China Jinmao Holdings Group Limited
中 國 金 茂 控 股 集 團 有 限 公 司

(Incorporated in Hong Kong with limited liability)
(Stock code: 00817)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

The board of directors (the "Board") of China Jinmao Holdings Group Limited (the "Company") is pleased to announce the audited results of the Company and its subsidiaries for the year ended 31 December 2024. This announcement, containing the full text of the 2024 Annual Report of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") in relation to information to accompany preliminary announcements of the annual results. Printed version of the Company's 2024 Annual Report will be sent to the shareholders of the Company and available for viewing on the HKExnews website at www.hkexnews.hk and the Company's website at www.chinajinmao.cn on or before 30 April 2025.

Contents

Company Overview

China Jinmao Holdings Group Limited ("China Jinmao" or the "Company") is a platform enterprise under the city operation area of Sinochem Holdings Corporation Ltd. ("Sinochem Holdings"). In 2007, China Jinmao was listed on the Main Board of The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "Hong Kong Stock Exchange") (Stock Code: HK.00817), and included in the Hang Seng Composite Index, Hang Seng Composite Industry Index – Properties & Construction, Hang Seng China State-holding Enterprises Index, Hang Seng Stock Connect Hong Kong Index, Hang Seng China High Dividend Yield Index, etc. The Company has been selected as one of the Fortune China 500 for consecutive years and ranked among the Forbes Global 2000. Sinochem Holdings is formed through the restructuring of Sinochem Group Co., Ltd. ("Sinochem Group") and China National Chemical Corporation Ltd. ("ChemChina"), and is an important state-owned backbone enterprise under the supervision of the SASAC of the State Council. With business scope covering the eight major areas of life sciences, materials science, petrochemicals, environmental science, rubber and tire, machinery and equipment, city operation and industrial finance, Sinochem Holdings is the world's leading comprehensive petrochemicals enterprise.

"ONE CORE" • "THREE FOCUSES"

HIGH QUALITY DEVELOPMENT

PREMIUM HOLDING

HIGH-END SERVICE

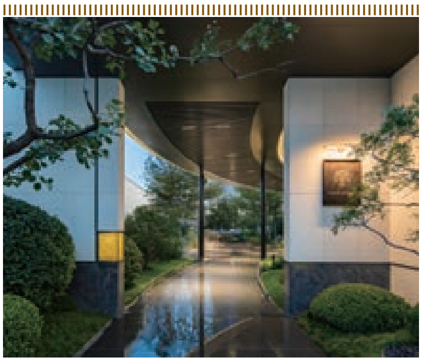
BUILDING TECHNOLOGY INNOVATION

In adherence to the vision of "Unleashing Future Vitality of the City" and holding on to its positioning as a city operator, China Jinmao endeavours to promote the strategic upgrading of the "ONE CORE" • "THREE FOCUSES" businesses and establishes a multi-dimensional business linkage with high-quality development as the core, while focusing on premium holding and high-end service businesses, and stressing on building technology innovation business, so as to accelerate the creation of a second growth curve.

Based on its foresight on city potentials, China Jinmao integrates the world's leading premium resources and introduces the concept of mutually beneficial city planning to achieve overall enhancement in regional functions and city vitality. In addition, the Company gives full play to the synergy and linkage advantages between segments, and creates a series of high-end products featuring "Jinmao" brand as the core. "Smart technology and green health" has become the unique genetic quality and brand connotation of "Jinmao" series products, and continuously redefines "high-end" and "quality" in the industry. Currently, China Jinmao has succeeded in entering China's rapidly developing regions including the Beijing-Tianjin-Hebei Metropolitan Region, the Yangtze River Delta Region and the Pearl River Delta Region. The Company holds projects in core cities including Beijing, Tianjin, Shanghai and Guangzhou.

While continuously deepening its city operation model, the Company will continue to improve the operational efficiency of its developing and holding core businesses. With high-quality real estate development as the core, the Company focuses on three types of businesses, namely premium holding, high-end services, and construction technology, to support its development and build core competitiveness in the industry.

Company Overview



CITY OPERATIONS AND PROPERTY DEVELOPMENT

During the Year, land reserves were expanded with the successful acquisitions in Beijing, Shanghai, Tianjin, Chengdu, Jinan, Chongqing, Changsha, Xi'an, Zhengzhou and Sanya.

CONTRACTED SALES AMOUNT (RMB million)

2024	98,255
2023	141,200

COMMERCIAL LEASING AND RETAIL OPERATIONS

Major investment properties with an area of approximately 0.79 million square metres. Both the rental level and occupancy rate of the Group's investment properties outperformed its peers.

RENTAL REVENUE (RMB million)

2024	1,697.3
2023	1,802.3

HOTEL OPERATIONS

13 luxury hotels offering 4,047 guest rooms

Hilton Sanya Yalong Bay Resort & Spa was sold in December 2024. Ningbo Jinmao Jiayue Hotel, Renaissance Qingdao Hotel and Element Qingdao opened in July, September and September 2024 respectively.

HOTEL REVENUE (RMB million)

2024	1,698.6
2023	2,080.4

JINMAO SERVICES

Total contracted GFA reached approximately 134.34 million square metres, covering 71 cities across 25 provinces, municipalities and autonomous regions in China, and 595 property projects were managed in China with a total GFA under management of approximately 100.93 million square metres, comprising 406 residential communities and 189 non-residential properties.

JINMAO SERVICES REVENUE (RMB million)

2024	2,966.0
2023	2,704.4

Major Events

2024

MARCH

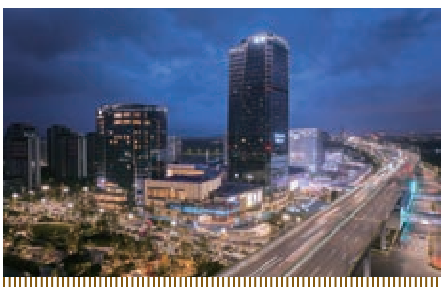
- The Company held the listing ceremony of CAMC-Jinmao Commercial Property REIT
- The Company held China Jinmao's new product strategy conference of "Xiang Mei Er Xin, Jin Yu Man Tang"

APRIL

- The Company successfully acquired Chengdu Jinjiang Linjiaba Land Parcel

MAY

- Jinmao Xi'an Puyi Qujiang Project was sold out at its first opening



JULY

- Grand opening of Ningbo Jinmao Plaza

Major Events

2024

SEPTEMBER

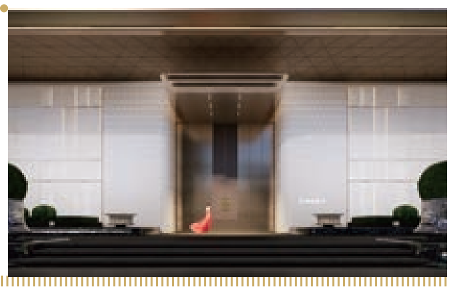
- Grand opening of Renaissance Qingdao Hotel and Element Qingdao

OCTOBER

- The Company successfully acquired Beijing Fengtai Jinmao Puyi Fengyi Project

NOVEMBER

- The Company successfully acquired Xi'an Qujiang Wenjiaoyuan Land Parcel



DECEMBER

- The Company successfully acquired Shanghai Baoshan Songnan Land Parcel
- The Company successfully acquired Shanghai Baoshan Yangxingdong Community Land Parcel

