經修訂合約現金流現值計算。所產生交易成本或費用調整至經修訂財務負債的賬面值及於餘下期間攤銷。任何財務負債賬面值的調整於修訂日期於損益確認。

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## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Financial instruments (Continued)

#### *Derivative financial instruments*

Derivatives are initially recognised at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

#### *Hedge accounting*

The Group designates certain derivatives as hedging instruments for cash flow hedges.

At the inception of the hedging relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in cash flows of the hedged item attributable to the hedged risk.

For the purpose of determining whether a forecast transaction (or a component thereof) is highly probable, the Group assumes that the interest rate benchmark on which the hedged cash flows (contractually or non-contractually specified) are based is not altered as a result of interest rate benchmark reform.

## 2.4 主要會計政策概要(續)

### 財務工具(續)

#### *衍生財務工具*

衍生產品於訂立衍生合約日初次按公允值入賬，期後於報告期間期末按公允值重新計量。除非衍生工具被指定為對沖工具且有效(其計入損益之時間取決於對沖關係之性質)，其有關之收益或虧損將即時計入損益內。

#### *對沖會計*

本集團定立某些衍生產品為對沖工具用作現金流量對沖。

開始對沖交易時，本集團記錄對沖工具及被對沖項目之關係，並包括風險管理目標及其進行各項對沖交易之策略。此外，於對沖開始及進行情況下，本集團記錄用於對沖關係之對沖工具是否高度有效地抵銷與對沖風險有關的被對沖項目之現金流量改變。

為確定是否極有可能存有預測交易(或其組成部份)，本集團假設對沖現金流量(列明合約或非合約)所依據的利率指標並無因利率指標改革而變動。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Financial instruments (Continued)

#### Hedge accounting (Continued)

##### Assessment of hedging relationship and effectiveness

For hedge effectiveness assessment, the Group considers whether the hedging instrument is effective in offsetting changes in cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

In assessing the economic relationship between the hedged item and the hedging instrument, the Group assumes that the interest rate benchmark on which the hedged cash flows and/or the hedged risk (contractually or non-contractually specified) are based, or the interest rate benchmark on which the cash flows of the hedging instrument are based, is not altered as a result of interest rate benchmark reform.

## 2.4 主要會計政策概要(續)

### 財務工具(續)

#### 對沖會計(續)

##### 評估對沖關係及有效性

就對沖有效性評估而言，本集團於對沖關係符合以下所有對沖有效性規定時，考慮對沖工具是否有效抵銷對沖項目歸因於對沖風險的現金流變動：

- 對沖項目與對沖工具間的經濟關係；
- 信貸風險的影響不會主導經濟關係引致的價值變動；及
- 對沖關係的對沖比率與實體實際對沖對沖項目的數量及實體實際使用以對沖對沖項目數量的對沖工具數量所引致者相同。

倘對沖關係不再符合有關對沖比率的對沖有效性規定，惟該指定對沖關係的風險管理目標維持不變，本集團將調整對沖關係的對沖比率（即重新平衡對沖），以使其重新符合資格標準。

評估受對沖項目及對沖工具之間的經濟關係時，本集團假設受對沖現金流量及／或受對沖風險（列明合約或非合約）所依據的利率指標，或對沖工具的現金流量所依據的利率指標，並無因利率指標改革而變動。

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## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Financial instruments (Continued)

#### Hedge accounting (Continued)

##### Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

For the purpose of reclassifying the amount of gains and losses accumulated in the cash flow hedge reserve in order to determine whether the hedged future cash flows are expected to occur, the Group assumes the interest rate benchmark on which the hedged cash flows (contractually or non-contractually specified) are based is not altered as a result of interest rate benchmark reform.

Amounts previously recognised in other comprehensive income and accumulated in cash flow hedging reserve are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item.

##### Discontinuation of hedge accounting

The Group discontinues hedge accounting prospectively only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. Discontinuing hedge accounting can either affect a hedging relationship in its entirety or only a part of it (in which case hedge accounting continues for the remainder of the hedging relationship).

For cash flow hedge, any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transactions is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

## 2.4 主要會計政策概要(續)

### 財務工具(續)

#### 對沖會計(續)

##### 現金流量對沖

被定為符合現金流量對沖的衍生產品之有效部分的公允值變動被確認於其他全面收益內並累計於現金流量對沖儲備。非有效部分有關之盈虧即時於損益中確認。

為重新分類現金流量對沖儲備內累計的收益及虧損，以確定預期是否會出現受對沖未來現金流量，本集團假設受對沖現金流量(列明合約或非合約)所依據的利率指標並無因利率指標改革而變動。

當被對沖項目會對損益造成影響時，其列於其他全面收益及累計於現金流量對沖儲備之金額亦重新分類至損益，並於同一項下稱為已確認對沖項目。

##### 終止對沖會計

僅當對沖關係(或部分對沖關係)(倘適用，於重新平衡後)不再符合資格標準時，本集團以未來適用法終止處理對沖會計。這包括對沖工具到期或出售、終止或獲行使的情況。終止對沖會計可能影響整個或僅一部份(在此情況下對沖會計對沖關係剩餘期間繼續進行對沖會計處理)的對沖關係。

就現金流量對沖，其時於其他全面收益確認及於權益累計的任何收益或虧損仍然歸屬予權益及當預測交易最終於損益賬內確認時予以確認。當預測交易預期不再發生，於權益累計的收益或虧損立即於損益賬內確認。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### Current and deferred tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

#### Current tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries, associates and joint ventures operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

#### Deferred tax

Deferred tax is recognised on temporary differences arising between the carrying amounts of assets and liabilities in the Group's consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

## 2.4 主要會計政策概要(續)

### 現金及現金等價物

現金及現金等價物包括手頭現金、銀行活期存款、可轉換為已知數額現金，且價值轉變的風險視為無關重要的其他短期高流通性投資。

### 即期及遞延稅項

本期間之稅項支出包括即期和遞延稅項。稅項於損益確認，但與在其他綜合收益中或直接在權益中確認之項目有關者則除外。在該情況下，稅項亦分別在其他全面收益或直接在權益中確認。

#### 即期稅項

即期所得稅支出根據本公司之附屬公司、聯營公司及合營公司經營及產生應課稅收入之國家於報告期終日已頒佈或實質上已頒佈之稅務法例計算。管理層就適用稅務法例解釋所規限之情況定期評估報稅表的狀況，並在適用情況下根據預期須向稅務機關支付之稅款設定撥備。

#### 遞延稅項

遞延稅項按本集團綜合財務報表內的資產及負債賬面值與計算應課稅溢利所用相關稅基的暫時差額確認。遞延稅項負債一般就所有應課稅暫時差額確認，倘可能未來出現應課稅溢利可用作扣減暫時差額，則會確認遞延稅項資產。倘暫時差額乃產生自一項不影響應課稅溢利或會計溢利的交易的資產及負債的初步確認(業務合併除外)，則該等遞延稅項資產及負債不會確認入賬。此外，倘暫時差額因初始確認商譽產生，則不會確認遞延負債。



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## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Current and deferred tax (Continued)

#### Deferred tax (Continued)

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of the reporting periods and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting periods, to recover or settle the carrying amount of its assets and liabilities.

## 2.4 主要會計政策概要(續)

### 即期及遞延稅項(續)

#### 遞延稅項(續)

遞延稅項負債乃就與投資於附屬公司、聯營公司及合營公司有關的應課稅暫時差額而確認，但倘本集團能控制暫時差額的撥回時間，且有關差額可能不會於可見將來撥回的情況除外。就該等有關投資及利息之可扣減暫時差額而產生之遞延稅項資產，只會在有足夠的應課稅溢利可能出現以致可以利用暫時差額的利益，且預期在可見未來撥回時確認。

遞延稅項資產的賬面值於報告期末作出檢查，並調減至不再可能有足夠應課稅溢利收回全部或部分資產。

遞延稅項資產及負債以報告期末已頒佈或實質上已頒佈的稅率(及稅法)為基礎，按預期清償該負債或變現該資產期間適用的稅率計量。

遞延稅項負債及資產的計量反映本集團預期於報告期末收回或結算資產及負債賬面值的方式產生的稅務影響。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Current and deferred tax (Continued)

#### Deferred tax (Continued)

For the purposes of measuring deferred tax for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale, except for freehold land, which is always presumed to be recovered entirely through sale.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

#### Offsetting

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

## 2.4 主要會計政策概要(續)

### 即期及遞延稅項(續)

#### 遞延稅項(續)

就使用公允值模型計量之投資物業遞延稅項而言，除非假定被推翻，投資物業賬面值假定可透過出售收回。當有關投資物業為可折舊及以耗盡大體上所有包含在投資物業內的經濟得益為目的，而不是以出售方式的商業模式持有，有關假定則可被推翻，惟永久業權土地除外，有關土地一向被推定為可通過出售全數收回。

為就本集團確認使用權資產及相關租賃負債之租賃交易計量遞延稅項，本集團首先釐定稅項扣減是否歸屬於使用權資產或租賃負債。

#### 抵銷

當有法定可執行權力將即期稅項資產與即期稅務負債抵銷，且涉及由同一稅務機關向同一應課稅實體徵收及本集團有意向以淨額基準結算即期稅項資產及負債時，則可將遞延所得稅資產與負債互相抵銷。

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**2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****Employee benefits****Employee leave entitlements**

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity or paternity leaves are not recognised until the time of leave.

**Pension obligations**

Group companies participate in various defined contribution pension schemes. The schemes are generally funded through payments to insurance companies or trustee-administered funds.

The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when employees have rendered service entitling them to the contributions and are reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

**Termination benefits**

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier when the Group can no longer withdraw the offer of those benefits and when it recognises any related restructuring costs. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

**2.4 主要會計政策概要 (續)****僱員福利****僱員應享假期**

僱員之年假權利在僱員應享有有關權利時確認。並會因應僱員截至報告期終日已提供服務而應享之年假之估計負債作出撥備。

僱員應享之病假及產假或陪妻分娩假，直至僱員休假時方會確認。

**退休金責任**

本集團公司參與多項定額供款退休金計劃。此等計劃一般透過向保險公司或受託管理基金付款撥資。

本集團作出供款後，即無進一步付款責任。供款在到期時確認為僱員福利開支，僱員提供服務有權獲得供款且可以供款全數歸屬前退出計劃之僱員所放棄供款而減少。預付供款於出現現金退款或可減少未來付款之情況下確認為資產。

**終止福利**

終止福利於僱員在正常退休日期前被終止，或當僱員接受自願遣散以換取此等福利時支付。本集團在明確承諾作出下列行為時確認終止福利。在報告期終日後超過12個月到期支付之福利貼現為現值。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the Group's financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as a provision.

## 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

### Critical accounting judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

## 2.4 主要會計政策概要(續)

### 或然負債

或然負債指因過往事件可能引起之責任，其存在只能就一宗或多宗非本集團能完全控制之不確定事件發生與否確認。或然負債亦可能為因過往事件引致之現有責任，而由於不大可能流出經濟資源，或責任金額未能可靠計量而未有確認。

除非代表經濟利益的資源流出的機會微小，否則或然負債不會在本集團財務報表確認，但會在附註中披露。假若資源流出之可能性改變導致可能出現資源流出，則會確認為撥備。

## 3. 重大會計判斷及估計

編製本集團財務報表時，管理層須作出會影響所呈報收益、開支、資產及負債金額、隨附披露資料以及或然負債披露的判斷、估計及假設。有關假設及估計的不確定因素可能導致日後須對受影響的資產或負債的賬面值作出重大調整。

### 關鍵會計判斷

估算及判斷會持續根據過往經驗及其他因素進行評估，包括在有關情況下相信為合理之未來事件預測。

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### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

(CONTINUED)

#### Critical accounting judgement (Continued)

##### *Deferred taxation on investment properties*

For the purposes of measuring deferred taxation arising from investment properties that are measured using the fair value model, the Directors have reviewed the Group's investment property portfolios and concluded that the Group's investment properties located in Hong Kong are not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time. Therefore, in measuring the Group's deferred taxation on investment properties located in Hong Kong, the Directors have determined that the presumption that the carrying amounts of investment properties located in Hong Kong are recovered entirely through sale is not rebutted. As a result, the Group has not recognised any deferred taxes on changes in fair value of investment properties located in Hong Kong as the Group is not subject to any income taxes on the fair value changes of the investment properties on disposal.

With regards to the Group's investment properties located in Mainland China, the Directors considered that they are held under a business model whose objective is to consume substantially all of the economic benefits embodied in these investment properties over time. Therefore, the Directors have determined that the presumption that the carrying amounts of investment properties located in Mainland China are recovered entirely through sale is rebutted. As a result, the Group recognised deferred taxes on changes in fair value of the Group's investment properties located in Mainland China on the basis that the entire carrying amounts of these properties are recovered through use.

### 3. 重大會計判斷及估計 (續)

#### 關鍵會計判斷 (續)

##### *投資物業遞延稅項*

為計量利用公允值模型計量的投資物業產生的遞延稅項，董事已檢討本集團的投資物業組合，結論為本集團位於香港的投資物業並非根據以隨時間消耗投資物業所包含的絕大部分經濟利益為目標的業務模式持有。因此，於計量本集團位於香港的投資物業的遞延稅項時，董事斷定，位於香港的投資物業的賬面金額乃透過銷售全數收回的假設沒有被推翻。因此，本集團並無就位於香港的投資物業的公允值變動確認任何遞延稅項，因為本集團於出售投資物業時毋須就公允值變動繳納任何所得稅。

有關本集團於中國內地的投資物業，董事認為，該等物業以商業模式（其目標為隨著時間的推移使用該等投資物業所包含的絕大部分經濟利益）持有。因此，董事斷定，位於中國內地的投資物業的賬面金額乃透過銷售全數收回的假設已被推翻。因此，基於本集團於中國內地投資物業的全部賬面值通過使用收回，故本集團已就該等物業公允值變動確認遞延稅項。

### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

(CONTINUED)

#### Key estimation uncertainty

The Group makes estimates and assumptions concerning the future. The estimates and assumptions that have a significant risk of causing uncertainty to the carrying amounts of assets and liabilities are discussed below:

#### Fair value of investment properties

Investment properties are stated at fair value based on the valuation performed by independent professional valuer. The determination of the fair value involves certain assumptions of market conditions which are set out in note 15.

The Directors have performed internal assessment on the risks of change in macroeconomic environment through performing sensitivity analysis in relation to the Group's investment properties.

The carrying amount of investment properties as at 31 December 2022 was approximately HK\$2,774,432,000 (2021: HK\$2,664,793,000). More details are set out in note 15.

#### Construction contracts

The Group recognised income and cost generated from construction contracts, which were derived from the latest available budgets of the construction contracts with reference to the overall performance of each construction contract and the management's best estimates and judgements. Estimated construction income is determined in accordance with the terms set out in the relevant contracts. Estimated construction costs which mainly comprise sub-contracting charges and costs of materials are estimated by the management on the basis of quotations from time to time provided by the major contractors/suppliers/vendors involved and the experience of the management. Because of the nature of the construction industry, the management regularly reviews the progress of the contracts and the estimated construction income and costs.

When the actual costs incurred are significantly more or less than expected, or changes in circumstances which result in revision of management's estimates on the percentage of completion, the effect of such change is recognised prospectively in the profit or loss in the period of the change.

### 3. 重大會計判斷及估計(續)

#### 主要估計不確定因素

本集團作出有關未來的估計及假設。附帶對資產及負債賬面值造成不確定因素的重大風險的估計及假設於下文討論：

#### 投資物業之公允值

投資物業乃根據獨立專業估值師進行之估值按公允值列賬。釐定公允值涉及載於附註15的若干市場狀況假設。

董事已透過對本集團投資物業進行敏感度分析，對宏觀經濟環境變化的風險進行內部評估。

於二零二二年十二月三十一日，投資物業的賬面值為約2,774,432,000港元(二零二一年：2,664,793,000港元)。更多詳情載於附註15。

#### 建造合約

本集團確認建造合約產生的收益及成本乃來自建造合約的最新預算，預算乃根據每項建造合約的整體表現以及管理層的最佳估計及判斷而編製。估計建造收入乃根據有關合約內所載條款而釐定。估計建造成本(主要包括分判費用及材料成本)乃由管理層根據所涉及主要承建商/供應商/賣方不時提供的報價及管理層的經驗而建議。基於建造業的性質，管理層定期檢討合約進度以及估計建造收入及成本。

倘實際產生的成本遠多於或少於預期，或情況改變，導致管理層修訂竣工百分比的估計，則有關改變的影響按未來適用基準於改變期間在損益確認。

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### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

(CONTINUED)

#### Key estimation uncertainty (Continued)

##### Deferred taxes

As at 31 December 2022, deferred tax assets of HK\$754,807,000 (2021: HK\$871,999,000) have been recognised in the Group's consolidated statement of financial position as set out in note 30. The realisability of the deferred tax assets mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. The Directors determine the profit projections of the Group for coming years during which the deferred tax assets are expected to be utilised. In cases where the actual future profits generated are more or less than expected, an additional recognition or a reversal of deferred tax assets may arise, which would be recognised in profit or loss for the period in which such a recognition or reversal takes place.

##### Provision of ECL for trade and other receivables and contract assets

Trade and other receivables with significant increase in credit risk or amounts due from related parties are assessed for ECL individually.

In addition, the Group uses provision matrix to estimate ECL for the trade receivables and contract assets that are not assessed individually. The provision rates are based on debtors' aging as groupings of various debtors that have similar loss patterns. The provision matrix is based on the Group's historical default rates taking into consideration forward-looking information that is reasonable and supportable available without undue costs or effort. At each reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade and other receivables and contract assets are disclosed in notes 42, 21 and 22 respectively.

### 3. 重大會計判斷及估計 (續)

#### 主要估計不確定因素 (續)

##### 遞延稅項

於二零二二年十二月三十一日，遞延稅項資產754,807,000港元(二零二一年：871,999,000港元)已於本集團的綜合財務狀況表確認，並載於附註30。遞延稅項資產的可變現程度主要取決於日後是否有充足的未來溢利或應課稅臨時差異。董事釐定本集團預期使用遞延稅項資產的未來年度的溢利預測。倘實際產生的未來溢利多於或少於預期，則或會額外確認或撥回遞延稅項資產，其將於有關確認或撥回期間於損益確認。

##### 貿易及其他應收款項與合同資產的預期信貸虧損撥備

已發生信貸風險顯著增加的貿易及其他應收款項或應收關聯方款項乃個別進行預期信貸虧損評估。

此外，本集團使用撥備矩陣評估非個別進行評估的貿易應收款項和合約資產的預期信貸虧損。撥備比率乃基於具有類似虧損模型的不同應收賬項組別的應收賬項賬齡。撥備矩陣乃基於本集團的過往違約率，當中計及在不耗費過多成本或精力情況下可取得的合理及具有憑證的前瞻性資料。於各報告日，過往觀察所得違約率予以重新評估，並考量前瞻性資料的變動。

預期信貸虧損撥備易受估計變動所影響。有關預期信貸虧損及本集團貿易及其他應收款項與合同資產的資料分別披露於附註42、21及22。



### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

(CONTINUED)

#### Key estimation uncertainty (Continued)

##### *Estimated impairment of inventories*

The Group tests regularly whether inventories have suffered any impairment based on the assessment of net realisable value. Estimates of net realisable value are based on the most reliable evidence available at the time the estimates are made, and the amounts the inventories are expected to realise. Significant management estimates are required in the estimates. Where the actual outcome or expectation in future is different from the original estimates, such differences will impact on the carrying amounts of inventories and the impairment loss.

### 4. OPERATING SEGMENT INFORMATION

The chief operating decision maker has been identified as the executive directors. The executive directors review the Group's internal financial reports in order to assess performance and allocate resources. The executive directors have determined the operating segments based on these reports as follows:

Real estate development:	Development and sales of residential and commercial properties
Specialised construction:	Design, installation and selling of curtain walls and aluminum windows, doors and other materials
Property investment:	Holding of properties to generate rental income and/or to gain from the appreciation in properties' values in the long-term

No operating segments identified by the executive directors have been aggregated in arriving at the reportable segments of the Group.

### 3. 重大會計判斷及估計(續)

#### 主要估計不確定因素(續)

##### *估計存貨減值*

本集團根據可變現淨值評估存貨是否出現任何減值。可變現淨值估計乃基於作出估計時可獲得的預期可變現物業金額之最可靠證據。估計過程中需要管理層作出重大估計。倘日後的實際結果或預期有別於原先估計，則有關差額將影響存貨的賬面值及減值虧損金額。

### 4. 經營分部資料

主要營運決策者已確認為執行董事。執行董事審閱本集團內部財務報告，以評估表現及分配資源。執行董事已根據該等報告決定劃分下列各經營分部：

房地產發展：	發展及銷售住宅及商用物業
專業建築：	設計、安裝及銷售幕牆、鋁窗、門及其他物料
物業投資：	從出租物業賺取租金收入，並就長遠而言，自物業升值中獲取收益

執行董事未擬定任何經營分部於本集團之呈報分部層面進行合併。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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### 4. OPERATING SEGMENT INFORMATION

#### (CONTINUED)

During the year ended 31 December 2022, the Group changed the internal reporting structure for making decisions about resource allocation and performance assessment. The “Securities investment” segment is no longer disclosed separately. Accordingly, the amounts previously reported under the reportable operating segments have been aggregated to conform with the current year’s presentation.

#### Segment revenue and results

		Real estate development 房地產發展		Specialised construction 專業建築		Property investment 物業投資		Total 總額	
		2022	2021	2022	2021	2022	2021	2022	2021
		二零二二年 HK\$'000 千港元	二零二一年 HK\$'000 千港元	二零二二年 HK\$'000 千港元	二零二一年 HK\$'000 千港元	二零二二年 HK\$'000 千港元	二零二一年 HK\$'000 千港元	二零二二年 HK\$'000 千港元	二零二一年 HK\$'000 千港元 (Restated) (經重列)
Revenue	收入								
Total segment revenue	總分部收入	9,874,962	12,511,033	147,538	321,444	48,286	60,168	10,070,786	12,892,645
Inter-segment revenue	分部間收入	—	—	—	—	(6,257)	(7,007)	(6,257)	(7,007)
Sales to external customers	對外客戶銷售	9,874,962	12,511,033	147,538	321,444	42,029	53,161	10,064,529	12,885,638
Results	業績								
Segment results	分部業績	(76,840)	1,396,636	(174,427)	(4,692)	10,691	8,821	(240,576)	1,400,765
Unallocated corporate expenses, net	未分配企業開支，淨額							(174,251)	(207,116)
Finance income	財務收入							(414,827)	1,193,649
Finance costs	財務成本							178,863	249,115
Share of results of associates	分佔聯營公司業績							(138,144)	(163,076)
Share of results of joint ventures	分佔合營公司業績							(786,422)	(264,007)
								137,773	48,253
(Loss)/profit before tax	除稅前(虧損)/溢利							(1,022,757)	1,063,934

The accounting policies of the reportable and operating segments are the same as the Group’s accounting policies described in note 2.4. Segment results represent the (loss)/profit before tax without allocation of unallocated corporate income and expenses, finance income, finance costs and share of results of associates and joint ventures.

Inter-segment revenue is charged at prevailing market rates.

### 4. 經營分部資料(續)

截至二零二二年十二月三十一日止年度，本集團變更內部報告架構，以作出有關資源分配及表現評估的決策。「證券投資」分部不再單獨列示。因此，過去在可報告經營分部下呈報之金額已經重新彙總，以與本年度的呈列保持一致。

#### 分部收入及業績

呈報及經營分部之會計政策與附註2.4所述的本集團會計政策一致。分部業績指未分配企業收入及開支、財務收入、財務成本及分佔聯營公司及合營公司業績的除稅前(虧損)/溢利。

分部之間收入乃按現行市場價格計算。

#### 4. OPERATING SEGMENT INFORMATION

(CONTINUED)

##### Segment assets and liabilities

#### 4. 經營分部資料(續)

##### 分部資產及負債

		Real estate development 房地產發展		Specialised construction 專業建築		Property investment 物業投資		Total 總額	
		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Assets	資產								
Segment assets	分部資產	58,273,797	67,125,762	190,449	376,585	2,084,007	2,099,569	60,548,253	69,601,916
Unallocated corporate assets	未分配企業資產							6,838,772	7,571,328
Total assets	資產總額							67,387,025	77,173,244
Liabilities	負債								
Segment liabilities	分部負債	49,213,791	52,070,383	98,193	179,234	13,675	11,702	49,325,659	52,261,319
Unallocated corporate liabilities	未分配企業負債							1,249,268	1,794,014
Total liabilities	負債總額							50,574,927	54,055,333

Segment assets consist primarily of interests in associates, interests in joint ventures, property, plant and equipment, investment properties, other financial assets, inventories, receivables, contract assets, contract costs and operating cash but exclude items such as financial assets at fair value through other comprehensive income, bank deposits for corporate use and deferred tax assets. Segment liabilities comprise all operating liabilities but exclude items such as taxation and certain other payables.

分部資產主要包括於聯營公司之權益、於合營公司之權益、物業、廠房及設備、投資物業、其他財務資產、存貨、應收款項、合約資產、合約成本及營運現金，但不包括透過其他全面收益按公允值計量之財務資產，作企業用途之銀行存款及遞延稅項資產等項目。分部負債包括所有營運負債，但不包括稅項及若干其他應付款項。

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### 4. OPERATING SEGMENT INFORMATION

(CONTINUED)

#### Other segment information

	Real estate development 房地產發展		Specialised construction 專業建築		Property investment 物業投資		Segment total 分部總額		Unallocated 未分配		Total 總額	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Amounts included in the measure of segment profit or loss or segment assets:												
Interests in associates	2,269,633	3,306,006	—	—	—	—	2,269,633	3,306,006	—	—	2,269,633	3,306,006
Interests in joint ventures	341,852	227,863	—	—	—	—	341,852	227,863	—	—	341,852	227,863
Capital expenditures	12,637	264,633	96	—	27	39	12,760	264,672	11,098	698	23,858	265,370
Depreciation recognised	40,505	49,376	57	54	334	377	40,896	49,807	5,104	5,453	46,000	55,260
Fair value changes on investment properties	53,014	135,767	—	—	15,800	17,700	68,814	153,467	—	—	68,814	153,467
Allowance/(reversal of allowance) for impairment of inventories, net	550,403	(47,598)	—	—	—	—	550,403	(47,598)	—	—	550,403	(47,598)
Impairment losses (reversed)/ recognised under expected credit loss model, net	—	—	—	—	(1,145)	13,640	(1,145)	13,640	—	—	(1,145)	13,640

#### Geographical information

The Group operates its businesses in two main geographical areas:

Hong Kong:	Real estate development, specialised construction and property investment
Mainland China:	Real estate development and property investment

### 4. 經營分部資料(續)

#### 其他分部資料

#### 地區資料

本集團之業務主要劃分於兩個地區經營：

香港：	房地產發展、專業建築及物業投資
中國內地：	房地產發展及物業投資

## 4. OPERATING SEGMENT INFORMATION

(CONTINUED)

### Geographical information (Continued)

In presenting geographical information, sales are presented based on the geographical locations of the customers. Total non-current assets exclude financial instruments and deferred tax assets.

	Hong Kong 香港		Mainland China 中國內地		Total 總額	
	2022 二零二二年	2021 二零二一年	2022 二零二二年	2021 二零二一年	2022 二零二二年	2021 二零二一年
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
External sales 對外銷售	194,432	378,002	9,870,097	12,507,636	10,064,529	12,885,638
Total non-current assets 非流動資產總額	2,147,434	2,175,599	3,900,756	4,510,866	6,048,190	6,686,465

### Information about major customer

No revenue from transaction with single external customer is amounted to 10% or more of the Group's revenue for both years.

## 5. REVENUE

An analysis of revenue is as follows:

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Revenue from contracts with customers Revenue from other sources	來自客戶合約的收入 其他來源的收入	10,022,500	12,832,477
Rental and management fee income from investment properties	來自投資物業的租賃及 管理費收入	42,029	53,161
		10,064,529	12,885,638

## 4. 經營分部資料 (續)

### 地區資料 (續)

於呈列地區資料時，銷售之呈列乃按客戶之地理位置為基準。非流動資產總額不包括財務工具及遞延稅項資產。

### 有關主要客戶之資料

本集團並無單一客戶於兩個年度之收入貢獻10%或以上。

## 5. 收入

收入分析如下：

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#### 5. REVENUE (CONTINUED) Revenue from contracts with customers

##### (a) Disaggregated revenue information

For the year ended 31 December 2022

Segments	分部	Real estate development 房地產發展 HK\$'000 千港元	Specialised construction 專業建築 HK\$'000 千港元	Total 總計 HK\$'000 千港元
<b>Types of goods or services</b>	<b>貨物或服務類別</b>			
Sales of properties	銷售物業	9,406,085	—	9,406,085
Specialised construction services	專業建築服務	—	147,538	147,538
Management services	管理服務	468,877	—	468,877
Total revenue from contracts with customers	來自客戶合約的收入總額	9,874,962	147,538	10,022,500
<b>Geographical markets</b>	<b>區域市場</b>			
Mainland China	中國內地	9,870,097	—	9,870,097
Hong Kong	香港	4,865	147,538	152,403
Total revenue from contracts with customers	來自客戶合約的收入總額	9,874,962	147,538	10,022,500
<b>Timing of revenue recognition</b>	<b>收入確認時間</b>			
Properties transferred at a point in time	物業於某一時間點轉讓	9,406,085	—	9,406,085
Specialised construction services transferred over time	專業建築服務隨時間轉讓	—	147,538	147,538
Management services transferred over time	管理服務隨時間轉讓	468,877	—	468,877
Total revenue from contracts with customers	來自客戶合約的收入總額	9,874,962	147,538	10,022,500

#### 5. 收入(續) 來自客戶合約的收入

##### (a) 收入細分資料

截至二零二二年十二月三十一日止年度

## 5. REVENUE (CONTINUED)

### Revenue from contracts with customers

(Continued)

#### (a) Disaggregated revenue information (Continued)

For the year ended 31 December 2021

Segments	分部	Real estate development 房地產發展 HK\$'000 千港元	Specialised construction 專業建築 HK\$'000 千港元	Total 總計 HK\$'000 千港元
<b>Types of goods or services</b>				
	<b>貨物或服務類別</b>			
Sales of properties	銷售物業	12,094,514	—	12,094,514
Specialised construction services	專業建築服務	—	321,444	321,444
Management services	管理服務	416,519	—	416,519
Total revenue from contracts with customers	來自客戶合約的收入總額	12,511,033	321,444	12,832,477
<b>Geographical markets</b>				
	<b>區域市場</b>			
Mainland China	中國內地	12,507,636	—	12,507,636
Hong Kong	香港	3,397	321,444	324,841
Total revenue from contracts with customers	來自客戶合約的收入總額	12,511,033	321,444	12,832,477
<b>Timing of revenue recognition</b>				
	<b>收入確認時間</b>			
Properties transferred at a point in time	物業於某一時間點轉讓	12,094,514	—	12,094,514
Specialised construction services transferred over time	專業建築服務隨時間轉讓	—	321,444	321,444
Management services transferred over time	管理服務隨時間轉讓	416,519	—	416,519
Total revenue from contracts with customers	來自客戶合約的收入總額	12,511,033	321,444	12,832,477

## 5. 收入(續)

### 來自客戶合約的收入(續)

#### (a) 收入細分資料(續)

截至二零二一年十二月三十一日止年度



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#### 5. REVENUE (CONTINUED)

##### Revenue from contracts with customers (Continued)

###### (a) Disaggregated revenue information (Continued)

Set out below is the reconciliation of the revenue from contracts with customers to the amounts disclosed in the segment information:

For the year ended 31 December 2022

#### 5. 收入(續)

##### 來自客戶合約的收入(續)

###### (a) 收入細分資料(續)

以下為來自客戶合約的收入與分部資料所披露金額的對賬：

截至二零二二年十二月三十一日止年度

Segments	分部	Real estate development 房地產發展 HK\$'000 千港元	Specialised construction 專業建築 HK\$'000 千港元	Total 總計 HK\$'000 千港元
<b>Revenue from contracts with customers</b>	來自客戶合約的收入			
External customers	對外客戶	9,874,962	147,538	10,022,500
Inter-segment sales	分部間銷售	—	—	—
		<b>9,874,962</b>	<b>147,538</b>	<b>10,022,500</b>
Inter-segment adjustments and eliminations	分部間調整及對銷	—	—	—
Total revenue from contracts with customers	來自客戶合約的收入總額	<b>9,874,962</b>	<b>147,538</b>	<b>10,022,500</b>

**5. REVENUE (CONTINUED)**  
**Revenue from contracts with customers**  
**(Continued)**

**(a) Disaggregated revenue information (Continued)**

For the year ended 31 December 2021

Segments	分部	Real estate development 房地產發展 HK\$'000 千港元	Specialised construction 專業建築 HK\$'000 千港元	Total 總計 HK\$'000 千港元
<b>Revenue from contracts with customers</b>	<b>來自客戶合約的收入</b>			
External customers	對外客戶	12,511,033	321,444	12,832,477
Inter-segment sales	分部間銷售	—	—	—
		<u>12,511,033</u>	<u>321,444</u>	<u>12,832,477</u>
Inter-segment adjustments and eliminations	分部間調整及對銷	—	—	—
Total revenue from contracts with customers	來自客戶合約的收入總額	<u>12,511,033</u>	<u>321,444</u>	<u>12,832,477</u>

**(b) Performance obligations**

Information about the Group's performance obligations is summarised below:

**Real estate development**

For contracts entered into with customers on sales of properties, the Group's performance does not create an asset with alternative use to the Group. Taking into consideration of the relevant contract terms, the legal environment and relevant legal precedent, the Group concluded that the Group does not have an enforceable right to payment prior to transfer of the relevant properties to the customer. Revenue from sales of properties is therefore recognised when the completed property is transferred to customers, being at the point that the customer obtains the control of the completed property and the Group has present right to payment and collection of the consideration is probable. Payment in advance is normally required.

