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## **Overseas Chinese Town (Asia) Holdings Limited**

**華僑城(亞洲)控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 03366)**

### **ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2023**

#### **RESULTS**

The board (the “**Board**”) of directors (“**Directors**”) of Overseas Chinese Town (Asia) Holdings Limited (the “**Company**”) is to present the audited consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2023 (the “**Current Period**”) prepared in accordance with the Hong Kong Financial Reporting Standards (“**HKFRSs**”), together with the comparative figures for the year ended 31 December 2022.

Audited financial information of the Group for the Current Period prepared in accordance with the HKFRSs are as follows:

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS***For the year ended 31 December 2023**(Expressed in Renminbi)*

		<b>2023</b>	2022
	<i>Note</i>	<b>RMB'000</b>	<b>RMB'000</b>
<b>Revenue</b>	3	<b>1,262,753</b>	3,072,451
Cost of sales		<u>(1,123,587)</u>	<u>(2,750,134)</u>
<b>Gross profit</b>		<b>139,166</b>	322,317
Other income	4(a)	<b>27,573</b>	40,354
Other net losses	4(b)	<b>(10,553)</b>	(32,720)
Distribution costs		<b>(80,710)</b>	(80,171)
Administrative expenses		<u>(200,518)</u>	<u>(285,126)</u>
<b>Loss from operations</b>		<b>(125,042)</b>	(35,346)
Finance costs	5(a)	<b>(355,051)</b>	(140,357)
Share of profits less losses of associates		<b>(73,995)</b>	(1,169,732)
Share of profits less losses of joint ventures		<b>(39,592)</b>	(404,051)
Impairment losses on associates		<u>–</u>	<u>(139,254)</u>
<b>Loss before taxation</b>	5	<b>(593,680)</b>	(1,888,740)
Income tax	6	<u>(8,778)</u>	<u>(107,322)</u>
<b>Loss for the year</b>		<b><u>(602,458)</u></b>	<b><u>(1,996,062)</u></b>
<b>Attributable to:</b>			
Equity holders of the Company		<b>(464,528)</b>	(1,912,536)
Non-controlling interests		<u>(137,930)</u>	<u>(83,526)</u>
<b>Loss for the year</b>		<b><u>(602,458)</u></b>	<b><u>(1,996,062)</u></b>
<b>Basic loss per share (RMB)</b>	7	<b><u>(0.79)</u></b>	<b><u>(2.88)</u></b>

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the year ended 31 December 2023*

*(Expressed in Renminbi)*

	<b>2023</b>	2022
	<i>RMB'000</i>	<i>RMB'000</i>
<b>Loss for the year</b>	<b>(602,458)</b>	(1,996,062)
<b>Other comprehensive income for the year (after tax and reclassification adjustments)</b>		
<i>Item that will not be reclassified to profit or loss:</i>		
Exchange differences	(61,095)	(130,449)
Share of other comprehensive income of associates and a joint venture	(982)	(155,695)
	<u>(62,077)</u>	<u>(286,144)</u>
<b>Other comprehensive income for the year</b>	<b>(62,077)</b>	(286,144)
<b>Total comprehensive income for the year</b>	<b>(664,535)</b>	(2,282,206)
<b>Attributable to:</b>		
Equity holders of the Company	(526,605)	(2,198,680)
Non-controlling interests	(137,930)	(83,526)
<b>Total comprehensive income for the year</b>	<b>(664,535)</b>	(2,282,206)

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2023

(Expressed in Renminbi)

	Note	2023 RMB'000	2022 RMB'000
<b>Non-current assets</b>			
Investment property		407,153	425,071
Property, plant and equipment		509,936	1,117,909
Interests in leasehold land held for own use		235,603	1,148,499
		<u>1,152,692</u>	<u>2,691,479</u>
Intangible assets		16,040	24,517
Interests in associates		1,894,443	2,124,711
Interests in joint ventures		536,079	706,395
Other financial assets		368,958	353,098
Deferred tax assets		194,440	148,325
		<u>4,162,652</u>	<u>6,048,525</u>
<b>Current assets</b>			
Inventories and other contract costs		12,422,277	12,512,456
Trade and other receivables	8	297,719	355,324
Cash at bank and on hand		2,457,335	1,915,139
		<u>15,177,331</u>	<u>14,782,919</u>
Assets of disposal group classified as held for sale		3,591,622	1,944,595
		<u>18,768,953</u>	<u>16,727,514</u>

	<i>Note</i>	<b>2023</b> <b>RMB'000</b>	2022 RMB'000
<b>Current liabilities</b>			
Trade and other payables	9	<b>4,837,993</b>	2,689,507
Contract liabilities		<b>1,217,635</b>	1,609,712
Bank and other loans		<b>2,343,938</b>	2,578,088
Loans from related parties and non-controlling interests		<b>1,911,000</b>	1,941,000
Lease liabilities		<b>5,596</b>	11,734
Current taxation		<b>156,224</b>	147,846
		<b>10,472,386</b>	8,977,887
Liabilities directly associated with assets of disposal group classified as held for sale		<b>1,413,075</b>	1,399,868
		<b>11,885,461</b>	10,377,755
<b>Net current assets</b>		<b>6,883,492</b>	6,349,759
<b>Total assets less current liabilities</b>		<b>11,046,144</b>	12,398,284
<b>Non-current liabilities</b>			
Bank and other loans		<b>1,303,645</b>	2,155,215
Related party loans		<b>6,241,988</b>	175,000
Lease liabilities		<b>653</b>	6,283
Deferred tax liabilities		<b>162,551</b>	181,103
		<b>7,708,837</b>	2,517,601
<b>NET ASSETS</b>		<b>3,337,307</b>	9,880,683

	<b>2023</b> <i>RMB'000</i>	2022 <i>RMB'000</i>
<b>CAPITAL AND RESERVES</b>		
Share capital	<b>67,337</b>	67,337
Perpetual capital securities	–	5,615,314
(Deficits)/Reserves	<b>(287,508)</b>	502,624
	<hr/>	<hr/>
<b>Total (deficits)/equity attributable to equity holders of the Company</b>	<b>(220,171)</b>	6,185,275
<b>Non-controlling interests</b>	<b>3,557,478</b>	3,695,408
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<b>TOTAL EQUITY</b>	<b>3,337,307</b>	9,880,683
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## NOTES

### 1 BASIS OF PREPARATION

The consolidated annual results set out in this announcement do not constitute the Group's consolidated financial statements for the year ended 31 December 2023 but are extracted from those financial statements.

These financial information have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“**HKFRSs**”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The consolidated financial statements for the year ended 31 December 2023 comprise the Company and its subsidiaries (together referred to as the “**Group**”) and the Group's interests in associates and joint ventures.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that other investments in equity securities are stated at their fair value.