Corporate Information

COMPANY NAME

China Jinmao Holdings Group Limited

PRINCIPAL OFFICE

Rooms 4702-4703
47th Floor, Office Tower, Convention Plaza
No. 1 Harbour Road
Wan Chai, Hong Kong

EXECUTIVE DIRECTORS

Mr. TAO Tianhai (Chairman)
Mr. ZHANG Hui (Senior Vice President)
Ms. QIAO Xiaojie (Chief Financial Officer)

NON-EXECUTIVE DIRECTORS

Mr. CHENG Yong
Ms. CHEN Aihua
Mr. CHEN Yijiang
Ms. WANG Wei

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. SU Xijia
Mr. SUEN Man Tak
Mr. GAO Shibin
Mr. ZHONG Wei

CHIEF FINANCIAL OFFICER

Ms. QIAO Xiaojie

QUALIFIED ACCOUNTANT

Mr. LIAO Chi Chiun

COMPANY SECRETARY

Mr. LIAO Chi Chiun

AUTHORISED REPRESENTATIVES

Mr. TAO Tianhai
Ms. QIAO Xiaojie

LEGAL ADVISORS

Jun He Law Offices
Suite 3701-10 Jardine House
1 Connaught Place
Central, Hong Kong

Tian Yuan Law Firm
Unit 509, Tower A, Corporate Square
No. 35 Finance Street
Xicheng District
Beijing, People's Republic of China

AUDITOR

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor
27/F, One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong

STOCK CODE

00817

SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor
Hopewell Centre, 183 Queen's Road East
Wanchai, Hong Kong

INVESTOR ENQUIRY

E-mail: chinajinmao_IR@sinochem.com

WEBSITE

www.chinajinmao.cn

Financial Highlights

	2024 (RMB million)	2023 (RMB million)	Percentage change (%)
Revenue	**59,053.0**	**72,403.6**	**-18**
Gross profit	**8,596.9**	**9,021.5**	**-5**
Profit attributable to owners of the parent	**1,064.8**	**-6,896.6**	**115**
Less: Fair value losses on investment properties (net of deferred tax)	-268.0	-103.1	160
Profit attributable to owners of the parent – excluding fair value losses on investment properties (net of deferred tax)	1,332.8	-6,793.5	120
Total assets	**409,256.4**	**407,119.2**	**1**
Equity attributable to owners of the parent	**53,575.1**	**39,291.3**	**36**
Basic earnings per share (RMB cents)	**5.19**	**-51.62**	**110**
Basic earnings per share – excluding fair value losses on investment properties (net of deferred tax) (RMB cents)	7.18	-50.84	114
Dividend (HK cents) (Note 1)			
– final and interim dividend per share	3.0	1.5	100
Net debt-to-adjusted capital ratio (%) (Note 2)	67	73	N/A

Note 1: Interim dividend of HK3.0 cents per share and final dividend of HK0 cent per share (totalling HK3.0 cents per share) for 2024. Interim dividend of HK1.5 cents per share and final dividend of HK0 cent per share (totalling HK1.5 cents per share) for 2023.

Note 2: For details of net debt-to-adjusted capital ratio, please see the section of "Management Discussion and Analysis • Financial Review".

Chairman's Statement

"In the short term, it will still take a certain period of time for the economy and market confidence to fully recover, and the industry will still be in the process of bottoming out. The Company will unswervingly adhere to the strategy of "revitalising the existing projects and optimising the additional projects", and make effort to promote the theme year work of "six forces and three benchmarks", systematically enhancing the competitiveness of the entire chain. With unconventional thinking, actions, and results, the Company will be driven to transcend industry cycles and achieve higher-quality transformation and development."

TAO Tianhai

Chairman

Chairman's Statement

Dear Shareholders,

On behalf of the board of directors (the "Board") of China Jinmao, I hereby present the annual results of the Company and its subsidiaries (the "Group", "we" or "us") for the year ended 31 December 2024 (the "Period under Review", the "Reporting Period", "2024" or the "Year") for your review.

In 2024, China's economic operation was generally stable and making progress. High-quality development was firmly advanced, and Chinese-style modernisation took new solid steps. In particular, the central government's timely deployment and introduction of a package of incremental policies effectively boosted social confidence and the economy significantly rebounded. For the real estate industry, the goal of "stopping the decline and stabilising" was put forward, which released the strongest support signal. Various localities actively introduced policies, and the market experienced a volatile recovery. However, throughout the year, the real estate industry underwent two "unexpected" changes, namely the unexpected drop in transaction volume and price, and the unexpected change in financing models. Risks in the industry had not yet been cleared, and the operation of enterprises remained under pressure. In the face of severe internal and external situations, the Company firmly grasped the strategic deployment of "revitalising the existing projects and optimising the additional projects". Guided by endeavour and planning, it implemented the four ultimate standards and promoted the three major benchmarks, continuing to deepen reform and accelerating capacity improvement. The core performance was stable and positive, stabilising the fundamentals of operations and finding a way to transcend industry cycles and achieve transformation and development.

The Company's overall steady development benefited from the persistence and efficient execution of the Company's development strategy. Adhering to the strategic aim of "in-depth cultivation and focus, as well as quality and efficiency improvement", the Company explored a model to drive stock digestion through increments and achieved stable and healthy development during the industry adjustment period. In particular, the Company took "revitalising the existing projects" as a more important and urgent task at present to accelerate the return of funds and structural optimization. At the same time, the Company insisted on "optimising the additional projects". With fast turnover, it achieved rapid return of funds, which were then invested in more production, thus realising "one crop per year" and supporting sustainable development in the future. Looking back at the results of strategic practice over the past year, the Company's strategic direction was just right and its tactics were effectively executed. The Company shall not relax its strategic goals, but unswervingly promote implementation.

Implementing the four ultimate standards, promoting the three major benchmarks, and winning the turnaround battle. Guided by "endeavour and planning", and through ultimate contracted sales and collection of sales proceeds, ultimate cash control, ultimate cost reduction and expense control, and ultimate value creation, the Company "revitalised the existing projects", achieving self-generation and repair, and supporting the achievement of operating performance targets. At the same time, through investment, product and operation benchmarking, the Company "optimised the

Chairman's Statement

additional projects", upgrading capabilities through iteration. By adhering to the dual-focus investment strategy, the Company acquired 22 new land parcels across first- and second-tier cities throughout the year, reserving high-quality resources for the Company's development. The product lines of "Jin Yu Man Tang" were renewed and upgraded, brilliantly presenting 9 Palace, 3 Pu, 2 Man and 3 Tang to show the product strength in the market. Moreover, the Company optimised the "6-10-12-24" operation standard, fully accelerating the cycle of first opening of sales, cashflow returning to positive and completion and delivery of properties, and continuing to consolidate market competitiveness. In 2024, the Company achieved a contract sales amount of approximately RMB98.3 billion, ranking 12th, and its industry status made steady progress with sufficient cash flow overall. The Company is on a development path of stabilisation, recovery and positive cycle.