**5. 收入(續)**  
**來自客戶合約的收入(續)**

**(a) 收入細分資料(續)**

截至二零二一年十二月三十一日止年度

**(b) 履約責任**

有關本集團履約責任的資料概述如下：

**房地產發展**

就與客戶所訂立有關物業銷售的合約，本集團的履約不會增設對本集團有其他用途的資產。經考慮相關合約條款、法律環境及相關法律前例，本集團認為其並無可強制執行權利以在向客戶轉移有關物業前收取付款。因此，來自物業銷售的收益乃於竣工物業轉移至客戶時(即客戶取得竣工物業控制權及本集團擁有權利收取付款且有可能收取代價之時)確認。通常需要提前付款。

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### 5. REVENUE (CONTINUED)

#### Revenue from contracts with customers (Continued)

##### (b) Performance obligations (Continued)

###### Specialised construction

The Group provides specialised construction services to customers. Such services are recognised as a performance obligation satisfied over time as the Group creates or enhances an asset that the customer controls as the asset is created or enhanced. Revenue is recognised for these construction services based on the stage of completion of the contract using input method. The payment is generally due within 90 days from the date of billing.

The transaction price allocated to the remaining performance obligations of sales of properties as at 31 December 2022 was HK\$15,737,706,000 (31 December 2021: HK\$19,036,087,000) and is expected to be recognised as revenue within two years.

### 5. 收入(續)

#### 來自客戶合約的收入(續)

##### (b) 履約責任(續)

###### 專業建築

本集團向客戶提供專業建築服務。有關服務隨著本集團增設或加強由客戶控制的資產，於資產產生或增強時確認為已達成的履約責任。該等建築服務的收入根據合約完成階段使用投入法予以確認。款項一般於賬單發出日期起計90日內到期支付。

於二零二二年十二月三十一日分配至銷售物業餘下的履約責任的交易價格為15,737,706,000港元(二零二一年十二月三十一日：19,036,087,000港元)及預期將於兩年內確認為收入。

## 6. OTHER INCOME

## 6. 其他收入

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Government subsidies	政府資助	41,582	317
Dividend income	股息收益	49,081	59,922
Management fee income from fellow subsidiaries	收取同系附屬公司之管理費收入	2,794	4,813
Others	其他	33,382	26,538
		<b>126,839</b>	<b>91,590</b>

## 7. (LOSS)/PROFIT FOR THE YEAR

## 7. 本年度(虧損)/溢利

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Cost of properties sold (i)	已售出物業成本(i)	8,703,169	10,196,779
Cost of specialised construction	專業建築成本	294,145	291,474
Direct operating expenses incurred for investment properties that generated rental income	賺取租金收入之投資物業產生之直接營運開支	13,901	11,912
Depreciation	折舊	46,000	55,260
Auditor's remuneration	核數師酬金	4,150	3,650
Employee benefit expense (including directors' emoluments) (note 9)	僱員福利支出(包括董事酬金)(附註9)	290,771	323,565
Allowance/(reversal of allowance) for impairment of inventories	存貨減值撥備/(減值回撥)	550,403	(47,598)
Net exchange loss	匯兌虧損淨額	23,808	5,949

(i) Included in cost of properties sold are capitalised interest expenses of HK\$265,389,000 (2021: HK\$619,054,000).

(i) 已售出物業成本中包括265,389,000港元(二零二一年: 619,054,000港元)之資本化利息支出。

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## 8. FINANCE INCOME AND COSTS

## 8. 財務收入及成本

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Finance income	財務收入		
Interest income from bank deposits	銀行存款利息收入	66,374	84,572
Interest income from non-controlling shareholders of subsidiaries	收取附屬公司的非控股股東之利息收入	28,196	26,026
Interest income from an associate	收取一家聯營公司之利息收入	—	1,788
Interest income from joint ventures	收取合營公司之利息收入	84,293	136,729
		<b>178,863</b>	249,115
Finance costs	財務成本		
Bank borrowings wholly repayable within five years	須於五年內悉數償還之銀行借款	651,224	442,693
Bank borrowings not wholly repayable within five years	毋須於五年內悉數償還之銀行借款	—	35,121
Other borrowings wholly repayable within five years	須於五年內悉數償還之其他借款	307,299	345,400
Interest on lease liabilities	租賃負債之利息	2,542	3,599
		<b>961,065</b>	826,813
Less: Amount capitalised as properties under development (i)	減：以資本化方式撥入發展中物業之金額(i)	<b>(822,921)</b>	(663,737)
		<b>138,144</b>	163,076

(i) Borrowing costs were capitalised at rates ranging from 1.55% to 6.50% (2021: 1.47% to 6.50%) per annum.

(i) 借款成本按年利率由1.55%至6.50% (二零二一年：1.47%至6.50%) 予以資本化。

## 9. EMPLOYEE BENEFIT EXPENSE

## 9. 僱員福利支出

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Wages, salaries and bonus	工資、薪金及花紅	411,228	496,128
Pension costs — defined contribution plans (note 34)	退休金成本 — 定額供款 計劃(附註34)	56,838	51,652
		<b>468,066</b>	547,780
Less: Amount capitalised as properties under development	減：以資本化方式撥入 發展中物業之金額	<b>(86,732)</b>	(123,643)
Less: Amount included in cost of sales	減：計入銷售成本內之 金額	<b>(46,814)</b>	(52,285)
Less: Amount included in selling and marketing expenses	減：計入銷售及營銷 費用內之金額	<b>(43,749)</b>	(48,287)
		<b>290,771</b>	323,565

There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

並無被沒收的供款可供本集團作為僱主用於降低現有供款水平。

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### 綜合財務報表附註

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#### 9. EMPLOYEE BENEFIT EXPENSE (CONTINUED)

##### (a) Directors' emoluments

The remuneration of each director for the year ended 31 December 2022 is set out below:

#### 9. 僱員福利支出(續)

##### (a) 董事酬金

截至二零二二年十二月三十一日止年度，各董事之酬金載列如下：

Name of directors	董事姓名	Fees	Salaries and allowances	Discretionary bonuses	Employer's contribution to	Total
					pension scheme	
					退休金計劃僱主供款	
		袍金	薪金及津貼	酌情花紅	供款	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
<b>Executive directors</b>	<b>執行董事</b>					
Mr. He Jianbo*	何劍波先生*	—	335	1,337	67	1,739
Mr. Liu Bo	劉波先生	—	313	1,271	67	1,651
Mr. Chen Xingwu	陳興武先生	—	295	1,173	67	1,535
Mr. Yang Shangping	楊尚平先生	—	807	881	73	1,761
<b>Non-executive director</b>	<b>非執行董事</b>					
Ms. He Xiaoli	何小麗女士	—	226	462	43	731
Mr. Huang Guoping (i)	黃國平先生(i)	—	6	—	—	6
<b>Independent non-executive directors</b>	<b>獨立非執行董事</b>					
Professor Wang Xiuli (ii)	王秀麗教授(ii)	200	—	—	—	200
Mr. Selwyn Mar (iii)	馬紹援先生(iii)	200	—	—	—	200
Mr. Lam Chung Lun, Billy	林中麟先生	390	—	—	—	390
Ms. Law Fan Chiu Fun, Fanny	羅范椒芬女士	400	—	—	—	400
		<b>1,190</b>	<b>1,982</b>	<b>5,124</b>	<b>317</b>	<b>8,613</b>



## 9. EMPLOYEE BENEFIT EXPENSE (CONTINUED)

### (a) Directors' emoluments (Continued)

The remuneration of each director for the year ended 31 December 2021 is set out below:

Name of directors	董事姓名	Fees	Salaries and allowances	Discretionary bonuses	Employer's contribution to pension scheme	Total
		袍金	薪金及津貼	酌情花紅	退休金計劃僱主供款	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
<b>Executive directors</b>		<b>執行董事</b>				
Mr. He Jianbo*	何劍波先生*	—	347	1,563	63	1,973
Mr. Liu Bo	劉波先生	—	324	1,485	63	1,872
Mr. Chen Xingwu	陳興武先生	—	305	1,329	63	1,697
Mr. Yang Shangping	楊尚平先生	—	1,788	1,066	68	2,922
<b>Non-executive director</b>		<b>非執行董事</b>				
Ms. He Xiaoli	何小麗女士	—	315	708	63	1,086
<b>Independent non-executive directors</b>		<b>獨立非執行董事</b>				
Mr. Selwyn Mar (iii)	馬紹援先生(iii)	400	—	—	—	400
Mr. Lam Chung Lun, Billy	林中麟先生	390	—	—	—	390
Ms. Law Fan Chiu Fun, Fanny	羅范椒芬女士	400	—	—	—	400
		1,190	3,079	6,151	320	10,740

The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.

The non-executive director's and independent non-executive directors' emoluments shown above were for their services as directors of the Company.

## 9. 僱員福利支出(續)

### (a) 董事酬金(續)

截至二零二一年十二月三十一日止年度，各董事之酬金載列如下：

上述執行董事酬金主要涉及彼等就本公司及本集團的管理事務提供服務。

上述非執行董事及獨立非執行董事酬金主要涉及彼等擔任本公司董事。

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#### 9. EMPLOYEE BENEFIT EXPENSE (CONTINUED)

##### (a) Directors' emoluments (Continued)

Discretionary bonuses were determined by the management with regard to the performance of the Directors and the Group's operating results.

During the year, no directors of the Company waived or agreed to waive any emoluments (2021: Nil).

During the year, no emoluments were paid by the Group to the Directors as an inducement to join or as compensation for loss of office (2021: Nil).

The executive director marked "\*" above is also considered as the chief executive of the Group and his emoluments disclosed above include those for services rendered by him as the chief executive.

(i) Appointed on 1 February 2022

(ii) Appointed on 1 July 2022

(iii) Resigned on 1 July 2022

#### 9. 僱員福利支出(續)

##### (a) 董事酬金(續)

酌情花紅由管理層計及董事表現及本集團營運業績後釐定。

年內，並無本公司董事放棄或同意放棄任何酬金(二零二一年：無)。

年內，本集團概無向任何董事支付酬金作為吸引加入本集團之獎勵或作為離職補償(二零二一年：無)。

標註[\*]之執行董事亦被視為本集團之行政總裁，其於上文披露的酬金包括就其擔任行政總裁提供服務的酬金。

(i) 於二零二二年二月一日獲委任

(ii) 於二零二二年七月一日獲委任

(iii) 於二零二二年七月一日辭任

## 9. EMPLOYEE BENEFIT EXPENSE (CONTINUED)

### (b) Five highest-paid individuals

In 2022, five highest-paid individuals in the Group include three (2021: two) directors. These directors' emoluments are disclosed in (a) above. Details of the emoluments of the remaining two (2021: three) individuals are as follows:

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Salaries and allowances	薪金及津貼	2,934	4,979
Discretionary bonuses	酌情花紅	707	1,474
Employer's contributions to pension schemes	退休金計劃僱主供款	156	240
		<b>3,797</b>	<b>6,693</b>

The emoluments fell within the following bands:

		2022 二零二二年	2021 二零二一年
HK\$1,500,001 — HK\$2,000,000	1,500,001港元至 2,000,000港元	1	1
HK\$2,000,001 — HK\$2,500,000	2,000,001港元至 2,500,000港元	1	1
HK\$2,500,001 — HK\$3,000,000	2,500,001港元至 3,000,000港元	—	1
		<b>2</b>	<b>3</b>

During the year, no emoluments were paid by the Group to these individuals as an inducement to join or as compensation for loss of office (2021: Nil).

## 9. 僱員福利支出 (續)

### (b) 五名最高薪酬人士

於二零二二年，本集團五名最高薪酬人士中包括三名(二零二一年：兩名)董事。其董事酬金於上文(a)項中披露。其餘兩名(二零二一年：三名)人士之酬金詳情如下：

酬金範圍如下：

		2022 二零二二年	2021 二零二一年
HK\$1,500,001 — HK\$2,000,000	1,500,001港元至 2,000,000港元	1	1
HK\$2,000,001 — HK\$2,500,000	2,000,001港元至 2,500,000港元	1	1
HK\$2,500,001 — HK\$3,000,000	2,500,001港元至 3,000,000港元	—	1
		<b>2</b>	<b>3</b>

年內，本集團概無向該等人士支付酬金作為吸引加入本集團之獎勵或作為離職補償(二零二一年：無)。

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### 綜合財務報表附註

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#### 10. IMPAIRMENT LOSSES (REVERSED)/ RECOGNISED UNDER EXPECTED CREDIT LOSS MODEL, NET

	2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Impairment losses (reversed)/recognised on trade receivables and contract assets	(1,145)	13,640

貿易應收款項及合約  
資產(回撥)/確認之  
減值虧損

Details of impairment assessment are set out in note 42(a)(ii).

減值評估詳情載於附註42(a)(ii)。

#### 11. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2021: 16.5%) on the estimated assessable profits arising in Hong Kong. Under the two-tiered profits tax regime, the first HK\$2,000,000 (2021: HK\$2,000,000) of the profits of qualifying group entities established in Hong Kong have been taxed at 8.25%, and profits above that amount have been subject to the tax rate of 16.5%. The profits of the group entities not qualifying for the two-tiered profits tax rate regime have been continued to be taxed at a rate of 16.5%.

The PRC enterprise income tax had been calculated on the estimated assessable profit for the year derived in Mainland China at the rate of 25% (2021: 25%).

#### 10. 預期信貸虧損模型項下(回撥)/確認之減值虧損淨額

#### 11. 所得稅開支

香港利得稅乃以源自香港之估計應課稅溢利按16.5%(二零二一年: 16.5%)之稅率計提。根據利得稅兩級制,於香港成立的合資格集團實體的首2,000,000港元(二零二一年: 2,000,000港元)溢利按8.25%的稅率徵稅,而超過該金額的溢利按16.5%的稅率徵稅。不合資格使用利得稅兩級制之集團實體的溢利繼續按16.5%的稅率徵稅。

中國企業所得稅乃以本年度源自中國內地之估計應課稅溢利按25%(二零二一年: 25%)之稅率計算。

## 11. INCOME TAX EXPENSE (CONTINUED)

Land appreciation tax is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including costs of land and development and construction expenditures.

## 11. 所得稅開支(續)

土地增值稅根據土地價值之增長(即出售物業所得款項扣除可扣減支出(包括土地成本、發展及建築支出))按累進稅率由30%至60%徵收。

		<b>2022</b>	2021
		二零二二年	二零二一年
		HK\$'000	HK\$'000
		千港元	千港元
Current tax	即期稅項		
PRC enterprise income tax	中國企業所得稅	<b>120,574</b>	842,018
PRC land appreciation tax	中國土地增值稅	<b>188,898</b>	13,934
Hong Kong profits tax	香港利得稅	<b>67</b>	21
		<b>309,539</b>	855,973
Deferred tax (note 30)	遞延稅項(附註30)	<b>27,928</b>	(423,846)
		<b>337,467</b>	432,127

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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#### 11. INCOME TAX EXPENSE (CONTINUED)

Tax charge on the Group's (loss)/profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
(Loss)/profit before tax	除稅前(虧損)/溢利	<b>(1,022,757)</b>	1,063,934
Tax calculated at domestic tax rates in the respective regions	按相關地區之當地稅率計算之稅項	<b>(220,217)</b>	312,343
Land appreciation tax	土地增值稅	<b>188,898</b>	13,934
Tax effect of land appreciation tax	土地增值稅之稅務影響	<b>(47,224)</b>	(3,484)
Share of results of associates	分佔聯營公司業績	<b>196,606</b>	66,002
Share of results of joint ventures	分佔合營公司業績	<b>(34,443)</b>	(12,063)
Income not subject to tax	毋須課稅之收入	<b>(35,612)</b>	(90,018)
Expenses not deductible for tax purposes	不可扣稅之開支	<b>43,285</b>	86,871
Utilisation of previously unrecognised tax losses	動用早前未確認之稅務虧損	<b>(6,366)</b>	(30,035)
Utilisation of previously unrecognised temporary differences	動用早前未確認之暫時差額	<b>(2,887)</b>	(23,711)
Adjustment in respect of current tax of previous period	就過往期間的當期稅項作出的調整	<b>(20,327)</b>	24,441
Tax losses/deductible temporary differences not recognised	未確認稅務虧損/可扣稅之臨時差額之稅務影響	<b>275,754</b>	87,847
Tax charge	稅項開支	<b>337,467</b>	432,127

The weighted average applicable tax rate was 21.5% (2021: 29.4%). The year-on-year change is primarily caused by a change in the relative profitability of the Company's subsidiaries in the respective regions.

#### 11. 所得稅開支(續)

本集團就除稅前(虧損)/溢利之稅項開支，與應用適用於綜合實體之溢利之加權平均稅率計算所得理論金額之差異如下：

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
(Loss)/profit before tax	除稅前(虧損)/溢利	<b>(1,022,757)</b>	1,063,934
Tax calculated at domestic tax rates in the respective regions	按相關地區之當地稅率計算之稅項	<b>(220,217)</b>	312,343
Land appreciation tax	土地增值稅	<b>188,898</b>	13,934
Tax effect of land appreciation tax	土地增值稅之稅務影響	<b>(47,224)</b>	(3,484)
Share of results of associates	分佔聯營公司業績	<b>196,606</b>	66,002
Share of results of joint ventures	分佔合營公司業績	<b>(34,443)</b>	(12,063)
Income not subject to tax	毋須課稅之收入	<b>(35,612)</b>	(90,018)
Expenses not deductible for tax purposes	不可扣稅之開支	<b>43,285</b>	86,871
Utilisation of previously unrecognised tax losses	動用早前未確認之稅務虧損	<b>(6,366)</b>	(30,035)
Utilisation of previously unrecognised temporary differences	動用早前未確認之暫時差額	<b>(2,887)</b>	(23,711)
Adjustment in respect of current tax of previous period	就過往期間的當期稅項作出的調整	<b>(20,327)</b>	24,441
Tax losses/deductible temporary differences not recognised	未確認稅務虧損/可扣稅之臨時差額之稅務影響	<b>275,754</b>	87,847
Tax charge	稅項開支	<b>337,467</b>	432,127

適用之加權平均稅率為21.5%(二零二一年：29.4%)。稅率按年改變乃由於本集團附屬公司於相關地區之相關盈利能力改變所致。

## 12. DIVIDENDS

The Directors do not recommend the payment of a dividend for the year ended 31 December 2022 (2021: final dividend and a special dividend in respect of HK1.0 cent each per ordinary share totalling HK\$66,938,000).

A final dividend and a special dividend in respect of the year ended 31 December 2021 of HK1.0 cent each per ordinary share totalling HK\$66,938,000 (2021: final dividend and a special dividend in respect of the year ended 31 December 2020 of HK1.0 cent each per ordinary share totalling HK\$66,938,000) were recognised as distribution during the year.

## 13. (LOSS)/EARNINGS PER SHARE — BASIC AND DILUTED

The calculation of basic (loss)/earnings per share is based on the (loss)/profit attributable to equity holders of the Company divided by the weighted average number of ordinary shares in issue during the year.

Since there were no dilutive potential ordinary shares, the diluted (loss)/earnings per share is equal to basic (loss)/earnings per share.

## 12. 股息

董事不建議派付截至二零二二年十二月三十一日止年度的股息(二零二一年：末期股息及特別股息每股普通股各1.0港仙，總額為66,938,000港元)。

就截至二零二一年十二月三十一日止年度之末期股息及特別股息每股普通股各1.0港仙，總額為66,938,000港元(二零二一年：就截至二零二零年十二月三十一日止年度之末期股息及特別股息分別每股普通股1.0港仙，總額為66,938,000港元)於本年度已確認分派。

## 13. 每股(虧損)/盈利 — 基本及攤薄

每股基本(虧損)/盈利乃按本公司股權持有人應佔(虧損)/溢利除以年內已發行普通股之加權平均股數計算。

由於並未有任何稀釋性之潛在普通股，故每股攤薄(虧損)/盈利與每股基本(虧損)/盈利相同。

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
(Loss)/profit attributable to equity holders of the Company	本公司股權持有人應佔(虧損)/溢利	<b>(1,362,468)</b>	89,209
		2022 二零二二年 Number of shares 股數 '000 千股	2021 二零二一年 Number of shares 股數 '000 千股
Weighted average number of ordinary shares in issue during the year	年內已發行普通股之加權平均股數	<b>3,346,908</b>	3,346,908



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## 綜合財務報表附註

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### 14. PROPERTY, PLANT AND EQUIPMENT

Movements in property, plant and equipment are as follows:

### 14. 物業、廠房及設備

物業、廠房及設備之變動如下：

		Leasehold land and buildings 租賃土地及 樓宇 HK\$'000 千港元	Leasehold improvements 租賃物業 裝修 HK\$'000 千港元	Machinery 機器 HK\$'000 千港元	Furniture, fixtures and equipment 傢具、裝置及 設備 HK\$'000 千港元	Motor vehicles 車輛 HK\$'000 千港元	Total 總額 HK\$'000 千港元
<b>Year ended 31 December 2022</b>	<b>截至二零二二年十二月三十一日止年度</b>						
At 1 January 2022	於二零二二年一月一日	457,255	8,906	2,283	12,352	7,007	487,803
Exchange differences	匯兌差額	(34,768)	—	(67)	(1,039)	(566)	(36,440)
Additions	添置	15,000	—	209	4,028	1,672	20,909
Transfer from inventories	轉移自存貨	242,599	—	—	—	—	242,599
Disposals	出售	—	—	(14)	(502)	(308)	(824)
Transfer to investment properties (ii)	轉移至投資物業(ii)	(5,774)	—	—	—	—	(5,774)
Depreciation	折舊	(30,029)	(8,841)	(279)	(4,694)	(2,157)	(46,000)
At 31 December 2022	於二零二二年十二月三十一日	644,283	65	2,132	10,145	5,648	662,273
At 31 December 2022	於二零二二年十二月三十一日						
Cost	成本	754,796	37,671	3,296	40,732	21,027	857,522
Accumulated depreciation and impairment	累計折舊及減值	(110,513)	(37,606)	(1,164)	(30,587)	(15,379)	(195,249)
Net book amount	賬面淨值	644,283	65	2,132	10,145	5,648	662,273
<b>Year ended 31 December 2021</b>	<b>截至二零二一年十二月三十一日止年度</b>						
At 1 January 2021	於二零二一年一月一日	212,407	26,657	2,227	10,498	7,491	259,280
Exchange differences	匯兌差額	5,203	—	24	338	203	5,768
Additions	添置	—	—	222	5,968	1,307	7,497
Transfer from inventories	轉移自存貨	272,476	—	—	—	—	272,476
Acquisition of a subsidiary	收購一家附屬公司	—	—	75	—	411	486
Disposals	出售	(89)	(8)	—	(159)	(27)	(283)
Transfer to investment properties (ii)	轉移至投資物業(ii)	(2,161)	—	—	—	—	(2,161)
Depreciation	折舊	(30,581)	(17,743)	(265)	(4,293)	(2,378)	(55,260)
At 31 December 2021	於二零二一年十二月三十一日	457,255	8,906	2,283	12,352	7,007	487,803
At 31 December 2021	於二零二一年十二月三十一日						
Cost	成本	543,695	37,671	3,338	45,113	24,291	654,108
Accumulated depreciation and impairment	累計折舊及減值	(86,440)	(28,765)	(1,055)	(32,761)	(17,284)	(166,305)
Net book amount	賬面淨值	457,255	8,906	2,283	12,352	7,007	487,803

## 14. PROPERTY, PLANT AND EQUIPMENT

### (CONTINUED)

- (i) At the end of both reporting periods, the Group's buildings were erected on land under medium-term and long-term leases in Hong Kong and a long-term lease in Mainland China, respectively.
- (ii) The amount transferred to investment properties upon the end of owner occupation included the carrying value of the property, plant and equipment amounting to HK\$5,774,000 (2021: HK\$2,161,000) with fair value change recognised in other comprehensive income of approximately HK\$2,726,000 (2021: HK\$39,424,000) during the year ended 31 December 2022.
- (iii) As at 31 December 2022, the Group's buildings with carrying amounts of HK\$195,283,000 (2021: Nil) have been pledged as collateral for bank borrowings (note 29(a)).

## 14. 物業、廠房及設備(續)

- (i) 於兩個報告期終日，本集團樓宇分別於香港及中國內地根據中期及長期租賃及長期租賃土地上興建。
- (ii) 截至二零二二年十二月三十一日止年度，在業主佔用結束後轉撥至投資物業之金額包括物業、廠房及設備之賬面值5,774,000港元(二零二一年：2,161,000港元)，並於其他全面收益確認公允值變動約2,726,000港元(二零二一年：39,424,000港元)。
- (iii) 於二零二二年十二月三十一日，賬面值為195,283,000港元(二零二一年：無)的樓宇已質押作為銀行借款之抵押品(附註29(a))。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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#### 15. INVESTMENT PROPERTIES

The Group leases out various properties under operating leases with rentals receivable monthly. The leases have an initial terms of 1 to 15 years.

The Group is not exposed to foreign currency risk as a result of the lease arrangements, as all leases are denominated in the respective functional currencies of group entities. The lease contracts do not contain residual value guarantee and/or lessee's option to purchase the property at the end of lease term.

#### 15. 投資物業

本集團以經營租賃方式出租多個物業以收取每月應收租金。租賃為期1至15年。

本集團並無因租賃安排而承受外幣風險，因為所有租賃按集團實體各自之功能貨幣計值。租賃合約均不包含餘值擔保及／或承租人於租期結束時購買物業之選擇權。

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
<b>At fair value</b>	<b>按公允值</b>		
At beginning of the year	年初	2,664,793	2,507,388
Transfer from property, plant and equipment	轉撥自物業、廠房及設備	8,500	41,585
Transfer from inventories	轉撥自存貨	228,685	—
Additions	添置	2,949	257,873
Fair value changes on investment properties recognised in profit or loss	於損益內確認之投資物業公允值變動	(68,814)	(153,467)
Exchange differences	匯兌差額	(61,681)	11,414
At end of the year	年終	<b>2,774,432</b>	2,664,793

As at 31 December 2022, investment properties with the fair value of HK\$186,457,000 (2021: Nil) have been pledged as collateral for bank borrowings (note 29(a)).

於二零二二年十二月三十一日，公允值為186,457,000港元(二零二一年：無)的投資物業已質押作為銀行借款之抵押品(附註29(a))。

The investment properties were fair-valued at 31 December 2022 by Cushman & Wakefield Limited, an independent valuer (2021: Cushman & Wakefield Limited). The fair value of the investment properties was arrived at by considering the income capitalisation of the properties or, where appropriate, by reference to market evidence of transaction prices for similar properties in the same locations and conditions as direct comparison. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

投資物業於二零二二年十二月三十一日之公允值由獨立估值師戴德梁行有限公司重新估值(二零二一年：戴德梁行有限公司)。投資物業的公允值乃考慮物業之收益資本化或參考與可資比較物業在位置及規模上相似的實際市場交易，作為直接比較。在估計物業公允值時，現時用途取其最高及最佳用途。

## 15. INVESTMENT PROPERTIES (CONTINUED)

Details of the Group's investment properties and information about the fair value hierarchy as at the end of the reporting periods are as follows:

## 15. 投資物業(續)

於報告期終日，本集團投資物業及公允價值層級資料如下：

		Level 1	Level 2	Level 3	Fair value as at 31 December 2022 公允值 於二零二二年 十二月 三十一日 HK\$'000 千港元
		第一級 HK\$'000 千港元	第二級 HK\$'000 千港元	第三級 HK\$'000 千港元	公允值 於二零二一年 十二月 三十一日 HK\$'000 千港元
In Hong Kong	位於香港	—	49,500	1,956,000	2,005,500
In Mainland China	位於中國內地	—	257,926	511,006	768,932
Fair value as at 31 December 2021					
		Level 1	Level 2	Level 3	Fair value as at 31 December 2021 公允值 於二零二一年 十二月 三十一日 HK\$'000 千港元
		第一級 HK\$'000 千港元	第二級 HK\$'000 千港元	第三級 HK\$'000 千港元	公允值 於二零二一年 十二月 三十一日 HK\$'000 千港元
In Hong Kong	位於香港	—	45,800	1,967,000	2,012,800
In Mainland China	位於中國內地	—	41,585	610,408	651,993

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 (2021: Nil).

年內，第一級及第二級公允價值計量之間並無轉移(二零二一年：無)。

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#### 15. INVESTMENT PROPERTIES (CONTINUED)

Reconciliation of fair value measurements categorised within Level 3 of the fair value hierarchy:

#### 15. 投資物業 (續)

歸類於第三級公允價值層級內公允價值計量之對賬：

		HK\$'000 千港元
Carrying amount at 1 January 2021	於二零二一年一月一日之賬面值	2,079,100
Transfer from level 2	轉撥自第二級	385,788
Additions	添置	257,873
Exchange differences	匯兌差額	11,414
Fair value changes on investment properties recognised in profit or loss	於損益確認之投資物業公允價值變動	(156,767)
Carrying amount at 31 December 2021 and 1 January 2022	於二零二一年十二月三十一日及二零二二年一月一日之賬面值	<b>2,577,408</b>
Additions	添置	<b>2,949</b>
Exchange differences	匯兌差額	<b>(49,337)</b>
Fair value changes on investment properties recognised in profit or loss	於損益確認之投資物業公允價值變動	<b>(64,014)</b>
Carrying amount at 31 December 2022	於二零二二年十二月三十一日之賬面值	<b>2,467,006</b>

## 15. INVESTMENT PROPERTIES (CONTINUED)

The following table gives information about how the fair values of these investment properties are determined (in particular, the valuation techniques and key inputs used), as well as the fair value hierarchy into which the fair value measurements are categorised (Levels 2 to 3) based on the degree to which the key inputs to the fair value measurements is observable.