Non-current assets and disposal groups held for sale are stated at the lower of carrying amount and fair value less costs to sell.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

### 2 CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued the following amendments to HKFRSs that are first effective for the current accounting period of the Group:

- HKFRS 17, *Insurance contracts*
- Amendments to HKAS 8, *Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates.*
- Amendments to HKAS 1, *Presentation of financial statements and HKFRS Practice Statement 2, Making materiality judgements: Disclosure of accounting policies*
- Amendments to HKAS 12, *Income taxes: Deferred tax related to assets and liabilities arising from a single transaction*
- Amendments to HKAS 12, *Income taxes: International tax reform – Pillar Two model rules*

None of the developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

### 3 REVENUE AND SEGMENT REPORTING

#### (a) Revenue

The principal activities of the Group are comprehensive development, equity investment and fund business and finance lease.

#### (i) *Disaggregation of revenue*

Revenue represents the sales value of goods or services supplied to customers net of sales related tax. Disaggregation of revenue with customer by business lines is as follows:

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
<b>Revenue from contracts with customers within the scope of HKFRS 15</b>		
Disaggregated by business lines		
– Sale of properties	910,533	2,833,797
– Hotel revenue	236,981	134,333
– Fund management fee income	10,371	10,722
	<u>1,157,885</u>	<u>2,978,852</u>
<b>Revenue from other sources</b>		
– Rental income from investment properties	104,868	91,469
– Finance lease income	–	2,130
	<u>1,262,753</u>	<u>3,072,451</u>

Disaggregation of revenue from contracts with customers by the timing of revenue recognition and by geographic markets is disclosed in notes 3(b)(i) and 3(b)(iv) respectively.

The Group's customer base is diversified and there is no customer with whom transaction has exceeded 10% of The Group's revenues (2022: Nil).

#### (ii) *Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date.*

As at 31 December 2023, the aggregated amount of RMB1,303,936,000 (2022: RMB1,787,480,000) under the Group's existing contracts expected to be recognised as revenue in the future upon delivery of properties to customers. The Group will recognise the expected revenue in future when or as the work is completed or, in the case of the properties for sale, when the properties are assigned to the customers, which is expected to occur over the next 12 months.



**(b) Segment reporting**

The Group manages its businesses by divisions, which are organised by business lines (products and services). In a manner consistent with the way in which information is reported internally to the most senior executive management of the Group for the purposes of resource allocation and performance assessment, the Group has the following three reportable segments.

- Comprehensive development business: this segment engaged in developed and sold residential properties, development and management of properties, property investment and operation of hotel.
- Equity investment and fund business: this segment engaged in the investment in new urbanisation industrial ecosphere, such as domestic and overseas direct investments, industrial fund, and education.
- Finance lease business: this segment engaged in the finance lease business.

**(i) Segment results, assets and liabilities**

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible, intangible assets and current and other non-current assets. Segment liabilities include trade creditors, accruals and lease liabilities attributable to the sales activities of the individual segments and borrowings managed directly by the segments.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

The measure used for reporting segment result is "net profit" after taxation. Inter-segment sales are priced with reference to prices charged to external parties for similar orders.

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2023 and 2022 is set out below.

	Comprehensive development business		Equity investment and fund business		Finance lease business		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Revenue from contracts with customers within the scope of HKFRS 15</b>								
<b>Disaggregated by timing of revenue recognition</b>								
Point in time	1,147,514	2,968,130	-	-	-	-	1,147,514	2,968,130
Over time	-	-	10,371	10,722	-	-	10,371	10,722
	<u>1,147,514</u>	<u>2,968,130</u>	<u>10,371</u>	<u>10,722</u>	<u>-</u>	<u>-</u>	<u>1,157,885</u>	<u>2,978,852</u>
Revenue from other sources	104,868	91,469	-	-	-	2,130	104,868	93,599
Revenue from external customers	<u>1,252,382</u>	<u>3,059,599</u>	<u>10,371</u>	<u>10,722</u>	<u>-</u>	<u>2,130</u>	<u>1,262,753</u>	<u>3,072,451</u>
<b>Reportable segment loss for the year</b>	<u>(246,797)</u>	<u>(107,625)</u>	<u>(184,545)</u>	<u>(1,806,105)</u>	<u>1,557</u>	<u>3,696</u>	<u>(429,785)</u>	<u>(1,910,034)</u>
Interest income								
- bank deposits	14,641	22,800	243	294	3,712	5,968	18,596	29,062
- amounts due from associates	40	132	-	-	-	-	40	132
Interest expense	(203,890)	(114,813)	(17,671)	(21,319)	(1,813)	(1,816)	(223,374)	(137,948)
Depreciation and amortisation for the year	(111,794)	(162,828)	-	-	-	-	(111,794)	(162,828)
Share of profits less losses of associates	66,217	95,636	(140,212)	(1,265,368)	-	-	(73,995)	(1,169,732)
Share of profits less losses of joint ventures	-	-	(39,592)	(404,051)	-	-	(39,592)	(404,051)
Impairment losses on associates	-	-	-	(139,254)	-	-	-	(139,254)
<b>Reportable segment assets</b>	<u>20,747,147</u>	<u>19,670,119</u>	<u>1,894,963</u>	<u>2,298,817</u>	<u>-</u>	<u>312,761</u>	<u>22,642,110</u>	<u>22,281,697</u>
Additions to non-current segment assets during the year	230,950	203,086	-	-	-	-	230,950	203,086
<b>Reportable segment liabilities</b>	<u>10,978,373</u>	<u>10,295,022</u>	<u>693,623</u>	<u>1,061,652</u>	<u>-</u>	<u>42,868</u>	<u>11,671,996</u>	<u>11,399,542</u>
Interests in associates	<u>924,115</u>	<u>899,263</u>	<u>970,328</u>	<u>1,225,448</u>	<u>-</u>	<u>-</u>	<u>1,894,443</u>	<u>2,124,711</u>
Interests in joint ventures	<u>-</u>	<u>-</u>	<u>536,079</u>	<u>706,395</u>	<u>-</u>	<u>-</u>	<u>536,079</u>	<u>706,395</u>

(ii) *Reconciliations of reportable segment profit or loss*

	<b>2023</b> <i>RMB'000</i>	2022 <i>RMB'000</i>
Reportable segment loss derived from Group's external customers	(429,785)	(1,910,034)
Interest income		
– bank deposits	7,574	8,838
Interest expense	(131,677)	(2,409)
Depreciation and amortisation for the year	(14,794)	(21,287)
Unallocated head office and corporate net expense	(33,776)	(71,170)
	<hr/>	<hr/>
Consolidated loss for the year	<b>(602,458)</b>	<b>(1,996,062)</b>