Implementing national strategies, accelerating the construction of a new development model, and achieving steady development in the second curve. In line with the transformation and development direction of real estate enterprises of "high quality, new technology, good service" under the guidance of central policies, the Company formulated the business strategy of "One Core" • "Three Focuses", and gradually established high-quality advantages in development business. It achieved steady growth in retail business performance, and realised the successful listing of CAMC-Jinmao Commercial REIT. The overall operation of active projects was stable. Income from property services increased significantly year-on-year, and the product and service value system of "Jin Yu Man Tang" was initially formed, maintaining a high satisfaction rate. In the field of construction technology, the Company focused on the main business to promote the research and development of technology systems, reinforced the technology IP moat, and consolidated its differentiated competitive advantages.

Comprehensively deepening reform, streamlining the organisation to increase efficiency, and reshaping the spirit of dedication and entrepreneurship. In line with the needs of strategic development, the Company promoted the optimisation work of the organization. In particular, development units further deepened their focus and non-development units continued to refine and improve their work. Each unit actively streamlined the structure and compressed hierarchies internally, improving the Company's survivability in the cold winter through downsizing and keeping fit. At the same time, the Company adhered to performance orientation, emphasised on the survival of the fittest, and continued to promote the transformation of awareness and capabilities for all employees. Strengthening business thinking, the Company constantly transformed the sense of crisis into a sense of mission, responsibility and urgency. It advocated leading by example and actively engaging – not a bystander, but a participant and a leader – to position oneself as an essential contributor to the cause of reform and development. As a result, a strong synergy of dedication and entrepreneurship was formed, laying the foundation for sustainable development in the future.

Serving the overall interests of the country, and fulfilling social responsibilities with high standards. The Company promoted the decentralisation work in Xiong'an with high standards and high quality, and accelerated the creation of the dual benchmarks of "office + residential", contributing Jinmao's efforts during the process of the millennium plan. Fulfilling the responsibilities of a state-owned enterprise, the Company ensured that 37,000 houses were delivered on schedule throughout the year. The satisfaction rate of delivery increased to 90.26, maintaining at a high level among the industry and ensuring "good delivery of houses" on the basis of "guaranteed delivery of houses". Implementing the concept of "green development", the Company accelerated the exploration and layout of ultra-low energy consumption and green buildings, helping the green and low-carbon transformation and sustainable development of cities. Continuously improving its ESG rating, the Company was selected into the ESG Pioneer 100 Index of State-Owned Enterprises by the Bureau of Social Responsibility of the State-owned Assets Supervision and Administration Commission of the State Council, and was recognised by the three major international authoritative agencies and domestic regulatory authorities.

Looking into the year of 2025, the positive factors for steady improvement of the domestic economy gather fast, and the momentum of recovery continues to increase. Under the general tone of "continuing efforts to promote the real estate market to stop the decline and stabilise", the real estate industry will continue to play an important supporting role in preventing risks, stabilising growth, and promoting transformation, so as to meet the people's needs for high-quality housing, and speed up the construction of safe, comfortable, green, and smart "good houses". The basic systems will be established in an orderly manner to jointly build a new model of real estate development.

In the short term, it will still take a certain period of time for the economy and market confidence to fully recover, and the industry will still be in the process of bottoming out. The Company will unswervingly adhere to the strategy of "revitalising the existing projects and optimising the additional projects", and make effort to promote the theme year work of "six forces and three benchmarks", systematically enhancing the competitiveness of the entire chain. With unconventional thinking, actions, and results, the Company will be driven to transcend industry cycles and achieve higher-quality transformation and development.

In the medium to long term, as policies continue to be implemented and take effect and people's confidence in home buying is restored, real estate is expected to gradually return to the track of stable and healthy development. **The Company will explore and deploy to accelerate the construction of a "new model" of real estate development.** Continuing to strengthen the strategic positioning of China's leading city operator, the Company will focus on core cities and core locations, concentrate on high-end improvement products, and continue to build "good houses" with Jinmao characteristics around "green health, smart technology", building a technical moat for its main business, and constantly consolidating quality development advantages. In line with the industry's development trend towards the existing market, the Company will accelerate the growth of its property service business, focus on building differentiated light asset management capabilities in retail, hotels, and apartments, and form a performance growth pole. The Company will build its future-oriented core competitiveness, and form a new development model of Jinmao that can withstand cyclical fluctuations.

Like rowing against the current, you fall back if you stop moving forward. China Jinmao is at a critical stage of transformation and development. All employees of the Company will continue to maintain the spirit of innovation and entrepreneurship, face challenges head-on, and strive for continuous improvement to create greater value for all shareholders. On behalf of the Board, I would like to express my sincere gratitude to the shareholders, customers, business partners of the Company and various sectors of the community.

TAO Tianhai
Chairman

Hong Kong
25 March 2025

Honours and Awards

MAJOR INTEGRATED AWARDS

MAY In May, China Jinmao was awarded the "2024 ESG Model Enterprise" at the "2024 ESG and High-Quality Development Innovation Forum" hosted by Guangdong Times Media Group.

JUN In June, China Jinmao Holdings Group Limited was awarded "Value Enterprise with Stable Development" at the 21st (2024) Blue Chip Annual Conference hosted by the Economic Observer.

SEP In September, China Jinmao Holdings Group Limited was honoured as a member of the "2024 Carbon Road Future Ecological Partners" at the 2024 Carbon Road Future Ecological Partners Conference and Carbon Neutrality Service System Conference hosted by Xinhuanet and Weather China.

DEC In December, China Jinmao was honoured with "The Most Socially Responsible Listed Company Award" at the 2024 Listed Company Reputation List organised by National Business Daily.

In December, China Jinmao was honoured with the Golden Bridge Award for the "Outstanding Socially Responsible Enterprises of the Year" at the 2024 Thinking Finance Investors Annual Meeting and 17th Anniversary Celebration hosted by Thinking Finance and investorchina.cn.

Honours and Awards

MAJOR CITY OPERATIONS AND PROPERTY DEVELOPMENT AWARDS

JAN In January, Changsha Jin Mao Tower obtained WELL Gold and LEED Gold green building certifications.

MAR In March, Beijing Yihe Jinmao Palace was honoured with the "Platinum at the 2024 Muse Design Awards".

APR In April, Qingdao Shiyuan Jinmao Palace was honoured with the "Gold at the 2024 Muse Design Awards" and the Silver Award (Real Scene Display Category) at the 4th Asia Habitat Landscape Award (AHLA).

JUL In July, Tianjin Tibei Jinmao Palace was honoured with the "Gold at the 2024 Muse Design Awards".

AUG In August, Tianjin Tibei Jinmao Palace was honoured at the MIX AWARDS – International Design Excellence Awards.

NOV In November, Beijing Yongding Jinmao Palace was honoured with the Gold Award at the 9th REARD Global Real Estate Design Award 2024.

In November, Tianjin Shangdong Jinmao Xiaotang was honoured with the 2024 TITAN Commercial Interior Design Gold Award.

In November, Qingdao Shiyuan Jinmao Palace was honoured with the Gold Award at the 2024 London Design Awards.

In November, Xiong'an Sinochem Tower obtained the National Near-zero Energy Consumption Building Design Certification, and was listed as an ultra-low energy consumption building demonstration project (full project) of Hebei Province.

HOTEL AND RETAIL AWARDS

FEB In February, Jinmao Hotel and Retail Business won the Headquarters Excellent Management Award at the CGLA 2024 Golden Lantern Award.

In February, JW Marriott Hotel Shenzhen won the 2023 Best Influential Hotel in Shenzhen Tourism issued by the Shenzhen Tourism Association and the Shenzhen Hotel Chamber of Commerce.