### Investment properties held by the Group in the consolidated statement of financial position

綜合財務狀況表中本集團之投資物業

Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs
公允價值層級	估值技術及關鍵輸入數據	重大不可觀察之輸入數據
Property 1 in Hong Kong 香港物業1	Level 3 第三級 Income method 收入法 The key inputs are: 1. Reversionary yield; and 2. Market unit rent of individual unit 關鍵輸入數據為： 1. 復歸收益率；及 2. 個別單位的市場單位租金	Reversionary yield, taking into account annual unit market rental income and unit market value of the comparable properties of 3% (2021: 3%) 復歸收益率，考慮可資比較物業之年度單位市場租金收入及單位市場價值之3% (二零二一年：3%) Market unit rent, using direct market comparables and taking into account of similar characteristics, location and sizes, from HK\$40.3/sq.ft./month to HK\$54/sq.ft./month (2021: from HK\$40.8/sq.ft./month to HK\$54/sq.ft./month) 市場單位租金，採用直接市場比較數據並且考慮相似特徵、位置及規模，由每月每平方呎40.3港元至54港元 (二零二一年：由每月每平方呎40.8港元至54港元)
Property 2 in Hong Kong 香港物業2	Level 3 第三級 Income method 收入法 The key inputs are: 1. Reversionary yield; and 2. Market unit rent of individual unit 關鍵輸入數據為： 1. 復歸收益率；及 2. 個別單位的市場單位租金	Reversionary yield, taking into account annual unit market rental income and unit market value of the comparable properties of 3.25% to 3.5% (2021: 3.25% to 3.5%) 復歸收益率，考慮可資比較物業之年度單位市場租金收入及單位市場價值之3.25%至3.5% (二零二一年：3.25%至3.5%) Market unit rent, using direct market comparables and taking into account of similar characteristics, location and sizes, from HK\$23/sq.ft./month to HK\$33/sq.ft./month (2021: from HK\$23/sq.ft./month to HK\$33/sq.ft./month) 市場單位租金，採用直接市場比較數據並且考慮相似特徵、位置及規模，由每月每平方呎23港元至33港元 (二零二一年：由每月每平方呎23港元至33港元)
Other properties in Hong Kong 香港其他物業	Level 2 第二級 Direct comparison method based on market observable transactions of similar properties and adjusted to reflect the conditions and locations of the subject property 直接比較法基於相似物業之市場可觀察交易並作調整以反映該物業之條件及位置	N/A 不適用

## 15. 投資物業 (續)

下表提供如何釐定投資物業公允價值之資料 (尤其是所使用的估值技術及關鍵輸入數據)，以及根據關鍵輸入數據對公允價值計量的可觀察程度確定公允價值計量在公允價值層級中的分類 (第二級至第三級)。

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### 15. INVESTMENT PROPERTIES (CONTINUED)

### 15. 投資物業(續)

Investment properties held by the Group in the consolidated statement of financial position 綜合財務狀況表中本集團之投資物業	Fair value hierarchy 公允價值層級	Valuation techniques and key inputs 估值技術及關鍵輸入數據	Significant unobservable inputs 重大不可觀察之輸入數據
Property 3 in Mainland China 中國內地物業3	Level 3 第三級	Income method 收入法  The key inputs are: 1. Reversionary yield; and 2. Market unit rent of individual unit 關鍵輸入數據為： 1. 復歸收益率；及 2. 個別單位的市場單位租金	Reversionary yield, taking into account annual unit market rental income and unit market value of the comparable properties of 2.5% (2021: 2.5%) 復歸收益率，考慮可資比較物業之年度單位市場租金收入及單位市場價值之2.5% (二零二一年：2.5%) Market unit rent, using direct market comparables and taking into account of similar characteristics, location and sizes, of HK\$71.4/sq.m./month (2021: HK\$76.1/sq.m./month) 市場單位租金，採用直接市場比較數據並且考慮相似特徵、位置及規模，每月每平方米71.4港元 (二零二一年：每月每平方米76.1港元)
Property 4 in Mainland China 中國內地物業4	Level 3 第三級	Income method 收入法  The key inputs are: 1. Reversionary yield; and 2. Market unit rent of individual unit 關鍵輸入數據為： 1. 復歸收益率；及 2. 個別單位的市場單位租金	Reversionary yield, taking into account annual unit market rental income and unit market value of the comparable properties of 4.5% (2021: 4.5%) 復歸收益率，考慮可資比較物業之年度單位市場租金收入及單位市場價值之4.5% (二零二一年：4.5%) Market unit rent, using direct market comparables and taking into account of similar characteristics, location and sizes, from HK\$47.0/sq.m./month to HK\$60.4/sq.m./month (2021: from HK\$51.4/sq.m./month to HK\$66.0/sq.m./month) 市場單位租金，採用直接市場比較數據並且考慮相似特徵、位置及規模，由每月每平方米47.0港元至每月每平方米60.4港元 (二零二一年：由每月每平方米51.4港元至每月每平方米66.0港元)



## 15. INVESTMENT PROPERTIES (CONTINUED)

## 15. 投資物業(續)

Investment properties held by the Group in the consolidated statement of financial position 綜合財務狀況表中本集團之投資物業	Fair value hierarchy 公允價值層級	Valuation techniques and key inputs 估值技術及關鍵輸入數據	Significant unobservable inputs 重大不可觀察之輸入數據
Property 5 in Mainland China 中國內地物業5	Level 3 第三級	Income method 收入法  The key inputs are: 1. Reversionary yield; and 2. Market unit rent of individual unit 關鍵輸入數據為： 1. 復歸收益率；及 2. 個別單位的市場單位租金	Reversionary yield, taking into account annual unit market rental income and unit market value of the comparable properties of 3.5% (2021: 3.5%) 復歸收益率，考慮可資比較物業之年度單位市場租金收入及單位市場價值之3.5% (二零二一年：3.5%) Market unit rent, using direct market comparables and taking into account of similar characteristics, location and sizes, of HK\$48.0/sq.m./month (2021: HK\$51.5/sq.m./month) 市場單位租金，採用直接市場比較數據並且考慮相似特徵、位置及規模，每月每平方米48.0港元 (二零二一年：每月每平方米51.5港元)
Property 6 in Mainland China 中國內地物業6	Level 3 第三級	Income method 收入法  The key inputs are: 1. Reversionary yield; and 2. Market unit rent of individual unit 關鍵輸入數據為： 1. 復歸收益率；及 2. 個別單位的市場單位租金	Reversionary yield, taking into account annual unit market rental income and unit market value of the comparable properties of 6.5% (2021: 6.5%) 復歸收益率，考慮可資比較物業之年度單位市場租金收入及單位市場價值之6.5% (二零二一年：6.5%) Market unit rent, using direct market comparables and taking into account of similar characteristics, location and sizes, from HK\$79.1/sq.m./month to HK\$175.7/sq.m./month (2021: from HK\$73.9/sq.m./month to HK\$164.0/sq.m./month) 市場單位租金，採用直接市場比較數據並且考慮相似特徵、位置及規模，由每月每平方米79.1港元至每月每平方米175.7港元 (二零二一年：由每月每平方米73.9港元至每月每平方米164.0港元)

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## 15. INVESTMENT PROPERTIES (CONTINUED)

## 15. 投資物業(續)

Investment properties held by the Group in the consolidated statement of financial position 綜合財務狀況表中本集團之投資物業	Fair value hierarchy 公允價值層級	Valuation techniques and key inputs 估值技術及關鍵輸入數據	Significant unobservable inputs 重大不可觀察之輸入數據
Property 7 in Mainland China 中國內地物業7	Level 3 第三級	Income method 收入法  The key inputs are: 1. Reversionary yield; and 2. Market unit rent of individual unit  關鍵輸入數據為： 1. 復歸收益率；及 2. 個別單位的市場單位租金	Reversionary yield, taking into account annual unit market rental income and unit market value of the comparable properties of 4.5% (2021: 4.5%) 復歸收益率，考慮可資比較物業之年度單位市場租金收入及單位市場價值之4.5% (二零二一年：4.5%) Market unit rent, using direct market comparables and taking into account of similar characteristics, location and sizes, from HK\$22.4/sq.m./month to HK\$108.0/sq.m./month (2021: from HK\$24.8/sq.m./month to HK\$118.0/sq.m./month) 市場單位租金，採用直接市場比較數據並且考慮相似特徵、位置及規模，由每月每平方米22.4港元至每月每平方米108.0港元 (二零二一年：由每月每平方米24.8港元至每月每平方米118.0港元)
Other properties in Mainland China 中國內地其他物業	Level 2 第二級	Direct comparison method based on market observable transactions of similar properties and adjusted to reflect the conditions and locations of the subject property 直接比較法基於相似物業之市場可觀察交易並作調整以反映該物業之條件及位置	N/A 不適用

Increase in the reversionary yield would result in a decrease in the fair value of the investment properties. Increase in the market unit rent or market unit rate would result in an increase in the fair value of the investment properties, and vice versa.

復歸收益率越高，投資物業之公允價值越低。個別單位的市場單位租金或市場單位價格越高，投資物業之公允價值越高；反之亦然。

In estimating the fair value of the investment properties, the Group uses market observable data to the extent it is available. The management of the Group works closely with the valuer to establish the appropriate valuation techniques and key inputs to the model.

在估計投資物業的公允價值時，本集團盡可能使用市場可觀察數據。本集團的管理層與估值師緊密合作，以制定適當的估值技術及關鍵輸入數據。

## 16. LEASES

### The Group as lessee

#### (a) Lease liabilities

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Lease liabilities payable	應付租賃負債		
Within 1 year	一年內	18,893	35,115
1 to 2 years	一年至兩年	10,021	15,005
2 to 5 years	兩年至五年	—	1,385
		<b>28,914</b>	51,505
Less: Amount due for settlement after 1 year shown under non-current liabilities	減：非流動負債項下之 1年後應付之 金額	<b>(10,021)</b>	(16,390)
Amount due for settlement within 1 year shown under current liabilities	流動負債項下之1年內 應付之金額	<b>18,893</b>	35,115

The weighted average incremental borrowing rates applied to lease liabilities range from 4.3% to 5.7% (2021: from 4.3% to 6.0%).

適用於租賃負債的加權平均增量借款利率範圍介乎4.3%至5.7% (二零二一年：4.3%至6.0%)。

#### (b) Right-of-use assets (included in property, plant and equipment)

#### (b) 使用權資產 (計入物業、廠房及設備)

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
<b>Buildings</b>	<b>樓宇</b>		
Carrying amount at year end	年終賬面值	<b>22,878</b>	30,218
Depreciation charge for the year	本年度折舊	<b>20,230</b>	25,201
Additions to right-of-use assets	使用權資產之添置	<b>15,000</b>	—

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#### 16. LEASES (CONTINUED)

##### The Group as lessee (Continued)

##### (b) Right-of-use assets (included in the property, plant and equipment) (Continued)

The Group leases offices for its operations. Lease contracts are entered into for fixed term of 1 to 5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

In addition, the Group owns several office buildings. The Group is the registered owner of these property interests, including the underlying leasehold lands. Lump sum payments were made upfront to acquire these property interests. The leasehold land components of these owned properties are presented separately only if the payments made can be allocated reliably.

(c) The amounts recognised in profit or loss in relation to leases are as follows:

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Interest on lease liabilities	租賃負債利息	2,542	3,599
Depreciation charge of right-of-use assets	使用權資產折舊開支	20,230	25,201
Expense relating to short-term leases	與短期租賃有關的費用	21,089	21,511
Total amount recognised in profit or loss	於損益確認的總額	<b>43,861</b>	50,311

(d) The total cash outflow for leases is disclosed in note 36(c) to the financial statements.

#### 16. 租賃(續)

##### 本集團作為承租人(續)

##### (b) 使用權資產(計入物業、廠房及設備)(續)

本集團租賃辦公室以供營運。所訂立租賃合約固期限定為1至5年。租期乃個別磋商及載有多項不同條款及條件。釐定租期及評估不可撤銷期間之長度時，本集團應用合約之定義及釐定合約可執行之期間。

此外，本集團擁有多幢辦公室樓宇。本集團為該等物業權益之註冊擁有人，包括相關租賃土地。收購該等物業權益時已一筆過支付款項。該等自有物業之租賃土地部分單獨呈列僅於付款時能可靠分配的。

(c) 就租賃於損益確認的款項如下：

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Interest on lease liabilities	租賃負債利息	2,542	3,599
Depreciation charge of right-of-use assets	使用權資產折舊開支	20,230	25,201
Expense relating to short-term leases	與短期租賃有關的費用	21,089	21,511
Total amount recognised in profit or loss	於損益確認的總額	<b>43,861</b>	50,311

(d) 租賃的現金流出總額披露於財務報表附註36(c)。

## 16. LEASES (CONTINUED)

### The Group as lessor

The Group leases its investment properties (note 15) consisting of 9 commercial properties in Mainland China and 7 commercial and residential properties in Hong Kong under operating lease arrangements. None of the Group's properties held for rental purposes have been disposed of since the end of the reporting period.

At 31 December 2022, the undiscounted lease payments receivable by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Within one year	一年內	67,630	55,454
In the second year	第二年	43,131	32,876
In the third year	第三年	24,805	19,845
In the fourth year	第四年	17,776	13,340
In the fifth year	第五年	13,050	9,126
After five years	五年以上	45,188	10,044
		<b>211,580</b>	140,685

## 17. INTERESTS IN ASSOCIATES

### (a) Investments

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
At beginning of the year	年初	3,306,006	3,472,096
Exchange differences	匯兌差額	(249,951)	97,917
Share of results of associates (iii)	分佔聯營公司業績(iii)	(786,422)	(264,007)
At end of the year	年終	<b>2,269,633</b>	3,306,006

## 16. 租賃(續)

### 本集團作為出租人

本集團根據經營租賃安排租賃其投資物業(附註15)，包括中國內地的9項商業物業及香港的7項商業及住宅物業。自報告期末以來，本集團並無出售任何作租賃用途的物業。

於二零二二年十二月三十一日，本集團根據不可撤銷的經營租賃下，可向租戶收取未來未經貼現的應收租賃款項如下：

## 17. 於聯營公司之權益

### (a) 投資

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## 17. INTERESTS IN ASSOCIATES (CONTINUED)

### (a) Investments (Continued)

Details of the Group's associates are as follows:

Name of entity	Principal activities	Place of incorporation and operation	Proportion of equity interest held by the Group at 31 December 2022 and 2021 於二零二二年及二零二一年十二月三十一日本集團持有股本權益比例	Proportion of voting rights held by the Group at 31 December 2022 and 2021 於二零二二年及二零二一年十二月三十一日本集團持有投票權比例
實體名稱	主要業務	註冊及經營地點		
廊坊萬恒盛業房地產開發有限公司 (Langfang Wanheng Shengye Property Development Co., Ltd.) ("Langfang Wanheng") (i)	Real estate development	Mainland China	50%	40%
廊坊萬恒盛業房地產開發有限公司(「廊坊萬恒」)(i)	房地產發展	中國內地		
北京五礦萬科置業有限公司 (Beijing Minmetals Vanke Real Estate Co., Ltd.) ("Beijing Minmetals Vanke") (i)	Real estate development	Mainland China	51%	40%
北京五礦萬科置業有限公司(「北京五礦萬科」)(i)	房地產發展	中國內地		
天津市億嘉合置業有限公司 (Tianjin Yijiahe Real Estate Company Limited) ("Tianjin Yijiahe") (ii)	Real estate development	Mainland China	49%	49%
天津市億嘉合置業有限公司(「天津億嘉合」)(ii)	房地產發展	中國內地		
湖南綠地金融城置業有限公司 (Hunan Greenland Financial City Property Development Co., Ltd.) ("Hunan Greenland") (ii)	Real estate development	Mainland China	50%	40%
湖南綠地金融城置業有限公司(「湖南綠地」)(ii)	房地產發展	中國內地		

- (i) These companies are sino-foreign equity joint ventures established in Mainland China with operating periods of 30 years. The Group accounts for its investments in these companies as associates as it only exercises significant influence over the investees by minority representation in the boards of directors. Pursuant to Articles of Association, the Group has the right to cast 40% of the votes at shareholders' meetings of Langfang Wanheng, and 40% of the votes at shareholders' meetings of Beijing Minmetals Vanke.
- (ii) During the year of 2020, the Group acquired 49% equity interest in Tianjin Yijiahe and 50% equity interest in Hunan Greenland. The Group accounts for its investments in these companies as associates as it only exercises significant influence over the investees by minority representation in the boards of directors. Pursuant to Articles of Association, the Group has the right to cast 49% of the votes at shareholders' meetings of Tianjin Yijiahe, and 40% of the votes at shareholders' meetings of Hunan Greenland.
- (iii) The share of results of associates included the share of allowance for impairment of inventories made by associates (net of tax), which amounted to HK\$716,349,000 (2021:HK\$141,702,000).

## 17. 於聯營公司之權益(續)

### (a) 投資(續)

本集團之聯營公司詳情如下：

Place of incorporation and operation	Proportion of equity interest held by the Group at 31 December 2022 and 2021 於二零二二年及二零二一年十二月三十一日本集團持有股本權益比例	Proportion of voting rights held by the Group at 31 December 2022 and 2021 於二零二二年及二零二一年十二月三十一日本集團持有投票權比例
Mainland China	50%	40%
中國內地		
Mainland China	51%	40%
中國內地		
Mainland China	49%	49%
中國內地		
Mainland China	50%	40%
中國內地		

- (i) 該等公司為於中國內地成立之中外合資企業，營運期為30年。由於本集團對於該被投資方僅能通過董事會少數代表行使重大影響力，故其將於該等公司之投資入賬列為聯營公司。根據公司章程，本集團於廊坊萬恒股東大會持有40%的投票權，以及於北京五礦萬科股東大會持有40%的投票權。
- (ii) 於二零二零年，本集團收購天津億嘉合49%的股權及湖南綠地50%的股權。由於本集團對於該被投資方僅能通過董事會少數代表行使重大影響力，故其將於該等公司之投資入賬列為聯營公司。根據公司章程，本集團於天津億嘉合股東大會持有49%的投票權，以及於湖南綠地股東大會持有40%的投票權。
- (iii) 分佔聯營公司業績包括分佔聯營公司所作存貨減值撥備(扣除稅項)，金額為716,349,000港元(二零二一年：141,702,000港元)。

## 17. INTERESTS IN ASSOCIATES (CONTINUED)

### (b) Summarised financial information of associates

Summarised financial information in respect of material associates of the Group is set out below. The summarised financial information below represents amounts shown in the associates' financial statements prepared in accordance with HKFRSs.

#### Langfang Wanheng

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Current assets	流動資產	2,539,406	2,707,786
Non-current assets	非流動資產	22,241	3,392
Current liabilities	流動負債	2,273,054	2,385,995
		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Revenue for the year	本年度收入	5,055	219,610
Loss for the year	本年度虧損	(9,384)	(17,131)
Other comprehensive (expense)/income for the year	本年度其他全面(支出)/收入	(27,206)	9,509
Total comprehensive expense for the year	本年度全面支出總額	(36,590)	(7,622)

## 17. 於聯營公司之權益 (續)

### (b) 聯營公司之財務資料概要

本集團重大聯營公司之財務資料概要列載如下。下列財務資料概要指呈列於聯營公司的財務報表內之金額乃根據香港財務報告準則編製。

#### 廊坊萬恒

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Current assets	流動資產	2,539,406	2,707,786
Non-current assets	非流動資產	22,241	3,392
Current liabilities	流動負債	2,273,054	2,385,995
		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Revenue for the year	本年度收入	5,055	219,610
Loss for the year	本年度虧損	(9,384)	(17,131)
Other comprehensive (expense)/income for the year	本年度其他全面(支出)/收入	(27,206)	9,509
Total comprehensive expense for the year	本年度全面支出總額	(36,590)	(7,622)



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#### 17. INTERESTS IN ASSOCIATES (CONTINUED)

##### (b) Summarised financial information of associates (Continued)

###### Langfang Wanheng (Continued)

Reconciliation of the above summarised financial information to the carrying amount of the Group's interest in Langfang Wanheng recognised in the consolidated financial statements:

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Net assets of the associate	聯營公司之資產淨額	288,593	325,183
Proportion of the Group's interest in Langfang Wanheng	本集團於廊坊萬恒之權益比例	50%	50%

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Carrying amount of the Group's interest in Langfang Wanheng	本集團於廊坊萬恒權益之賬面值	144,296	162,591

###### Beijing Minmetals Vanke

###### 北京五礦萬科

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Current assets	流動資產	1,929,434	2,128,408
Non-current assets	非流動資產	—	124
Current liabilities	流動負債	6,998	21,148

#### 17. 於聯營公司之權益 (續)

##### (b) 聯營公司之財務資料概要 (續)

###### 廊坊萬恒 (續)

上述財務資料概要與廊坊萬恒於綜合財務報表內所確認之本集團權益賬面值之對賬：

## 17. INTERESTS IN ASSOCIATES (CONTINUED)

### (b) Summarised financial information of associates (Continued)

Beijing Minmetals Vanke (Continued)

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Revenue for the year	本年度收入	—	—
(Loss)/profit for the year	本年度(虧損)/溢利	<b>(6,540)</b>	261
Other comprehensive (expense)/income for the year	本年度其他全面(支出)/收入	<b>(178,408)</b>	60,092
Total comprehensive (expense)/income for the year	本年度全面(支出)/收入總額	<b>(184,948)</b>	60,353

Reconciliation of the above summarised financial information to the carrying amount of the Group's interest in Beijing Minmetals Vanke recognised in the consolidated financial statements:

上文財務資料概要與北京五礦萬科於綜合財務報表內所確認之本集團權益賬面值之對賬：

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Net assets of the associate	聯營公司之資產淨額	<b>1,922,436</b>	2,107,384
Proportion of the Group's interest in Beijing Minmetals Vanke	本集團於北京五礦萬科之權益比例	<b>51%</b>	51%
Carrying amount of the Group's interest in Beijing Minmetals Vanke	本集團於北京五礦萬科權益之賬面值	<b>980,442</b>	1,074,766

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#### 17. INTERESTS IN ASSOCIATES (CONTINUED)

##### (b) Summarised financial information of associates (Continued)

*Tianjin Yijiahe*

#### 17. 於聯營公司之權益(續)

##### (b) 聯營公司之財務資料概要(續)

*天津億嘉合*

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Current assets	流動資產	14,950,670	22,496,670
Non-current assets	非流動資產	20,556	83
Current liabilities	流動負債	7,659,820	13,137,751
Non-current liabilities	非流動負債	5,417,746	5,628,870
		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Revenue for the year	本年度收入	5,114,755	6,229,082
Loss for the year	本年度虧損	(1,581,215)	(258,973)
Other comprehensive (expense)/income for the year	本年度其他全面(支出)/收入	(255,257)	109,942
Total comprehensive expense for the year	本年度全面支出總額	(1,836,472)	(149,031)

## 17. INTERESTS IN ASSOCIATES (CONTINUED)

### (b) Summarised financial information of associates (Continued)

#### Tianjin Yijiahe (Continued)

Reconciliation of the above summarised financial information to the carrying amount of the Group's interest in Tianjin Yijiahe recognised in the consolidated financial statements:

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Net assets of the associate	聯營公司之資產淨額	1,893,660	3,730,132
Proportion of the Group's interest in Tianjin Yijiahe	本集團於天津億嘉合之權益比例	49%	49%

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Carrying amount of the Group's interest in Tianjin Yijiahe	本集團於天津億嘉合權益之賬面值	927,893	1,827,765

#### Hunan Greenland

#### 湖南綠地

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Current assets	流動資產	930,033	1,004,874
Non-current assets	非流動資產	122,159	156,234
Current liabilities	流動負債	536,222	541,659
Non-current liabilities	非流動負債	81,966	137,682

## 17. 於聯營公司之權益 (續)

### (b) 聯營公司之財務資料概要 (續)

#### 天津億嘉合 (續)

上文財務資料概要與天津億嘉合於綜合財務報表內所確認之本集團權益賬面值之對賬：

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Net assets of the associate	聯營公司之資產淨額	1,893,660	3,730,132
Proportion of the Group's interest in Tianjin Yijiahe	本集團於天津億嘉合之權益比例	49%	49%

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Carrying amount of the Group's interest in Tianjin Yijiahe	本集團於天津億嘉合權益之賬面值	927,893	1,827,765

#### 湖南綠地

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Current assets	流動資產	930,033	1,004,874
Non-current assets	非流動資產	122,159	156,234
Current liabilities	流動負債	536,222	541,659
Non-current liabilities	非流動負債	81,966	137,682

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#### 17. INTERESTS IN ASSOCIATES (CONTINUED)

##### (b) Summarised financial information of associates (Continued)

###### Hunan Greenland (Continued)

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Revenue for the year	本年度收入	94,915	194,271
Loss for the year	本年度虧損	(7,199)	(257,356)
Other comprehensive (expense)/income for the year	本年度其他全面(支出)／收入	(40,566)	17,286
Total comprehensive expense for the year	本年度全面支出總額	(47,765)	(240,070)

Reconciliation of the above summarised financial information to the carrying amount of the Group's interest in Hunan Greenland recognised in the consolidated financial statements:

上文財務資料概要與湖南綠地於綜合財務報表內所確認之本集團權益賬面值之對賬：

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Net assets of the associate	聯營公司之資產淨額	434,004	481,767
Proportion of the Group's interest in Hunan Greenland	本集團於湖南綠地之權益比例	50%	50%
Carrying amount of the Group's interest in Hunan Greenland	本集團於湖南綠地權益之賬面值	217,002	240,884

## 18. INTERESTS IN JOINT VENTURES

### (a) Investments

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
At beginning of the year	年初	227,863	196,074
Additions	新增	—	57,529
Exchange differences	匯兌差額	(23,784)	6,688
Share of results of joint ventures (i)	分佔合營公司業績(i)	137,773	48,253
Others	其他	—	(80,681)
At end of the year	年終	341,852	227,863

Details of the Group's joint ventures are as follows:

本集團之合營公司詳情如下：

Name of entity 實體名稱	Principal activities 主要業務	Place of incorporation and operation 註冊及經營地點	Proportion of equity interest held by the Group 本集團持有股本權益比例	
			2022 二零二二年	2021 二零二一年
葛礦利南京房地產開發有限公司 (Gekuanglei Nanjing Property Development Co.,Ltd.) ("Gekuanglei")	Real estate development	Mainland China	34.1%	34.1%
葛礦利南京房地產開發有限公司(「葛礦利」)	房地產發展	中國內地		
南京礦利金房地產開發有限公司 (Nanjing Kuanglijin Property Development Co.,Ltd.) ("Kuanglijin")	Real estate development	Mainland China	39.8%	39.8%
南京礦利金房地產開發有限公司(「礦利金」)	房地產發展	中國內地		
廣州安合房地產開發有限公司 (Guangzhou Anhe Real Estate Development Co.,Ltd.) ("Guangzhou Anhe") (c)	Real estate development	Mainland China	10%	10%
廣州安合房地產開發有限公司(「廣州安合」)(c)	房地產發展	中國內地		
湖南礦夢置業開發有限公司 (Hunan Kuangmeng Property Development Co.,Ltd.) ("Hunan Kuangmeng")	Real estate development	Mainland China	50%	50%
湖南礦夢置業開發有限公司(「湖南礦夢」)	房地產發展	中國內地		
北京礦融城置業有限公司 (Beijing Kuangrongcheng Real Estate Co.,Ltd.) (c)	Real estate development	Mainland China	40%	40%
北京礦融城置業有限公司(c)	房地產發展	中國內地		
南京悅欣裝飾管理有限公司 (Nanjing Yuexin Decoration Management Co.,Ltd.)	Real estate development	Mainland China	34.1%	34.1%
南京悅欣裝飾管理有限公司	房地產發展	中國內地		

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## 18. INTERESTS IN JOINT VENTURES

### (CONTINUED)

#### (a) Investments (Continued)

These companies are joint ventures established by the Group and other investors in Mainland China. The Group accounts for its investments in these companies as joint ventures as it exercises joint control over the investees through its voting rights, as unanimous consent is required for the relevant activities.

- (i) The share of results of joint ventures included the share of allowance for impairment of inventories made by joint ventures (net of tax), which amounted to HK\$110,958,000 (2021: Nil).

#### (b) Summarised financial information of joint ventures

As at 31 December 2022, none of Group's joint ventures were individually material.

## 18. 於合營公司之權益(續)

#### (a) 投資(續)

該等公司為本集團及中國內地其他投資者成立之合營公司。由於本集團透過投票權對被投資方行使共同控制(因為相關活動須獲一致同意)，故其將於該等公司之投資入賬列為合營公司。

- (i) 分佔合營企業業績包括分佔合營企業所作存貨減值撥備(扣除稅項)110,958,000港元(二零二一年：無)。

#### (b) 合營公司之財務資料概要

於二零二二年十二月三十一日，本集團並無個別而言重大的合營公司。

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
The Group's share of profit for the year	本集團應佔本年度溢利	137,773	48,253
The Group's share of other comprehensive (expense)/income for the year	本集團應佔本年度其他全面(支出)/收入	(23,784)	6,688
The Group's share of total comprehensive income for the year	本集團應佔本年度全面收入總額	113,989	54,941



## 18. INTERESTS IN JOINT VENTURES

### (CONTINUED)

- (c) The Group has discontinued the recognition of its share of losses of certain joint ventures because the share of losses of those joint ventures exceeded the Group's interests in those joint ventures and the Group has no obligation to take up further losses. The amounts of the Group's unrecognised share of losses of those joint ventures for the current year and cumulatively were as follows:

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Unrecognised share of losses of joint ventures for the year	年內未確認分佔合營企業虧損	15,488	—
Accumulated unrecognised share of losses of joint ventures as at 31 December	於十二月三十一日， 累計未確認分佔合營企業虧損	15,488	—

## 18. 於合營公司之權益(續)

- (c) 本集團已終止確認分佔若干合營企業的虧損，原因是分佔該等合營企業的虧損多於本集團於該等合營企業的權益，而本集團並無責任承擔進一步虧損。本集團本年度及累計未確認分佔該等合營企業虧損的金額如下：

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### 綜合財務報表附註

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## 19. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

## 19. 透過其他全面收益按公允價值計量之財務資產

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Listed equity securities in Hong Kong	於香港上市之股本證券		
At beginning of the year	年初	555,433	822,778
Additions	添置	28,338	—
Fair value loss recognised in other comprehensive income	於其他全面收益確認之公允價值虧損	(182,343)	(267,345)
At end of the year	年終	<b>401,428</b>	555,433

The Group's equity securities investment is measured at fair value at the end of the reporting period:

本集團於報告期終日的股本證券投資按公允價值計值：

Financial assets 財務資產	Fair value as at 公允價值		Fair value hierarchy 公允價值級別	Valuation technique and key input 估值技術及主要輸入數據
	31 December 2022 二零二二年 十二月三十一日 HK\$'000 千港元	31 December 2021 二零二一年 十二月三十一日 HK\$'000 千港元		
Financial assets at fair value through other comprehensive income — Listed equity securities 透過其他全面收益按公允價值計量之財務資產 — 上市股本證券	401,428	555,433	Level 1 第一級	Quoted prices in an active market 於活躍市場的掛牌買入價

The equity securities investment has been designated at fair value through other comprehensive income, which, in the opinion of the Directors, resulting more relevant information for the Group's financial instruments based on how the Group manages its equity instruments. Dividend income recognised during the year related to those investments held at end of the year was HK\$49,081,000 (2021: HK\$59,922,000), a part of dividend income was settled by script dividend which amounted to HK\$28,338,000. There was no disposal or transfer of the cumulative gain or loss within equity during both years.

股本證券投資已指定為透過其他全面收益按公允價值計量，而董事認為這導致本集團根據其管理股本工具的方式，披露更相關的財務工具相關資料。年內確認與年終所持有的該等投資有關的股息收入為49,081,000港元（二零二一年：59,922,000港元）部分股息收入按以股代息的方式結付，金額為28,338,000港元。於兩個年度在權益中概無出售或轉移累計收益或虧損。

## 20. INVENTORIES

## 20. 存貨

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Properties under development	發展中物業		
— located in Mainland China (i)	— 位於中國內地(i)	19,364,770	25,339,100
— located in Hong Kong (i)	— 位於香港(i)	6,948,179	6,078,169
		<b>26,312,949</b>	31,417,269
Properties held for sale — located in Mainland China	持作出售物業 — 位於中國內地	13,193,189	11,696,350
		<b>39,506,138</b>	43,113,619

### (i) Properties under development

### (i) 發展中物業

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Land use rights	土地使用權	18,141,754	23,027,702
Construction costs	建築成本	8,171,195	8,389,567
		<b>26,312,949</b>	31,417,269

As at 31 December 2022, properties under development with carrying amounts of HK\$12,729,428,000 (2021: HK\$6,471,763,000) have been pledged as collateral for bank borrowings (note 29(a)).

於二零二二年十二月三十一日，賬面值為12,729,428,000港元(二零二一年：6,471,763,000港元)的發展中物業已質押作為銀行借款之抵押品(附註29(a))。

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## 21. PREPAYMENTS, TRADE AND OTHER RECEIVABLES

## 21. 預付款項、貿易及其他應收款項

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Trade receivables, net (b)	貿易應收款項，淨額(b)	140,525	139,732
Deposits	按金	153,450	211,351
Prepayments (c)	預付款項(c)	744,158	891,132
Prepayments for land cost (d)	預付土地成本(d)	781,192	1,969,482
Amount due from a fellow subsidiary (note 39(b))	應收一家同系附屬公司款項(附註39(b))	2,687	—
Amounts due from associates (note 39(b))	應收聯營公司款項(附註39(b))	955,518	1,052,958
Amounts due from joint ventures (note 39(b))	應收合營公司款項(附註39(b))	2,751,595	3,054,411
Amounts due from non-controlling shareholders of subsidiaries (note 39(b))	應收附屬公司之非控股股東款項(附註39(b))	5,244,098	4,962,606
Others	其他	236,584	241,224
		<b>11,009,807</b>	<b>12,522,896</b>

(a) The carrying amounts of prepayments, trade and other receivables are denominated in the following currencies:

(a) 預付款項、貿易及其他應收款項之賬面值乃以下列貨幣列賬：

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
HK\$	港元	44,838	113,098
Renminbi ("RMB")	人民幣(「人民幣」)	10,964,969	12,409,783
Macao pataca ("MOP")	澳門幣(「澳門幣」)	—	15
		<b>11,009,807</b>	<b>12,522,896</b>

## 21. PREPAYMENTS, TRADE AND OTHER RECEIVABLES (CONTINUED)

- (b) The aging analysis of trade receivables based on due date for rental receivables, date of properties delivered to purchasers and billing date of construction services certified is as follows:

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Within 90 days	90日內	119,632	109,665
91 to 180 days	91至180日	3,784	3,006
181 days to 1 year	181日至一年	1,848	7,532
1 to 2 years	一年至兩年	31,960	22,020
Over 2 years	兩年以上	26,978	43,048
		<b>184,202</b>	185,271
Less: Allowance for impairment	減：減值撥備	<b>(43,677)</b>	(45,539)
		<b>140,525</b>	139,732

Movements in the allowance for impairment of trade receivables are as follows:

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
At beginning of the year	年初	45,539	31,842
Exchange differences	匯兌差額	(1,316)	2,539
Allowance for impairment, net	減值撥備，淨值	926	19,427
Written-off	撇銷	(1,472)	(8,269)
At end of the year	年終	<b>43,677</b>	45,539

Details of impairment assessment of trade and other receivables are set out in note 42(a)(ii).

## 21. 預付款項、貿易及其他應收款項(續)

- (b) 按應收租金到期日、物業交付予買家的日期及已認證建築服務的賬單日期劃分之貿易應收款項之賬齡分析如下：

就貿易應收款項作出之減值撥備之變動如下：

貿易及其他應收款項之減值評估詳情載於附註42(a)(ii)。

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#### 21. PREPAYMENTS, TRADE AND OTHER RECEIVABLES (CONTINUED)

- (c) As at 31 December 2022, prepayments included prepaid other taxes and other charges of approximately HK\$684,852,000 (2021: HK\$845,219,000).
- (d) Prepayments for land cost represented payments to Bureau of Planning and Natural Resources of PRC for the acquisition of land in Mainland China and the amount will be reclassified to inventory upon issuance of land use right certificates.
- (e) The other items within trade and other receivables do not contain past due or impaired assets.