(iii) *Reconciliations of reportable segment assets and liabilities*

	<b>2023</b> <i>RMB'000</i>	2022 <i>RMB'000</i>
<b>Assets</b>		
Reportable segment assets	<b>22,642,110</b>	22,281,697
Unallocated head office and corporate assets	<b>289,495</b>	494,342
	<hr/>	<hr/>
Consolidated total assets	<b>22,931,605</b>	<b>22,776,039</b>

	<b>2023</b> <i>RMB'000</i>	2022 <i>RMB'000</i>
<b>Liabilities</b>		
Reportable segment liabilities	<b>11,671,996</b>	11,399,542
Unallocated head office and corporate liabilities	<b>7,922,302</b>	1,495,814
	<hr/>	<hr/>
Consolidated total liabilities	<b>19,594,298</b>	<b>12,895,356</b>

(iv) *Geographic information*

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's investment property, property, plant and equipment, interests in leasehold land held for own use, intangible assets, and interests in associates and joint ventures and other financial assets ("specified non-current assets"). The geographical location of customers is based on the location at which the services were provided or the goods and properties sold. The geographical location of the specified non-current assets is based on the physical location of the assets, in the case of property, plant and equipment, interests in leasehold land held for own use and investment properties, the location of the operation to which they are allocated, in the case of intangible assets and other financial assets, and the location of operations, in the case of interest in associates and joint ventures.

	Revenues from external customers		Specified non-current assets	
	2023 RMB'000	2022 RMB'000	2023 RMB'000	2022 RMB'000
Mainland China	1,257,849	3,067,744	3,560,052	5,418,314
Hong Kong	4,904	4,707	408,160	481,886
	<u>1,262,753</u>	<u>3,072,451</u>	<u>3,968,212</u>	<u>5,900,200</u>

4 OTHER INCOME AND NET LOSSES

(a) Other income

	2023 RMB'000	2022 RMB'000
Interest income on financial assets measured at amortised cost:		
– bank deposits	26,170	37,900
– amounts due from associates	40	132
	<u>26,210</u>	<u>38,032</u>
Total interest income	26,210	38,032
Government grants	1,289	1,952
Forfeiture income on deposit on pre-sale of properties	74	370
	<u>27,573</u>	<u>40,354</u>

(b) **Other net losses**

	<b>2023</b> <i>RMB'000</i>	2022 <i>RMB'000</i>
Net fair value gain on unlisted equity securities	<b>21,387</b>	56,351
(Impairment losses)/reversals of impairment losses on finance lease receivables and trade and other receivables	<b>(71)</b>	3,508
Penalties for delayed delivery of properties	<b>(24,497)</b>	(56,677)
Net exchange loss	<b>(15,169)</b>	(35,059)
Net gains/(losses) on disposal of property, plant and equipment and investment property	<b>7,876</b>	(4)
Others	<b>(79)</b>	(839)
	<b><u>(10,553)</u></b>	<b><u>(32,720)</u></b>

**5 LOSS BEFORE TAXATION**

Loss before taxation is arrived at after charging:

(a) **Finance costs**

	<b>2023</b> <i>RMB'000</i>	2022 <i>RMB'000</i>
Interest on bank and other loans	<b>277,763</b>	209,016
Interest on lease liabilities	<b>243</b>	661
Interest on loans from related parties and non-controlling interests	<b>232,935</b>	115,715
	<b><u>510,941</u></b>	<b><u>325,392</u></b>
Total interest expense		
Less: amount capitalised*	<b><u>(155,890)</u></b>	<b><u>(185,035)</u></b>
	<b><u>355,051</u></b>	<b><u>140,357</u></b>

\* The borrowing costs have been capitalised at a weighted average rate of 4.00% (2022: 3.86%) per annum.

(b) **Staff costs**

	<b>2023</b> <i>RMB'000</i>	2022 <i>RMB'000</i>
Salaries, wages and other benefits	<b>141,103</b>	195,105
Contributions to defined contribution retirement plan	<b>13,658</b>	16,264
	<b>154,761</b>	211,369
Less: amount capitalised under property development projects and construction in progress	<b>(20,459)</b>	(31,483)
Total staff costs expensed during the year	<b>134,302</b>	179,886

(c) **Other items**

	<b>2023</b> <i>RMB'000</i>	2022 <i>RMB'000</i>
Amortisation of intangible assets	<b>8,477</b>	9,122
Depreciation		
– owned property, plant and equipment	<b>74,303</b>	97,826
– right-of-use assets	<b>50,281</b>	81,256
Total depreciation expense	<b>124,584</b>	179,082
Less: amount capitalised to construction in progress	<b>(6,473)</b>	(4,089)
	<b>118,111</b>	174,993
Auditors' remuneration		
– audit services	<b>4,028</b>	4,357
– other services	<b>637</b>	534
	<b>4,665</b>	4,891
Rentals income from investment properties less direct outgoings of RMB2,519,000 (2022: RMB2,560,000)	<b>92,100</b>	88,909

## 6 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

### (a) Taxation in the consolidated statement of profit or loss represents:

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
<b>Current tax</b>		
Provision for corporate income tax (“CIT”) for the year (i)	56,650	119,789
Over-provision in respect of prior years	–	(463)
Withholding tax (iii)	584	1,758
	<u>57,234</u>	<u>121,084</u>
PRC land appreciation tax (“PRC LAT”) (ii)	16,211	24,720
	<u>73,445</u>	<u>145,804</u>
<b>Deferred tax</b>		
Reversal of temporary differences	<u>(64,667)</u>	<u>(38,482)</u>
	<u>8,778</u>	<u>107,322</u>

#### (i) CIT

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, The Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands during the year.

No provision for Hong Kong Profits Tax is required since The Group has no assessable profit for the years ended 31 December 2023 and 2022.

Pursuant to the income tax rules and regulations of the PRC, taxation for PRC subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant cities in the PRC at 25%.

#### (ii) PRC LAT

PRC LAT 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 lease charges of land use rights and all property development expenditures, which is included in the consolidated statement of profit or loss as income tax. The Group has estimated the tax provision for PRC LAT according to the requirements set forth in the relevant PRC tax laws and regulations. The actual PRC LAT liabilities are subject to the determination by the tax authorities upon completion of the property development projects and the tax authorities might disagree with the basis on which the provision for PRC LAT is calculated.

(iii) **Withholding tax**

A withholding tax of 10% is levied on the overseas subsidiaries in respect of dividend distributions arising from profit of PRC subsidiaries earned after 1 January 2008. Under the China-Hong Kong Tax Treaty and the relevant regulations, a qualified Hong Kong tax resident which is the “beneficial owner” and holds 25% equity interests or more of a PRC enterprise is entitled to a reduced withholding tax rate of 5%. Some overseas subsidiaries of The Group are entitled to a reduced withholding tax rate of 5%.

During the year, withholding tax of the dividend distributed by a subsidiary in Chinese Mainland amounted to RMB584,000 (2022: RMB1,758,000).