MAY In May, Jinmao Purelax Hotel Lijiang was shortlisted for the Annual Vacation Gold List of the 2023 Sky Choice Travel Awards by CAAC Inflight Magazine.

NOV In November, Changsha Jinmao Mall of Splendor – CAMC-Jinmao Commercial Property won the 2024 Consumer Infrastructure REITs Outstanding Performance Award at the 2024 Viewpoint Business Annual Conference held by the REIT Viewpoint Research Institute.

In November, Changsha Jinmao Mall of Splendor won the Annual REITs Performance Award at the 2024 Brand Innovation Conference and Annual Shopping Mall Asset Management Summit jointly hosted by Van Sound Club and linkshop.com.

Honours and Awards

JINMAO SERVICES AWARDS

APR

In April, Jinmao Property Services Co., Limited ("Jinmao Services") was awarded the "2024 Top 100 Property Service Enterprises in China", the "2024 Excellent State-owned Property Service Enterprises in China", the "2024 Leading Enterprise in High-end Property Services in China" and the "2024 Leading Enterprise in Property Service Quality in China" by China Index Academy.

MAY

In May, Jinmao Services was awarded the "2024 Top 100 Property Enterprise Services in China", the "2024 Top 20 High-end Property Services in China", the "2024 Property Service Enterprises with Leading Satisfaction in China", the "2024 Leading Property Service Enterprises in ESG Sustainable Development in China", the "2024 Top 10 Listed Property Management Companies with Leading High-quality Development of Enterprises in China", the "2024 Top 20 Listed Property Management Companies in China" and the "2024 Top 10 Listed Property Management Companies with Leading ESG Sustainable Development of Enterprises in China" by CRIC Property Management.

In May, Jinmao Services was awarded the "2024 Top 13 Property Service Enterprises with Comprehensive Strength in China", the "2024 Top 100 Property Service Enterprises with High Quality Services in China", the "2024 Top 10 Office Property Service Enterprises in China", the "2024 Top 20 Property Service Enterprises in Industrial Parks in China", the "2024 Leading Property Enterprises in Social Responsibility Contribution in China" and the "2024 Property Service Enterprises with Leading Satisfaction in China" by China Property Think Tank.

In May, Jinmao Services was awarded the "2024 Property Service and Office Property Service Benchmark Enterprises in China" and the "2024 Property Service and Red Property Benchmark Enterprises in China" by Yihan Think Tank.

AUG

In August, Jinmao Services was awarded the "2024 Top 5 State-owned Property Service Enterprises with Comprehensive Strength in China", the "2024 Leading Property Service Enterprises in Industrial Parks in China", the "2024 Leading Property Enterprises in Low-carbon Operations in China" and the "2024 Leading Enterprises in High-end Property Services in China" by CRIC Property Management.

SEP

In September, Jinmao Services was awarded the "2024 Top 10 Outstanding Quality Enterprises (Property) in the Real Estate Industry in China" by CRIC Group.

OTHER AWARDS

JAN In January, Jinmao Green Building's three self-developed products, namely lightweight components, BIPV components and conventional components, completed 5 months of testing and certification and successfully obtained TÜV certificates (TÜV NORD is one of the three major certification bodies authorised by the German Technical Supervision Association).

APR In April, the Chengdu Project Department of Jinmao Green Building won the title of "Safe and Civilised Construction Site of Chengdu" for its "Jinmao Green Building Eastern New District Smart Energy Centre Project".

JUN In June, Jinmao Green Building was invited to participate in the 2024 International Green Zero Carbon Festival and ESG Leadership Summit, where its photovoltaic product "Xihe Photovoltaic" lightweight photovoltaic module was honoured with the "2024 Outstanding Green Innovation Product Award".

OCT In October, the R2 second-class residential land project (21 items including No. 1 residential building) (air-conditioning equipment, fresh air capillary project) in the North Block of the Fund Balanced Land Use Project in Zhongwu Key Village, Sijiqing Town, Haidian District, Beijing installed by Beijing Jinmao Living Environment Co., Ltd., a subsidiary of Jinmao Green Building, won the 2024 Beijing Construction (Great Wall) Excellent Project Award.

DEC In December, Jinmao Decoration was shortlisted into the decoration list of the 2023 comprehensive industry statistics (Top 100 Building Decoration Enterprises in China) of the China Building Decoration Association for 10 consecutive years.

Management Discussion and Analysis • General Overview

The Group holds 397 projects of city operations, property development, commercial leasing and retail operations and hotel operations, with an area yet to be delivered of approximately 77.96 million square metres.

		Number of projects(Note 1)	Area yet to be delivered(Note 2)
North China	Baoding	1	44,766
	Beijing	31	1,277,735
	Jinan	9	666,942
	Langfang	16	23,440,627
	Qingdao	21	3,007,606
	Shijiazhuang	1	26,677
	Tianjin	13	1,153,734
	Weihai	1	47,610
	Weifang	1	354,700
	Yantai	2	457,924
	Zhangjiakou	3	524,330
	Tangshan	2	201,464
	Xiong'an	1	136,633

		Number of projects(Note 1)	Area yet to be delivered(Note 2)
East China	Changzhou	4	711,180
	Hangzhou	10	451,965
	Hefei	6	286,421
	Huzhou	3	1,025,579
	Jiaxing	9	1,662,782
	Jinhua	4	1,823,323
	Nanjing	28	3,495,380
	Nantong	3	232,847
	Ningbo	20	3,434,349
	Shanghai	29	1,303,636
	Shaoxing	1	184,557
	Suzhou	11	1,318,618
	Taizhou (台州)	5	154,203
	Taizhou (泰州)	1	229,847
	Wenzhou	18	1,668,313
	Wuxi	8	721,320
	Xuzhou	5	104,527
	Quzhou	1	303,225

		Number of projects(Note 1)	Area yet to be delivered(Note 2)
South China	Dongguan	3	23,136
	Foshan	6	755,874
	Fuzhou	5	1,576,722
	Guangzhou	11	967,657
	Sanya	3	188,679
	Xiamen	4	203,242
	Shantou	2	74,900
	Shenzhen	3	18,154
	Zhuhai	1	239,276

		Number of projects(Note 1)	Area yet to be delivered(Note 2)
Central China	Kaifeng	1	34,079
	Nanchang	10	1,033,762
	Taiyuan	2	415,654
	Wuhan	10	2,375,019
	Yueyang	1	228,468
	Changsha	16	926,406
	Zhengzhou	7	2,927,244
	Zhuzhou	1	189,520
	Ezhou	2	52,033
	Ganjiang	1	8,491,449

		Number of projects(Note 1)	Area yet to be delivered(Note 2)
Southwest China	Chengdu	9	470,247
	Guiyang	4	3,242,756
	Kunming	3	575,108
	Lijiang	4	61,896
	Xi'an	9	1,356,383
	Chongqing	11	1,074,923
Total		397	77,955,407

Note 1: The number of projects covers city operations, property development, commercial leasing and retail operations, hotel operations

Note 2: The area yet to be delivered refers to the saleable/leasable gross floor area of each of such projects, less the area delivered, unit: m^2

Management Discussion and Analysis • General Overview

In 2024, in the face of the complex and severe situation of increasing external pressure and internal difficulties, under the strong leadership of the Party Central Committee with Comrade Xi Jinping at the core, all regions and departments thoroughly implemented the decisions and arrangements of the Party Central Committee and the State Council and adhered to the general tone of making progress while maintaining stability, so as to completely, accurately and comprehensively implement the new development concept, accelerate the construction of a new development pattern, and solidly promote high-quality development. The national economy was generally stable and making progress, and new progress was made in high-quality development. In particular, the timely deployment of a package of incremental policies effectively boosted social confidence and facilitated the significant rebound of the economy, so that the main goals and tasks of economic and social development were successfully completed. GDP for the year, calculated based on constant prices, increased by 5.0% as compared with the previous year, while the disposable income per capita of residents grew by 5.3% in nominal terms compared with the previous year, and the real increase after deducting price factors was 5.1%. The incremental value created by large-scale industries across China grew by 5.8% when compared with the previous year. Fixed asset investments grew by 3.2% when compared with the previous year.