#### 21. 預付款項、貿易及其他應收款項(續)

- (c) 於二零二二年十二月三十一日，預付款項包括預付其他稅項及其他費用約684,852,000港元(二零二一年：845,219,000港元)。
- (d) 預付土地成本指於中國內地收購土地所支付予中國規劃及自然資源局之款項，而此金額將於獲頒發土地使用權證後確認為存貨。
- (e) 貿易及其他應收款項內之其他項目並不包括逾期或已減值資產。

#### 22. CONTRACT ASSETS

Construction services	建築服務
Retention receivables	應收保固金

As at 1 January 2021, contract assets amounted to approximately HK\$203,146,000.

The contract assets from construction services primarily relate to the Group's right to consideration for work completed and not billed because the rights are conditioned on the Group's future performance. The contract assets are transferred to trade receivables when the rights become unconditional, typically upon the issuance of billing certificates.

#### 22. 合約資產

2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
92,983	240,503
51,377	45,750
<b>144,360</b>	286,253

於二零二一年一月一日，合約資產之金額為約203,146,000港元。

建築服務的合約資產主要涉及本集團就已完成工程收取代價之權利(但由於有關權利以本集團的未來履約為條件，故未發出賬單)。合約資產於權利成為無條件時(通常為發出賬單之時)轉撥至貿易應收款項。

## 22. CONTRACT ASSETS (CONTINUED)

Retention receivables are included in contract assets until the end of the retention period as the Group's entitlement to this final payment is conditioned on the Group's fulfillment of its quality warranty obligation. As at 31 December 2022, retention receivables with a carrying amount of HK\$33,223,000 (2021: HK\$18,239,000) were expected to be recovered after twelve months from the end of the reporting period.

The Group classifies these contract assets as current because the Group expects to realise them in its normal operating cycle.

## 23. CONTRACT COSTS

Contract costs relate to the incremental sales commissions paid/payable to property agents whose selling activities resulted in customers entering into sale and purchase agreements for the Group's properties. Contract costs are recognised as part of selling and marketing expenses in the consolidated statement of profit or loss in the period in which revenue from the related property sales is recognised.

## 22. 合約資產(續)

應收保固金計入合約資產，直至保修期結束止，因為本集團收取該最後付款的權利以本集團達成其質量保證責任為條件。截至二零二二年十二月三十一日，賬面值33,223,000港元(二零二一年：18,239,000港元)的應收保固金預期將於報告期後十二個月後收回。

本集團將該等合約資產分類為流動資產，原因為本集團預期將於其正常經營週期內將該等資產變現。

## 23. 合約成本

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Sales commissions	銷售佣金	238,300	217,454

合約成本涉及已付／應付物業代理的遞增銷售佣金，該等代理的銷售活動會導致客戶訂立有關本集團物業的買賣協議。合約成本乃於相關物業銷售所得收益確認期間在綜合損益表內確認為銷售及營銷費用的一部分。



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#### 24. CASH AND BANK DEPOSITS, RESTRICTED

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Restricted cash	受限制現金	<b>724,314</b>	1,077,095

The carrying amounts of restricted cash are denominated in the following currencies:

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
HK\$	港元	<b>709,072</b>	1,042,252
RMB	人民幣	<b>15,242</b>	34,843
		<b>724,314</b>	1,077,095

As at 31 December 2022, the weighted average effective interest rate was 4.19% (2021: 0.25%) per annum.

The maximum exposure to credit risk at the end of the reporting period is the carrying amount of cash and bank deposits.

The restricted cash represents (i) regulated pre-sales proceeds of properties, which will be released according to the completion stage of the related properties; (ii) performance deposits for construction projects; and (iii) guarantee deposits for the benefit of mortgage loan facilities granted by banks to the purchasers of the Group's properties.

#### 24. 受限制現金及銀行存款

受限制現金之賬面值乃以下列貨幣列賬：

於二零二二年十二月三十一日，加權平均實際年利率為4.19%（二零二一年：0.25%）。

於報告期終日須承受之最高信貸風險為現金及銀行存款之賬面值。

受限制現金指(i)受規管的物業預售款項，其按有關物業的落成階段發放；(ii)建築項目之履約保證金；及(iii)已質押予銀行作為本集團物業買家之按揭貸款融資所提供之擔保存款。

## 25. CASH AND BANK DEPOSITS, UNRESTRICTED

		<b>2022</b> 二零二二年 <b>HK\$'000</b> 千港元	2021 二零二一年 HK\$'000 千港元
Cash at banks	銀行現金	<b>7,701,207</b>	10,956,110
Cash on hand	手頭現金	<b>154</b>	16
Cash and bank deposits	現金及銀行存款	<b>7,701,361</b>	10,956,126

The carrying amounts of cash and bank deposits are denominated in the following currencies:

		<b>2022</b> 二零二二年 <b>HK\$'000</b> 千港元	2021 二零二一年 HK\$'000 千港元
HK\$	港元	<b>145,838</b>	227,698
RMB	人民幣	<b>7,521,314</b>	10,687,499
US\$	美元	<b>34,209</b>	33,537
MOP	澳門幣	—	7,392
		<b>7,701,361</b>	10,956,126

The maximum exposure to credit risk at the end of the reporting period is the carrying amount of cash and bank deposits.

## 25. 不受限制現金及銀行存款

現金及銀行存款之賬面值乃以下列貨幣列賬：

於報告期終日須承受之最高信貸風險為現金及銀行存款之賬面值。

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## 26. SHARE CAPITAL

## 26. 股本

		2022 二零二二年		2021 二零二一年	
		Number of shares 股數 '000 千股	Amount 金額 HK\$'000 千港元	Number of shares 股數 '000 千股	Amount 金額 HK\$'000 千港元
Authorised:	法定：				
Ordinary shares of HK\$0.1 each	每股面值0.1 港元普通股	<b>10,000,000</b>	<b>1,000,000</b>	10,000,000	1,000,000
Issued and fully paid:	已發行及實繳：				
Ordinary shares of HK\$0.1 each	每股面值0.1 港元普通股				
Balance at beginning and end of the year	年初及年終 結餘	<b>3,346,908</b>	<b>334,691</b>	3,346,908	334,691

## 27. RESERVES

## 27. 儲備

		Share premium	Contributed surplus	Capital	Investment	Cash flow		Other reserve	Exchange reserve	Retained earnings	Total
				redemption reserve	revaluation reserve	hedging reserve	Revaluation reserve				
				資本贖回	投資重估	現金流					
				儲備	儲備	儲備	重估儲備	其他儲備	匯兌儲備	保留盈利	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
			(a)					(b)		(c)	
			(a)					(b)		(c)	
Balance as at 1 January 2021	於二零二一年一月一日之結餘	4,275,172	515,336	769	265,041	(59,846)	4,359	(296,986)	(259,464)	4,819,879	9,264,260
Fair value loss of financial assets at fair value through other comprehensive income	透過其他全面收益按公允價值計量之財務資產所產生之公允價值虧損	—	—	—	(267,345)	—	—	—	—	—	(267,345)
Fair value gain on hedging instruments in cash flow hedges	現金流對沖的對沖工具之公允價值收益	—	—	—	—	36,407	—	—	—	—	36,407
Gain on revaluation of owner-occupied properties upon transfer to investment properties	業主佔用物業轉移至投資物業後之重估收益	—	—	—	—	—	39,424	—	—	—	39,424
Currency translation adjustments	匯兌調整	—	—	—	—	—	—	—	589,909	—	589,909
Gain on partial disposal of equity interests in a subsidiary	出售於一家附屬公司部分權益之收益	—	—	—	—	—	—	844	—	—	844
2020 final dividend paid	支付二零二零年末期股息	—	—	—	—	—	—	—	—	(66,938)	(66,938)
Profit for the year	年度溢利	—	—	—	—	—	—	—	—	89,209	89,209
Balance as at 31 December 2021	於二零二一年十二月三十一日之結餘	4,275,172	515,336	769	(2,304)	(23,439)	43,783	(296,142)	330,445	4,842,150	9,685,770
Fair value loss of financial assets at fair value through other comprehensive income	透過其他全面收益按公允價值計量之財務資產所產生之公允價值虧損	—	—	—	(182,343)	—	—	—	—	—	(182,343)
Fair value gain on hedging instruments in cash flow hedges	現金流對沖的對沖工具之公允價值收益	—	—	—	—	54,709	—	—	—	—	54,709
Gain on revaluation of owner-occupied properties upon transfer to investment properties	業主佔用物業轉移至投資物業後之重估收益	—	—	—	—	—	2,726	—	—	—	2,726
Currency translation adjustments	匯兌調整	—	—	—	—	—	—	—	(1,646,618)	—	(1,646,618)
2021 final dividend paid	支付二零二一年末期股息	—	—	—	—	—	—	—	—	(66,938)	(66,938)
Loss for the year	年度虧損	—	—	—	—	—	—	—	—	(1,362,468)	(1,362,468)
Balance as at 31 December 2022	於二零二二年十二月三十一日之結餘	4,275,172	515,336	769	(184,647)	31,270	46,509	(296,142)	(1,316,173)	3,412,744	6,484,838

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## 27. RESERVES (CONTINUED)

- (a) Contributed surplus mainly represents the excess of the fair value of shares in Minmetals Land Investments Limited acquired by the Company over the nominal value of the new shares of the Company issued pursuant to the share exchange agreement.

Under the Companies Act of Bermuda, contributed surplus is distributable to shareholders, subject to the condition that the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus if (i) it is, or would after the payment be, unable to pay its liabilities as they become due, or (ii) the realisable value of its assets would thereby be less than the aggregate of its liabilities, issued share capital and share premium account.

- (b) Other reserve represents the differences between the amount by which non-controlling interests are adjusted and the fair value of consideration paid or received when the Group acquired or disposed of partial interests in existing subsidiaries.
- (c) As stipulated by regulations in Mainland China, the Company's subsidiaries established and operated in Mainland China are required to appropriate a portion of their after-tax profit (after offsetting prior year losses) to the statutory reserves at the rate of 10%. The appropriation as at 31 December 2022, amounting to approximately HK\$1,110,615,000 (2021: HK\$1,111,171,000), was included in retained earnings as at 31 December 2022.

## 27. 儲備(續)

- (a) 實繳盈餘主要指本公司於收購 Minmetals Land Investments Limited 股份之公允值超出本公司根據股份交換協議發行新股份之股份面值之差額。

根據百慕達公司法，實繳盈餘可供分派予股東，但在下列情況下本公司不能宣派或派發股息或分派實繳盈餘：(i)倘本公司現時或於作出分派後將未能支付到期負債，或(ii)本公司資產之可變現價值將因而低於其負債、已發行股本及股份溢價賬之總和。

- (b) 其他儲備指非控股股東權益調整金額與本集團收購或出售現有附屬公司的部分權益時已付或已收的代價的公允值之間的差額。
- (c) 中國內地規例規定，本公司於中國內地成立及營運之附屬公司須將部分除稅後溢利(在抵銷往年虧損後)撥入法定儲備，比率為10%。於二零二二年十二月三十一日，有關撥款約為1,110,615,000港元(二零二一年：1,111,171,000港元)，已包括於二零二二年十二月三十一日的保留盈利之內。

## 28. PERPETUAL CAPITAL INSTRUMENTS

## 28. 永久資本工具

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Perpetual loan	永久貸款	—	2,448,182

On 28 December 2017, a wholly-owned subsidiary of the Company (the "Borrower"), a fellow subsidiary and a bank (the "Bank") have entered into an entrustment loan agreement (the "Perpetual Loan Agreement"), pursuant to which the fellow subsidiary shall entrust the Bank to lend RMB2,000 million (the "Perpetual Loan") to the Borrower. The Perpetual Loan bears interest at the benchmark interest rate for loans over five years as quoted by the People's Bank of China per annum. During the year, the Group had fully repaid the Perpetual Loan.

於二零一七年十二月二十八日，本公司一家全資附屬公司（「借款人」）、一家同系附屬公司及一家銀行（「銀行」）訂立委託貸款協議（「永久貸款協議」），據此同系附屬公司委託銀行向借款人借出2,000,000,000元人民幣（「永久貸款」）。永久貸款按中國人民銀行所公佈超過五年期貸款的基準年利率計息。年內，本集團已悉數償還永久貸款。

## 29. BORROWINGS

## 29. 借款

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Non-current	非流動		
Bank borrowings, secured (a)	銀行借款，有抵押(a)	1,386,825	3,204,312
Bank borrowings, unsecured (a)	銀行借款，無抵押(a)	11,329,880	7,961,774
Guaranteed bonds, unsecured (b)	擔保債券，無抵押(b)	2,332,362	3,303,115
Bonds, unsecured (c)	債券，無抵押(c)	893,197	—
Loans from non-controlling shareholders of a subsidiary, unsecured (note 39(b))	一家附屬公司非控股股東之貸款，無抵押(附註39(b))	1,234,064	—
		<b>17,176,328</b>	14,469,201
Current	流動		
Bank borrowings, secured (a)	銀行借款，有抵押(a)	3,143,723	—
Bank borrowings, unsecured (a)	銀行借款，無抵押(a)	2,975,325	6,547,465
Guaranteed bonds, unsecured (b)	擔保債券，無抵押(b)	973,837	—
Loans from non-controlling shareholders of a subsidiary, unsecured (note 39(b))	一家附屬公司非控股股東之貸款，無抵押(附註39(b))	39,554	—
		<b>7,132,439</b>	6,547,465
		<b>24,308,767</b>	21,016,666

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#### 29. BORROWINGS (CONTINUED)

(a) Banking facilities

The Group's aggregate banking facilities, including bank borrowings, as at 31 December 2022 amounted to approximately HK\$26,036,545,000 (2021: HK\$22,132,989,000), of which approximately HK\$7,140,630,000 (2021: HK\$4,359,702,000) was unutilised. As at 31 December 2022, the collateral for the banking facilities was as follows:

- (i) Properties under development with carrying amounts of approximately HK\$12,729,428,000 (2021: HK\$6,471,763,000);
- (ii) Property, plant and equipment with carrying amounts of approximately HK\$195,283,000 (2021: Nil);
- (iii) Investment properties with the fair value of HK\$186,457,000 (2021: Nil);
- (iv) 100% equity interest in a subsidiary; and
- (v) Corporate guarantees given by the Company.

#### 29. 借款(續)

(a) 銀行融資

於二零二二年十二月三十一日，本集團之銀行融資總額(包括銀行借款)約為26,036,545,000港元(二零二一年：22,132,989,000港元)，其中未動用融資約為7,140,630,000港元(二零二一年：4,359,702,000港元)。於二零二二年十二月三十一日，本集團質押作為取得銀行融資之抵押品如下：

- (i) 賬面值約12,729,428,000港元(二零二一年：6,471,763,000港元)之發展中物業；
- (ii) 賬面值約195,283,000港元(二零二一年：無)之物業、廠房及設備；
- (iii) 公允價值約186,457,000港元(二零二一年：無)之投資物業；
- (iv) 一間附屬公司之100%股本權益；及
- (v) 本公司所作之公司擔保。



## 29. BORROWINGS (CONTINUED)

- (b) Guaranteed bonds
- (i) On 26 April 2013, the Group issued the guaranteed bonds ("2013 Guaranteed Bonds") with a principal amounts of US\$225,000,000 and US\$125,000,000 bearing interest at the coupon rates of 5.50% and 6.50%, per annum respectively. The 2013 Guaranteed Bonds of US\$125,000,000 will be matured on 26 April 2023. The 2013 Guaranteed Bonds with a principal amount of US\$225,000,000 were matured on 26 April 2018 and were repaid accordingly. The 2013 Guaranteed Bonds were guaranteed by the Company and had the benefit of a keep well deed from China Minmetals, the ultimate controlling shareholder of the Company. Upon the occurrence of a change of control triggering event, the bondholders will have the right, at the bondholders' option, to require the Group to redeem all, but not some only, of the outstanding 2013 Guaranteed Bonds at 101% of their principal amounts, together with accrued interest. If the Group would be obliged to pay additional tax amounts in respect of the 2013 Guaranteed Bonds as a result of any change in, or amendment to, specified tax laws or regulations, all outstanding 2013 Guaranteed Bonds may be redeemed at the Group's option, in whole but not in part, at their principal amounts together with interest accrued up to but excluding the redemption date.

The Group may at its option redeem the 2013 Guaranteed Bonds at any time, in whole but not in part, at a Make Whole Price as of, and accrued and unpaid interest, if any, to (but excluding), the redemption date.

## 29. 借款(續)

- (b) 擔保債券
- (i) 於二零一三年四月二十六日，本集團發行擔保債券(「二零一三年擔保債券」)，本金金額分別為225,000,000美元及125,000,000美元，票面年利率分別為5.50%和6.50%，125,000,000美元的二零一三年擔保債券將於二零二三年四月二十六日到期。本金金額225,000,000美元的二零一三年擔保債券已於二零一八年四月二十六日到期及償還。二零一三年擔保債券乃由本公司擔保，並受惠於本公司最終控股股東中國五礦提供的維好協議。於本公司發生控制權變化觸發之事件後，債券持有人有權按其選擇要求向本集團贖回全部(而非部分)未償還的二零一三年擔保債券之101%本金連同應計利息。倘因特定稅務法律或法規變動或修訂，導致本集團須就二零一三年擔保債券支付額外稅項，全部(完整而非部分)未償還的二零一三年擔保債券可應本集團之選擇被贖回，贖回金額為本金連同直至但不包括贖回日期之累計利息。

本集團可自行選擇在任何時間以整體而不是部分，以整體價格贖回二零一三年擔保債券，及由(但不包括)贖回日期開始計算應計及未付的利息(如有)。

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## 29. BORROWINGS (CONTINUED)

(b) Guaranteed bonds (Continued)

(i) (Continued)

“Make Whole Price” means with respect to the 2013 Guaranteed Bonds at any redemption date, the greater of (1) the present value of the principal amount of the 2013 Guaranteed Bonds, plus all required remaining scheduled interest payments due on the 2013 Guaranteed Bonds from the optional redemption date to the maturity date (but excluding accrued and unpaid interest to the option redemption date), computed using a discount rate, which is the rate per annum equal to the semi-annual equivalent yield in maturity of the comparable treasury issue, plus 0.50 per cent, and (2) the principal amount of the 2013 Guaranteed Bonds.

Early redemption options are regarded as embedded derivatives not closely related to the host debt instrument. The Directors consider that the fair value of the above early redemption options was insignificant on initial recognition and as at 31 December 2022 and 2021.

The effective interest rate of the 2013 Guaranteed Bonds at the end of the reporting period was 6.85% for US\$125,000,000 as at 31 December 2022 and 2021.

## 29. 借款(續)

(b) 擔保債券(續)

(i) (續)

「整體價格」是指二零一三年擔保債券於任何贖回日期的以下較高者(1)二零一三年擔保債券的本金現值，再加上二零一三年擔保債券已折現的贖回日期至到期日所需餘下利息(但不包括期權贖回日期的應計及未付利息)，使用的折現率為等期的已發行美國國庫券半年孳息率的年利率，加上百分之0.50及(2)二零一三年擔保債券的本金。

提早贖回權被視為與主借貸工具並無密切關係的嵌入式衍生工具。董事認為上述提早贖回權於初次確認時及於二零二二年及二零二一年十二月三十一日的公允值並不重大。

於二零二二年及二零二一年十二月三十一日，125,000,000美元之二零一三年擔保債券的實際利率為6.85%。

## 29. BORROWINGS (CONTINUED)

- (b) Guaranteed bonds (Continued)
- (ii) On 22 July 2021, the Group issued the guaranteed bonds ("2021 Guaranteed Bonds") with a principal amount of US\$300,000,000 bearing interest at the coupon rate of 4.95% per annum. The 2021 Guaranteed Bonds will be matured on 22 July 2026. The 2021 Guaranteed Bonds are guaranteed by the Company and have the benefit of a keep well deed from China Minmetals, the ultimate controlling shareholder of the Company. Upon the occurrence of a change of control triggering event, the bondholders will have the right, at the bondholders' option, to require the Group to redeem all, but not some only, of the outstanding 2021 Guaranteed Bonds at 101% of their principal amounts, together with accrued interest. If the Group would be obliged to pay additional tax amounts in respect of the 2021 Guaranteed Bonds as a result of any change in, or amendment to, specified tax laws or regulations, all outstanding 2021 Guaranteed Bonds may be redeemed at the Group's option, in whole but not in part, at their principal amounts together with interest accrued up to but excluding the redemption date.

The effective interest rate of the 2021 Guaranteed Bonds was 5.10% as at 31 December 2022 and 2021.

## 29. 借款(續)

- (b) 擔保債券(續)
- (ii) 於二零二一年七月二十二日，本集團發行擔保債券(「二零二一年擔保債券」)，本金金額為300,000,000美元，票面年利率為4.95%，二零二一年擔保債券將於二零二六年七月二十二日到期。二零二一年擔保債券乃由本公司擔保，並受惠於本公司最終控股股東中國五礦提供的維好協議。於本公司發生控制權變化觸發之事件後，債券持有人有權按其選擇要求向本集團贖回全部(而非部分)未償還的二零二一年擔保債券之101%本金連同應計利息。倘因特定稅務法律或法規變動或修訂，導致本集團須就二零二一年擔保債券支付額外稅項，全部(完整而非部分)未償還的二零二一年擔保債券可應本集團之選擇被贖回，贖回金額為本金連同直至但不包括贖回日期之累計利息。

於二零二二年及二零二一年十二月三十一日，二零二一年擔保債券的實際利率為5.10%。

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### 29. BORROWINGS (CONTINUED)

(c) Bonds

On 8 June 2022, the Group had lodged an application to the National Association of Financial Market Institutional Investors, for the issuance of domestic directional debt financing instruments (“domestic directional debt financing instruments in 2022”) that were applied for non-public issuance to specific investors. On 16 August 2022, the application had been approved. On 21 September 2022, the Group issued this unguaranteed bonds (“2022 Bonds”) with a principal amount of RMB800,000,000 bearing interest at the coupon rate of 4.6% per annum. The 2022 Bonds will be matured on 19 September 2025.

The effective interest rate of the 2022 Bonds was 4.71% as at 31 December 2022.

(d) The maturity of the Group’s borrowings is as follows:

### 29. 借款(續)

(c) 債券

於二零二二年六月八日，本集團向中國銀行間市場交易商協會提出申請，發行國內定向債務融資工具(「二零二二年國內定向債務融資工具」)，申請向特定投資者非公開發行。於二零二二年八月十六日，該申請已獲批准。於二零二二年九月二十一日，本集團發行本金為800,000,000元人民幣的無擔保債券(「二零二二年債券」)，票面年利率為4.6%。二零二二年債券將於二零二五年九月十九日到期。

於二零二二年十二月三十一日，二零二二年債券的實際利率為4.71%。

(d) 本集團借款之到期情況如下：

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Bank and other borrowings	銀行及其他借款		
Within one year	一年內	6,158,602	6,547,465
In more than one year but no more than two years	一年至兩年	6,717,230	3,206,806
In more than two years but no more than five years	兩年至五年	7,233,539	7,063,757
More than five years	五年以上	—	895,523
		<b>20,109,371</b>	17,713,551
Guaranteed bonds and bonds	擔保債券及債券		
Within one year	一年內	973,837	—
In more than one year but no more than two years	一年至兩年	—	971,924
In more than two years but no more than five years	兩年至五年	3,225,559	2,331,191
		<b>4,199,396</b>	3,303,115

## 29. BORROWINGS (CONTINUED)

- (e) Bank and other borrowings totalling HK\$18,835,754,000 (2021: HK\$17,713,551,000) are interest bearing on a floating interest rate basis. The weighted average effective interest rates at the end of the reporting period were as follows:

		2022 二零二二年		2021 二零二一年	
		HK\$ 港元	RMB 人民幣	HK\$ 港元	RMB 人民幣
Non-current	非流動				
Bank borrowings	銀行借款	6.25%	4.41%	1.93%	4.80%
Loans from non-controlling shareholders of a subsidiary	一家附屬公司非控股股東之貸款	N/A 不適用	6.18%	N/A 不適用	N/A 不適用
Current	流動				
Bank borrowings	銀行借款	5.87%	4.75%	1.95%	N/A 不適用

- (f) The fair values of borrowings approximate to their carrying amounts. The fair values are determined based on discounted cash flows.
- (g) The carrying amounts of the Group's borrowings are denominated in the following currencies:

## 29. 借款(續)

- (e) 18,835,754,000港元(二零二一年：17,713,551,000港元)之銀行及其他借款按浮動利率計息。於報告期終日之加權平均實際利率如下：

- (f) 借款之公允值與其賬面值相若。公允值乃按已貼現現金流量釐定。
- (g) 本集團借款之賬面值乃以下列貨幣列賬：

		2022 二零二二年	2021 二零二一年
		HK\$'000 千港元	HK\$'000 千港元
HK\$	港元	15,316,514	15,487,110
RMB	人民幣	5,686,054	2,226,441
US\$	美元	3,306,199	3,303,115
		<b>24,308,767</b>	21,016,666

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### 30. DEFERRED TAX

### 30. 遞延稅項

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Deferred tax assets	遞延稅項資產	754,807	871,999
Deferred tax liabilities	遞延稅項負債	(316,495)	(370,398)
		<b>438,312</b>	501,601

The movements in deferred tax assets and liabilities during the year are as follows:

年內遞延稅項資產及負債的變動如下：

#### Deferred tax assets

#### 遞延稅項資產

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Tax losses	稅項虧損		
At beginning of the year	年初	22,082	34,066
Exchange differences	匯兌差額	(406)	421
Recognised in the profit or loss	於損益確認	2,961	(12,405)
At end of the year	年終	<b>24,637</b>	22,082
Temporary difference on accruals and contract liabilities	應計費用及合約負債之臨時差額		
At beginning of the year	年初	757,935	374,885
Exchange differences	匯兌差額	(61,827)	11,371
Recognised in the profit or loss	於損益確認	(62,994)	371,679
At end of the year	年終	<b>633,114</b>	757,935
Others	其他		
At beginning of the year	年初	91,982	33,939
Exchange differences	匯兌差額	(8,315)	1,848
Recognised in the profit or loss	於損益確認	13,389	56,195
At end of the year	年終	<b>97,056</b>	91,982

### 30. DEFERRED TAX (CONTINUED)

#### Deferred tax liabilities

### 30. 遞延稅項(續)

#### 遞延稅項負債

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Fair value gain	公允值收益		
At beginning of the year	年初	171,937	223,109
Exchange differences	匯兌差額	(21,587)	10,932
Recognised in the profit or loss	於損益確認	(30,960)	(62,104)
At end of the year	年終	119,390	171,937
Accelerated tax depreciation	加速稅項折舊		
At beginning of the year	年初	28,972	26,956
Recognised in the profit or loss	於損益確認	3,147	2,016
At end of the year	年終	32,119	28,972
Undistributed retained earnings	未分派保留盈利		
At beginning of the year	年初	106,466	78,020
Payment during the year	年內付款	(7,750)	—
Recognised in the profit or loss	於損益確認	(4,052)	28,446
At end of the year	年終	94,664	106,466
Others	其他		
At beginning of the year	年初	63,023	38,281
Exchange differences	匯兌差額	(5,850)	1,477
Recognised in the profit or loss	於損益確認	13,149	23,265
At end of the year	年終	70,322	63,023



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### 30. DEFERRED TAX (CONTINUED)

#### Deferred tax liabilities (Continued)

In respect of HK\$847,729,000 (2021:HK\$899,102,000) temporary difference associated with undistributed retained earnings, the Group has not recognised deferred tax liabilities of HK\$42,386,000 (2021:HK\$44,955,000), as the Directors currently intend not to distribute the retained earnings outside Mainland China in the foreseeable future.

Deferred tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. As at 31 December 2022, the Group had unrecognised tax losses in Hong Kong of approximately HK\$1,686,235,000 (2021:HK\$1,281,075,000) which can be carried forward against future taxable income and have no expiry date, and unrecognised tax losses in Mainland China of approximately HK\$759,308,000 (2021:HK\$465,479,000) which will expire at various dates up to and including 2027, with amount of HK\$222,247,000 tax losses generated from the acquisition of Chengdu Xiangkuang Real Estate Co., Ltd. in 2022, as it is not probable that taxable profits will be available against which the tax losses can be utilised.

At the end of the reporting period, the Group has deductible temporary differences of HK\$1,081,775,000 (2021:HK\$354,759,000) that have not been recognised as deferred tax assets as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

### 30. 遞延稅項 (續)

#### 遞延稅項負債 (續)

未分派保留盈利的臨時差異為847,729,000港元(二零二一年：899,102,000港元)，由於董事現時並無意於可見未來將保留盈利分派出中國內地境外，故本集團並無就此確認遞延稅項負債42,386,000港元(二零二一年：44,955,000港元)。

就結轉稅務虧損確認之遞延稅項資產乃以有關稅務利益很有可能透過未來應課稅溢利變現之情況為限。於二零二二年十二月三十一日，本集團於香港可結轉以抵銷未來應課稅收入之未確認稅務虧損約為1,686,235,000港元(二零二一年：1,281,075,000港元)，且並無到期日，而在中國內地產生之未確認稅務虧損約為759,308,000港元(二零二一年：465,479,000港元)，於直至二零二七年(包括該年)止之不同日期到期，因於二零二二年收購成都香礦置業有限公司產生的稅項虧損為222,247,000港元，因為不大可能有應課稅溢利可供動用稅項虧損以作抵銷。

於報告期末，本集團尚未確認為遞延稅項資產的可扣減臨時差額為1,081,775,000港元(二零二一年：354,759,000港元)，因為不大可能有應課稅溢利可供動用可扣減臨時差異以作抵銷。

### 31. TRADE AND OTHER PAYABLES

### 31. 貿易及其他應付款項

		<b>2022</b>	2021
		二零二二年	二零二一年
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
Trade, bills and contract payables (b)	貿易、票據及合約 應付款項(b)	<b>2,413,338</b>	3,188,827
Retention payables	應付保固金	<b>26,697</b>	21,972
Accrued construction costs, other accruals and other payables	應計建築費用、其他 應計費用及其他 應付款項	<b>5,832,214</b>	6,470,109
Rental deposits received	已收租金按金	<b>10,410</b>	8,927
Amounts due to fellow subsidiaries (note 39(b))	應付同系附屬公司 款項(附註39(b))	<b>2,613,562</b>	1,090,401
Amounts due to non-controlling shareholders of subsidiaries (note 39(b))	應付附屬公司非控股 股東款項 (附註39(b))	<b>585,540</b>	2,054,568
Amounts due to associates (note 39(b))	應付聯營公司款項 (附註39(b))	<b>2,021,119</b>	2,463,129
Amount due to a joint venture (note 39(b))	應付一家合營公司 款項(附註39(b))	<b>57,219</b>	41,666
Deferred revenue (c)	遞延收入 (c)	<b>271,363</b>	316,528
		<b>13,831,462</b>	15,656,127
Less: Deferred revenue, amortise after 1 year shown under non-current liabilities	減：非流動負債項下之 1年後攤銷之 遞延收入	<b>(250,256)</b>	—
Amounts due for settlement within 1 year shown under current liabilities	流動負債項下之1年內 應付之金額	<b>13,581,206</b>	15,656,127

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### 31. TRADE AND OTHER PAYABLES (CONTINUED)

- (a) The carrying amounts of trade and other payables are denominated in the following currencies:

		<b>2022</b> 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
HK\$	港元	<b>510,040</b>	521,990
RMB	人民幣	<b>13,257,950</b>	15,070,147
US\$	美元	<b>63,472</b>	60,327
MOP	澳門幣	—	3,663
		<b>13,831,462</b>	15,656,127

- (b) The aging analysis of trade, bills and contract payables of the Group based on invoice date is as follows:

		<b>2022</b> 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Within 90 days	90日內	<b>1,205,235</b>	1,503,667
91 to 180 days	91至180日	<b>181,691</b>	388,955
181 days to 1 year	181日至一年	<b>531,540</b>	974,484
1 year to 2 years	一年至兩年	<b>340,507</b>	98,687
Over 2 years	兩年以上	<b>154,365</b>	223,034
		<b>2,413,338</b>	3,188,827

- (c) Deferred revenue  
As at 31 December 2022, included in deferred revenue was a government subsidy of HK\$268,131,000 (2021: HK\$312,500,000) towards the cost of construction of its assets. It transferred to other income on a systematic basis over certain period when the related assets commence to use.

### 31. 貿易及其他應付款項(續)

- (a) 貿易及其他應付款項之賬面值乃以下列貨幣列賬：

		<b>2022</b> 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
HK\$	港元	<b>510,040</b>	521,990
RMB	人民幣	<b>13,257,950</b>	15,070,147
US\$	美元	<b>63,472</b>	60,327
MOP	澳門幣	—	3,663
		<b>13,831,462</b>	15,656,127

- (b) 本集團貿易、票據及合約應付款項基於發票日期之賬齡分析如下：

		<b>2022</b> 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Within 90 days	90日內	<b>1,205,235</b>	1,503,667
91 to 180 days	91至180日	<b>181,691</b>	388,955
181 days to 1 year	181日至一年	<b>531,540</b>	974,484
1 year to 2 years	一年至兩年	<b>340,507</b>	98,687
Over 2 years	兩年以上	<b>154,365</b>	223,034
		<b>2,413,338</b>	3,188,827

- (c) 遞延收入  
於二零二二年十二月三十一日，計入遞延收入的為政府對其資產建設成本的資助268,131,000港元（二零二一年：312,500,000港元）。當有關資產開始使用時，其於若干期間按系統性基準轉撥至其他收入。

## 32. CONTRACT LIABILITIES

## 32. 合約負債

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Sales of properties	銷售物業	<b>11,415,551</b>	15,848,803

As at 1 January 2021, contract liabilities amounted to approximately HK\$12,787,885,000.