(b) **Reconciliation between tax expense and accounting loss at applicable tax rates:**

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Loss before taxation	<u>(593,680)</u>	<u>(1,888,740)</u>
Notional tax on loss before taxation, calculated at the rate of 25%	(148,420)	(472,185)
Tax effect of non-deductible expenses	102,254	485,926
Tax effect of non-taxable income	(2,961)	(17,855)
Tax effect of temporary difference not recognised	46,187	94,921
Tax effect of temporary difference not previously recognised	(440)	(1,562)
Over-provision in respect of prior years	–	(463)
	----- <b>(3,380)</b>	----- 88,782
PRC LAT	16,211	24,720
Tax effect of PRC LAT	<u>(4,053)</u>	<u>(6,180)</u>
	----- <b>12,158</b>	----- 18,540
Income tax expense	<u><b>8,778</b></u>	<u>107,322</u>

7 **BASIC LOSS PER SHARE**

(a) **Loss attributable to ordinary shareholders of the Company**

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Loss attributable to equity holders of the Company	(464,528)	(1,912,536)
Less: profit attributable to the holders of perpetual capital securities	<u>(128,741)</u>	<u>(245,387)</u>
Loss attributable to ordinary shareholders	<u><b>(593,269)</b></u>	<u>(2,157,923)</u>



(b) **Weighted average number of ordinary shares**

	<b>2023</b> <b>'000</b>	2022 <b>'000</b>
Issued ordinary shares	<b>748,366</b>	748,366

No dilutive loss per share is presented as there were no dilutive potential ordinary shares in issue during both years.

**8 TRADE AND OTHER RECEIVABLES**

	<b>2023</b> <b>RMB'000</b>	2022 <b>RMB'000</b>
Trade receivable		
– Amounts due from third parties	<b>55,804</b>	5,292
Less: loss allowance	<b>(388)</b>	(294)
	<b>55,416</b>	4,998
Other receivables ( <i>note (i)</i> ):		
– Amounts due from associates	<b>7,742</b>	14,478
– Amount due from an intermediate parent	<b>1,094</b>	1,094
– Amounts due from fellow subsidiaries	<b>6,795</b>	2,648
– Amounts due from third parties	<b>45,237</b>	36,779
	<b>60,868</b>	54,999
Less: loss allowance	<b>(33)</b>	(55)
	<b>60,835</b>	54,944
Financial assets measured at amortised cost	<b>116,251</b>	59,942
Prepaid taxes ( <i>note (ii)</i> )	<b>168,379</b>	275,919
Deposits and other prepayments	<b>13,089</b>	19,463
	<b>297,719</b>	355,324

*Notes:*

- (i) The amounts due from associates, intermediate parents, fellow subsidiaries and other related parties are unsecured, non-interest bearing and repayable on demand.
- (ii) As at 31 December 2023, the prepaid taxes include CIT amounting to RMB6,521,000 (2022: RMB11,903,000) and LAT amounting to RMB52,911,000 (2022: RMB62,593,000).
- (iii) As at 31 December 2023, all of the trade and other receivables, and deposits are expected to be recovered within one year.

## Ageing analysis

As at the end of the reporting period, the ageing analysis of trade debtor's receivable (which are included in trade and other receivables), based on the invoice date and net of allowance for doubtful debts, is as follows:

	<b>2023</b> <i>RMB'000</i>	2022 <i>RMB'000</i>
Within 1 year	<u>55,416</u>	<u>4,998</u>

## 9 TRADE AND OTHER PAYABLES

	<b>2023</b> <i>RMB'000</i>	2022 <i>RMB'000</i>
Trade creditors:		
– Amounts due to fellow subsidiaries	50,738	9,231
– Amounts due to third parties	<u>951,408</u>	<u>862,107</u>
	<u>1,002,146</u>	<u>871,338</u>
Other payables and accruals:		
– Amounts due to associates	214,528	219,463
– Amounts due to fellow subsidiaries	347,298	346,834
– Amounts due to intermediate parents	141,417	391,214
– Amounts due to third parties	<u>460,110</u>	<u>530,261</u>
	<u>1,163,353</u>	<u>1,487,772</u>
Interest payables:		
– Amount due to an associate	54,993	36,662
– Amount due to intermediate parents	149,888	41,455
– Amounts due to fellow subsidiaries	380	380
– Amounts due to non-controlling interests	214,571	141,474
– Amounts due to third parties	<u>5,713</u>	<u>7,524</u>
	<u>425,545</u>	<u>227,495</u>
Financial liabilities measured at amortised cost	2,591,044	2,586,605
Deposits ( <i>note</i> )	<u>2,246,949</u>	<u>102,902</u>
	<u>4,837,993</u>	<u>2,689,507</u>

*Note:* As at 31 December 2023, except for the deposit of RMB4,457,000 (2022: RMB3,011,000) which is expected to be settled after one year, the remaining deposit, other payables and accrued expenses are expected to be settled within one year.

As at 31 December 2023, the deposit of disposal of Shanghai Shouchi amounted to RMB183,600,000 (2022: RMB60,000,000).

As at 31 December 2023, the deposit of disposal of a series of assets of the hotel in the Suhewan project amounted to RMB2,043,900,000.

#### **Ageing analysis**

As at 31 December 2023, the ageing analysis of trade creditors payable, based on the invoice date, are as follows:

	<b>2023</b>	2022
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Within 1 year	<b>910,993</b>	853,066
1 to 2 years	<b>88,863</b>	16,011
2 to 3 years	<b>29</b>	15
Over 3 years	<b>2,261</b>	2,246
	<b><u>1,002,146</u></b>	<u>871,338</u>

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Operating Results and Business Review**

In 2023, with the intensified geopolitical conflicts and the lack of driving force for the recovery of the world economy, the global economic growth has been declining and entering into the track of a medium-to-low growth rate, and it lacks a drive for medium to long-term growth. Besides, negative impact from protectionism and unilateralism practices on the external environment on China's development continued to increase. The external environment was increasingly volatile and grave, coupled with domestic cyclical and structural problems, resulted in insufficient effective demand, overcapacity in some industries, weak social expectation and hidden risks. Amid the overall industry pressure, weakening demand and market downturn, the Group rose to the challenge and unswervingly deepened lean management. The Group promoted cost reduction and efficiency improvement. It also adjusted and optimized business layout, and coordinated and promoted asset revitalization, asset management and other businesses. Besides, the Group optimized debt structure through debt replacement, repaid USD800,000,000 perpetual bonds in prevention debt risks. The Group has been continuously strengthening the empowerment of invested enterprises and promoting mutual benefits and all-win situation. Adhering to sustainable high-quality development, the Group will continue to strengthen its professional operation and management capabilities.