In 2024, the real estate market still attracted much attention. During the year of 2024, area sold of newly constructed commodity housing decreased by 12.9% as compared with that in the last year; and sales amount of newly constructed commodity housing decreased by 17.1% as compared with that in the last year. In September 2024, the Political Bureau of the Central Committee held a meeting, which stressed on "promoting the real estate market to stop falling and stabilise" and released a clear signal of "stabilising real estate". The market ushered in a real policy turning point. In December, the Central Economic Work Conference proposed again to "continue efforts to promote the real estate market to stop falling and stabilise, and drive the construction of a new model for real estate development", setting the tone for the property market in 2025.

From the perspective of landscape of the real estate market, top 100 real estate enterprises recorded a year-on-year decline of 28.1% in the cumulative sales operation scale in 2024. Overall, China's real estate market continued to bottom out in 2024, with the market basically operating at a low level in the first three quarters. Thanks to the continuous favourable new policies at the end of September, corporate sales rebounded in the fourth quarter. The sales threshold of top 100 real estate enterprises continued to decline, and the thresholds for each echelon have dropped to the lowest in recent years. The sales operation threshold amount of TOP10 real estate enterprises decreased by 39.3% year-on-year, whereas the sales operation threshold amounts of TOP30 and TOP50 real estate enterprises decreased by 30% and 34.1%, respectively, year-on-year. In 2024, there were only 11 large real estate enterprises each with a total sales scale of more than RMB100 billion, which was further fewer than before.

From the perspective of the hotel market, the hotel industry in China overall declined in 2024. Both the average occupancy rate and the average room rate of the national hotel industry showed a declining trend. However, different cities showed different trends in terms of occupancy rate and room rate, and the hotel market in first-tier and new first-tier cities showed strong resilience. It is expected that with the diversification and personalisation of consumer needs in the future, hotel products will continue to be innovated and upgraded to meet the needs of different consumers.

From the perspective of the commercial leasing market, the commercial real estate market in China faced multiple challenges in 2024. Although the consumer market recovered and economic growth targets were achieved, investment in commercial housing development and new construction area both declined as compared to the previous year, and the leasing market performed weakly. In the context of policy-stimulated consumption, the market is expected to pick up in 2025, but pressure still needs to be overcome in the short term.

From the perspective of city and property development, the Company seized the window period of the market, made every effort to collect proceeds from contracted sales, and ranked 12th in the industry in terms of sales scale, one rank higher than in 2023 and maintaining in the first echelon in the industry. The four major product lines of "Jin Yu Man Tang" were comprehensively renovated to achieve the reshaping and renewal of China Jinmao's product strength and service strength.

From the perspective of hotel operations, the hotel market was under significant pressure in 2024. As competition in the existing market became increasingly fierce, the Company focused on hotel performance growth, dynamically optimised its operating strategies, accurately grasped consumption trends, and improved business returns by cultivating innovative service capabilities and integrating core resource advantages.

From the perspective of retail operations, as the industry concentration of the market continued to intensify, a large number of traditional shopping quickly entered the red sea competition track again, and early adopters gradually changed their positions. With the transformation of economic structure and changes in consumer demand, the Company's retail operations segment seized the opportunity of the cyclical adjustments of the industry and the growth of domestic demand, and created future-oriented hot products to achieve precise breakthroughs and gain market share growth.

In fund acquisition, the Group continued to actively expand a variety of fund raising channels in 2024. In February 2024, the third tranche of Jin Mao Tower CMBS in the amount of RMB3.499 billion was issued with a coupon rate of 3.20%. In June 2024, inter-bank market medium-term notes of RMB3 billion were issued with a coupon rate of 2.80%. In August 2024, inter-bank market medium-term notes of RMB2 billion were issued with a coupon rate of 2.8%.

Management Discussion and Analysis • Project Overview

MAJOR COMMERCIAL LEASING AND RETAIL OPERATIONS PROJECTS

Name of project	Location	Gross floor area (square metres)	Type of project	Equity attributable to the Group	Date of completion	Area held for commercial leasing and retail properties (square metres)
Beijing Chemsunny World Trade Centre	Xicheng District, Beijing, China	194,530	Office	100%	2006	111,313
Xicheng Jinmao Centre	Xicheng District, Beijing, China	49,066	Office	100%	1995	49,066
Jin Mao Tower (including hotel)	Pudong New Area, Shanghai, China	292,475	Office	100%	1999	216,462
Nanjing Xuanwu Lake Jinmao Plaza Project (including hotel) (Note 1)	Gulou District, Nanjing, Jiangsu Province, China	225,846	Complex	95.78%	2011	139,806
Lijiang J•LIFE	Old Town, Lijiang, Yunnan Province, China	21,893	Commercial	100%	2014	21,369
Commercial portion of Qingdao Jinmao Harbour	Shinan District, Qingdao, Shandong Province, China	61,142	Commercial	100%	2017	61,142
Shanghai International Shipping Service Center (16#)	Hongkou District, Shanghai, China	5,222	Commercial	100%	2013	5,222
Wangjing Lvchuang Center	Chaoyang District, Beijing, China	10,931	Office	100%	2020	10,931
Qingdao Jinmao Mall of Splendor	High-tech Zone, Qingdao, Shandong Province, China	121,172	Commercial	100%	2022	65,574
Zhangjiagang Jinmao Mall of Splendor	Zhangjiagang, Suzhou, Jiangsu Province, China	123,227	Commercial	100%	2022	62,303
Tianjin Jinmao Place	Hedong District, Tianjin, China	47,693	Commercial	100%	2022	20,362
Ningbo Jinmao Place	Fenghua District, Ningbo, Zhejiang Province, China	53,621	Commercial	100%	2024	30,823
Total						**794,373**