於二零二一年一月一日，合約負債之金額為約12,787,885,000港元。

The Group receives the considerations in advance from sales of properties to customers. The advance receipts result in contract liabilities being recognised until the customer obtains control of the completed property.

本集團就向客戶銷售物業預收代價。預收款項導致確認合約負債，直至客戶取得已落成物業的控制。

During the year, HK\$7,140,383,000 (2021: HK\$8,713,780,000) of revenue recognised relates to brought-forward contract liabilities.

年內，已確認收入中7,140,383,000港元（二零二一年：8,713,780,000港元）涉及結轉自前期的合約負債。

## 33. OTHER FINANCIAL ASSETS/(LIABILITIES)

## 33. 其他財務資產／（負債）

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
<b>Derivatives under hedge accounting</b>	<b>對沖會計下之衍生工具</b>		
Other financial assets	其他財務資產		
Cash flow hedges — Interest rate swap (a)	現金流量對沖 — 利率掉期(a)		
Matured after twelve months	於12個月後到期	<b>31,270</b>	—
Other financial liabilities	其他財務負債		
Cash flow hedges — Interest rate swap (a)	現金流量對沖 — 利率掉期(a)		
Matured within twelve months	於12個月內到期	—	18,868
Matured after twelve months	於12個月後到期	—	4,571
		—	23,439

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### 綜合財務報表附註

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### 33. OTHER FINANCIAL ASSETS/(LIABILITIES) (CONTINUED)

#### (a) Cash flow hedges:

At the end of the reporting period, the Group had the following interest rate swap contract designated as highly effective hedging instruments in order to manage the Group's interest rate exposure in relation to the bank borrowings on a floating interest rate basis. The Group entered into interest rate swap contract in which the Group would receive interest of one-month HIBOR and pay monthly interest at a fixed rate based on the notional amount of HK\$1.0 billion (2021: HK\$2.0 billion).

There is an economic relationship between the hedged item and the hedging instrument as the terms of the interest rate swap contract match the terms of the expected highly probable forecast transaction (expected payment date of the bank interests). The Group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risks of the swap contract is identical to the hedged risk components.

31 December 2022

Notional amount 名義金額	Maturity 到期日	Swap 掉期
Other financial assets 其他財務資產		
HK\$1,000,000,000	January 2024	From floating rates to fixed interest rates
1,000,000,000港元	二零二四年一月	由浮動利率至固定利率
31 December 2021		二零二一年十二月三十一日

Notional amount 名義金額	Maturity 到期日	Swap 掉期
Other financial liabilities 其他財務負債		
HK\$1,000,000,000	October 2022	From floating rates to fixed interest rates
1,000,000,000港元	二零二二年十月	由浮動利率至固定利率
HK\$1,000,000,000	January 2024	From floating rates to fixed interest rates
1,000,000,000港元	二零二四年一月	由浮動利率至固定利率

#### (a) 現金流量對沖：

於報告期末，本集團擁有下列指定作為高度有效對沖工具的利率掉期合約，藉此管理本集團就按浮動利率計息之銀行借款所面對的利率風險。本集團已訂立利率掉期合約，據此，本集團會收取一個月港元銀行同業拆息計算之利息，及根據名義金額10億港元（二零二一年：20億港元）按固定利率每月付息。

被對沖項目及對沖工具之間存在經濟關係，因為利率掉期合約的條款與預期高度可能的預測交易條款（銀行利息的預期支付日期）相匹配。由於掉期合約的相關風險與被對沖的風險組成部分相同，本集團為掉期關係確定1:1的對沖比率。

二零二二年十二月三十一日

### 33. OTHER FINANCIAL ASSETS/(LIABILITIES) (CONTINUED)

- (a) Cash flow hedges: (Continued)  
During the year, fair value gain of HK\$54,709,000 (2021: fair value gain of HK\$36,407,000) has been recognised in other comprehensive income and accumulated in equity.

### 34. PENSION OBLIGATIONS

The Group participates in a defined contribution pension scheme and a Mandatory Provident Fund ("MPF") scheme for the eligible employees in Hong Kong. Before 1 December 2000, a defined contribution pension scheme was provided to certain eligible employees employed by the Group. The Group ceased the contributions since 1 December 2000, upon introduction of the MPF scheme.

Under the MPF scheme, the Company and each of the Hong Kong subsidiaries of the Company make monthly contributions to the MPF at 5% of the employees' cash income as defined under the MPF legislation. Contributions by both the Company/Hong Kong subsidiaries and their employees are subject to a maximum of HK\$1,500 per month per employee and thereafter contributions are voluntary. The Group's contributions to the pension scheme and MPF scheme are expensed as incurred.

As stipulated by rules and regulations in Mainland China, the Group contributes to a state-sponsored retirement plan for its employees in Mainland China as determined by the local government. The Group is required to contribute to the plan at a certain percentage of its employees' salaries as specified by the local government, and the Group has no further obligations for the actual payment of the pensions or post-retirement benefits beyond the annual contributions made.

### 33. 其他財務資產／(負債)(續)

- (a) 現金流量對沖：(續)  
於本年度，公允價值收益54,709,000港元(二零二一年：公允價值收益36,407,000港元)已於其他全面收益內確認，並於權益累計。

### 34. 退休金責任

本集團為其香港合資格僱員參與定額供款退休金計劃及強制性公積金(「強積金」)計劃。二零零零年十二月一日之前，本集團為其聘用之若干合資格僱員提供一項定額供款退休金計劃。於引進強積金計劃後，本集團自二零零零年十二月一日起已停止有關供款。

根據強積金計劃，本公司及本公司各香港附屬公司須每月按僱員根據強積金法例定義之現金收入之5%作出強積金供款。本公司／香港附屬公司及其僱員之每月供款上限均為每位僱員1,500港元，超過此金額之額外供款屬自願性質。本集團之退休金計劃及強積金計劃供款於產生時列支。

根據中國內地之法規規定，本集團為其中國內地僱員按當地政府規定向國家資助退休計劃作出供款。本集團須按地方政府之規定按一定比例的員工工資向該計劃供款。本集團對實際繳付的退休金或退休後福利不承擔超出年度供款的進一步義務。

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### 35. ACQUISITION OF ASSETS

On 11 January 2022, the Group acquired 51% interest in Chengdu Xiangkuang Real Estate Co., Ltd. ("Xiangkuang"), which is engaged in real estate development. The purchase consideration for the acquisition was in the form of cash, with approximately HK\$65,623,000 paid at the acquisition date.

As there is no other asset (excluding cash and prepayment) acquired, the Group considered that the acquired set of activities and assets is not a business.

The fair values of the identifiable assets and liabilities of Xiangkuang as at the date of acquisition were as follows:

### 35. 收購資產

於二零二二年一月十一日，本集團收購成都香礦置業有限公司（「香礦」）51%權益，該公司從事房地產發展。收購事項的購買代價約65,623,000港元以現金於收購日期支付。

由於並無其他收購資產（不包括現金及預付款項），本集團認為收購的一系列業務及資產並非一間企業。

香礦可識別資產及負債於收購日期的公允值如下：

		Fair value recognised on acquisition 收購時確認之 公允值 HK\$'000 千港元
Cash and bank deposits, unrestricted	不受限制現金及銀行存款	65,703
Inventories	存貨	1,608,723
Other receivables	其他應收款項	2,401
Other payables	其他應付款項	<u>(1,550,402)</u>
Total identifiable net assets at fair value	按公允值計量可識別資產淨值總額	126,425
Non-controlling interests	非控股權益	<u>(60,802)</u>
Satisfied by cash	以現金支付	<u>65,623</u>

An analysis of the cash flows in respect of the acquisition of a subsidiary is as follows:

收購一間附屬公司的現金流量分析如下：

		HK\$'000 千港元
Cash consideration paid	已付現金代價	(65,623)
Less: cash and bank deposits acquired	減：已收購現金及銀行存款	<u>65,703</u>
Net inflow of cash and cash equivalents included in cash flows from investing activities	計入投資活動現金流量的現金及現金等價物流入淨額	<u>80</u>



### 36. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

#### (a) Reconciliation of (loss)/profit before tax to cash (used in)/generated from operations:

### 36. 綜合現金流量表附註

#### (a) 除稅前(虧損)/溢利與經營業務(所用)/所產生現金之對賬:

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
(Loss)/profit before tax	除稅前(虧損)/溢利	<b>(1,022,757)</b>	1,063,934
Finance income	財務收入	<b>(178,863)</b>	(249,115)
Finance costs	財務成本	<b>138,144</b>	163,076
Depreciation	折舊	<b>46,000</b>	55,260
Fair value changes on investment properties	投資物業公允值變動	<b>68,814</b>	153,467
Impairment losses (reversed)/recognised under expected credit loss model	預期信貸虧損模型下(回撥)/確認之減值虧損	<b>(1,145)</b>	13,640
Allowance/(reversal of allowance) for impairment of inventories	存貨減值撥備/(減值回撥)	<b>550,403</b>	(47,598)
Share of results of associates	分佔聯營公司業績	<b>786,422</b>	264,007
Share of results of joint ventures	分佔合營公司業績	<b>(137,773)</b>	(48,253)
Operating profit before working capital changes	營運資金變動前之經營溢利	<b>249,245</b>	1,368,418
Decrease in inventories	存貨減少	<b>3,065,916</b>	45,145
Increase in prepayments, trade and other receivables	預付款項、貿易及其他應收款項增加	<b>(77,853)</b>	(1,955,521)
Increase in financial assets at fair value through other comprehensive income	透過其他全面收益按公允值計量之財務資產增加	<b>(28,338)</b>	—
Decrease/(increase) in contract assets	合約資產減少/(增加)	<b>141,893</b>	(77,143)
Increase in contract costs	合約成本增加	<b>(39,282)</b>	(123,020)
(Decrease)/increase in trade and other payables	貿易及其他應付款項(減少)/增加	<b>(1,775,189)</b>	3,634,944
(Decrease)/increase in contract liabilities and deferred revenue	合約負債及遞延收益(減少)/增加	<b>(3,107,943)</b>	2,685,217
Decrease/(increase) in cash and bank deposits, restricted	受限制現金及銀行存款減少/(增加)	<b>352,781</b>	(877,313)
Exchange adjustments	匯兌調整	<b>(240,031)</b>	217,135
Cash (used in)/generated from operations	經營業務(所用)/所產生現金	<b>(1,458,801)</b>	4,917,862

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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### 36. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

#### (b) Reconciliation of liabilities arising from financing activities

### 36. 綜合現金流量表附註(續)

#### (b) 融資活動所產生負債之對賬

		Non-cash changes 非現金變動					
		1 January 2022	Financing cash flows (i)	Exchange adjustments	Other changes (ii)	Interest expense	31 December 2022
		二零二二年 一月一日	融資 現金流量(i)	匯兌調整	其他變動(ii)	利息開支	二零二二年 十二月 三十一日
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$000 千港元
Guaranteed bonds	擔保債券	3,303,115	—	3,084	—	—	3,306,199
Bonds	債券	—	931,440	(38,243)	—	—	893,197
Bank and other loans	銀行及其他借款	17,713,551	1,428,387	(297,579)	1,265,012	—	20,109,371
Amounts due to fellow subsidiaries	應付同系附屬公司 款項	1,090,401	1,615,603	(92,442)	—	—	2,613,562
Amounts due to associates	應付聯營公司款項	2,463,129	(233,189)	(208,821)	—	—	2,021,119
Amounts due to non-controlling shareholders of subsidiaries	應付附屬公司非控 股股東款項	2,054,568	(11,304)	(174,183)	(1,283,541)	—	585,540
Amount due to a joint venture	應付一家合營公司 款項	41,666	19,086	(3,533)	—	—	57,219
Lease liabilities	租賃負債	51,505	(36,240)	(3,893)	15,000	2,542	28,914
		<b>26,717,935</b>	<b>3,713,783</b>	<b>(815,610)</b>	<b>(3,529)</b>	<b>2,542</b>	<b>29,615,121</b>

### 36. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

#### (b) Reconciliation of liabilities arising from financing activities (Continued)

		Non-cash changes 非現金變動					
		1 January 2021	Financing cash flows (i)	Exchange adjustments	Other changes (ii)	Interest expense	31 December 2021
		二零二一年 一月一日	融資現金流量(i)	匯兌調整	其他變動(ii)	利息開支	二零二一年 十二月 三十一日
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Guaranteed bonds	擔保債券	3,287,288	16,477	(650)	—	—	3,303,115
Bank and other loans	銀行及其他借款	16,283,835	1,342,094	58,510	29,112	—	17,713,551
Amounts due to fellow subsidiaries	應付同系附屬公司 款項	1,543,209	(498,108)	45,300	—	—	1,090,401
Amounts due to associates	應付聯營公司款項	2,283,256	112,850	67,023	—	—	2,463,129
Amounts due to non-controlling shareholders of subsidiaries	應付附屬公司非控股 股東款項	1,792,178	209,781	52,609	—	—	2,054,568
Amount due to a joint venture	應付一家合營公司 款項	—	41,666	—	—	—	41,666
Lease liabilities	租賃負債	77,743	(29,876)	39	—	3,599	51,505
		<u>25,267,509</u>	<u>1,194,884</u>	<u>222,831</u>	<u>29,112</u>	<u>3,599</u>	<u>26,717,935</u>

(i) The cash flows from bank loans and other borrowings make up the net amount of proceeds from borrowings and repayments to borrowings in the consolidated statement of cash flows.

(ii) Other changes include amortisation of front-end fee of interest-bearing bank borrowings.

(i) 來自銀行借款及其他借款之現金流量構成綜合現金流量表中借款所得款項及償還借款之淨額。

(ii) 其他變動包括計息銀行借款前端費用之攤銷。

### 36. 綜合現金流量表附註(續)

#### (b) 融資活動所產生負債之對賬(續)

		Non-cash changes 非現金變動					
		1 January 2021	Financing cash flows (i)	Exchange adjustments	Other changes (ii)	Interest expense	31 December 2021
		二零二一年 一月一日	融資現金流量(i)	匯兌調整	其他變動(ii)	利息開支	二零二一年 十二月 三十一日
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元

Guaranteed bonds	擔保債券	3,287,288	16,477	(650)	—	—	3,303,115
Bank and other loans	銀行及其他借款	16,283,835	1,342,094	58,510	29,112	—	17,713,551
Amounts due to fellow subsidiaries	應付同系附屬公司 款項	1,543,209	(498,108)	45,300	—	—	1,090,401
Amounts due to associates	應付聯營公司款項	2,283,256	112,850	67,023	—	—	2,463,129
Amounts due to non-controlling shareholders of subsidiaries	應付附屬公司非控股 股東款項	1,792,178	209,781	52,609	—	—	2,054,568
Amount due to a joint venture	應付一家合營公司 款項	—	41,666	—	—	—	41,666
Lease liabilities	租賃負債	77,743	(29,876)	39	—	3,599	51,505
		<u>25,267,509</u>	<u>1,194,884</u>	<u>222,831</u>	<u>29,112</u>	<u>3,599</u>	<u>26,717,935</u>

(i) The cash flows from bank loans and other borrowings make up the net amount of proceeds from borrowings and repayments to borrowings in the consolidated statement of cash flows.

(ii) Other changes include amortisation of front-end fee of interest-bearing bank borrowings.

(i) 來自銀行借款及其他借款之現金流量構成綜合現金流量表中借款所得款項及償還借款之淨額。

(ii) 其他變動包括計息銀行借款前端費用之攤銷。

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### 36. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

#### (c) Total cash outflow for leases

The total cash outflow for leases included in the consolidated statement of cash flows is as follows:

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Within operating activities	經營活動內	21,089	21,511
Within financing activities	融資活動內	36,240	29,876
		<b>57,329</b>	<b>51,387</b>

#### (d) Major non-cash transaction

During the year ended 31 December 2022, loans of HK\$1,283,541,000 from non-controlling shareholders of a subsidiary were transferred from amounts due to non-controlling shareholders of subsidiaries, which constituted a non-cash transaction.

### 37. FINANCIAL GUARANTEES

As at 31 December 2022, guarantees given to banks for mortgage facilities granted to certain purchasers of the Group's properties amounted to HK\$8,919,141,000 (2021: HK\$11,189,256,000). Such guarantees will terminate upon the earlier of (i) the issuance of the property ownership certificate which will generally be available within one year after the purchasers take the possession of the relevant properties; or (ii) the repayment of mortgage loans by the purchasers. After taking into account the net realisable value of the related properties and the low default rate, the Directors consider that the fair values of the financial guarantee contracts at initial recognition and subsequently at the end of each reporting period are not significant.

### 36. 綜合現金流量表附註(續)

#### (c) 租賃現金流出總額

綜合現金流量表內的租賃現金流出總額如下：

	2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Within operating activities	21,089	21,511
Within financing activities	36,240	29,876
	<b>57,329</b>	<b>51,387</b>

#### (d) 重大非現金交易

於截至二零二二年十二月三十一日止年度，附屬公司之非控股股東貸款1,283,541,000港元為自應付附屬公司非控股股東款項轉撥的金額，構成非現金交易。

### 37. 財務擔保

於二零二二年十二月三十一日，就授予本集團物業買家之按揭融資而給予銀行之擔保達8,919,141,000港元(二零二一年：11,189,256,000港元)。該等擔保將於下列較早發生者終止：(i)獲發物業所有權證(一般於買家接管相關物業後一年內獲取)；或(ii)買家償付按揭款。考慮到該等物業的變現淨值及低違約比率，董事認為財務擔保在初始確認及後續各報告期末的公允值並不重大。

### 38. CAPITAL COMMITMENTS

The Group had capital commitments as follows:

Contracted but not provided for:	已訂約但未撥備：
Expenditure in respect of acquisition of land use rights	有關土地使用權收購之開支
Expenditure in respect of property, plant and equipment	有關物業、廠房及設備之開支
Expenditure in respect of investment properties	有關投資物業之開支

Capital commitments mainly include contractual commitments for the acquisition of land use rights and contractual obligations to purchase, construct or develop property, plant and equipment and investment property or for repairs, maintenance or enhancements.

During the year ended 31 December 2022, the Group's certain inventories transferred to property, plant and equipment and investment properties when there was evidence of a change in use. Therefore, the corresponding capital commitments increased accordingly.

### 39. RELATED PARTY TRANSACTIONS

The Group itself is part of a larger group of companies under China Minmetals, which is controlled by the PRC government. Apart from the transactions with the parent company and its subsidiaries which have been disclosed below or in other notes to the consolidated financial statements, the Group also conducts businesses with entities directly or indirectly owned or controlled, jointly controlled or significantly influenced by the PRC government ("government-related entities") in the ordinary course of business. In establishing its pricing strategies and approval process for transactions with other government related entities, the Group does not differentiate whether the counter-party is a government-related entity or not. The Group is of the opinion that it has provided, in the best of its knowledge, adequate and appropriate disclosure of related party transactions in the consolidated financial statements.

### 38. 資本承擔

本集團有資本承擔如下：

	2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Contracted but not provided for:		
Expenditure in respect of acquisition of land use rights	1,550	—
Expenditure in respect of property, plant and equipment	221,337	—
Expenditure in respect of investment properties	183,729	—
	<b>406,616</b>	—

資本承擔主要包括收購土地使用權的合同承擔，以及購買、建造或開發物業、廠房和設備或維修、保養或改進投資物業的合同義務。

截至二零二二年十二月三十一日止年度，當有證據表明用途有所改變時，本集團的若干存貨轉移至物業、廠房和設備以及投資性房地產。因此，相應的資本承擔亦因而有所增加。

### 39. 關聯方交易

本集團本身乃為中國五礦（該公司由中國政府控制）旗下一大型集團公司的組成部分。除以下及綜合財務報表其他附註所披露的與母公司及其附屬公司進行的交易外，本集團亦於正常業務過程中與中國政府直接或間接擁有或控制、共同控制或受重大影響的實體（「政府相關企業」）進行業務往來。本集團於與其他政府相關企業建立交易定價戰略及審批過程中並無分辨對方是否為政府相關企業。本集團認為，據其所深知，已於綜合財務報表內就關連方交易作出充足適當的披露。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

31 December 2022 二零二二年十二月三十一日

### 39. RELATED PARTY TRANSACTIONS

#### (CONTINUED)

The Group has entered into various transactions, including sales, purchases, borrowings and other operating expenses with other government-related entities during the year in which the Directors are of the opinion that it is impracticable to ascertain the identity of the counterparties and accordingly whether the counterparties are government-related entities.

In addition to the transactions and balances detailed in notes 8, 9, 21 and 31 to the financial statements, the Group had the following material transactions and balances with related parties, which were carried out in the ordinary and normal course of business of the Group:

#### (a) Transactions with related parties

### 39. 關聯方交易 (續)

本集團已於期間內與其他政府相關企業訂立多項交易(包括銷售、購買、借款及其他經營費用)，而董事認為，確定對方的身份及該等交易是否為與其他政府相關企業進行乃不切實際。

除財務報表附註8、9、21及31所詳述的交易及結餘外，本集團與關聯方於本集團日常及一般業務中進行之重大交易及結餘如下：

#### (a) 與關聯方之交易

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Construction costs to fellow subsidiaries for real estate development projects (i)	給予同系附屬公司有 關房地產發展項目 之建築成本(i)	2,360,873	2,810,306
Management fee income from fellow subsidiaries (ii)	向同系附屬公司收取 管理費收入(ii)	2,794	4,813
Rental and management fee income from fellow subsidiaries (iii)	向同系附屬公司收取 租金及管理費 收入(iii)	8,956	9,582
Interest expenses on lease liabilities with a fellow subsidiary (iv)	向一家同系附屬公司 支付之租賃負債利 息(iv)	180	235
Interest expenses to fellow subsidiaries (v)	向同系附屬公司支付 之利息支出(v)	7,335	41,058
Interest expenses to non-controlling shareholders of subsidiaries (v)	向附屬公司之非控股 股東支付之利息支 出(v)	112,197	127,575
Interest income from a fellow subsidiary (viii)	收取一家同系附屬公 司之利息收入(viii)	34,583	44,122
Interest income from an associate (ix)	收取一家聯營公司之 利息收入(ix)	—	1,788
Interest income from joint ventures (x)	收取合營公司之利息 收入(x)	84,293	136,729
Interest income from non-controlling shareholders of subsidiaries (vii)	收取附屬公司之非控 股股東之利息收入 (vii)	28,196	26,026

### 39. RELATED PARTY TRANSACTIONS

(CONTINUED)

#### (b) Balances with related parties

### 39. 關聯方交易 (續)

#### (b) 與關聯方之結餘

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Construction payable to fellow subsidiaries for real estate development projects (i)	應付同系附屬公司之房地產發展項目建築款項(i)	1,593,036	1,633,625
Lease liabilities with a fellow subsidiary (iv)	有關一家同系附屬公司之租賃負債(iv)	9,243	3,000
Amounts due to fellow subsidiaries (vi)	應付同系附屬公司款項(vi)	2,613,562	1,090,401
Amounts due to non-controlling shareholders of subsidiaries (vi)	應付附屬公司非控股股東款項 (vi)	585,540	2,054,568
Amounts due to associates (vi)	應付聯營公司款項(vi)	2,021,119	2,463,129
Amount due to a joint venture (vi)	應付一家合營公司款項(vi)	57,219	41,666
Amounts due from non-controlling shareholders of subsidiaries (vii)	應收附屬公司之非控股股東款項(vii)	5,244,098	4,962,606
Amounts due from associates (ix)	應收聯營公司款項 (ix)	955,518	1,052,958
Amounts due from joint ventures (x)	應收合營公司款項 (x)	2,751,595	3,054,411
Amount due from a fellow subsidiary (ix)	應收一家同系附屬公司款項(ix)	2,687	—
Current deposits placed in a fellow subsidiary (viii)	存置於一家同系附屬公司之活期存款(viii)	3,320,865	3,651,743
Loans from non-controlling shareholders of a subsidiary (xi)	來自一家附屬公司之非控股股東之貸款(xi)	1,273,618	—
Perpetual loan with a fellow subsidiary (note 28)	來自一家同系附屬公司之永久貸款(附註28)	—	2,448,182



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### 39. RELATED PARTY TRANSACTIONS

(CONTINUED)

#### (b) Balances with related parties (Continued)

- (i) Construction costs to fellow subsidiaries for real estate development projects were based on terms mutually agreed by both parties.
- (ii) Management fee income and receivables from fellow subsidiaries of the Company were based on the terms in the agreements entered into between the parties involved.
- (iii) Rental and management fee income received from fellow subsidiaries of the Company was based on the terms in the agreements entered into between the parties involved.
- (iv) The Group has entered into a lease agreement for the use of an office with a fellow subsidiary for three years in 2022, based on terms mutually agreed by both parties.
- (v) Interest expenses to fellow subsidiaries and non-controlling shareholders of subsidiaries were based on terms in the agreements entered into between both parties.
- (vi) The amounts due to fellow subsidiaries, non-controlling shareholders of subsidiaries, joint ventures and associates are unsecured, interest-free and repayable on demand.
- (vii) Except for the balances of HK\$704,830,000 (2021: HK\$809,075,000) bearing interest at 3.85% per annum, the amounts due from non-controlling shareholders of subsidiaries are interest-free. The balances are unsecured and repayable on demand.
- (viii) The interest rate of the current deposits placed in a fellow subsidiary which is a non-banking financial institution ranges from 0.46% to 1.15% per annum. The balance of current deposits was included in cash and bank deposits.

### 39. 關聯方交易 (續)

#### (b) 與關聯方之結餘 (續)

- (i) 就房地產發展項目給予同系附屬公司之建築成本乃按雙方共同協定之條款釐定。
- (ii) 應收本公司同系附屬公司之管理費收入乃根據有關訂約方所訂立多項協議之條款釐定。
- (iii) 向本公司同系附屬公司收取租金及管理費收入乃根據有關訂約方所訂立多項協議之條款釐定。
- (iv) 本集團與一家同系附屬公司於二零二二年簽署了為期三年之辦公室租賃協議，乃基於雙方共同協定之條款。
- (v) 向同系附屬公司及附屬公司非控股股東支付之利息支出乃根據有關訂約方所訂立多項協議之條款釐定。
- (vi) 應付同系附屬公司、附屬公司非控股股東、聯營公司及合營公司之款項乃無抵押、免息及須應要求償還。
- (vii) 除結餘704,830,000港元(二零二一年：809,075,000港元)為計息，年利率為3.85%，應收附屬公司非控股股東款項為免息。結餘為無抵押及須按的要求償還。
- (viii) 存置於一家同系附屬公司(非銀行金融機構)之活期存款按實際年利率0.46%至1.15%計息。活期存款餘額計入現金及銀行存款。

## 39. RELATED PARTY TRANSACTIONS

(CONTINUED)

### (b) Balances with related parties (Continued)

- (ix) The amounts due from associates and a fellow subsidiary are interest-free. The balances are unsecured and repayable on demand.
- (x) Except for the balances of HK\$1,930,373,000 bearing interest at 8.8% per annum (2021: HK\$1,853,412,000 borne interest at rates ranging from 6.0% to 8.8% per annum), the amounts due from joint ventures are interest-free. The balances are unsecured and repayable on demand.
- (xi) At 31 December 2022, the loans from non-controlling shareholders of a subsidiary were unsecured, bearing interest at 6.2% per annum and repayable within 1 year to 4 years.

### (c) Key management compensation

## 39. 關聯方交易 (續)

### (b) 與關聯方之結餘 (續)

- (ix) 應收聯營公司及一家同系附屬公司之款項為免息。結餘為無抵押及須按要求償還。
- (x) 除結餘1,930,373,000港元為計息，年利率為8.8% (二零二一年：1,853,412,000港元為計息，年利率由6.0%至8.8%)，應收合營公司款項為免息。結餘為無抵押及須按要求償還。
- (xi) 於二零二二年十二月三十一日，來自一家附屬公司之非控股股東之貸款為無抵押，年利率為6.2%及須於一年至四年內償還。

### (c) 主要管理人員之薪酬

	2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Salaries and short-term employee benefits	8,296	10,420
Pension costs — defined contribution plans	317	320
	<b>8,613</b>	10,740

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

31 December 2022 二零二二年十二月三十一日

#### 40. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

As at 31 December 2022

##### Financial assets

#### 40. 按類別劃分的財務工具

於報告期末，各財務工具類別賬面值如下：

於二零二二年十二月三十一日

##### 財務資產

		Financial assets at fair value through other comprehensive income 透過其他全面收益按公允值計量之財務資產	Equity investments 股本投資	Financial assets at amortised cost 按攤銷成本列賬之財務資產	Total 總計
		Financial assets at fair value through profit or loss 透過損益按公允值計量之財務資產	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Financial assets at fair value through other comprehensive income	透過其他全面收益按公允值計量之財務資產	—	401,428	—	401,428
Other financial assets	其他財務資產	31,270	—	—	31,270
Trade receivables	貿易應收款項	—	—	140,525	140,525
Amounts due from associates	應收聯營公司款項	—	—	955,518	955,518
Amounts due from joint ventures	應收合營公司款項	—	—	2,751,595	2,751,595
Amounts due from non-controlling shareholders of subsidiaries	應收附屬公司之非控股股東款項	—	—	5,244,098	5,244,098
Amount due from a fellow subsidiary	應收一家同系附屬公司款項	—	—	2,687	2,687
Financial assets included in prepayments and other receivables	包括於預付款項、貿易及其他應收款項內的財務資產	—	—	241,310	241,310
Deposits	按金	—	—	153,450	153,450
Cash and bank deposits, restricted	受限制現金及銀行存款	—	—	724,314	724,314
Cash and bank deposits, unrestricted	不受限制現金及銀行存款	—	—	7,701,361	7,701,361
		31,270	401,428	17,914,858	18,347,556

#### 40. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

As at 31 December 2022

##### Financial liabilities

		<b>Financial liabilities at amortised cost</b> 按攤銷成本列賬之財務負債 <b>HK\$'000</b> 千港元	<b>Total</b> 總計 <b>HK\$'000</b> 千港元
Borrowings	借款	<b>24,308,767</b>	<b>24,308,767</b>
Trade, bills and contract payables	貿易、票據及合約應付款項	<b>2,413,338</b>	<b>2,413,338</b>
Amounts due to a fellow subsidiary	應付一家同系附屬公司款項	<b>2,613,562</b>	<b>2,613,562</b>
Amounts due to non-controlling shareholders of subsidiaries	應付附屬公司非控股股東款項	<b>585,540</b>	<b>585,540</b>
Amounts due to associates	應付聯營公司款項	<b>2,021,119</b>	<b>2,021,119</b>
Amount due to a joint venture	應付一家合營公司款項	<b>57,219</b>	<b>57,219</b>
Financial liabilities included in other payables	包括於其他應付款項內的財務負債	<b>5,630,483</b>	<b>5,630,483</b>
Lease liabilities	租賃負債	<b>28,914</b>	<b>28,914</b>
		<b>37,658,942</b>	<b>37,658,942</b>

#### 40. 按類別劃分的財務工具 (續)

於二零二二年十二月三十一日

##### 財務負債

		<b>Financial liabilities at amortised cost</b> 按攤銷成本列賬之財務負債 <b>HK\$'000</b> 千港元	<b>Total</b> 總計 <b>HK\$'000</b> 千港元
		<b>24,308,767</b>	<b>24,308,767</b>
		<b>2,413,338</b>	<b>2,413,338</b>
		<b>2,613,562</b>	<b>2,613,562</b>
		<b>585,540</b>	<b>585,540</b>
		<b>2,021,119</b>	<b>2,021,119</b>
		<b>57,219</b>	<b>57,219</b>
		<b>5,630,483</b>	<b>5,630,483</b>
		<b>28,914</b>	<b>28,914</b>
		<b>37,658,942</b>	<b>37,658,942</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

31 December 2022 二零二二年十二月三十一日

#### 40. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

As at 31 December 2021

##### Financial assets

	Financial assets at fair value through other comprehensive income 透過其他全面收益按公允值計量之財務資產	Equity investments 股本投資	Financial assets at amortised cost 按攤銷成本列賬之財務資產	Total 總計
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Financial assets at fair value through other comprehensive income	555,433	—	—	555,433
Trade receivables	—	—	139,732	139,732
Amounts due from associates	—	—	1,052,958	1,052,958
Amounts due from joint ventures	—	—	3,054,411	3,054,411
Amounts due from non-controlling shareholders of subsidiaries	—	—	4,962,606	4,962,606
Financial assets included in prepayments and other receivables	—	—	237,611	237,611
Deposits	—	—	211,351	211,351
Cash and bank deposits, restricted	—	—	1,077,095	1,077,095
Cash and bank deposits, unrestricted	—	—	10,956,126	10,956,126
	555,433	—	21,691,890	22,247,323

#### 40. 按類別劃分的財務工具 (續)

於二零二一年十二月三十一日

##### 財務資產

Financial assets at fair value through other comprehensive income 透過其他全面收益按公允值計量之財務資產	Equity investments 股本投資	Financial assets at amortised cost 按攤銷成本列賬之財務資產	Total 總計
HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
555,433	—	—	555,433
—	—	139,732	139,732
—	—	1,052,958	1,052,958
—	—	3,054,411	3,054,411
—	—	4,962,606	4,962,606
—	—	237,611	237,611
—	—	211,351	211,351
—	—	1,077,095	1,077,095
—	—	10,956,126	10,956,126
555,433	—	21,691,890	22,247,323

#### 40. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

As at 31 December 2021

##### Financial liabilities

		Financial liabilities at fair value through profit or loss 透過損益按公允值計量之財務負債 HK\$'000 千港元	Financial liabilities at amortised cost 按攤銷成本列賬之財務負債 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Borrowings	借款	—	21,016,666	21,016,666
Trade, bills and contract payables	貿易、票據及合約應付款項	—	3,188,827	3,188,827
Amounts due to fellow subsidiaries	應付同系附屬公司款項	—	1,090,401	1,090,401
Amounts due to non-controlling shareholders of subsidiaries	應付附屬公司非控股股東款項	—	2,054,568	2,054,568
Amounts due to associates	應付聯營公司款項	—	2,463,129	2,463,129
Amount due to a joint venture	應付一家合營公司款項	—	41,666	41,666
Financial liabilities included in other payables	包括於其他應付款項內的財務負債	—	6,101,754	6,101,754
Other financial liabilities	其他財務負債	23,439	—	23,439
Lease liabilities	租賃負債	—	51,505	51,505
		<u>23,439</u>	<u>36,008,516</u>	<u>36,031,955</u>

#### 40. 按類別劃分的財務工具(續)

於二零二一年十二月三十一日

##### 財務負債

	Financial liabilities at fair value through profit or loss 透過損益按公允值計量之財務負債 HK\$'000 千港元	Financial liabilities at amortised cost 按攤銷成本列賬之財務負債 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Borrowings	—	21,016,666	21,016,666
Trade, bills and contract payables	—	3,188,827	3,188,827
Amounts due to fellow subsidiaries	—	1,090,401	1,090,401
Amounts due to non-controlling shareholders of subsidiaries	—	2,054,568	2,054,568
Amounts due to associates	—	2,463,129	2,463,129
Amount due to a joint venture	—	41,666	41,666
Financial liabilities included in other payables	—	6,101,754	6,101,754
Other financial liabilities	23,439	—	23,439
Lease liabilities	—	51,505	51,505
	<u>23,439</u>	<u>36,008,516</u>	<u>36,031,955</u>

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#### 41. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised costs approximate their fair values. The fair values are estimated using generally accepted pricing models based on discounted cash flows.