During the Current Period, the Group recorded operating income of approximately RMB1,263 million, representing a decrease of approximately 58.89% as compared with the same period of last year; and the loss attributable to equity holders of the Group was approximately RMB465 million, representing a decrease in loss of approximately RMB1,448 million as compared with the same period of last year.

### **Comprehensive Development Business**

In 2023, the year-on-year decline in real estate sales continued to expand, continuing the bottoming trend. During the year, there were a continuing optimization of policies for the real estate industry and release of favourable news, and regulatory support to the reasonably financing need of real estate enterprises which boost market confidence, it will still take time for the confidence of home buyers and the expectations of the industry to recover. Risk prevention, asset structure optimization and inventory reduction are still the key to the stable development of enterprises.

The Group's comprehensive development business focuses on cities in the core metropolitan areas of the Yangtze River Delta + Guangdong-Hong Kong-Macao Greater Bay Area. The Group holds projects in Hefei, Shanghai, Chongqing, Zhongshan and other places, with a total land reserve of 936,700 square metres. In 2023, the Group recorded a total sales area of 93,700 square metres, with a total contracted sales amount of RMB1,453 million.

The Group acquired an aggregate of more than 2,000 mu of land in Hefei Airport International Town. At present, a commercial system integrating community, commerce, micro-vacation and industrial office has been formed. Located in the Hefei Science and Technology Innovation Demonstration Zone, the Hefei Airport International Town is a demonstration project for the city-industry integration created by the Group. With the coordinated development with Changxin Memory Technologies, a key enterprise in the integrated circuit industry, and Hefei Xinqiao Electric Vehicle Industrial Park, In 2023, through the implementation of multiple measures and precise marketing through digital marketing, distribution, industrial group purchase and replacement purchase, etc., the number of replacement purchase of the Hefei Airport International Town project ranked among the top in Hefei.

In 2023, large-scale transaction was conducted for the Shanghai Suhewan project, and the Group received RMB2.43 billion from the transfer of the hotel series assets. The Shanghai Suhewan project has been able to tune its business strategy with flexibility to cope with the changing properties leasing market, and the occupancy rate of shops along the street reached 86.79%, representing a year-on-year increase of 12.1 percentage points.

Sales of the Group's comprehensive development projects are as follows:

Project Name	1. Hefei Airport International Town Project	2. Hefei OCT Bantang Hot Spring Town Project	3. Shanghai Suhewan Project	4. Chongqing OCT Land Project	5. Zhongshan Yuhong Project
Location	Hefei Xinqiao Science and Technology Innovation Demonstration Zone	Chaohu Economic Development Zone	Inner Ring Core Area of Jing'an District, Shanghai	Chongqing Liangjiang New Area	Zhongshan Torch Industrial Development Zone
Business mode	Residential + Commercial + Hotel	Residential + Commercial + Hotel	Residential + Commercial + Hotel	Residential	Residential
Shareholding ratio	51%	51%	50.50%	49%	21%
Gross floor area (ten thousand m <sup>2</sup> , full calibre)	159.3	34.5	43	44	27.2
Total saleable area being launched (ten thousand m <sup>2</sup> , full calibre)	70.74	4.51	22.57	61.56	25.68
Accumulated sales area (ten thousand m <sup>2</sup> , full calibre)	50.02	0.22	17.06	44.71	23.02
2023 sales area (ten thousand m <sup>2</sup> , full calibre)	1.68	0.00	0.76	2.81	4.12
2023 sales amount (RMB100 million)	1.96	0.00	1.53	3.71	7.33

## ***Industrial Park Projects***

The Group has three industrial park projects in Huizhou, Guangdong and Suzhou, Jiangsu. The construction of the Huizhou Innovation and Entrepreneurship Industrial Park New Zone has commenced, which will increase the area by 93,000 square metres upon completion. As of the end of 2023, the leasable area of the industrial parks was approximately 163,800 square metres, with an occupancy rate of 96.65%. During the Current Period, with the steady and smooth operation of the industrial parks, we recorded a rental income of approximately RMB32.87 million, representing a year-on-year increase of 15.37%.

During the Current Period, the Group's comprehensive development business recorded a revenue of approximately RMB1,252 million, representing a decrease of approximately 59.08% as compared with the same period of last year. The segment loss attributable to equity holders of the Company was approximately RMB247 million, representing a year-on-year increase in loss of 129%.

## **Equity Investment and Fund Business**

In 2023, against the backdrop of declining macroeconomic growth and sluggish performance of the securities market, the pace of investment in the domestic equity investment market continued to slow down, with significant reduction in the number and amount of investment cases and further differentiation in the competitive landscape. At the same time, in order to promote the orderly development of the private equity investment industry, relevant regulatory measures have been continuously strengthened, and various regulatory rules have been gradually introduced. The regulatory environment of the industry has been increasingly improved.

Being the only overseas listed company under OCT Group, a large state-owned central enterprise, the Group has its equity investment and fund business rooted in advantageous areas, such as the Guangdong-Hong Kong-Macao Greater Bay Area and the Yangtze River Delta Economic Circle. With its investment focused on the "cultural tourism + technology" industrial ecosystem, the Group fully utilized the advantages of industrial capital investment and mergers and acquisitions, enhanced investment management capabilities, and improved the post-investment empowerment effect to promote the rapid development of the invested companies, thereby achieving an all-win situation.

The total size of funds under the Group amounted to RMB4.37 billion by the end of 2023, and the size of actively managed funds was RMB1.5 billion. During the Current Period, the Group's funds successfully invested in Nanshan Phase III Fund, which focuses on cultural and entertainment technology investment. The Group has actively stepped up the business synergy between the invested companies and the parent company to achieve capital empowerment. The Mini World IP pop-up theme zone invested by the Group was grandly opened in the Shenzhen Happy Valley of the parent company during the National Day period in 2023 and remained open continuously. Youmei Camp, an international camp education institution invested by the Group, has successively commenced operation in the projects in Kunshan, Jiangsu Province and Kunming, Yunnan Province of the parent company.

In 2023, the Group expanded its market influence and won multiple awards, including the Golden Investment Award of the China Venture Capital Research Institute – “2023 China’s Top50 Influential VC Investment Institutions (2023年度中國影響力VC投資機構TOP50)”, “2023 Top 50 Chinese State-Owned Influential Investment Institutions (2023年度中國國資影響力投資機構TOP50)” and “2023 Top 30 Best Investment Institutions in China’s Intelligent Manufacturing Field (2023年度中國最佳智慧製造領域投資機構TOP30)”.

During the Current Period, the segment loss attributable to equity holders of the Company for the investment and fund business was approximately RMB185 million, representing a decrease in loss of approximately 89.76% as compared with the same period last year.