HOTEL OPERATION PROJECTS

Name of project	Location	Gross floor area (square metres)	Equity attributable to the Group	Date of completion	Number of guest rooms
Renaissance Beijing Wangfujing Hotel	Dongcheng District, Beijing, China	44,413	100%	1995	321
Grand Hyatt Shanghai (Note 2)	Pudong New Area, Shanghai, China	76,013	100%	1999	548
The Ritz-Carlton Sanya Yalong Bay	Yalong Bay Resort, Sanya, Hainan Province, China	83,772	100%	2008	446
JW Marriott Hotel Shenzhen	Futian District, Shenzhen, Guangdong Province, China	51,730	100%	2009	402
Westin Nanjing (Note 1)	Gulou District, Nanjing, Jiangsu Province, China	33,698	95.78%	2011	232
Hyatt Regency Chongming	Chongming District, Shanghai, China	48,992	100%	2014	230
Lijiang Jinmao Hotel (Note 3)	Old Town District, Lijiang, Yunnan Province, China	84,384	100%	2014	394
Meixi Lake Hotel, A Luxury Collection Hotel, Changsha	Xiangjiang New District, Changsha, Hunan Province, China	62,220	100%	2017	304
Jinmao Hotel Xi'an Central	Beilin District, Xi'an, Shaanxi Province, China	12,998	100%	2007	160
Guangzhou Marriott Hotel Nansha	Nansha District, Guangzhou, Guangdong Province, China	36,904	100%	2022	261
Ningbo Jinmao Jiayue Hotel	Fenghua District, Ningbo, Zhejiang Province, China	35,277	100%	2024	260
Renaissance Qingdao Hotel	High-Tech Industrial Development Zone, Qingdao, Shandong Province, China	44,000	100%	2024	279
Element Qingdao	High-Tech Industrial Development Zone, Qingdao, Shandong Province, China	18,000	100%	2024	210
		632,401			**4,047**

MAJOR CITY OPERATIONS AND PROPERTY DEVELOPMENT PROJECTS ACQUIRED BEFORE 2024

Name of project	Location	Saleable area of the project (square metres)	Type of project	Equity attributable to the Group	Date of completion
Beijing					
Beijing Xishan Jinmao Palace Project	Fengtai District, Beijing, China	209,849	Residential	100%	2023
Shanghai					
Shanghai Jing'an Tianyue Project	Jing'an District, Shanghai, China	294,353	Residential	35%	2025
Shanghai • Putuo Jinmao Palace Project	Putuo District, Shanghai, China	99,690	Residential	100%	2025
Shanghai • Zhonghuan Jinmao Palace	Baoshan District, Shanghai, China	115,566	Residential	51%	2025
Hengmian Land Parcel 08-02 (Second batch of land parcels)	Pudong New Area, Shanghai, China	115,628	Residential	40%	2025
Guangzhou					
Guangzhou Poly Longyue Mansion Project	Baiyun District, Guangzhou, Guangdong Province, China	429,545	Residential	25%	2025
Guangzhou China Merchants • Jinmao • Poly HEFU Project	Conghua District, Guangzhou, Guangdong Province, China	320,986	Residential	25%	2025
Guangzhou Jinmao Vanke Metropolis Seasons Project	Zengcheng District, Guangzhou, Guangdong Province, China	511,603	Residential	49%	2027
Changsha					
Changsha International Community Project	Xiangjiang New District, Changsha, Hunan Province, China	405,871	Residential	65%	2026
Nanjing					
Nanjing CR Land • Rui Palace Project	Jianye District, Nanjing, Jiangsu Province, China	688,592	Complex	28%	2031
Nanjing Xuanwu Lake Jinmao Plaza Project Phase II	Gulou District, Nanjing, Jiangsu Province, China	203,826	Complex	96%	2026
Nanjing Qinhuai Jinmao Palace Project	Qinhuai District, Nanjing, Jiangsu Province, China	229,890	Complex	25%	2030

Management Discussion and Analysis • Project Overview

Name of project	Location	Saleable area of the project (square metres)	Type of project	Equity attributable to the Group	Date of completion
Chongqing					
Chongqing Xuetang Jinmao Residence Project	Jiulongpo District, Chongqing, China	273,460	Residential	100%	2027
Ningbo					
Ningbo Minghu Land Parcel	Yinzhou District, Ningbo, Zhejiang Province, China	152,374	Residential	40%	2026
Qingdao					
Qingdao Jimo International Smart New City Project (First batch of land parcels)	Jimo District, Qingdao, Shandong Province, China	322,948	Residential/ Commercial	60%	2023
Qingdao Eden Project	High-Tech Industrial Development Zone, Qingdao, Shandong Province, China	139,988	Complex	81%	2026
Qingdao Dayun Valley Laoshan Jinmao Palace (First batch of land parcels)	Laoshan District, Qingdao, Shandong Province, China	931,702	Complex	60%	2026
Qingdao Shiyuan • Jinmao Palace Project	Licang District, Qingdao, Shandong Province, China	284,173	Residential	16%	2026
Qingdao Jimo International Smart New City Project (Fourth batch of land parcels)	Jimo District, Qingdao, Shandong Province, China	220,900	Commercial/ Residential	60%	2024
Qingdao SCO World Expo Park Intelligent Ecological City (Second batch of land parcels – Land Parcel 26)	Licang District, Qingdao, Shandong Province, China	109,538	Residential	51%	2025
Qingdao SCO World Expo Park Intelligent Ecological City (Second batch of land parcels – Land Parcel 27)	Licang District, Qingdao, Shandong Province, China	42,299	Residential	51%	2027
Hangzhou					
Hangzhou Fuchun Jinmao Xingwaitan Project	Fuyang District, Hangzhou, Zhejiang Province, China	956,826	Complex	60%	2026
Hangzhou Shangcheng Jinmao Palace Project	Shangcheng District, Hangzhou, Zhejiang Province, China	55,043	Residential	51%	2025
Hefei					
Hefei Yihe Jinmao Xuelin Shiguang Project	Yaohai District, Hefei, Anhui Province, China	117,957	Commercial/ Residential	40%	2025
Kunming					
Kunming Longjiang Jinmao Palace Project	Xishan District, Kunming, Yunnan Province, China	310,905	Residential/ Commercial	100%	2027

Management Discussion and Analysis • Project Overview

Name of project	Location	Saleable area of the project (square metres)	Type of project	Equity attributable to the Group	Date of completion
Changzhou					
Changzhou Dongcheng Jinmao Residence Project	Economic Development Zone, Changzhou, Jiangsu Province, China	168,574	Residential	50%	2025
Zhuzhou					
Zhuzhou • Jinmao Residence Project	Shifeng District, Zhuzhou, Hunan Province, China	614,953	Residential	100%	2024
Suzhou					
Suzhou Changshu Jinmao Smart Science City Project	Changshu, Suzhou, Jiangsu Province, China	744,769	Complex	54.1% and 100% (Note 4)	2029
Suzhou • Shishan Jinmao Palace Project	Huqiu District, Suzhou, Jiangsu Province, China	151,631	Residential	51%	2026
Wuxi					
Wuxi Lihu Jinmao Palace Project	Binhu District, Wuxi, Jiangsu Province, China	427,473	Residential/ Commercial	49%	2025
Foshan					
Foshan Binjiang Jinmao Residence Project	Nanhai District, Foshan, Guangdong Province, China	564,254	Residential	100%	2027
Tianjin					
Land Parcel No. 29, Shangdong Jinmao Smart Science City	Dongli District, Tianjin, China	127,605	Residential	100%	2026
Tianjin • Tibei Jinmao Palace Project	Hexi District, Tianjin, China	247,469	Residential	49%	2026