The financial assets at fair value through other comprehensive income represent equity securities listed in Hong Kong. As at 31 December 2022, equity securities amounting to HK\$401,428,000 (2021: HK\$555,433,000) was measured at fair value and based on quoted market prices of an active market (Level 1) at the end of the reporting period.

Other financial assets represent interest rate swap contract designated as highly effective hedging instrument in order to manage the Group's interest rate exposure in relation to the bank borrowings on a floating interest rate basis. As at 31 December 2022, fair value of other financial assets amounting to HK\$31,270,000 (2021: other financial liabilities HK\$23,439,000) was measured at the present value of future cash flows estimated based on the applicable yield curves derived from quoted interest rates at the end of the reporting period and contracted interest rate discounted at a rate that reflects the credit risk of various counterparties and categorised in Level 2.

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (2021: Nil).

#### 41. 財務工具之公允值及公允值層級

董事認為按攤銷成本計量的財務資產及財務負債的賬面值與其公允值相若。公允值乃使用公認定價模型根據貼現現金流估計。

透過其他全面收益按公允值計量之財務資產主要包括於香港上市之股本證券。於二零二二年十二月三十一日，股本證券為401,428,000港元（二零二一年：555,433,000港元）乃以公允值按報告期終日活躍市場（第一級）之市場報價計算。

其他財務資產為指定高度有效對沖工具的利率掉期合約，其目的是管理本集團浮動利率銀行借款之利率風險。於二零二二年十二月三十一日，其他財務資產之公允值為31,270,000港元（二零二一年：其他財務負債23,439,000港元），其乃按基於適用收益率曲線（自報告期末的所報利率得出）及按可反映多名交易方信貸風險的折現率折現的合約利率（分類為第二級）得出的未來現金流估計現值計算。

本年度，概無財務資產及財務負債公允值計量於第一級及第二級之間轉撥，且概無轉入或轉出第三級（二零二一年：無）。



## 42. FINANCIAL RISK FACTORS AND MANAGEMENT

### (a) Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow interest-rate risk, fair value interest-rate risk and equity securities price risk for financial assets at fair value through other comprehensive income), credit risk and liquidity risk. These risks are managed by the Group's financial management policies and practices as described below to minimise potential adverse effects on the Group's financial performance.

#### (i) Market risk

##### Foreign exchange risk

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities. Majority of the subsidiaries of the Group operate in Mainland China, with most of their transactions denominated in RMB, functional currency of the respective group entities. The Group is exposed to foreign exchange risk arising from the exposure of RMB against US\$. It has not hedged its foreign exchange rate risk.

In addition, the conversion of RMB into foreign currencies is subject to the exchange rate, and rules and regulations of foreign exchange control promulgated by the PRC government.

At 31 December 2022, if RMB had weakened/strengthened by 5% against US\$ with all other variables held constant, post-tax profit for the year would have been Nil (2021:Nil) higher/lower mainly as a result of foreign exchange gains/losses on translation of assets and liabilities denominated in a currency that is different from the functional currency of the Group's entities.

## 42. 財務風險因素及管理

### (a) 財務風險因素

本集團之營運活動承受各種財務風險：市場風險（包括外匯風險、現金流量利率風險、公允值利率風險以及透過其他全面收益按公允值計量之財務資產之股本證券價格風險）、信貸風險及流動資金風險。本集團透過下述財務管理政策及常規管理此等風險，以減低其對本集團財務表現之潛在不利影響。

#### (i) 市場風險

##### 外匯風險

未來商業交易及已確認資產及負債均會產生外匯風險。本集團大多數附屬公司在中國內地營運，大部分交易以人民幣（相關集團實體的功能貨幣）結算。本集團承受之外匯風險來自人民幣兌換美元。本集團並無對沖其外幣匯率風險。

此外，人民幣兌換為外幣須受中國政府頒佈之匯率以及外匯管制規則及法規所規限。

於二零二二年十二月三十一日，倘人民幣兌美元貶值／升值5%，而所有其他變數維持不變，則本年度之除稅後溢利應增加／減少零港元（二零二一年：零港元），此乃主要由於換算以不同於集團實體功能貨幣之貨幣計值之資產及負債所產生之匯兌收益／虧損。

## 42. FINANCIAL RISK FACTORS AND MANAGEMENT (CONTINUED)

### (a) Financial risk factors (Continued)

#### (i) Market risk (Continued)

##### Cash flow interest-rate risk

The Group's cash flow interest-rate risk arises from the fluctuation of the prevailing market interest rate on restricted and unrestricted bank deposits and borrowings issued at variable rates. Other than the concentration of interest rate risk related to the movements in Hong Kong Interbank Offered Rate and the loan interest published by the People's Bank of China, the Group has no significant concentration of interest rate risk.

The Group maintains a close relationship and communicates regularly with its finance providers to explore financing alternatives to monitor and mitigate interest-rate risk. The Group has entered into interest rate swaps to hedge against its exposures to changes in cash flows of its certain interest payments of borrowings (see note 33).

The sensitivity analysis below has been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. No sensitivity analysis has been presented for bank balances as the Directors consider that the fluctuation in interest rates on bank balances is minimal.

If interest rates on HK dollar-denominated borrowings had been 100 basis points higher/lower with all other variables held constant, (i) post-tax profit for the year ended 31 December 2022 would have been HK\$15,617,000 (2021: HK\$4,000,000) lower/higher in respect of the finance cost charged to the profit or loss; and (ii) properties under development would have been increased/decreased by approximately HK\$112,790,000 (2021: HK\$109,117,000) for finance cost capitalised into properties under development.

## 42. 財務風險因素及管理(續)

### (a) 財務風險因素(續)

#### (i) 市場風險(續)

##### 現金流量利率風險

本集團之現金流量利率風險源自受限及不受限銀行存款及按浮動利率計息之借款之當前市場利率波動。除與香港銀行同業拆息及中國人民銀行公佈的貸款利率變動有關的集中利率風險外，本集團概無重大集中利率風險。

本集團與其融資提供者保持密切關係並經常溝通，開拓融資方案，以監控及減輕利率風險。本集團已訂立利率掉期以對沖其若干借款的利息付款現金流變動之風險(見附註33)。

以下敏感性分析是基於報告期末非衍生工具的利率風險釐定。董事認為由於銀行存款的利率波動輕微，因此，並無對銀行存款呈列敏感性分析。

倘以港元計值之借款之利率上調/下調100基點，而所有其他變數維持不變，則(i)截至二零二二年十二月三十一日止年度有關計入損益內之財務成本之除稅後溢利將減少/增加15,617,000港元(二零二一年：4,000,000港元)；及(ii)發展中物業將增加/減少約112,790,000港元(二零二一年：109,117,000港元)並作為財務成本以資本化方式撥入發展中物業。

## 42. FINANCIAL RISK FACTORS AND MANAGEMENT (CONTINUED)

### (a) Financial risk factors (Continued)

#### (i) Market risk (Continued)

##### Cash flow interest-rate risk (Continued)

If interest rates on RMB-denominated borrowings had been 100 basis points higher/lower with all other variables held constant, (i) post-tax profit for the year ended 31 December 2022 would have been HK\$14,118,000 (2021: HK\$13,396,000) lower/higher in respect of the finance cost charged to the profit or loss; and (ii) properties under development would have been increased/decreased by approximately HK\$12,248,000 (2021: HK\$3,302,000) for finance cost capitalised into properties under development.

##### Fair value interest-rate risk

The Group's fair value interest rate risk relates primarily to the guaranteed bonds issued at fixed rate.

The Directors consider that the carrying amounts of the financial assets and financial liabilities recorded at amortised cost in the consolidated statement of financial position approximate their respective fair values at the end of each reporting period.

##### Equity securities price risk

The Group is exposed to equity securities price risk because of investments held by the Group and carried at fair value on the consolidated statement of financial position. The Group's equity securities price risk is concentrated on equity instruments operating in property development industry sector quoted in the Stock Exchange. The Group will consider hedging the risk exposure should the need arise.

If the market value of the equity securities held by the Group increased or decreased by 10% and all other variables were held constant, the Group's equity would increase or decrease by approximately HK\$40,143,000 (2021: HK\$55,543,000) as at 31 December 2022.

## 42. 財務風險因素及管理 (續)

### (a) 財務風險因素 (續)

#### (i) 市場風險 (續)

##### 現金流量利率風險 (續)

倘以人民幣計值之借款之利率上調/下調100基點，而所有其他變數維持不變，則(i)截至二零二二年十二月三十一日止年度有關計入損益內之財務成本之除稅後溢利將減少/增加14,118,000港元(二零二一年：13,396,000港元)；及(ii)發展中物業將增加/減少約12,248,000港元(二零二一年：3,302,000港元)並作為財務成本以資本化方式撥入發展中物業。

##### 公允值利率風險

本集團的公允值利率風險主要與其按固定利率計息之擔保債券有關。

董事認為於綜合財務狀況表內按攤銷成本入賬的財務資產及財務負債之賬面值與各自於各報告期末的公允值相若。

##### 股本證券價格風險

本集團因其所持有於綜合財務狀況表按公允值列賬的投資而承受股本證券價格風險。本集團之股本證券價格風險集中於在聯交所掛牌買賣在物業發展行業運作的股本工具。本集團將在有需要時考慮對沖風險。

倘本集團持有之股本證券市值增加或減少10%，而所有其他變數維持不變，則於二零二二年十二月三十一日，本集團之權益會增加或減少約40,143,000港元(二零二一年：55,543,000港元)。

## 42. FINANCIAL RISK FACTORS AND MANAGEMENT (CONTINUED)

### (a) Financial risk factors (Continued)

#### (ii) Credit risk and impairment assessment

The Group's credit risk primarily arises from deposits with banks, trade and other receivables, contract assets and guarantees provided in respect of mortgage facilities (note 37).

The credit risk on deposits with banks is limited because the counterparties are banks with sound credit ratings assigned by credit-rating agencies.

In respect of trade and other receivables and contract assets, individual credit evaluations are performed for those debtors with significant increase in credit risk or related parties. These evaluations focus on the customer's financial position, past history of making payments and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. For the rest which consist of a number of customers with common risk characteristics, the Group uses aging to assess the impairment. Normally, the Group does not obtain collateral from customers. Monitoring procedures have been implemented to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade and other receivables and contract assets at the end of the reporting period to ensure adequate provision for impairment losses are made for irrecoverable amounts.

## 42. 財務風險因素及管理(續)

### (a) 財務風險因素(續)

#### (ii) 信貸風險及減值評估

本集團之信貸風險主要來自銀行存款、貿易及其他應收款項、合約資產以及就按揭信貸提供之擔保(附註37)。

有關銀行存款之信貸風險非常有限，原因是交易方均為由信貸評級機構授予優良信貸評級之銀行。

就貿易及其他應收款項及合約資產而言，需要對信貸風險顯著增加之應收款項或關聯方進行個別信貸評估。該等評估專注於客戶之財務狀況、過往還款記錄，並考慮客戶之特定資料以及與客戶經營業務相關之經濟環境。對於剩餘部份(包含眾多擁有相同風險特徵的客戶)，集團以賬齡評估有關之減值。一般而言，本集團不會向客戶取得任何抵押品。本集團已實施監控程序，確保採取跟進行動收回逾期債務。此外，本集團於報告期終日審閱各個別貿易及其他應收款項及合同資產之可收回金額，以確保對不可收回金額作出足夠減值虧損撥備。

## 42. FINANCIAL RISK FACTORS AND MANAGEMENT (CONTINUED)

### (a) Financial risk factors (Continued)

#### (ii) Credit risk and impairment assessment (Continued)

Trade receivables are collectively assessed based on provision matrix as at 31 December 2022 and 2021 within lifetime ECL, except for those with significant increase in credit risk which are further assessed individually. As at 31 December 2022, the gross carrying amount of trade receivables assessed collectively was HK\$155,054,000 based on provision matrix.

As at 31 December 2022, the Group provided HK\$14,529,000 (2021: HK\$15,246,000) and Nil (2021: Nil) impairment allowance for trade receivables and contract assets respectively, based on the provision matrix. In addition, as at 31 December 2022, the Group provided HK\$29,148,000 (2021: HK\$30,293,000) and Nil (2021: Nil) impairment allowance for trade receivables and contract assets with significant increase in credit risk which were assessed individually.

The credit risk on other receivables is limited because most of the counterparties are related parties with sound credit. For other debtors or related parties, the impairment allowance was immaterial for both years.

## 42. 財務風險因素及管理 (續)

### (a) 財務風險因素 (續)

#### (ii) 信貸風險及減值評估 (續)

本集團根據二零二二年及二零二一年十二月三十一日的撥備矩陣，按全期預期信貸虧損集體評估貿易應付款項，但信貸風險顯著增加的貿易應付款項則會進一步個別評估。於二零二二年十二月三十一日，根據撥備矩陣集體評估之貿易應收款項的賬面總值為155,054,000港元。

於二零二二年十二月三十一日，本集團根據撥備矩陣分別就貿易應收款項及合約資產撥備14,529,000港元(二零二一年：15,246,000港元)及零港元(二零二一年：零港元)。此外，於二零二二年十二月三十一日，對於信貸風險顯著增加並接受個別評估的貿易應收款項及合約資產，本集團分別計提減值撥備29,148,000港元(二零二一年：30,293,000港元)及零港元(二零二一年：零港元)。

有關其他應收款項之信貸風險非常有限，原因是交易方均為優良信貸之交易方。其他債權人或關聯方之減值撥備，於兩個年度均不重大。

## 42. FINANCIAL RISK FACTORS AND MANAGEMENT (CONTINUED)

### (a) Financial risk factors (Continued)

#### (ii) Credit risk and impairment assessment (Continued)

The Group has assisted in arranging bank financing for certain purchasers of property units and provided guarantees to secure obligations of such purchasers for repayments. If a purchaser defaults on the payment of its mortgage during the term of the guarantee, the Group is able to retain the property sales proceeds received from the purchasers and sell the property to recover any amounts paid by the Group to the bank. The management considers the credit risk exposure to financial guarantees provided to property purchasers is limited because the facilities are secured by the properties and the market prices of the properties are higher than the guaranteed amounts.

The Group has concentration of credit risk on loans to related parties and amount due from related parties, but the exposure is considered limited as the counterparties are at a good financial position.

The Group has no significant concentration of credit risk on trade and other receivables and contract assets, with exposure spread over a number of customers.

The Group has concentration of credit risk on liquid funds which are deposited with several banks, which are mainly state-owned banks and with high credit ratings in Mainland China and Hong Kong.

## 42. 財務風險因素及管理(續)

### (a) 財務風險因素(續)

#### (ii) 信貸風險及減值評估(續)

本集團已協助為若干物業單位之買家安排銀行融資，並對買家之償還義務提供擔保。倘買家在擔保期間拖欠按揭付款，則本集團可保留自客戶收取之物業銷售所得款項，並將物業出售以抵償本集團應付予銀行之金額。管理層認為向置業者提供的財務擔保的信貸風險有限，因為有關融資乃由物業擔保，且有關物業的市價高於擔保金額。

本集團就貸款予關聯方及應收關聯方款項承擔信貸集中風險，惟認為風險有限，因為交易方的財務狀況良好。

本集團並無就貿易及其他應收款項及合約資產承擔重大信貸集中風險，因為有關風險分散於多名客戶。

本集團就存放於若干銀行（主要為國有銀行及於中國內地及香港信貸評級高的銀行）的流動資金承擔信貸集中風險。

## 42. FINANCIAL RISK FACTORS AND MANAGEMENT (CONTINUED)

### (a) Financial risk factors (Continued)

#### (ii) Credit risk and impairment assessment (Continued)

##### Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December.

The amounts presented are gross carrying amounts for financial assets.

As at 31 December 2022

## 42. 財務風險因素及管理 (續)

### (a) 財務風險因素 (續)

#### (ii) 信貸風險及減值評估 (續)

##### 最高風險及年結日級別

下表呈示根據本集團信貸政策的信貸質素及最高信貸風險，其主要基於逾期資料(除非有其他無需過多成本或工作可取得的資料)及於十二月三十一日的年終級別。

下列金額為財務資產的賬面總值。

於二零二二年十二月三十一日

		12-month ECLs	Lifetime ECLs			Total
		12個月預期信貸虧損	全期預期信貸虧損			
		Stage 1	Stage 2	Stage 3	Simplified approach	
		第一級	第二級	第三級	簡化法	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Trade receivables*	貿易應收款項*	—	—	—	184,202	184,202
Amounts due from associates	應收聯營公司款項					
— Normal**	— 正常**	955,518	—	—	—	955,518
Amounts due from joint ventures	應收合營公司款項					
— Normal**	— 正常**	2,751,595	—	—	—	2,751,595
Amounts due from non-controlling shareholders of subsidiaries	應收附屬公司之非控股股東款項					
— Normal**	— 正常**	5,244,098	—	—	—	5,244,098
Amount due from a fellow subsidiary	應收一家同系附屬公司款項					
— Normal**	— 正常**	2,687	—	—	—	2,687
Financial assets included in prepayments and other receivables	包括於預付款項、貿易及其他應收款項內的財務資產					
— Normal**	— 正常**	248,208	—	—	—	248,208
— Doubtful**	— 呆賬**	—	—	15,887	—	15,887
Deposits	按金					
— Normal**	— 正常**	153,450	—	—	—	153,450
Contract assets*	合約資產*	—	—	—	144,360	144,360
Cash and bank deposits, restricted	受限制現金及銀行存款					
— Not yet past due	— 未逾期	724,314	—	—	—	724,314
Cash and cash equivalents	現金及現金等價物					
— Not yet past due	— 未逾期	7,701,361	—	—	—	7,701,361
		<b>17,781,231</b>	<b>—</b>	<b>15,887</b>	<b>328,562</b>	<b>18,125,680</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

31 December 2022 二零二二年十二月三十一日

## 42. FINANCIAL RISK FACTORS AND MANAGEMENT (CONTINUED)

### (a) Financial risk factors (Continued)

#### (ii) Credit risk and impairment assessment (Continued)

Maximum exposure and year-end staging (Continued)

As at 31 December 2021

## 42. 財務風險因素及管理(續)

### (a) 財務風險因素(續)

#### (ii) 信貸風險及減值評估(續)

最高風險及年結日級別(續)

於二零二一年十二月三十一日

		12-month ECLs		Lifetime ECLs		Total
		12個月預期信貸虧損		全期預期信貸虧損		
		Stage 1	Stage 2	Stage 3	Simplified approach	
		第一級	第二級	第三級	簡化法	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Trade receivables*	貿易應收款項*	—	—	—	185,271	185,271
Amounts due from associates	應收聯營公司款項					
— Normal**	— 正常**	1,052,958	—	—	—	1,052,958
Amounts due from joint ventures	應收合營公司款項					
— Normal**	— 正常**	3,054,411	—	—	—	3,054,411
Amounts due from non-controlling shareholders of subsidiaries	應收附屬公司之非控股股東款項					
— Normal**	— 正常**	4,962,606	—	—	—	4,962,606
Financial assets included in prepayments and other receivables	包括於預付款項、貿易及其他應收款項內的財務資產					
— Normal**	— 正常**	251,556	—	—	—	251,556
Deposits	按金					
— Normal**	— 正常**	211,351	—	—	—	211,351
Contract assets*	合約資產*	—	—	—	286,253	286,253
Cash and bank deposits, restricted	受限制現金及銀行存款					
— Not yet past due	— 未逾期	1,077,095	—	—	—	1,077,095
Cash and cash equivalents	現金及現金等價物					
— Not yet past due	— 未逾期	10,956,126	—	—	—	10,956,126
		21,566,103	—	—	471,524	22,037,627

\* For trade receivables and contract assets, the Group applies the simplified approach for impairment.

\*\* The credit quality of the financial assets included in prepayments and other receivables is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

\* 就貿易應收款項及合約資產，本集團使用簡化法計算減值。

\*\* 倘計入預付款項及其他應收款項的財務資產未逾期且並無資料表示財務資產自初始確認後顯著增加，則其信貸質素視為「正常」。否則，財務資產信貸質素視為「呆賬」。

## 42. FINANCIAL RISK FACTORS AND MANAGEMENT (CONTINUED)

### (a) Financial risk factors (Continued)

#### (iii) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of credit facilities. Management aims to maintain flexibility in funding by keeping credit lines available. Management monitors the rolling forecasts of the Group's liquidity reserve (comprising undrawn borrowing facilities (note 29(a)) and cash and bank balances (note 25) on the basis of expected cash flow.

The table below analyses the Group's financial liabilities at amortised cost into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows (including both principal and interest). To the extent that interest rates are at variable rate, the undiscounted amount is derived from interest rate at the end of each reporting period.

In addition, the following table details the Group's liquidity analysis for its derivative financial instruments. The tables have been drawn up based on the undiscounted contractual net cash (inflows) and outflows on derivative instruments that settle on a net basis. When the amount payable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves existing at the end of the reporting period. The liquidity analysis for the Group's derivative financial instruments is prepared based on the contractual maturities as the management consider that the contractual maturities are essential for an understanding of the timing of the cash flows of derivatives.

## 42. 財務風險因素及管理 (續)

### (a) 財務風險因素 (續)

#### (iii) 流動資金風險

審慎之流動資金風險管理指維持充裕現金，以及透過足夠信貸融資維持備用資金。管理層致力透過可用信貸額度維持資金之靈活彈性。管理層按預期現金流量監控本集團之流動資金儲備之滾存預測(包括未提取之借款額度(附註29(a))以及現金及銀行存款(附註25)。

下表顯示本集團按攤銷成本入賬之財務負債，按照由報告期終日至合約到期日剩餘之相關到期組別分析。下表所披露金額為合約未貼現現金流量(包括本金及利息)。倘利率為浮息，則未貼現金額乃按各報告期末之利率得出。

此外，下表詳述本集團就其衍生財務工具之流動性分析。該表乃根據以淨額基準結算的衍生工具未折現合約現金(流入)及流出淨額計算。如未確定應付金額，則披露金額會參考報告期末現有之收益曲線所顯示預期利率釐定。由於管理層認為合約期限對理解衍生工具現金流量之時間性而言屬必須，因此本集團之衍生財務工具之流動性分析乃根據合約期限編製。

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## 42. FINANCIAL RISK FACTORS AND MANAGEMENT (CONTINUED)

### (a) Financial risk factors (Continued)

#### (iii) Liquidity risk (Continued)

## 42. 財務風險因素及管理(續)

### (a) 財務風險因素(續)

#### (iii) 流動資金風險(續)

		Within 1 year	Between 1 and 2 years	Between 2 and 5 years	Total undiscounted cash flows 未貼現 現金流量總額	Carrying amount 賬面值
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
<b>As at 31 December 2022</b>	<b>於二零二二年十二月三十一日</b>					
Non-derivative financial liabilities	非衍生財務負債					
Borrowings	借款	8,384,134	7,349,987	11,434,328	27,168,449	24,308,767
Trade and other payables	貿易及其他應付款項	8,043,821	—	—	8,043,821	8,043,821
Amounts due to a fellow subsidiary	應付同系附屬公司款項	2,613,562	—	—	2,613,562	2,613,562
Amounts due to non-controlling shareholders of subsidiaries	應付附屬公司非控股股東款項	585,540	—	—	585,540	585,540
Amounts due to associates	應付聯營公司款項	2,021,119	—	—	2,021,119	2,021,119
Amount due to a joint venture	應付一家合營公司款項	57,219	—	—	57,219	57,219
Financial guarantee contracts	財務擔保合約	8,919,141	—	—	8,919,141	—
		<b>30,624,536</b>	<b>7,349,987</b>	<b>11,434,328</b>	<b>49,408,851</b>	<b>37,630,028</b>

## 42. FINANCIAL RISK FACTORS AND MANAGEMENT (CONTINUED)

### (a) Financial risk factors (Continued) (iii) Liquidity risk (Continued)

## 42. 財務風險因素及管理 (續)

### (a) 財務風險因素 (續) (iii) 流動資金風險 (續)

		Within 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total undiscounted cash flows 未貼現 現金流量總額	Carrying amount 賬面值
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
<b>As at 31 December 2021</b>	<b>於二零二一年 十二月三十一日</b>						
Non-derivative financial liabilities	非衍生財務負債						
Borrowings	借款	7,133,330	4,580,202	10,177,618	992,180	22,883,330	21,016,666
Trade and other payables	貿易及其他應付款項	9,290,581	—	—	—	9,290,581	9,290,581
Amounts due to fellow subsidiaries	應付同系附屬公司 款項	1,090,401	—	—	—	1,090,401	1,090,401
Amounts due to non-controlling shareholders of subsidiaries	應付附屬公司非控股 股東款項	2,054,568	—	—	—	2,054,568	2,054,568
Amounts due to associates	應付聯營公司款項	2,463,129	—	—	—	2,463,129	2,463,129
Amount due to a joint venture	應付一家合營公司 款項	41,666	—	—	—	41,666	41,666
Financial guarantee contracts	財務擔保合約	11,189,256	—	—	—	11,189,256	—
		<u>33,262,931</u>	<u>4,580,202</u>	<u>10,177,618</u>	<u>992,180</u>	<u>49,012,931</u>	<u>35,957,011</u>
Derivatives — net settlement	衍生工具 — 淨結算						
Interest rate swaps	利率掉期	25,678	(1,761)	(382)	—	23,535	23,439

## 42. FINANCIAL RISK FACTORS AND MANAGEMENT (CONTINUED)

### (a) Financial risk factors (Continued)

#### (iii) Liquidity risk (Continued)

The amounts included above for financial guarantee contracts are the maximum amounts the Group could be required to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on expectations at the end of the reporting period, the Group considers that it is more likely than not that no amount will be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

The amounts included above for variable interest rate instruments for non-derivative financial liabilities are subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

### (b) Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The total equity and borrowings of the Group represents the capital structure of the Group. In order to maintain or adjust the capital structure, the Group may issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated as total borrowings (including current and non-current borrowings as shown in the consolidated statement of financial position) less cash and bank deposits.

## 42. 財務風險因素及管理(續)

### (a) 財務風險因素(續)

#### (iii) 流動資金風險(續)

上述財務擔保合同之金額為於擔保交易方案回有關款項時，本集團根據安排可能須就全部擔保金額償付的最高金額。根據報告期末的預期，本集團認為，毋須根據安排支付款項的可能性很大。然而，因持有已擔保財務應收款項的交易方遭受信貸損失而可能按擔保條款追討，有關估計或會改變。

若可變利率的變化與於報告期末釐定的利率估計不同，則上述非衍生財務負債可變利率工具的金額將會變化。

### (b) 資本風險管理

本集團管理資本之目標乃保障本集團持續經營之能力，藉此為股東帶來回報及使其他股權持有人受益，以及維持最理想之資本結構，以減低資金成本。

本集團之權益及借款總額反映本集團之資本結構。為維持或調整資本架構，本集團或會發行新股份或出售資產以減少債務。

與其他同業一致，本集團以負債比率作為監控資本之基準。該比率按債務淨值除以權益總額計算。債務淨值按借款總額(包括綜合財務狀況表中所呈列流動及非流動借款)減現金及銀行存款計算。

## 42. FINANCIAL RISK FACTORS AND MANAGEMENT (CONTINUED)

### (b) Capital risk management (Continued)

The gearing ratios as at 31 December 2022 and 2021 are as follows:

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Total borrowings	借款總額	24,308,767	21,016,666
Less: Cash and bank deposits	減：現金及銀行存款	(8,425,675)	(12,033,221)
Net debt	債務淨額	15,883,092	8,983,445
Total equity	權益總額	16,812,098	23,117,911
Gearing ratio	負債比率	94%	39%

## 43. COMPARATIVE AMOUNTS

Certain comparative amounts have been reclassified to conform to current year's presentation.