## **FINANCIAL REVIEW**

As at 31 December 2023, the Group’s total assets amounted to approximately RMB22.932 billion, representing an increase of approximately 0.68% as compared to approximately RMB22.776 billion as at 31 December 2022. The Group’s total equity amounted to approximately RMB3.337 billion, representing a decrease of approximately 66.23% as compared to approximately RMB9.881 billion as at 31 December 2022, which was mainly due to the repayment of USD800,000,000 perpetual bonds during the Current Period.

For the Current Period, the Group realized revenue of approximately RMB1.263 billion, representing a decrease of approximately 58.89% as compared to approximately RMB3.072 billion for the same period of 2022, of which, the revenue of the comprehensive development business was approximately RMB1.252 billion, representing a decrease of approximately 59.08% as compared to approximately RMB3.06 billion for the same period of 2022, primarily due to a significant decrease in income carried forward from the Hefei Airport International Town Project as compared to the same period last year. No revenue was generated from the finance lease business as the exit of the finance lease business completed during the Current Period and was in the final stage of liquidation, as compared with the revenue of approximately RMB2.13 million for the same period of 2022.

For the Current Period, the Group’s gross profit margin was approximately 11.02% (2022: approximately 10.49%), representing an increase of 0.53 percentage points compared to the same period of 2022, of which, the gross profit margin of the comprehensive development business was approximately 10.77%, representing an increase of 2.57 percentage points compared to the same period of 2022, mainly due to the relatively high gross profit margin of land parcels carried forward of certain projects during the Current Period; and the gross profit margin of the finance lease business was approximately 0 during the Current Period as compared with approximately 97.42% for the same period of 2022 as the finance lease business was in the final stage of liquidation.

For the Current Period, loss attributable to equity holders of the Company was approximately RMB465 million as compared to the loss of approximately RMB1.913 billion in 2022.



Among these, the loss attributable to the comprehensive development business was approximately RMB247 million (2022: loss of approximately RMB108 million), representing an increase in loss of approximately 129% compared to the same period of 2022, mainly attributable to a decrease in income carried forward from real estate projects and an increase in interest expense caused by the significant increase in US dollars interest rate and the increase in shareholders' loans during the Current Period.

For the Current Period, loss attributable to the investment and fund business was approximately RMB185 million (2022: loss of approximately RMB1.806 billion), representing a decrease of approximately 89.76% compared to the same period of 2022, mainly attributable to the significant year-on-year decrease in the Group's share of losses of listed associates for the Current Period.

Profit attributable to the finance lease business was approximately RMB1.56 million (2022: approximately RMB3.7 million), representing a decrease of approximately 58% compared to the same period of 2022, primarily because the finance lease business was at its final state of liquidation and no operating income was generated during the Current Period.

For the Current Period, the basic loss per share attributable to the shareholders of the Company was approximately RMB0.79 (2022: basic loss per share of approximately RMB2.88), representing a decrease in loss per share of approximately RMB2.09 compared to the same period in 2022. The losses for the Current Period were approximately RMB602 million (2022: losses of approximately RMB1.996 billion), representing a decrease in losses of approximately RMB1,394 million compared to the same period in 2022, mainly due to the significant decrease in the Group's share of losses of listed associates during the Current Period as compared to the same period in 2022.

### **Distribution Costs and Administrative Expenses**

The Group's distribution costs for the Current Period were approximately RMB80.71 million (2022: approximately RMB80.17 million), representing an increase of approximately 1% compared to the same period in 2022.

The Group's administrative expenses for the Current Period were approximately RMB200.52 million (2022: approximately RMB285.13 million), representing a decrease of approximately 30% compared to the same period of 2022, of which, administrative expenses of the comprehensive development business were approximately RMB159 million (2022: approximately RMB213 million), representing a decrease of approximately 25% compared to the same period of 2022, mainly due to the effectiveness of the Group's lean management and cost reduction and efficiency improvement measures; administrative expenses of the investment and fund business were approximately RMB6.61 million (2022: approximately RMB19.510 million), representing a decrease of approximately 66% compared to the same period of 2022, mainly due to the decrease in brokerage fees and amortised costs on contract arrangement.

## **Interest Expenses**

The Group's interest expenses for the Current Period were approximately RMB355.05 million (2022: approximately RMB140.36 million), representing an increase of approximately 153% compared to the same period of 2022, of which, interest expenses of the comprehensive development business were approximately RMB203.89 million (2022: approximately RMB114.81 million), representing an increase of approximately 78% compared to the same period of 2022; interest expenses of the finance lease business were approximately RMB1.81 million (2022: approximately RMB1.82 million), representing a decrease of approximately 1% compared to the same period of 2022; and interest expenses of the investment and fund business were approximately RMB17.67 million (2022: approximately RMB21.32 million), representing a decrease of approximately 17% compared to the same period of 2022, mainly due to the significant increase in head office interest expense costs caused by the interest rate hike of US dollars and the increase in shareholder's loans applied for repayment of perpetual bonds, and a year-on-year increase in the sharing of segment expenses for the Current Period.

## **DIVIDENDS**

The Board did not recommend the payment of a final dividend for the year ended 31 December 2023 (2022: Nil) after considering the Company's long-term development and active participation in potential investment opportunities.

## **Liquidity, Financial Resources and Capital Structure**

The total equity of the Group as at 31 December 2023 was approximately RMB3.337 billion (31 December 2022: approximately RMB9.881 billion); current assets were approximately RMB18.769 billion (31 December 2022: approximately RMB16.728 billion); and current liabilities were approximately RMB11.885 billion (31 December 2022: approximately RMB10.378 billion). The current ratio was approximately 1.58 as at 31 December 2023, representing a decrease of 0.03 as compared to that as at 31 December 2022 (31 December 2022: approximately 1.61), mainly due to the reclassification of certain loans from banks and related party from long-term liabilities to short-term liabilities and the increase in shareholder's loans due to the repayment of US\$800,000,000 perpetual bonds during the Current Period. The Group generally finances its operations with internally generated cash flow, credit facilities provided by banks and shareholder's loans.

As at 31 December 2023, the Group had outstanding bank and other loans of approximately RMB3.648 billion, without fixed-rate loans (31 December 2022: outstanding bank and other loans of approximately RMB4.733 billion, without fixed-rate loans). As at 31 December 2023, the interest rates of bank and other loans of the Group ranged from 3.05% to 6.82% per annum (31 December 2022: 3.30% to 5.95% per annum). Some of those bank loans were secured by certain assets of the Group and corporate guarantees provided by certain related companies of the Company. The Group's gearing ratio (being total borrowings including bills payables and loans divided by total assets) was approximately 51.5% as at 31 December 2023, representing an increase of approximately 21.4 percentage points as compared to approximately 30.1% as at 31 December 2022, which was mainly due to the increase in bank and other loans.