Name of project	Location	Saleable area of the project (square metres)	Type of project	Equity attributable to the Group	Date of completion
Wenzhou					
Wenzhou Aojiang International New City Project (Land Parcel No. 7)	Pingyang County, Wenzhou, Zhejiang Province, China	171,079	Residential/ Commercial	100%	2027
Wenzhou Aojiang International New City Project (Land Parcel No. 5)	Pingyang County, Wenzhou, Zhejiang Province, China	128,963	Residential/ Commercial	100%	2024
Wenzhou Aojiang International New City Project (Land Parcel No. 8)	Pingyang County, Wenzhou, Zhejiang Province, China	315,035	Complex	100%	2028
Wenzhou Aojiang International New City Project (Land Parcel No. 9)	Pingyang County, Wenzhou, Zhejiang Province, China	117,313	Residential	100%	2028
Wenzhou • Aojiang International New City Aojiangfu	Pingyang County, Wenzhou, Zhejiang Province, China	90,044	Residential/ Commercial	100%	2024
Wenzhou Quzhou Luming Future Community Project	Kecheng District, Quzhou, Zhejiang Province, China	336,180	Residential/ Commercial	30%	2024
Wuhan					
Wuhan Huafa Yangluo Jinmao Noble Manor Project	Xinzhou District, Wuhan, Hubei Province, China	473,292	Residential/ Hotel	50%	2031
Wuhan Fangdao Smart Science City Project	Hanyang District, Wuhan, Hubei Province, China	1,617,054	Complex	100%	2028
Chengdu					
Chengdu Jinjiang Jinmao Palace Project	Jinjiang District, Chengdu, Sichuan Province, China	105,117	Residential	100%	2024
Chengdu Yuehu Jinmao Residence Project	Wuhou District, Chengdu, Sichuan Province, China	110,594	Residential	100%	2024
Jinhua					
Jinhua Chuangzhi Tower Project	Jindong District, Jinhua, Zhejiang Province, China	42,352	Office	100%	2027

Management Discussion and Analysis • Project Overview

Name of project	Location	Saleable area of the project (square metres)	Type of project	Equity attributable to the Group	Date of completion
Sanya					
Sanya Jinmao Harbour Project	Yazhou District, Sanya, Hainan Province, China	388,294	Residential/ Commercial/Office	70%	2024
Weifang					
Weifang Taoyuan • Jinmao Residence Project	High-Tech Industrial Development Zone, Weifang, Shandong Province, China	586,253	Residential/ Commercial	100%	2026
Xi'an					
Xi'an High-tech Industrial Development Zone Jinmao Yueyuan Project	High-tech Industrial Development Zone, Xi'an, Shaanxi Province, China	180,829	Residential	100%	2034
Xi'an Daming Palace Jinmao Palace Project	Qujiang New District, Xi'an, Shaanxi Province, China	215,830	Residential	100%	2034
Xi'an Daming Palace Jinmao Palace Project (Phase II)	Qujiang New District, Xi'an, Shaanxi Province, China	210,313	Residential	71%	2026
Xi'an • Jinmao Puyi Qujiang Project	Yanta District, Xi'an, Shaanxi Province, China	86,575	Residential	30%	2026
Xi'an • Keji Road Jinmao Palace Project	Yanta District, Xi'an, Shaanxi Province, China	419,141	Commercial/ Residential	62%	2027
Taiyuan					
Taiyuan • Changfeng Jinmao Residence Project	Wanbolin District, Taiyuan, Shanxi Province, China	327,202	Residential	78%	2026

Name of project	Location	Saleable area of the project (square metres)	Type of project	Equity attributable to the Group	Date of completion
Yantai					
Yantai Lu Shang Jinmao • Impression of Sea View Project	Laishan District, Yantai, Shandong Province, China	557,706	Residential/ Commercial	40%	2027
Taizhou (泰州)					
Taizhou Fengcheng Jinmao Palace Project	Medical High-tech Zone, Taizhou, Jiangsu Province, China	615,256	Residential/ Commercial	31%	2024
Danyang					
Danyang Optical City Project	Development Zone, Danyang, Jiangsu Province, China	708,342	Complex	100%	2026

MAJOR PROJECTS ACQUIRED SINCE 2024

Name of project	Location	Saleable area of the project (square metres)	Type of project	Equity attributable to the Group	Date of completion
Beijing					
Beijing • Jinmao • Puyi Fengyi	Fengtai District, Beijing, China	101,986	Residential	100%	2026
Beijing•Jianfa Jinmao Guanchen	Fengtai District, Beijing, China	87,871	Residential	36% (Note 5)	2026
Chengdu					
Chengdu • Jinmao Puyi Jinjiang	Jinjiang District, Chengdu, Sichuan Province, China	102,187	Residential	51%	2026
Chengdu • Yuexiu Jinmao • Tianlumanyuan	Wuhou District, Chengdu, Sichuan Province, China	65,664	Residential	49%	2025
Chengdu Longquan Honghe 63 mu	Longquanyi District, Chengdu, Sichuan Province, China	117,780	Residential	51%	2026
Shanghai					
Shanghai • Runyun Jinmao Palace	Putuo District, Shanghai, China	487,119	Residential	29%	2026
Shanghai • Jinmao Tangqian	Baoshan District, Shanghai, China	169,833	Residential	26%	2027
Shanghai Songnan D Land Parcel	Baoshan District, Shanghai, China	99,941	Residential	30%	2026
Shanghai • Jiangwan Jinmao Palace	Baoshan District, Shanghai, China	163,227	Residential	70%	2027
Xi'an					
Xi'an • Jinmao Puyi Qujiang	Qujiang District, Xi'an, Shaanxi Province, China	144,928	Residential	30%	2025
Xi'an • Qujiang Jinmao Palace	Qujiang District, Xi'an, Shaanxi Province, China	143,603	Residential	100%	2026
Xi'an • Jinmao Puyi Dongfang	Qujiang District, Xi'an, Shaanxi Province, China	194,386	Residential	30%	2027
Changsha					
Changsha • Xiangjiang Jinmao Palace	Kaifu District, Changsha, Hunan Province, China	53,242	Residential	100%	2027
Changsha • Jinmao • Puyin Meixi	Yuelu District, Changsha, Hunan Province, China	112,672	Residential	85%	2026
Tianjin					
Tiangong University (Land Parcel No. 4)	Hedong District, Tianjin, China	289,235	Residential	100%	2026
Shangdong Jinmao Smart Science City (Fifth batch of land parcels)	Dongli District, Tianjin, China	193,079	Residential	100%	2026

Management Discussion and Analysis • Project Overview

Name of project	Location	Saleable area of the project (square metres)	Type of project	Equity attributable to the Group	Date of completion
Jinan					
Jinan • Baoli Jinmao Langyu	Lixia District, Jinan, Shandong Province, China	50,264	Residential	50%	2026
Jiaxing					
Jiaxing Shanghai Window Smart Science City (Land Parcel No. 2019-15)	Jiashan County, Jiaxing, Zhejiang Province, China	90,635	Residential	30%	2027
Nanjing					
Nanjing • Dongshan Jinmao Xiaotang	Jiangning District, Nanjing, Jiangsu Province, China	82,272	Residential	80%	2026
Sanya					
Sanya • Jinmao • Tianlumanwan	Yazhou District, Sanya, Hainan Province, China	63,820	Residential	70%	2026
Zhengzhou					
Zhengzhou Zhengdong New District Beilonghu Land Parcel E1	Zhengdong New District, Zhengzhou, Henan Province, China	107,243	Residential	100%	2026
Chongqing					
Chongqing • Jinmao Puyin Jinkai	Liangjiang New Area, Chongqing, China	29,017	Residential	34%	2025

(Note 1) Nanjing Mall of Splendor and Westin Nanjing are located in Nanjing Xuanwu Lake Jinmao Plaza.