## 42. 財務風險因素及管理 (續)

### (b) 資本風險管理 (續)

於二零二二年及二零二一年十二月三十一日之負債比率如下：

## 43. 比較金額

若干比較金額重新分類，以與本年度的呈列保持一致。

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### 44. PARTICULARS OF PRINCIPAL SUBSIDIARIES

#### (a) List of principal subsidiaries as at 31 December 2022:

### 44. 主要附屬公司詳情

#### (a) 於二零二二年十二月三十一日，主要附屬公司列表：

Name of subsidiary 附屬公司名稱	Place of incorporation/ operation 註冊成立/營業地點	Particulars of issued share capital/paid-up capital (note (ii)) 已發行股本/繳足股本詳情 (附註(ii))	Percentage of equity interest 股本權益百分比				Principal activity 主要業務
			2022 二零二二年		2021 二零二一年		
			Directly held by the Company 直接由本公司 持有	Indirectly held by the Company 間接由本公司 持有	Directly held by the Company 直接由本公司 持有	Indirectly held by the Company 間接由本公司 持有	
Best Pearl Development Limited 慧珠發展有限公司	Hong Kong 香港	HK\$1,000 1,000 shares with no par value 1,000港元 1,000股無面值	—	100	—	100	Property investment 物業投資
博羅縣碧華房地產開發有限公司 (Boluo County Bihua Property Development Company Limited "Boluo County Bihua") (iii) 博羅縣碧華房地產開發有限公司 (「博羅碧華」)(iii)	Mainland China 中國內地	RMB778,013,150 778,013,150元人民幣	—	100	—	100	Real estate development 房地產發展
五礦盛世廣業(北京)有限公司 (Minmetals Shengshi Guangye (Beijing) Co., Ltd.)	Mainland China 中國內地	RMB12,001,000,000 12,001,000,000元人民幣	—	100	—	100	Provision of management service and investment holding 提供管理服務及投資控股
Bright Circle Limited 輝中有限公司	Hong Kong 香港	HK\$10,000 10,000 shares with no par value 10,000港元 10,000股無面值	—	100	—	100	Property investment 物業投資
Eastrend (Hong Kong) Limited 東昌(香港)有限公司	Hong Kong 香港	HK\$2 2 shares with no par value 2港元 2股無面值	—	100	—	100	Property investment 物業投資
佛山市礦盛房地產開發有限公司 (Foshan Kuangsheng Property Development Co., Ltd.) 佛山市礦盛房地產開發有限公司	Mainland China 中國內地	RMB520,000,000 520,000,000元人民幣	—	100	—	100	Real estate development 房地產發展
Excel Capital Global Ltd. Excel Capital Global Ltd.	British Virgin Islands 英屬處女群島	US\$1 1 share of US\$1 each 1美元 1股每股面值1美元	100	—	100	—	Fund raising 集資
Expand Lead Limited 拓利有限公司	British Virgin Islands 英屬處女群島	US\$1 1 share of US\$1 each 1美元 1股每股面值1美元	100	—	100	—	Fund raising 集資
Great Way Properties Limited 鴻威置業有限公司	Hong Kong/Mainland China 香港/中國內地	HK\$2 2 shares with no par value 2港元 2股無面值	—	100	—	100	Property investment 物業投資



#### 44. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

##### (a) List of principal subsidiaries as at 31 December 2022: (Continued)

#### 44. 主要附屬公司詳情(續)

##### (a) 於二零二二年十二月三十一日，主要附屬公司列表：(續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ operation 註冊成立/營業地點	Particulars of issued share capital/paid-up capital (note (i)) 已發行股本/繳足股本詳情 (附註(i))	Percentage of equity interest 股本權益百分比				Principal activity 主要業務
			2022 二零二二年		2021 二零二一年		
			Directly held by the Company 直接由本公司 持有	Indirectly held by the Company 間接由本公司 持有	Directly held by the Company 直接由本公司 持有	Indirectly held by the Company 間接由本公司 持有	
廣州市礦粵房地產開發有限公司 (Guangzhou Kuangyue Property Development Co., Ltd.)	Mainland China	RMB120,000,000	—	100	—	100	Real estate development
廣州市礦粵房地產開發有限公司	中國內地	120,000,000元人民幣					房地產發展
礦錦地產南京有限公司 (Kuangjin Property Development Nanjing Co., Ltd.)	Mainland China	RMB100,000,000	—	100	—	100	Real estate development
礦錦地產南京有限公司	中國內地	100,000,000元人民幣					房地產發展
礦美地產南京有限公司 (Kuangmei Property Development Nanjing Co., Ltd.)	Mainland China	RMB100,000,000	—	100	—	100	Real estate development
礦美地產南京有限公司	中國內地	100,000,000元人民幣					房地產發展
廊坊曠世基業房地產開發有限公司 (Langfang Kuangshi Jiye Property Development Co., Ltd. "Kuangshi Jiye") (iii) & (iv)	Mainland China	US\$55,000,000	—	50	—	50	Real estate development
廊坊曠世基業房地產開發有限公司 (「曠世基業」)(iii)及(iv)	中國內地	55,000,000美元					房地產發展
Linkcheer Limited	Hong Kong	HK\$2 2 shares with no par value	—	100	—	100	Property investment
凌駿有限公司	香港	2港元 2股無面值					物業投資
Luck Achieve Limited	British Virgin Islands/Hong Kong	US\$2 2 shares of US\$1 each	—	100	—	100	Securities Investment
幸運有限公司	英屬處女群島/香港	2美元 2股每股面值1美元					證券投資
Massive Leader Limited	Hong Kong	HK\$1 1 share with no par value	—	100	—	100	Real estate development
宏悅有限公司	香港	1港元 1股無面值					房地產發展
Minmetals Condo (Hong Kong) Engineering Company Limited	Hong Kong	HK\$1 1 share with no par value	—	100	—	100	Design and installation of curtain walls
五礦瑞和(香港)工程有限公司	香港	1港元 1股無面值					設計及安裝幕牆

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### 44. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

#### (a) List of principal subsidiaries as at 31 December 2022: (Continued)

### 44. 主要附屬公司詳情(續)

#### (a) 於二零二二年十二月三十一日，主要附屬公司列表：(續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ operation 註冊成立/營業地點	Particulars of issued share capital/paid-up capital (note (i)) 已發行股本/繳足股本詳情 (附註(i))	Percentage of equity interest 股本權益百分比				Principal activity 主要業務
			2022 二零二二年		2021 二零二一年		
			Directly held by the Company 直接由本公司 持有	Indirectly held by the Company 間接由本公司 持有	Directly held by the Company 直接由本公司 持有	Indirectly held by the Company 間接由本公司 持有	
Minmetals Land Capital Limited	British Virgin Islands	US\$10 10 shares of US\$1 each 10美元 10股每股面值1美元	100	—	100	—	Fund raising 集資
五礦建設資本有限公司	英屬處女群島						
Minmetals Land Investments Limited	British Virgin Islands/Hong Kong	US\$990 99 shares of US\$10 each 990美元 99股每股面值10美元	100	—	100	—	Investment holding 投資控股
Minmetals Land Investments Limited	英屬處女群島/香港						
五礦建設投資管理(北京)有限公司 (Minmetals Land Investment Management (Beijing) Co., Ltd.)	Mainland China	RMB4,971,652,952	—	100	—	100	Provision of management service and investment holding 提供管理服務及投資控股
五礦建設投資管理(北京)有限公司	中國內地	4,971,652,952元人民幣					
五礦地產(武漢)開發有限公司 (Minmetals Land (Wuhan) Development Co., Ltd.)	Mainland China	RMB280,000,000	—	100	—	100	Real estate development 房地產發展
五礦地產(武漢)開發有限公司	中國內地	280,000,000元人民幣					
五礦建設(營口)恒富置業有限公司 (Minmetals Land (Yingkou) Hengfu Properties Co., Ltd. (ii))	Mainland China	US\$100,000,000	—	100	—	100	Real estate development 房地產發展
五礦建設(營口)恒富置業有限公司	中國內地	100,000,000美元					
湖南曠代房地產開發有限公司 (Hunan Kuangdai Property Development Co., Ltd.)	Mainland China	RMB600,000,000	—	100	—	100	Real estate development 房地產發展
湖南曠代房地產開發有限公司	中國內地	600,000,000元人民幣					
ONFEM Finance Limited	British Virgin Islands/Hong Kong	US\$1,000 1,000 shares of US\$1 each 1,000美元 1,000股每股面值1美元	100	—	100	—	Provision of financing for group companies 為集團公司提供融資
ONFEM Finance Limited	英屬處女群島/香港						

#### 44. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

##### (a) List of principal subsidiaries as at 31 December 2022: (Continued)

#### 44. 主要附屬公司詳情(續)

##### (a) 於二零二二年十二月三十一日，主要附屬公司列表：(續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ operation 註冊成立/營業地點	Particulars of issued share capital/paid-up capital (note (i)) 已發行股本/繳足股本詳情 (附註(i))	Percentage of equity interest 股本權益百分比				Principal activity 主要業務
			2022 二零二二年		2021 二零二一年		
			Directly held by the Company 直接由本公司 持有	Indirectly held by the Company 間接由本公司 持有	Directly held by the Company 直接由本公司 持有	Indirectly held by the Company 間接由本公司 持有	
Oriental Dragon Construction Limited 東方龍建有限公司	Hong Kong/Hong Kong and Mainland China 香港/香港及中國內地	HK\$10,000 10,000 shares with no par value 10,000股無面值	—	71	—	71	Investment holding 投資控股
Texion Development Limited 企元國際有限公司	Hong Kong 香港	HK\$50,000,000 50,000,000 shares with no par value 50,000,000港元 50,000,000股無面值	—	100	—	100	Property investment 物業投資
Top Gain Properties Limited 溢成置業有限公司	Hong Kong/Mainland China 香港/中國內地	HK\$2 2 shares with no par value 2港元 2股無面值	—	100	—	100	Property investment 物業投資
Virtyre Limited Virtyre Limited	Hong Kong 香港	HK\$20 2 shares with no par value 20港元 20股無面值	—	100	—	100	Property investment 物業投資
武漢潤領房地產開發有限公司 (Wuhan Runling Property Development Co., Ltd.) 武漢潤領房地產開發有限公司	Mainland China 中國內地	RMB350,000,000 350,000,000元人民幣	—	100	—	100	Real estate development 房地產發展
廣州礦榮房地產開發有限公司 (Guangzhou Kuangrong Property Development Co., Ltd.) ("Guangzhou Kuangrong") (ii) 廣州礦榮房地產開發有限公司 (〔廣州礦榮〕)(ii)	Mainland China 中國內地	RMB1,000,000,000 1,000,000,000元人民幣	—	51	—	51	Real estate development 房地產發展
礦中地產南京有限公司 (Kuangzhong Property Development Nanjing Co., Ltd.) 礦中地產南京有限公司	Mainland China 中國內地	RMB100,000,000 100,000,000元人民幣	—	100	—	100	Real estate development 房地產發展
湖南礦湘置業有限公司 (Hunan Kuangxiang Real Estate Co., Ltd.) (ii) 湖南礦湘置業有限公司 (ii)	Mainland China 中國內地	US\$45,000,000 45,000,000美元	—	100	—	100	Real estate development 房地產發展

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## 綜合財務報表附註

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### 44. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

#### (a) List of principal subsidiaries as at 31 December 2022: (Continued)

### 44. 主要附屬公司詳情 (續)

#### (a) 於二零二二年十二月三十一日，主要附屬公司列表：(續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ operation 註冊成立/營業地點	Particulars of issued share capital/paid-up capital (note (ii)) 已發行股本/繳足股本詳情 (附註(ii))	Percentage of equity interest 股本權益百分比				Principal activity 主要業務
			2022 二零二二年		2021 二零二一年		
			Directly held by the Company 直接由本公司 持有	Indirectly held by the Company 間接由本公司 持有	Directly held by the Company 直接由本公司 持有	Indirectly held by the Company 間接由本公司 持有	
廣州市礦茂房地產開發有限公司 (Guangzhou Kuangmao Property Development Co., Ltd.) ("Guangzhou Kuangmao") (iii)	Mainland China	RMB2,400,000,000	—	51	—	51	Real estate development
廣州市礦茂房地產開發有限公司 (「廣州礦茂」)(iii)	中國內地	2,400,000,000元人民幣					房地產發展
深圳市礦潤房地產開發有限公司 (Shenzhen Kuangrun Property Development Co., Ltd.) ("Shenzhen Kuangrun") (iii)	Mainland China	RMB900,000,000	—	51	—	51	Real estate development
深圳市礦潤房地產開發有限公司 (「深圳礦潤」)(iii)	中國內地	900,000,000元人民幣					房地產發展
廣州市礦譽投資有限公司 (Guangzhou Kuangyu Investment Co., Ltd.) ("Guangzhou Kuangyu") (iii)	Mainland China	RMB2,500,000,000	—	51	—	51	Real estate development
廣州市礦譽投資有限公司 (「廣州礦譽」)(iii)	中國內地	2,500,000,000元人民幣					房地產發展
廣州市品誠房地產開發有限公司 (Guangzhou Pincheng Real Estate Development Co., Ltd.) ("Guangzhou Pincheng") (iii)	Mainland China	RMB2,181,280,000	—	45.9	—	45.9	Real estate development
廣州市品誠房地產開發有限公司 (「廣州品誠」)(iii)	中國內地	2,181,280,000元人民幣					房地產發展
成都盛礦置業有限公司 (Chengdu Shengkuang Real Estate Development Co., Ltd.)	Mainland China	RMB300,000,000	—	100	—	100	Real estate development
成都盛礦置業有限公司	中國內地	300,000,000元人民幣					房地產發展
成都礦邑置業有限公司 (Chengdu Kuangyi Real Estate Development Co., Ltd.)	Mainland China	RMB200,000,000	—	100	—	100	Real estate development
成都礦邑置業有限公司	中國內地	200,000,000元人民幣					房地產發展
五礦地產湖南開發有限公司 (Minmetals Land Hunan Development Co., Ltd.)	Mainland China	RMB612,244,900	—	51	—	51	Real estate development
五礦地產湖南開發有限公司	中國內地	612,244,900元人民幣					房地產發展

#### 44. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

##### (a) List of principal subsidiaries as at 31 December 2022: (Continued)

#### 44. 主要附屬公司詳情(續)

##### (a) 於二零二二年十二月三十一日，主要附屬公司列表：(續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ operation 註冊成立/營業地點	Particulars of issued share capital/paid-up capital (note (i)) 已發行股本/繳足股本詳情 (附註(i))	Percentage of equity interest 股本權益百分比				Principal activity 主要業務
			2022 二零二二年		2021 二零二一年		
			Directly held by the Company 直接由本公司 持有	Indirectly held by the Company 間接由本公司 持有	Directly held by the Company 直接由本公司 持有	Indirectly held by the Company 間接由本公司 持有	
五礦地產(湘潭)開發有限公司 (Minmetals Land (Xiangtan) Development Co., Ltd.)	Mainland China 中國內地	RMB8,000,000 8,000,000元人民幣	—	51	—	51	Real estate development 房地產發展
五礦地產(泰安)開發有限公司 (Minmetals Land (Taian) Development Co., Ltd.)	Mainland China 中國內地	RMB10,000,000 10,000,000元人民幣	—	51	—	51	Real estate development 房地產發展
泰安潤領房地產開發有限公司 (Taian Runling Property Development Co., Ltd.)	Mainland China 中國內地	RMB10,000,000 10,000,000元人民幣	—	51	—	51	Real estate development 房地產發展
礦助地產(蘇州)有限公司 (Kuangjin Property Development (Suzhou) Co., Ltd.) ("Kuangjin") (v)	Mainland China 中國內地	RMB2,197,250,000 2,197,250,000元人民幣	—	55	—	55	Real estate development 房地產發展
湖南礦雅房地產開發有限公司 (Hunan Kuangya Real Estate Development Co., Ltd.) ("Kuangya")	Mainland China 中國內地	RMB400,000,000 400,000,000元人民幣	—	51	—	51	Real estate development 房地產發展
成都香礦置業有限公司 (Chengdu Xiangkuang Real Estate Co., Ltd.) ("Xiangkuang") (vi)	Mainland China 中國內地	RMB20,408,200 20,408,200元人民幣	—	51	N/A	N/A	Real estate development 房地產發展
成都香礦置業有限公司("香礦") (vi)	Mainland China 中國內地	20,408,200元人民幣	—	51	不適用	不適用	房地產發展

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#### 44. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

##### (a) List of principal subsidiaries as at 31 December 2022: (Continued)

The above table lists the subsidiaries of the Group which, in the opinion of the Directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

- (i) The class of shares held is ordinary unless otherwise stated. None of the subsidiaries had any loan capital in issue at any time during the year ended 31 December 2022.
- (ii) These are 台港澳法人獨資企業 established in Mainland China with operating periods ranging from 15 years to 40 years.
- (iii) These are 中外合資企業 established in Mainland China with operating periods ranging from 20 years to 30 years.
- (iv) Although the Group owns 50% equity interest in Kuangshi Jiye, it has control over Kuangshi Jiye by holding 60% of the voting power over the board of directors of Kuangshi Jiye, which require simple majority votes of the directors on making decision on relevant activities.
- (v) During 2021, the Group has received capital injection of RMB988,760,000 from a non-controlling shareholder, holding its equity interest in Kuangjin to 55%.
- (vi) On 11 January 2022, the Group acquired 51% interest in Xiangkuang, with approximately HK\$65,623,000 paid by cash at the acquisition date. On 16 January 2022, the Group and non-controlling shareholder had agreed to convert their loans into investment cost in Xiangkuang which amounted to HK\$875,726,000 (including HK\$429,106,000 contributed from non-controlling shareholder) in accordance with the respective shareholding.

#### 44. 主要附屬公司詳情 (續)

##### (a) 於二零二二年十二月三十一日，主要附屬公司列表：(續)

董事認為上表列示之本集團附屬公司主要影響本集團的業績及資產。董事認為若列示其他附屬公司詳情，將會過於冗長。

- (i) 除另有註明外，所持股份類別均屬普通股。截至二零二二年十二月三十一日止年度內任何時間，各附屬公司並無發行任何借貸股本。
- (ii) 該等為於中國內地成立之台港澳法人獨資企業，營運期為15年至40年不等。
- (iii) 該等為於中國內地成立之中外合資企業，營運期為20年至30年不等。
- (iv) 儘管本集團擁有曠世基業50%股權，其透過持有曠世基業董事會60%之投票權對其擁有控制權，即相關活動的決策需要過半數董事投票。
- (v) 於二零二一年，本集團收取一名非控股股東注資款988,760,000元人民幣，因而減少其於曠勁之股本權益至55%。
- (vi) 於二零二二年一月十一日，本集團收購香礦51%權益，於收購日期以現金支付約65,623,000港元。於二零二二年一月十六日，本集團及非控股股東已同意根據各自持股比例將其貸款轉換為對香礦的投資成本，金額為875,726,000港元(包括非控股股東的出資429,106,000港元)。

#### 44. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

##### (b) Details of non-wholly-owned subsidiaries that have material non-controlling interests

The table below shows details of non-wholly-owned subsidiaries of the Group that have material non-controlling interests:

Name of subsidiary 附屬公司名稱	Place of incorporation and principal place of business 註冊成立及主要營業地點	Proportion of equity interest held by non-controlling interests 非控股股東權益所持股本權益百分比		Proportion of voting rights held by non-controlling interests 非控股股東權益所持投票權百分比		(Loss)/profit allocated to non-controlling interests 向非控股股東權益分配之(虧損)/溢利		Accumulated non-controlling interests 累計非控股股東權益	
		31 December 2022 二零二二年十二月三十一日	31 December 2021 二零二一年十二月三十一日	31 December 2022 二零二二年十二月三十一日	31 December 2021 二零二一年十二月三十一日	2022 二零二二年	2021 二零二一年	31 December 2022 二零二二年十二月三十一日	31 December 2021 二零二一年十二月三十一日
						HK\$000 千港元	HK\$000 千港元	HK\$000 千港元	HK\$000 千港元
Guangzhou Kuangmao 廣州礦茂	Mainland China 中國內地	49%	49%	49%	49%	(19,392)	234,637	1,324,258	1,647,092
Guangzhou Kuangrong 廣州礦榮	Mainland China 中國內地	49%	49%	49%	49%	4,794	226,742	754,229	819,060
Beijing Wanhuh 北京萬湖	Mainland China 中國內地	49%	49%	40%	40%	740	(7,740)	2,416,056	2,639,083
Minmetals Land Hunan 五礦地產湖南	Mainland China 中國內地	49%	49%	49%	49%	(35,938)	(64,146)	1,379,608	1,545,155
Guangzhou Kuangyu 廣州礦譽	Mainland China 中國內地	49%	49%	49%	49%	(16,453)	452	1,612,559	1,779,217
Kuangshi Jiye 曠世基業	Mainland China 中國內地	50%	50%	40%	40%	3,568	(11,429)	399,708	432,986
Shenzhen Kuangrun 深圳礦潤	Mainland China 中國內地	49%	49%	49%	49%	39,019	(1,748)	529,052	537,069
Kuangjin 礦勁	Mainland China 中國內地	45%	45%	45%	45%	(6,882)	—	1,099,432	1,208,503
Xiangkuang 香礦	Mainland China 中國內地	49%	N/A 不適用	49%	N/A 不適用	(12,210)	N/A 不適用	439,034	N/A 不適用
Individually immaterial subsidiaries with non-controlling interests 具有非控股股東權益的個別非重大附屬公司						(199)	834	38,633	41,103
						(42,953)	377,602	9,992,569	10,649,268

Summarised financial information in respect of each of the Company's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

#### 44. 主要附屬公司詳情(續)

##### (b) 具有重大非控股股東權益的非全資附屬公司之詳情

下表呈列本集團具有重大非控股股東權益之非全資附屬公司之詳情：

關於本集團各具有重大非控股股東權益之附屬公司之財務資料概要載列如下。以下財務資料概要表示集團內對銷前之金額。



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#### 44. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

##### (b) Details of non-wholly-owned subsidiaries that have material non-controlling interests (Continued)

###### Kuangshi Jiye

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Current assets	流動資產	1,689,751	2,116,900
Non-current assets	非流動資產	1	8,455
Current liabilities	流動負債	890,336	1,259,383
Total equity	權益總額	799,416	865,972
		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Revenue for the year	本年度收入	268,125	619
Cost and expenses for the year	本年度成本及支出	260,990	23,476
Profit/(loss) for the year	本年度溢利/(虧損)	7,135	(22,857)
Other comprehensive (expense)/income for the year	本年度其他全面(支出)/ 收入	(73,691)	25,010
Total comprehensive (expense)/income for the year	本年度全面(支出)/收入 總額	(66,556)	2,153
Net cash inflow/(outflow) from operating activities	經營活動產生現金流入/ (流出)淨額	4,016	(43,815)
Net cash outflow from investing activities	投資活動產生現金流出 淨額	—	—
Net cash inflow from financing activities	融資活動產生現金流入 淨額	—	—
Net cash inflow/(outflow)	現金流入/(流出)淨額	4,016	(43,815)

#### 44. 主要附屬公司詳情(續)

##### (b) 具有重大非控股股東權益的 非全資附屬公司之詳情(續)

###### 曠世基業

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Current assets	流動資產	1,689,751	2,116,900
Non-current assets	非流動資產	1	8,455
Current liabilities	流動負債	890,336	1,259,383
Total equity	權益總額	799,416	865,972
		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Revenue for the year	本年度收入	268,125	619
Cost and expenses for the year	本年度成本及支出	260,990	23,476
Profit/(loss) for the year	本年度溢利/(虧損)	7,135	(22,857)
Other comprehensive (expense)/income for the year	本年度其他全面(支出)/ 收入	(73,691)	25,010
Total comprehensive (expense)/income for the year	本年度全面(支出)/收入 總額	(66,556)	2,153
Net cash inflow/(outflow) from operating activities	經營活動產生現金流入/ (流出)淨額	4,016	(43,815)
Net cash outflow from investing activities	投資活動產生現金流出 淨額	—	—
Net cash inflow from financing activities	融資活動產生現金流入 淨額	—	—
Net cash inflow/(outflow)	現金流入/(流出)淨額	4,016	(43,815)

#### 44. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

##### (b) Details of non-wholly-owned subsidiaries that have material non-controlling interests (Continued)

###### Beijing Wanhu

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Current assets	流動資產	5,311,693	5,831,580
Non-current assets	非流動資產	2,275	2,486
Current liabilities	流動負債	383,241	448,183
Total equity	權益總額	4,930,727	5,385,883
		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Revenue for the year	本年度收入	—	89,735
Income/(expenses) for the year	本年度收入/(支出)	1,510	(105,530)
Profit/(loss) for the year	本年度溢利/(虧損)	1,510	(15,795)
Other comprehensive (expense)/income for the year	本年度其他全面(支出)/ 收入	(456,666)	153,807
Total comprehensive (expense)/income for the year	本年度全面(支出)/收入 總額	(455,156)	138,012
Net cash inflow from operating activities	經營活動產生現金流入 淨額	6,807	884
Net cash inflow from investing activities	投資活動產生現金流入 淨額	—	—
Net cash outflow from financing activities	融資活動產生現金流出 淨額	—	—
Net cash inflow	現金流入淨額	6,807	884

#### 44. 主要附屬公司詳情(續)

##### (b) 具有重大非控股股東權益的 非全資附屬公司之詳情(續)

###### 北京萬湖

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Current assets	流動資產	5,311,693	5,831,580
Non-current assets	非流動資產	2,275	2,486
Current liabilities	流動負債	383,241	448,183
Total equity	權益總額	4,930,727	5,385,883
		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Revenue for the year	本年度收入	—	89,735
Income/(expenses) for the year	本年度收入/(支出)	1,510	(105,530)
Profit/(loss) for the year	本年度溢利/(虧損)	1,510	(15,795)
Other comprehensive (expense)/income for the year	本年度其他全面(支出)/ 收入	(456,666)	153,807
Total comprehensive (expense)/income for the year	本年度全面(支出)/收入 總額	(455,156)	138,012
Net cash inflow from operating activities	經營活動產生現金流入 淨額	6,807	884
Net cash inflow from investing activities	投資活動產生現金流入 淨額	—	—
Net cash outflow from financing activities	融資活動產生現金流出 淨額	—	—
Net cash inflow	現金流入淨額	6,807	884

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#### 44. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

##### (b) Details of non-wholly-owned subsidiaries that have material non-controlling interests (Continued)

###### Guangzhou Kuangrong

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Current assets	流動資產	1,608,355	1,828,722
Non-current assets	非流動資產	59	93
Current liabilities	流動負債	69,170	157,265
Non-current liabilities	非流動負債	—	—
Total equity	權益總額	1,539,244	1,671,550
		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Revenue for the year	本年度收入	68,531	2,447,317
Cost and expenses for the year	本年度成本及支出	58,748	1,984,587
Profit for the year	本年度溢利	9,783	462,739
Other comprehensive (expense)/income for the year	本年度其他全面(支出)/收入	(142,089)	41,290
Total comprehensive (expense)/income for the year	本年度全面(支出)/收入總額	(132,306)	504,029
Net cash outflow from operating activities	經營活動產生現金流出淨額	(194,201)	(1,009,690)
Net cash outflow from investing activities	投資活動產生現金流出淨額	(5)	(23)
Net cash outflow from financing activities	融資活動產生現金流出淨額	—	(207,899)
Net cash outflow	現金流出淨額	(194,206)	(1,217,612)

#### 44. 主要附屬公司詳情(續)

##### (b) 具有重大非控股股東權益的非全資附屬公司之詳情(續)

###### 廣州礦榮

#### 44. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

##### (b) Details of non-wholly-owned subsidiaries that have material non-controlling interests (Continued)

###### Guangzhou Kuangmao

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Current assets	流動資產	5,913,098	6,024,243
Non-current assets	非流動資產	162,823	80,563
Current liabilities	流動負債	3,373,353	2,736,422
Non-current liabilities	非流動負債	—	6,971
Total equity	權益總額	2,702,568	3,361,413
		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Revenue for the year	本年度收入	49,493	2,627,193
Cost and expenses for the year	本年度成本及支出	89,069	2,148,341
(Loss)/profit for the year	本年度(虧損)/溢利	(39,576)	478,852
Other comprehensive (expense)/income for the year	本年度其他全面(支出)/ 收入	(619,269)	89,258
Total comprehensive (expense)/income for the year	本年度全面(支出)/收入 總額	(658,845)	568,110
Net cash (outflow)/inflow from operating activities	經營活動產生現金 (流出)/流入淨額	(1,011,346)	951,133
Net cash outflow from investing activities	投資活動產生現金流出 淨額	(137)	(60)
Net cash outflow from financing activities	融資活動產生現金流出 淨額	(349,290)	(428,984)
Net cash (outflow)/inflow	現金(流出)/流入淨額	(1,360,773)	522,089

#### 44. 主要附屬公司詳情(續)

##### (b) 具有重大非控股股東權益的 非全資附屬公司之詳情(續)

###### 廣州礦茂

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Current assets	流動資產	5,913,098	6,024,243
Non-current assets	非流動資產	162,823	80,563
Current liabilities	流動負債	3,373,353	2,736,422
Non-current liabilities	非流動負債	—	6,971
Total equity	權益總額	2,702,568	3,361,413
		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Revenue for the year	本年度收入	49,493	2,627,193
Cost and expenses for the year	本年度成本及支出	89,069	2,148,341
(Loss)/profit for the year	本年度(虧損)/溢利	(39,576)	478,852
Other comprehensive (expense)/income for the year	本年度其他全面(支出)/ 收入	(619,269)	89,258
Total comprehensive (expense)/income for the year	本年度全面(支出)/收入 總額	(658,845)	568,110
Net cash (outflow)/inflow from operating activities	經營活動產生現金 (流出)/流入淨額	(1,011,346)	951,133
Net cash outflow from investing activities	投資活動產生現金流出 淨額	(137)	(60)
Net cash outflow from financing activities	融資活動產生現金流出 淨額	(349,290)	(428,984)
Net cash (outflow)/inflow	現金(流出)/流入淨額	(1,360,773)	522,089

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

31 December 2022 二零二二年十二月三十一日

#### 44. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

##### (b) Details of non-wholly-owned subsidiaries that have material non-controlling interests (Continued)

###### Shenzhen Kuangrun

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Current assets	流動資產	5,465,604	6,135,142
Non-current assets	非流動資產	143,393	146,327
Current liabilities	流動負債	4,529,300	5,185,107
Non-current liabilities	非流動負債	—	302
Total equity	權益總額	1,079,697	1,096,060
		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Revenue for the year	本年度收入	353,192	—
Cost and expenses for the year	本年度成本及支出	273,562	3,568
Profit/(loss) for the year	本年度溢利/(虧損)	79,630	(3,568)
Other comprehensive (expense)/income for the year	本年度其他全面(支出)/收入	(95,993)	31,305
Total comprehensive (expense)/income for the year	本年度全面(支出)/收入總額	(16,363)	27,737
Net cash (outflow)/inflow from operating activities	經營活動產生現金(流出)/流入淨額	(332,765)	2,669,587
Net cash inflow/(outflow) from investing activities	投資活動產生現金流入/(流出)淨額	75,637	(334)
Net cash outflow from financing activities	融資活動產生現金流出淨額	—	(2,386,222)
Net cash (outflow)/inflow	現金(流出)/流入淨額	(257,128)	283,031

#### 44. 主要附屬公司詳情(續)

##### (b) 具有重大非控股股東權益的非全資附屬公司之詳情(續)

###### 深圳礦潤

#### 44. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

##### (b) Details of non-wholly-owned subsidiaries that have material non-controlling interests (Continued)

###### Minmetals Land Hunan

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Current assets	流動資產	4,486,365	6,896,878
Non-current assets	非流動資產	818,101	937,760
Current liabilities	流動負債	1,838,364	4,519,562
Non-current liabilities	非流動負債	650,576	161,698
Total equity	權益總額	2,815,526	3,153,378
		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Revenue for the year	本年度收入	2,936,626	1,563,952
Cost and expenses for the year	本年度成本及支出	3,009,968	1,694,862
Loss for the year	本年度虧損	(73,342)	(130,910)
Other comprehensive expense for the year	本年度其他全面支出	(264,510)	(42,672)
Total comprehensive expense for the year	本年度全面支出總額	(337,852)	(173,582)
Net cash outflow from operating activities	經營活動所得現金流出淨額	(372,213)	(382,526)
Net cash (outflow)/inflow from investing activities	投資活動所得現金(流出)/流入淨額	(1,249)	27,947
Net cash inflow from financing activities	融資活動所得現金流入淨額	289,069	223,619
Net cash outflow	現金流出淨額	(84,393)	(130,960)

#### 44. 主要附屬公司詳情(續)

##### (b) 具有重大非控股股東權益的 非全資附屬公司之詳情(續)

###### 五礦地產湖南

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Current assets	流動資產	4,486,365	6,896,878
Non-current assets	非流動資產	818,101	937,760
Current liabilities	流動負債	1,838,364	4,519,562
Non-current liabilities	非流動負債	650,576	161,698
Total equity	權益總額	2,815,526	3,153,378
		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Revenue for the year	本年度收入	2,936,626	1,563,952
Cost and expenses for the year	本年度成本及支出	3,009,968	1,694,862
Loss for the year	本年度虧損	(73,342)	(130,910)
Other comprehensive expense for the year	本年度其他全面支出	(264,510)	(42,672)
Total comprehensive expense for the year	本年度全面支出總額	(337,852)	(173,582)
Net cash outflow from operating activities	經營活動所得現金流出淨額	(372,213)	(382,526)
Net cash (outflow)/inflow from investing activities	投資活動所得現金(流出)/流入淨額	(1,249)	27,947
Net cash inflow from financing activities	融資活動所得現金流入淨額	289,069	223,619
Net cash outflow	現金流出淨額	(84,393)	(130,960)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

31 December 2022 二零二二年十二月三十一日

#### 44. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

##### (b) Details of non-wholly-owned subsidiaries that have material non-controlling interests (Continued)

###### Guangzhou Kuangyu

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Current assets	流動資產	7,335,289	4,422,713
Non-current assets	非流動資產	54,372	23,251
Current liabilities	流動負債	2,079,745	812,135
Non-current liabilities	非流動負債	2,282,730	220,157
Total equity	權益總額	3,027,186	3,413,672
Equity attributable to owners of the Company	本公司擁有人應佔股權	1,414,627	1,634,455
Non-controlling interests of Guangzhou Kuangyu	廣州礦譽非控股股東權益	1,358,396	1,498,438
Non-controlling interests of Guangzhou Kuangyu's subsidiary	廣州礦譽附屬公司之非控股股東權益	254,163	280,779

#### 44. 主要附屬公司詳情 (續)

##### (b) 具有重大非控股股東權益的非全資附屬公司之詳情 (續)

###### 廣州礦譽



#### 44. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

##### (b) Details of non-wholly-owned subsidiaries that have material non-controlling interests (Continued)

##### Guangzhou Kuangyu (Continued)

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
(Loss)/profit for the period attributable to:	以下人士應佔(虧損)/溢利：		
The owners of the Company	本公司擁有人	(14,081)	2,974
Non-controlling interests of Guangzhou Kuangyu	廣州礦譽非控股股東權益	(13,528)	137
Non-controlling interests of Guangzhou Kuangyu's subsidiary	廣州礦譽附屬公司之非控股股東權益	(2,925)	315
Other comprehensive (expense)/income for the year	本年度其他全面(支出)/收入	(355,952)	167,230
Total comprehensive (expense)/income for the year	本年度全面(支出)/收入總額	(386,486)	170,656
(Loss)/profit and total comprehensive (expense)/income attributable to:	以下人士應佔(虧損)/溢利及全面(支出)/收入總額：		
The owners of the Company	本公司擁有人	(219,828)	119,473
Non-controlling interests of Guangzhou Kuangyu	廣州礦譽非控股股東權益	(140,042)	42,866
Non-controlling interests of Guangzhou Kuangyu's subsidiary	廣州礦譽附屬公司之非控股股東權益	(26,616)	8,317
Net cash inflow/(outflow) from operating activities	經營活動產生現金流入/(流出)淨額	1,226,625	(2,551,635)
Net cash outflow from investing activities	投資活動產生現金流出淨額	(5)	(179)
Net cash (outflow)/inflow from financing activities	融資活動產生現金(流出)/流入淨額	(998,654)	2,735,561
Net cash inflow	現金流入淨額	227,966	183,747