As at 31 December 2023, approximately 51.67% of the total amount of outstanding bank and other loans of the Group amounting to approximately RMB1.885 billion was denominated in Hong Kong Dollars (31 December 2022: approximately 47.3%); and approximately 48.33% amounting to approximately RMB1.763 billion was denominated in Renminbi (31 December 2022: approximately 52.7%). As at 31 December 2023, approximately 0.02% of the total amount of cash and cash equivalents of the Group was denominated in United States dollars (31 December 2022: approximately 0.1%); approximately 95.41% was denominated in Renminbi (31 December 2022: approximately 97.5%); and approximately 4.57% was denominated in Hong Kong dollars (31 December 2022: approximately 2.4%).

The Group's transactions and monetary assets are principally denominated in RMB, Hong Kong Dollars and United States Dollars. As of 31 December 2023, the Group had not experienced any material difficulties or effects on its operations or liquidity as a result of fluctuations in currency exchange rates. As of 31 December 2023, the Group did not enter into any foreign exchange forward contracts and other material financial instruments for hedging foreign exchange risk purposes.

### **Contingent liabilities**

The Group has entered into agreements with certain banks with respect to mortgage loans provided to buyers of the property units. Pursuant to the mortgage agreements signed between the Group and the banks, the guarantee will be released upon the issuance of individual property ownership certificate. Should the mortgagors fail to pay the mortgage monthly instalment before the issuance of the individual property ownership certificate, the banks could draw down the security deposits up to the amount of outstanding mortgage instalments and demand the Group to repay the outstanding balance if the deposit balance is insufficient.

The amount of guarantee deposits required varies among different banks, but is usually within a range of 0% to 5% of the mortgage loans granted to buyers, with a prescribed capped amount.

The management does not consider it probable that the Group will sustain a loss under these guarantees over the term of the guarantee as the bank has the right to sell the properties and recover the outstanding loan balance from the sale proceeds if the property buyers default on payment. The management also considers that the market value of the underlying properties can cover the outstanding mortgage loans guaranteed by the Group. Therefore, no liabilities are recognized in respect of these guarantees.

As at 31 December 2023, guarantees given by financial institutions for mortgage facilities granted to buyers of the Group's properties amounted to approximately RMB662 million in total (31 December 2022: approximately RMB936 million).

## **EMPLOYEES AND REMUNERATION POLICY**

As at 31 December 2023, the Group employed 519 full-time staff in total. The basic remunerations of the employees of the Group are mainly determined with reference to the industry's remuneration benchmark, the employees' experience and their performance. Equal opportunities are offered to all staff members. Staff salaries are maintained at a competitive level and are reviewed periodically (and not less frequent than annually), with reference to the relevant labour market and the economic situation. The Company currently does not maintain any share scheme under Chapter 17 of the Rules (the "**Listing Rules**") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Apart from the basic remuneration and statutory benefits, the Group also provides bonuses to the staff based upon the Group's results and their individual performance.

The Group provides comprehensive training to its employees, covering areas such as operation and business-oriented training, legal and risk management, integrity education.

The Group has not experienced any significant problems with its employees or disruption to its operations due to labour disputes, nor has it experienced any difficulty in the recruitment and retention of experienced staff, during the Current Period. The Group maintains a good relationship with its employees in general. Most members of the senior management have been working for the Group for many years.

## **IMPORTANT EVENTS**

### **Amendments to the memorandum and articles of association**

In view of the Core Shareholder Protection Standards as set out in the Listing Rules and the updates on the applicable laws in the Cayman Islands, the Company adopted the second amended and restated memorandum and articles of association with effect from 20 June 2023 with the approval of the shareholders by way of a special resolution at a general meeting. For further details, please refer to the circular of the Company dated 24 May 2023.

### **Change of directors and personnel**

Certain changes in the composition in the Board took place during the Current Period. Among these changes, Ms. Liu Yu, Mr. Wang Jianwen, Ms. Qi Jianrong and Mr. Yang Guobin joined the Board. Ms. Cheng Mei and Ms. Ho Sze Man have become the joint company secretaries of the Company during the Current Period. For further details, please refer to the announcements of the Company dated 23 March, 26 June and 26 October 2023, respectively.

## **Redemption of US\$800,000,000 perpetual capital securities**

The Company fully redeemed the senior guaranteed perpetual capital securities with a principal amount of US\$500,000,000 on 17 July 2023 (Debt stock code: 40303), and the senior guaranteed perpetual capital securities with a principal amount of US\$300,000,000 on 25 August 2023 (Debt stock code: 40356). There are no outstanding perpetual capital securities in issue following the redemptions. For further details, please refer to the announcements of the Company dated 18 July and 28 August 2023.

## **Disposal of hotel series assets of Shanghai Suhewan project**

With the approval of the Shareholders at the general meeting and the required supervisory approvals having been obtained, OCT (Shanghai) Land Company Limited (an indirect non-wholly owned subsidiary of the Company) (“**OCT Shanghai Land**”) sold the hotel series assets of the Shanghai Suhewan project through public tender on the China Beijing Equity Exchange. The successful bidder was Jiangsu Jinfeng Cement Group Co., Ltd. (江蘇金峰水泥集團有限公司), with a final consideration of RMB2.43 billion (inclusive of value-added tax). The parties have entered into a transaction agreement on 25 December 2023. OCT Shanghai Land has received the consideration, and the disposal is expected to be completed by the end of the first half of 2024. For further details, please refer to the circular of the Company dated 6 November 2023 and the announcement of the Company dated 26 December 2023.

## **Disposal of partial interest in Shouchi Enterprise**

With the approval of the Shareholders at the general meeting and the required supervisory approvals having been obtained, OCT Shanghai Land has conducted a public tender on the China Beijing Equity Exchange for the disposal of its 51% equity interest in Shanghai Shouchi Enterprise Management Ltd.. Shanghai Shengfenlai Enterprise Consultation Partnership (Limited Partnership) (上海盛芬徠企業諮詢合夥企業(有限合夥)) won the bid at the consideration of RMB612,000,000 (inclusive of value-added tax). OCT Shanghai Land has received the guarantee fee of RMB183.6 million. According to the feedback from the purchaser, due to the changes in the external environment, purchaser’s payment fundings has been delayed. As at the date of this announcement, the disposal has not been completed and is pending the purchaser to complete its payment of the remaining consideration. OCT Shanghai Land is actively negotiating with the purchaser to request the purchaser to continue to perform the transaction and to settle the remaining balance as soon as possible, striving to finalise the disposal in 2024.

## **Qiaoheng No. 1 (Limited Partnership)**

Two indirect wholly-owned subsidiaries of the Company entered into a partnership agreement with certain independent third parties to establish Shenzhen Qiaoheng No. 1 Investment Enterprise (Limited Partnership) in April 2021. The total capital commitment of the Group to the partnership under the agreement is approximately RMB720,000,000. For further details, please refer to the circular of the Company dated 26 May 2021. As disclosed in previous annual reports, the partnership made an 80% equity investment in Huizhou Kaiyue Zhiye Company Limited (the “**Project Company**”) and provided shareholder’s loans to develop urban renewal projects. As the other shareholder of the Project Company failed to provide funds as planned, the Group initiated arbitration proceedings on behalf of the partnership. During the Current Period, the arbitration court has decided for the Project Company to repay the loan, and for the Partnership to have the priority of repayment over the other shareholder of the Project Company in respect of the debt. The Group and the Partnership are actively implementing the arbitration court’s decision.

## **SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS**

Save as disclosed in this announcement, the Group had no other significant investments held, nor material acquisitions and disposal of subsidiaries, associates or joint ventures during the Current Period; and there are no plan for material investments or capital assets which have been approved by the Board as of the date of this announcement.

## **SUBSEQUENT EVENTS**

### **Continuing connected transactions – Product procurement**

On 8 March 2024, Hefei OCT Industry Development Co., Ltd., (an indirect non-wholly owned subsidiary of the Company), entered into the Konka product procurement framework supplemental agreement with Yilifang (Hainan) Technology Limited (“**Yilifang**”) and Shenzhen Konka Zhitung Technology Co., Ltd. (“**Konka ZT**”) for Konka ZT to replace Yilifang to provide Konka products procurement services to Hefei OCT Industry Development Co., Ltd. for a new term until 31 December 2025. The annual caps for 2024 and 2025 are RMB9 million and RMB4 million, respectively. The arrangement terminated the previous continuing connected transactions with Yilifang and constituted new continuing connected transactions with Konka ZT. For further details, please refer to the announcement of the Company dated 8 March 2024.

## **OUTLOOK FOR 2024**

The external environment is still volatile and grave in 2024, with various issues such as insufficient domestic effective demand, overcapacity in some industries, weak social expectations and many hidden risks. The Group, grasping the general trend of economic recovery, is focused on its principal responsibilities and principal businesses, and will strengthen infrastructure construction and maintain its determination and progress. The Group will seize and create opportunities from the current challenges, improve professional capabilities, reduce its debt level, strengthen asset management, enhance management efficiency and continuously improve operation level in strengthening risk prevention and control and optimizing asset structure.

In 2024, in terms of comprehensive development business, the Group will seize the policy window period of further relaxation of financial, tax and administrative policies to increase efforts to promote the revitalization of inefficient assets, adjust and change positions to speed up destocking. The Group is also optimizing its business structure and focusing its resources on high value-added areas to achieve new horizons of steady progress and strong momentum.

In 2024, in terms of equity investment and fund business, the Group will leverage on the industrial resource advantages of OCT and reserve high-quality investment targets through diversified fund products that have been preliminarily formed. The Group is also strengthening its post-investment empowerment to actively mobilize industrial resources and financial resources in promoting the development and growth of invested companies, and exit at the appropriate time, constantly iterating the closed-loop management ability of “fundraising, investment, management and exit”.

In 2024, the Group will focus on key measures such as strengthening top-level design, focusing on improving profitability and resolving major risks, and promote the transformation of its main business. The Group will further improve its core competitiveness and strive to become a state-owned listed company with outstanding main business, strong development and sound governance.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SHARES**

The Company has redeemed the senior guaranteed perpetual capital securities with a principal amount of US\$800,000,000 during the Current Period (see the above “Redemption of US\$800,000,000 perpetual capital securities” in this announcement). Save as disclosed in this announcement, the Company or any of its subsidiaries has not purchased, sold or redeemed any of the listed securities in the Company during the Current Period.

## **CORPORATE GOVERNANCE**

The Company believes that high standard corporate governance and highly efficient management team are very important in enhancing the investors’ confidence and safeguarding the interests of the shareholders, and can also increase long-term share value. Therefore, the Company is committed to implementing and maintaining a high standard of corporate governance, emphasizing good communication with shareholders and investors, and nurturing the corporate culture of strict code of conduct, with a view to continuously improve the Company’s transparency in management. This includes timely, comprehensive and accurate disclosure of information of the Company to safeguard the shareholders’ interests and to raise long-term share value.

Code provision F.2.2 of Part 2 of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules stipulates that the chairman of the Board should attend annual general meetings. During the Current Period, Mr. Zhang Dafan was unable to attend the 2022 annual general meeting of the Company due to other engagements. Mr. Zhang had fully communicated with other Directors on the contents of the meeting before the meeting, and followed up the opinions of the shareholders at the meeting with the Company after the meeting. Save for the above, during the Current Period, the Company has complied with all the applicable code provisions in Part 2 of the Corporate Governance Code.

## **SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Code of Conduct Regarding Directors’ Securities Transactions**”) as set out in Appendix C3 to the Listing Rules as its code of conduct regarding Directors’ securities transactions. Upon specific enquiry, all Directors have confirmed their compliance with the Code of Conduct Regarding Directors’ Securities Transactions and the Company’s code of conduct regarding Directors’ securities transactions.

## **REVIEW BY AUDIT COMMITTEE**

This announcement and audited financial statements of the Company for the year ended 31 December 2023 had been reviewed by the Audit Committee of the Company before they were presented to the Board for approval.

## **SCOPE OF WORK OF THE EXTERNAL AUDITORS OF THE COMPANY**

The figures in respect of the Group’s consolidated balance sheet, consolidated statement of profit or loss, consolidated statement of comprehensive income, and the related notes thereto for the year ended 31 December 2023 as set out in this announcement have been agreed by the Company’s auditor to the amounts set out in the Group’s draft consolidated financial statements for the year. The work performed by the Company’s auditor in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements and Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by the Company’s auditor on this announcement.

By Order of the Board  
**Overseas Chinese Town (Asia) Holdings Limited**  
**Liu Yu**  
*Chairman*

Hong Kong, 28 March 2024

*As at the date of this announcement, the Board comprises seven Directors, including three executive Directors namely Ms. Liu Yu, Mr. Wang Jianwen and Ms. Qi Jianrong, one non-executive Director namely Mr. Yang Guobin and three independent non-executive Directors namely Ms. Wong Wai Ling, Mr. Lam Sing Kwong Simon and Mr. Chu Wing Yiu.*

*Certain figures set out in this announcement have been subject to rounding adjustment.*



*This announcement contains certain forward-looking statements that reflect the Company's beliefs, plans or expectations about the future. These statements are based on a number of assumptions, current estimates and projections, and subject to inherent risks, uncertainties and other factors which may or may not be beyond the Company's control. The actual outcomes may differ. Nothing contained in these statements is, or shall be relied upon as, any assurance, representation or warranty otherwise. Neither the Company nor its directors, officers, employees, agents, affiliates, advisers or representatives assume any responsibility to update, supplement, correct these statements or adapt them to future events.*