#### 44. 主要附屬公司詳情(續)

##### (b) 具有重大非控股股東權益的 非全資附屬公司之詳情(續)

##### 廣州礦譽(續)

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
(Loss)/profit for the period attributable to:	以下人士應佔(虧損)/溢利：		
The owners of the Company	本公司擁有人	(14,081)	2,974
Non-controlling interests of Guangzhou Kuangyu	廣州礦譽非控股股東權益	(13,528)	137
Non-controlling interests of Guangzhou Kuangyu's subsidiary	廣州礦譽附屬公司之非控股股東權益	(2,925)	315
Other comprehensive (expense)/income for the year	本年度其他全面(支出)/收入	(355,952)	167,230
Total comprehensive (expense)/income for the year	本年度全面(支出)/收入總額	(386,486)	170,656
(Loss)/profit and total comprehensive (expense)/income attributable to:	以下人士應佔(虧損)/溢利及全面(支出)/收入總額：		
The owners of the Company	本公司擁有人	(219,828)	119,473
Non-controlling interests of Guangzhou Kuangyu	廣州礦譽非控股股東權益	(140,042)	42,866
Non-controlling interests of Guangzhou Kuangyu's subsidiary	廣州礦譽附屬公司之非控股股東權益	(26,616)	8,317
Net cash inflow/(outflow) from operating activities	經營活動產生現金流入/(流出)淨額	1,226,625	(2,551,635)
Net cash outflow from investing activities	投資活動產生現金流出淨額	(5)	(179)
Net cash (outflow)/inflow from financing activities	融資活動產生現金(流出)/流入淨額	(998,654)	2,735,561
Net cash inflow	現金流入淨額	227,966	183,747

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

31 December 2022 二零二二年十二月三十一日

#### 44. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

##### (b) Details of non-wholly-owned subsidiaries that have material non-controlling interests (Continued)

###### *Kuangjin*

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Current assets	流動資產	3,611,994	2,904,867
Non-current assets	非流動資產	15,545	649
Current liabilities	流動負債	659,470	219,952
Non-current liabilities	非流動負債	524,887	—
Total equity	權益總額	2,443,182	2,685,564
		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Loss for the year	本年度虧損	(15,293)	—
Other comprehensive expense for the year	本年度其他全面支出	(227,089)	—
Total comprehensive expense for the year	本年度全面支出總額	(242,382)	—
Net cash outflow from operating activities	經營活動所得現金流出淨額	(380,417)	—
Net cash outflow from investing activities	投資活動所得現金流出淨額	(216)	—
Net cash inflow from financing activities	融資活動所得現金流入淨額	529,235	—
Net cash inflow	現金流入淨額	148,602	—

#### 44. 主要附屬公司詳情 (續)

##### (b) 具有重大非控股股東權益的非全資附屬公司之詳情 (續)

###### 礦勁

#### 44. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

##### (b) Details of non-wholly-owned subsidiaries that have material non-controlling interests

(Continued)

*Xiangkuang*

#### 44. 主要附屬公司詳情(續)

##### (b) 具有重大非控股股東權益的 非全資附屬公司之詳情(續)

香礦

		2022 二零二二年 HK\$'000 千港元
Current assets	流動資產	1,883,193
Non-current assets	非流動資產	105
Current liabilities	流動負債	976,116
Non-current liabilities	非流動負債	11,194
Total equity	權益總額	895,988
		From 11 January 2022 (date of acquisition) to 31 December 2022 由二零二二年 一月十一日 (收購日)至 二零二二年 十二月三十一日 HK\$'000 千港元
Loss for the period	本期間虧損	(24,918)
Other comprehensive expense for the period	本期間其他全面支出	(78,907)
Total comprehensive expense for the period	本期間全面支出總額	(103,825)
Net cash outflow from operating activities	經營活動產生現金流出淨額	(4,906)
Net cash outflow from investing activities	投資活動產生現金流出淨額	—
Net cash inflow from financing activities	融資活動產生現金流入淨額	61,981
Net cash inflow	現金流入淨額	57,075

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

31 December 2022 二零二二年十二月三十一日

### 45. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

#### (a) Statement of financial position of the Company

### 45. 本公司之財務狀況及儲備報表

#### (a) 本公司之財務狀況

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
<b>ASSETS</b>	<b>資產</b>		
Non-current assets	非流動資產		
Investments in subsidiaries	於附屬公司之投資	842,965	805,822
Loan to subsidiaries	貸款予附屬公司	3,462,020	—
		<b>4,304,985</b>	805,822
Current assets	流動資產		
Amounts due from subsidiaries	應收附屬公司款項	12,671,570	18,927,302
Loan to subsidiaries	貸款予附屬公司	2,740,946	—
Other receivables	其他應收款項	5,590	5,587
Cash and bank deposits, unrestricted	不受限制現金及銀行存款	76,293	65,450
		<b>15,494,399</b>	18,998,339
Total assets	資產總額	<b>19,799,384</b>	19,804,161
<b>EQUITY</b>	<b>權益</b>		
Share capital	股本	334,691	334,691
Reserves	儲備	5,209,747	5,215,435
Total equity	權益總額	<b>5,544,438</b>	5,550,126
<b>LIABILITIES</b>	<b>負債</b>		
Current liabilities	流動負債		
Borrowings	借款	2,740,946	—
Amounts due to subsidiaries	應付附屬公司款項	7,996,718	14,193,205
Accruals and other payables	應計款項及其他應付款項	55,262	60,830
		<b>10,792,926</b>	14,254,035
Non-current liabilities	非流動負債		
Borrowings	借款	3,462,020	—
Total liabilities	負債總額	<b>14,254,946</b>	14,254,035
Total equity and liabilities	權益及負債總額	<b>19,799,384</b>	19,804,161
Net current assets	流動資產淨值	<b>4,701,473</b>	4,744,304
Total assets less current liabilities	資產總額減流動負債	<b>9,006,458</b>	5,550,126

## 45. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

(CONTINUED)

### (b) Statement of reserves of the Company

## 45. 本公司之財務狀況及儲備報表(續)

### (b) 本公司之儲備報表

		Share premium	Contributed surplus	Capital redemption reserve	Retained earnings	Total
		股份溢價	實繳盈餘	贖回儲備	保留盈利	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
			(note 27(a))			
			(附註27(a))			
Balance at 1 January 2021	於二零二一年一月一日之結餘	4,275,172	491,773	769	397,731	5,165,445
2020 final dividend paid	支付二零二零年末期股息	—	—	—	(66,938)	(66,938)
Profit for the year	年度溢利	—	—	—	116,928	116,928
Balance at 31 December 2021	於二零二一年十二月三十一日之結餘	4,275,172	491,773	769	447,721	5,215,435
2021 final dividend paid	支付二零二一年末期股息	—	—	—	(66,938)	(66,938)
Profit for the year	年度溢利	—	—	—	61,250	61,250
Balance at 31 December 2022	於二零二二年十二月三十一日之結餘	4,275,172	491,773	769	442,033	5,209,747

## 46. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 23 March 2023.

## 46. 批准財務報表

財務報表已於二零二三年三月二十三日獲董事會批准並授權刊發。

## APPENDIX A — FORM OF IRREVOCABLE STANDBY LETTER OF CREDIT

FROM: CHINA BOHAI BANK CO., LTD., TIANJIN BRANCH (SWIFT: CHBHCNBTXXX)

ADDRESS: NO. 218, HAIHE EAST ROAD, HEDONG DISTRICT, TIANJIN, P.R.CHINA 300012

ATTENTION: QIAO FENG

DATE: 8 MARCH 2024

TO BENEFICIARY: THE BANK OF NEW YORK MELLON, HONG KONG BRANCH (SWIFT: IRVTHKHX, FAX: +852 2295 3283) (THE “**TRUSTEE**”, WHICH EXPRESSION SHALL INCLUDE ANY SUCCESSOR AND CO-TRUSTEE) (PRESENTLY OF LEVEL 26, THREE PACIFIC PLACE, 1 QUEEN’S ROAD EAST, HONG KONG) (“**YOU**” OR THE “**BENEFICIARY**”) IN ITS CAPACITY AS TRUSTEE FOR ITSELF AND ON BEHALF OF THE HOLDERS (THE “**BONDHOLDERS**”) OF THE CNY-DENOMINATED CREDIT ENHANCED BONDS (ISIN: HK0000985033; COMMON CODE: 274756403; CMU INSTRUMENT NUMBER: BNYHFB24009) (THE “**BONDS**”) TO BE ISSUED BY MINMETALS LAND LIMITED (THE “**ISSUER**”) AND TO BE CONSTITUTED BY A TRUST DEED DATED ON OR AROUND 18 MARCH 2024 (THE “**ISSUE DATE**”) BETWEEN THE ISSUER AND THE TRUSTEE (AS AMENDED AND/OR SUPPLEMENTED FROM TIME TO TIME, THE “**TRUST DEED**”).

DEAR SIRs,

RE: OUR IRREVOCABLE STANDBY LETTER OF CREDIT NO.

AT THE REQUEST OF OUR CUSTOMER, THE ISSUER, WE, CHINA BOHAI BANK CO., LTD., TIANJIN BRANCH (THE “**ISSUING BANK**”, “**OUR**”, “**US**” OR “**WE**”), HEREBY ISSUE OUR IRREVOCABLE STANDBY LETTER OF CREDIT NO. \_\_\_\_\_ IN YOUR FAVOUR, AND FOR THE ACCOUNT OF THE ISSUER, IN RESPECT OF AND IN CONNECTION WITH THE TERMS AND CONDITIONS OF THE BONDS APPENDED TO THE TRUST DEED (THE “**CONDITIONS**”) AND THE TRUST DEED. THIS IRREVOCABLE STANDBY LETTER OF CREDIT IS MADE AVAILABLE BY US FOR PAYMENT AGAINST OUR RECEIPT OF A DEMAND SUBSTANTIALLY IN THE FORM SET OUT IN APPENDIX A-1 PRESENTED IN ACCORDANCE WITH THIS IRREVOCABLE STANDBY LETTER OF CREDIT (A “**DEMAND**”) STATING THAT (1) THE ISSUER HAS FAILED TO COMPLY WITH CONDITION 4(B) OF THE CONDITIONS (THE “**PRE-FUNDING CONDITION**”) IN RELATION TO PRE-FUNDING THE AMOUNT THAT IS REQUIRED TO BE PRE-FUNDED UNDER THE CONDITIONS AND/OR FAILED TO PROVIDE THE REQUIRED CONFIRMATIONS (AS DEFINED IN THE CONDITIONS) IN ACCORDANCE WITH THE PRE-FUNDING CONDITION OR (2) AN EVENT OF DEFAULT (AS DEFINED IN THE CONDITIONS) HAS OCCURRED AND THE BENEFICIARY HAS GIVEN NOTICE TO THE ISSUER THAT THE BONDS ARE IMMEDIATELY DUE AND PAYABLE IN ACCORDANCE WITH THE CONDITIONS.

SUBJECT TO THE TERMS OF THIS IRREVOCABLE STANDBY LETTER OF CREDIT, WE UNCONDITIONALLY AND IRREVOCABLY UNDERTAKE TO YOU THAT, FOLLOWING RECEIPT BY US OF A DEMAND BY 5:00 P.M. (HONG KONG TIME) PRESENTED BY YOU OR ON YOUR BEHALF IN ACCORDANCE WITH THIS IRREVOCABLE STANDBY LETTER OF CREDIT ON A BUSINESS DAY ON OR AFTER THE ISSUE DATE AND ON OR BEFORE THE EXPIRY DATE (AS DEFINED BELOW), WE SHALL BY 11:00 A.M. (HONG KONG TIME) ON THE FOURTH BUSINESS DAY AFTER THE BUSINESS DAY ON WHICH WE RECEIVE SUCH DEMAND (OR IF SUCH DEMAND IS RECEIVED AFTER 5:00 P.M. (HONG KONG TIME) ON A BUSINESS DAY, THEN BY 11:00 A.M. (HONG KONG TIME) ON THE FIFTH BUSINESS DAY AFTER THE BUSINESS DAY ON WHICH WE RECEIVE SUCH DEMAND), PAY TO OR TO THE ORDER OF THE BENEFICIARY THE AMOUNT IN CNY SPECIFIED IN THE DEMAND IN IMMEDIATELY AVAILABLE FUNDS TO THE ACCOUNT SPECIFIED IN THE DEMAND. “**BUSINESS DAY**” MEANS A DAY (OTHER THAN A

SATURDAY, A SUNDAY OR A PUBLIC HOLIDAY) ON WHICH COMMERCIAL BANKS AND FOREIGN EXCHANGE MARKETS ARE GENERALLY OPEN FOR BUSINESS IN HONG KONG AND BEIJING.

OUR AGGREGATE LIABILITY UNDER THIS IRREVOCABLE STANDBY LETTER OF CREDIT SHALL BE EXPRESSED AND PAYABLE IN CNY AND SHALL NOT IN ANY CIRCUMSTANCES EXCEED CNY1,040,000,000 (THE “**MAXIMUM LIMIT**”), AN AMOUNT REPRESENTING ONLY (I) THE AGGREGATE PRINCIPAL AMOUNT OF THE BONDS PLUS INTEREST PAYABLE FOR ONE INTEREST PERIOD IN ACCORDANCE WITH THE CONDITIONS AND (II) THE MAXIMUM AMOUNT PAYABLE UNDER THIS IRREVOCABLE STANDBY LETTER OF CREDIT FOR ANY FEES, COSTS, EXPENSES, INDEMNITY PAYMENTS AND ALL OTHER AMOUNTS INCURRED BY THE TRUSTEE OR PAYABLE BY THE ISSUER UNDER OR IN CONNECTION WITH THE BONDS, THE TRUST DEED, THE AGENCY AGREEMENT (AS DEFINED IN THE CONDITIONS), THIS IRREVOCABLE STANDBY LETTER OF CREDIT AND/OR ANY OTHER TRANSACTION DOCUMENT RELATING TO THE BONDS.

SUBJECT TO THE TERMS OF THIS IRREVOCABLE STANDBY LETTER OF CREDIT, OUR OBLIGATION TO PAY TO YOU IS UNCONDITIONAL, IRREVOCABLE AND ABSOLUTE AND ANY DEMAND BY THE TRUSTEE UNDER THIS IRREVOCABLE STANDBY LETTER OF CREDIT SHALL BE HONOURED WITHOUT ANY FURTHER ENQUIRY AS TO YOUR RIGHTS TO MAKE SUCH DEMAND.

THIS IRREVOCABLE STANDBY LETTER OF CREDIT TAKES EFFECT FROM 18 MARCH 2024 AND SHALL REMAIN VALID AND IN FULL FORCE UNTIL 6:00 P.M. (HONG KONG TIME) ON 7 APRIL 2027 (THE “**EXPIRY DATE**”) AND SHALL EXPIRE AT THE PLACE OF THE ISSUING BANK. AFTER THE EXPIRY DATE, OUR LIABILITY UNDER THIS IRREVOCABLE STANDBY LETTER OF CREDIT WILL BE IMMEDIATELY DISCHARGED AND RELEASED EXCEPT FOR ANY DEMAND VALIDLY PRESENTED UNDER THIS IRREVOCABLE STANDBY LETTER OF CREDIT BEFORE THE EXPIRY DATE THAT REMAINS UNPAID.

PAYMENT WILL BE EFFECTED AFTER OUR RECEIPT OF A DEMAND PRESENTED IN ACCORDANCE WITH THIS IRREVOCABLE STANDBY LETTER OF CREDIT, WHICH IS PRESENTED ON OR AFTER THE ISSUE DATE AND ON OR BEFORE 6:00 P.M. (HONG KONG TIME) ON THE EXPIRY DATE.

ANY DEMAND UNDER THIS IRREVOCABLE STANDBY LETTER OF CREDIT IS TO BE PRESENTED BY WAY OF AN AUTHENTICATED SWIFT PRESENTED BY OR ON BEHALF OF YOU AS TRUSTEE FOR ITSELF AND THE BONDHOLDERS TO US (SWIFT: CHBHCNBTXXX) ON OR BEFORE 6:00 P.M. (HONG KONG TIME) ON THE EXPIRY DATE WITHOUT THE NEED TO PHYSICALLY PRESENT AN ORIGINAL OF THAT DEMAND AT OUR COUNTER; PROVIDED THAT IN THE EVENT THAT THE SWIFT SYSTEM IS NOT AVAILABLE FOR ANY REASON, YOU (THE BENEFICIARY) MAY INSTEAD PRESENT A COPY OF THE DEMAND TO US VIA FACSIMILE TRANSMISSION AT +86-22-58879586 AND SUCH DEMAND SHALL BE SIGNED BY YOU AS TRUSTEE FOR ITSELF AND THE BONDHOLDERS AND ACCOMPANIED BY A COPY OF A LIST OF AUTHORISED SIGNATORIES OF THE TRUSTEE, FOLLOWED BY A STATEMENT VIA AUTHENTICATED SWIFT ON THE NEXT BUSINESS DAY ON WHICH THE SWIFT SYSTEM IS AVAILABLE STATING THAT THE LIST OF AUTHORISED SIGNATORIES PROVIDED IS VALID AND EFFECTIVE (FOR THE AVOIDANCE OF DOUBT, THE DEMAND SHALL BE RECEIVED FOR ALL PURPOSES OF THIS IRREVOCABLE STANDBY LETTER OF CREDIT AND WE SHALL START PROCESSING THE DEMAND UPON RECEIPT OF THE DEMAND SENT TO US BY WAY OF FACSIMILE TRANSMISSION AND IN THE EVENT OF A PRESENTATION BY FACSIMILE TRANSMISSION, NEITHER THE ORIGINAL OF THE DEMAND SO PRESENTED NOR OF ANY OTHER DOCUMENTATION SHALL BE REQUIRED TO BE PHYSICALLY PRESENTED AT OUR COUNTER).

ONLY ONE DRAWING UNDER THIS IRREVOCABLE STANDBY LETTER OF CREDIT IS PERMITTED.



ALL CHARGES ARE FOR THE ACCOUNT OF THE ISSUER AND, FOR THE AVOIDANCE OF DOUBT, ARE NOT FOR THE ACCOUNT OF THE BENEFICIARY.

NOTWITHSTANDING THE MAXIMUM LIMIT, ALL PAYMENTS UNDER THIS IRREVOCABLE STANDBY LETTER OF CREDIT SHALL BE MADE IN CNY AND FOR VALUE ON THE DATE SPECIFIED IN THE DEMAND IN IMMEDIATELY AVAILABLE FUNDS WITHOUT ANY DEDUCTION OR WITHHOLDING FOR OR ON ACCOUNT OF TAX, SET-OFF, COUNTER-CLAIM OR OTHERWISE. IN THE EVENT THAT ANY DEDUCTION OR WITHHOLDING IS REQUIRED BY LAW, THE ISSUING BANK SHALL PAY SUCH ADDITIONAL AMOUNTS AS WILL RESULT IN RECEIPT BY THE TRUSTEE FOR ITSELF AND THE BONDHOLDERS OF SUCH AMOUNTS AS WOULD HAVE BEEN RECEIVED BY IT HAD NO SUCH DEDUCTION OR WITHHOLDING BEEN SO REQUIRED BY LAW.

THE TRUSTEE'S RIGHTS UNDER THIS IRREVOCABLE STANDBY LETTER OF CREDIT MAY BE TRANSFERRED OR RE-TRANSFERRED IN WHOLE OR IN PART TO ANY ADDITIONAL OR REPLACEMENT TRUSTEE APPOINTED AS CONTEMPLATED IN THE TRUST DEED IN RESPECT OF THE BONDS SUBJECT ONLY TO AT LEAST 15 DAYS' PRIOR NOTICE HAVING BEEN GIVEN TO US BY OR ON BEHALF OF YOU AS TRUSTEE FOR ITSELF AND THE BONDHOLDERS BY AUTHENTICATED SWIFT, OR IN THE EVENT THAT THE SWIFT SYSTEM IS NOT AVAILABLE FOR ANY REASON VIA FACSIMILE TRANSMISSION TO US AT +86-22-58879586. MULTIPLE TRANSFERS ARE PERMITTED, SUBJECT TO AS PROVIDED IN THIS PARAGRAPH.

OUR OBLIGATIONS AND LIABILITIES UNDER THIS IRREVOCABLE STANDBY LETTER OF CREDIT SHALL BE INDEPENDENT. THIS IRREVOCABLE STANDBY LETTER OF CREDIT IS NOT SUBJECT TO ANY CONTRACT, AGREEMENT, CONDITION OR QUALIFICATION. WE MAY NOT TRANSFER, ASSIGN OR NOVATE ANY OF OUR OBLIGATIONS UNDER THIS IRREVOCABLE STANDBY LETTER OF CREDIT.

NOTWITHSTANDING THE FOREGOING PROVISIONS OF THIS IRREVOCABLE STANDBY LETTER OF CREDIT AND ARTICLE 36 OF UCP600 (AS DEFINED BELOW), IN THE UNEXPECTED EVENT THAT WE ARE CLOSED WHEN YOU WISH TO PRESENT A DEMAND HEREUNDER ON THE DAY AND AT THE TIME A DEMAND IS ABLE TO BE PRESENTED IN ACCORDANCE WITH THIS IRREVOCABLE STANDBY LETTER OF CREDIT, WE AGREE THAT YOU CAN PRESENT THE DEMAND BY AUTHENTICATED SWIFT OR BY PRESENTING A COPY OF THE DEMAND VIA FACSIMILE TRANSMISSION AT +86-22-58879586 FOLLOWED BY A STATEMENT VIA AUTHENTICATED SWIFT ON THE NEXT BUSINESS DAY ON WHICH THE SWIFT SYSTEM IS AVAILABLE STATING THAT THE LIST OF AUTHORISED SIGNATORIES PROVIDED IS VALID AND EFFECTIVE (FOR THE AVOIDANCE OF DOUBT, THE DEMAND SHALL BE RECEIVED FOR ALL PURPOSES OF THIS IRREVOCABLE STANDBY LETTER OF CREDIT AND WE SHALL START PROCESSING THE DEMAND SENT TO US UPON RECEIPT OF THE DEMAND BY WAY OF FACSIMILE TRANSMISSION), FROM THE DATE OF OUR RESUMPTION OF BUSINESS; PROVIDED THAT IF WE ARE CLOSED ON THE EXPIRY DATE, THE EXPIRY DATE SHALL BE AUTOMATICALLY EXTENDED BY, AND SUCH PRESENTATION SHALL BE MADE WITHIN, FIVE BUSINESS DAYS AFTER THE DATE ON WHICH WE NOTIFY YOU BY AUTHENTICATED SWIFT, OR IN THE EVENT THAT THE SWIFT SYSTEM IS NOT THEN AVAILABLE FOR ANY REASON VIA FACSIMILE TRANSMISSION (USING THE SWIFT ADDRESS OR, AS THE CASE MAY BE, THE FACSIMILE NUMBER SET OUT ABOVE FOR YOU AS BENEFICIARY) OF OUR RESUMPTION OF OUR BUSINESS.

ANY SETTLEMENT OR DISCHARGE BETWEEN US AS ISSUING BANK AND YOU AS TRUSTEE FOR ITSELF AND THE BONDHOLDERS AND BENEFICIARY SHALL BE CONDITIONAL UPON NO PAYMENT TO YOU BY THE ISSUER OR ANY OTHER PERSON ON THE ISSUER'S BEHALF BEING AVOIDED (BY VIRTUE OF ANY LAWS OR REGULATIONS RELATING TO BANKRUPTCY, INSOLVENCY, RECEIVERSHIP, LIQUIDATION OR SIMILAR LAWS OR REGULATIONS OF GENERAL APPLICATION FOR THE TIME BEING IN FORCE) AND, IN THE EVENT OF ANY SUCH

PAYMENT BEING SO AVOIDED, YOU SHALL BE ENTITLED TO RECOVER THE AMOUNT BY WHICH SUCH PAYMENT IS SO AVOIDED FROM US SUBSEQUENTLY AS IF SUCH SETTLEMENT OR DISCHARGE HAD NOT OCCURRED.

EXCEPT TO THE EXTENT IT IS INCONSISTENT WITH THE EXPRESS TERMS OF THIS IRREVOCABLE STANDBY LETTER OF CREDIT, THIS IRREVOCABLE STANDBY LETTER OF CREDIT IS SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS (2007 REVISION), INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO. 600 (“UCP600”).

THIS IRREVOCABLE STANDBY LETTER OF CREDIT, AND ANY NON-CONTRACTUAL OBLIGATIONS ARISING OUT OF OR IN CONNECTION WITH IT SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED IN ACCORDANCE WITH, ENGLISH LAW. NO PERSON SHALL HAVE ANY RIGHT TO ENFORCE ANY TERM OF THIS IRREVOCABLE STANDBY LETTER OF CREDIT UNDER THE CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999. WE AGREE THAT (1) THE COURTS OF HONG KONG SHALL HAVE EXCLUSIVE JURISDICTION TO SETTLE ANY DISPUTE ARISING OUT OF OR IN CONNECTION WITH THIS IRREVOCABLE STANDBY LETTER OF CREDIT AND (2) THAT THE COURTS OF HONG KONG ARE THE MOST APPROPRIATE AND CONVENIENT COURTS TO SETTLE ANY DISPUTE AND, ACCORDINGLY, THAT WE WILL NOT ARGUE THAT ANY OTHER COURTS ARE MORE APPROPRIATE OR CONVENIENT. IN CASE OF ANY DISPUTE ARISING OUT OF OR IN CONNECTION WITH THIS IRREVOCABLE STANDBY LETTER OF CREDIT, WE AGREE THAT THE DOCUMENTS WHICH START ANY LEGAL ACTION OR PROCEEDINGS ARISING OUT OF OR IN CONNECTION WITH THIS IRREVOCABLE STANDBY LETTER OF CREDIT AND ANY OTHER DOCUMENTS REQUIRED TO BE SERVED IN RELATION TO SUCH ACTION OR PROCEEDINGS MAY BE SERVED ON US BY BEING DELIVERED TO US AT OUR PRINCIPAL PLACE OF BUSINESS IN HONG KONG AT SUITE 1201, 12/F, TWO INTERNATIONAL FINANCE CENTRE, 8 FINANCE STREET, CENTRAL, HONG KONG. IF FOR ANY REASON WE CEASE TO HAVE SUCH PRINCIPAL PLACE OF BUSINESS IN HONG KONG, WE WILL PROMPTLY APPOINT A PROCESS AGENT IN HONG KONG AND NOTIFY THE BENEFICIARY OF SUCH APPOINTMENT WITHIN 30 DAYS OF SUCH CESSATION. NOTHING HEREIN SHALL AFFECT THE RIGHT TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW.

## APPENDIX A1 — FORM OF DEMAND

TO: CHINA BOHAI BANK CO., LTD., TIANJIN BRANCH (SWIFT: CHBHCBNTXXX)

ADDRESS: NO. 218, HAIHE EAST ROAD, HEDONG DISTRICT, TIANJIN, P.R.CHINA 300012

ATTENTION: QIAO FENG

[DATE]

DEAR SIR(S)

**RE: DEMAND UNDER THE IRREVOCABLE STANDBY LETTER OF CREDIT NO. [NUMBER] IN RESPECT OF THE CNY-DENOMINATED CREDIT ENHANCED BONDS (THE “BONDS”) ISSUED BY MINMETALS LAND LIMITED (THE “ISSUER”) (ISIN: HK0000985033; COMMON CODE: 274756403; CMU INSTRUMENT NUMBER: BNYHFB24009)**

THE UNDERSIGNED IS A DULY AUTHORISED PERSON OF THE BANK OF NEW YORK MELLON, HONG KONG BRANCH WHICH IS HEREBY MAKING A DEMAND (THIS “**DEMAND**”) AS TRUSTEE FOR ITSELF AND ON BEHALF OF THE BONDHOLDERS (THE “**BENEFICIARY**”) UNDER YOUR IRREVOCABLE STANDBY LETTER OF CREDIT NO. [NUMBER] (THE “**IRREVOCABLE STANDBY LETTER OF CREDIT**”). CAPITALISED TERMS USED HEREIN BUT NOT DEFINED SHALL HAVE THE MEANINGS GIVEN TO THEM IN THE IRREVOCABLE STANDBY LETTER OF CREDIT.

1. THIS DEMAND IS MADE IN CONNECTION WITH THE FOLLOWING:<sup>1</sup>

- THE ISSUER HAS FAILED TO COMPLY WITH CONDITION 4(B) (THE “**PRE-FUNDING CONDITION**”) IN RELATION TO PRE-FUNDING THE AMOUNT THAT IS REQUIRED TO BE PRE-FUNDED UNDER THE CONDITIONS AND/OR FAILED TO PROVIDE THE REQUIRED CONFIRMATIONS (AS DEFINED IN THE CONDITIONS) IN ACCORDANCE WITH THE PRE-FUNDING CONDITION.
- AN EVENT OF DEFAULT (AS DEFINED IN THE CONDITIONS) HAS OCCURRED AND THE BENEFICIARY HAS GIVEN NOTICE TO THE ISSUER THAT THE BONDS ARE IMMEDIATELY DUE AND PAYABLE IN ACCORDANCE WITH THE CONDITIONS.

2. WE HEREBY DEMAND YOU TO PAY CNY \_\_\_\_\_ REPRESENTING THE AGGREGATE OF (I) INTEREST ACCRUED UP TO THE DATE WHEN THE BONDS CEASE TO BEAR INTEREST PURSUANT TO THE CONDITIONS, (II) THE AGGREGATE PRINCIPAL AMOUNT OF THE OUTSTANDING BONDS, AND (III) ALL FEES, COSTS, EXPENSES, INDEMNITY PAYMENTS AND OTHER AMOUNTS INCURRED BY THE TRUSTEE OR PAYABLE BY THE ISSUER UNDER OR IN CONNECTION WITH THE BONDS THE TRUST DEED, THE AGENCY AGREEMENT (AS DEFINED IN THE CONDITIONS), THE IRREVOCABLE STANDBY LETTER OF CREDIT AND/OR ANY OTHER TRANSACTION DOCUMENTS RELATING TO THE BONDS.

3. WE HEREBY REQUEST YOU TO PAY THE ABOVE AMOUNTS AFTER YOU RECEIVE THIS DEMAND IN ACCORDANCE WITH THE IRREVOCABLE STANDBY LETTER OF CREDIT.

4. THE PROCEEDS OF THE DRAWING UNDER THIS DEMAND ARE TO BE CREDITED TO THE FOLLOWING ACCOUNT: [INSERT ACCOUNT DETAILS]

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<sup>1</sup> Trustee to check appropriate box and complete details in brackets.

**THE BANK OF NEW YORK MELLON, HONG KONG BRANCH**

AS BENEFICIARY IN ITS CAPACITY AS TRUSTEE FOR ITSELF AND ON BEHALF OF THE  
BONDHOLDERS

BY:

NAME:

TITLE:

**ISSUER**

**Minmetals Land Limited** 五礦地產有限公司  
18/F China Minmetals Tower  
79 Chatham Road South  
Tsim Sha Tsui  
Kowloon, Hong Kong

**TRUSTEE**

**CMU LODGING AND PAYING AGENT,  
REGISTRAR AND TRANSFER AGENT**

**The Bank of New York Mellon,  
Hong Kong Branch**  
Level 26  
Three Pacific Place  
1 Queen's Road East  
Hong Kong

**The Bank of New York Mellon,  
Hong Kong Branch**  
Level 26  
Three Pacific Place  
1 Queen's Road East  
Hong Kong

**PRE-FUNDING ACCOUNT BANK AND LC PROCEEDS ACCOUNT BANK**

**The Bank of New York Mellon, Hong Kong Branch**  
Level 26  
Three Pacific Place  
1 Queen's Road East  
Hong Kong

**LEGAL ADVISERS TO THE ISSUER**

*As to English law and  
Hong Kong law*

*As to PRC law*

*As to Bermuda law*

**King & Wood Mallesons**  
13/F Gloucester Tower  
The Landmark  
15 Queen's Road Central  
Central, Hong Kong

**Haiwen & Partners**  
20/F, Fortune Financial Center  
5 Dong San Huan Central Road  
Chaoyang District  
Beijing, China

**Conyers Dill & Pearman**  
29th Floor, One Exchange  
Square  
8 Connaught Place  
Central, Hong Kong

**LEGAL ADVISERS TO THE MANAGERS**

*As to English law and Hong Kong law*

*As to PRC law*

**Linklaters**  
11th Floor, Alexandra House  
18 Chater Road  
Central, Hong Kong

**DeHeng Law Offices**  
12/F, Tower B  
Focus Place, 19 Finance Street  
Beijing, China

**LEGAL ADVISER TO THE TRUSTEE**

*As to English law*

**Linklaters**  
11th Floor, Alexandra House  
18 Chater Road  
Central, Hong Kong

**AUDITORS OF THE ISSUER**

**LC BANK**

**Ernst & Young**  
27/F, One Taikoo Place  
979 King's Road  
Quarry Bay, Hong Kong

**China Bohai Bank Co., Ltd., Tianjin Branch**  
No. 218 Haihe East Road  
Hedong District, Tianjin  
China 300012