(Note 2) Grand Hyatt Shanghai is located in Jin Mao Tower.

(Note 3) Lijiang Jinmao Hotel in the urban area is situated in Lijiang Jinmao Richmond Town Project; whereas the Mountain Lodge in the scenic area is situated in Ganhaizi, Jade Dragon Snow Mountain. Lijiang Jinmao Hotel is held as to 100% interest by the Group.

(Note 4) Changshu Jinmao Smart Science City Project is developed on Changshu Yumao land parcels Nos. 2020A-012/013/015/016 and Changshu Pumao land parcel No. 2020A-014 respectively. Currently, the Group holds 100% interest in Changshu Pumao land parcel No. 2020A-014, and 10% direct interest in Changshu Yumao land parcels Nos. 2020A-012/013/015/016, respectively. The Group also holds 44.1% indirect interest in Changshu Yumao land parcels Nos. 2020A-012/013/015/016 through Suzhou Maotai Real Estate Co., Ltd., an associate with 49% equity interest.

(Note 5) The Company has acquired 36% equity interest of the project through the signing of an intention cooperation agreement, and the relevant transaction is progressing in an orderly manner.

CITY OPERATIONS

Management Discussion and Analysis • Business Review

City Operations

Tianjin

Shangdong Jinmao Smart Science City

Tianjin Shangdong Jinmao Smart Science City Project is located in the core area in the eastern part of the central urban area of Tianjin. Based on the TOD core business area and the leisure and greening axis, China Jinmao has planned the five major functional areas, namely TOD business area, smart office area, city park area, elite education area and ecological residential area, and intends to create a smart city complex integrating Jinmao Mall of Splendor, Jinmao Hotel, high-end industries, domestic and foreign brand education resources and ecological residence. Adhering to the "one-stop, all-business format, multi-functional and 24/7" business development model, Jinmao Mall of Splendor is planned to be developed into a large-scale city shopping mall integrating functions such as fashion and shopping, leisure and catering, family entertainment, film, and culture and education. In meeting the diversified consumer needs of residents in the eastern area of Tianjin for everyday life and shopping, leisure and entertainment, the Group strives to build Jinmao Mall of Splendor as a new landmark in Dongli District, Tianjin which will offer the best one-stop shopping experience.

In December 2024, China Jinmao successfully won the bid for the fifth batch of land parcels (Jin Dong Li Fang (Gua) no. 2024-039 and Dong Li Fang (Gua) no. 2024-40) for the project with a total site area of 130.42 mu. In 2024, the project recorded the highest sales in Dongli District, Tianjin, ranking No. 1 in online contract signing.

Qingdao

Jinmao China-Europe International City

Qingdao Jinmao China-Europe International City Project is located in the Hi-Tech Industry Development Zone along the north coast of Jiaozhou Bay in Qingdao, which is the core zone of the north coast city area of Qingdao. The project occupies a total site area of approximately 2,500 mu, with a planning GFA of 4 million sq.m., covering high-end residential buildings, elite apartments, large shopping malls, five-star hotels, industrial offices and other businesses. For the first time, it integrates industrial functions, urban functions and ecological functions, and is a genuine city-industry integration project. At the same time, in order to accelerate the development of the area, the project introduces the world-renowned cultural tourism project, Eden Project from the United Kingdom, in the wetland park to the south of the project with an area of approximately 1,000 mu, equipping the area with the key element to develop into a world-class tourism resort destination.

During the Period under Review, the project ranked first in terms of performance of a single project in Qingdao Hi-Tech Zone, and ranked first in online contract signing in Qingdao.

Wenzhou

Aojiang International New City

Wenzhou Aojiang International New City Project, located in the block of Gu'ao Tou, Binjiang Centre, Aojiang, Pingyang, has a total site area of approximately 1,972 mu (equivalent to approximately 1.31 million sq.m.) and a total GFA of approximately 1.05 million sq.m. China Jinmao plans to develop the project into a "3+2" industrial system integrating industries and urban features step by step from the aspects such as residence, culture, commercial office, landmark buildings and supporting facilities with "technology and innovation industries, financial service industry, cultural and creative industry" as the core, and "professional service industry + education and training industry" as the support, striving to forge the project to become a vibrant centre of Pingyang with its advantages such as urban core location, excellent scenery resources, profound cultural heritage and business supporting facilities.

During the Period under Review, Aojiang International New City ranked first in terms of number of units sold, area sold, and transacted amount for the year in the southern sub-centre of Wenzhou (Pingyang, Cangnan, and Longgang). The grand opening of Living Hub took place in June. The super high-rise building of Aojiang International New City was awarded the Best Commercial High-Rise Building in Zhejiang Province, being the highest honour Five-Star Award at the 2024 Asia Pacific Property Awards, which is known as the "Oscars" of the real estate industry.

Qingdao

Cloud Valley Project

Qingdao Cloud Valley Project, located in the core urban area of Qingdao City, spans three districts namely Laoshan, Shibei and Licang, and is divided into three clusters according to their districts. The project has a total GFA of 4.05 million sq.m. and above ground GFA of 2.81 million sq.m., and consists of three areas: the east park area positioned as an innovative ecological park concentrated with complete industrial chains; the west park area with a land area of approximately 0.52 million sq.m. and positioned as a global innovation centre for IoT; and the Xi Han Economic Development area positioned as a demonstration site for integration of industries and cities. China Jinmao intends to plan the Cloud Valley project to form an overall spatial structure of "one corridor, one belt, two cores, and three centres" and to build a healthy, smart living and fashionable dynamic smart park according to the four planning concepts of industry-city integration, innovation benchmark, sharing and interconnection and low-carbon ecology.

During the Period under Review, the project again recorded the highest sales in Qingdao City, ranking No. 1 in online contract signing.

PROPERTY DEVELOPMENT

Management Discussion and Analysis • Business Review

Property Development

Shanghai • Zhonghuan Jinmao Palace

Zhonghuan Jinmao Palace Project is located within the Nanda section of Baoshan District, Shanghai, where Nanda Smart City is located. With the theme of "naturally growing community", the project seamlessly integrates architecture and natural landscape to create 11 small high-rise technological residential buildings with a total of 763 units, showing the artistic beauty of low-key luxury.

During the Period under Review, all four launches of Zhonghuan Jinmao Palace were sold out, becoming a red-hot project in the Nanda section of Baoshan.

Shanghai • Zhangjiang Jinmao Palace

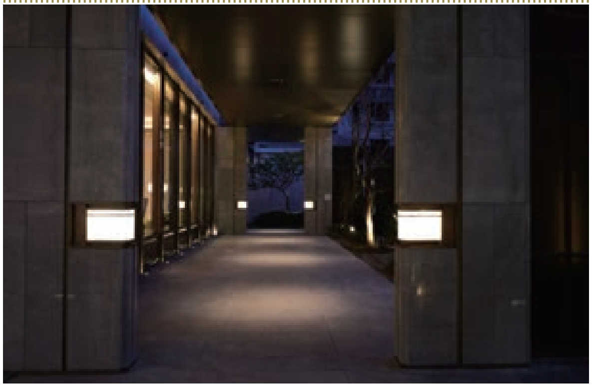
Zhangjiang Jinmao Palace is located at the core intersection of Zhangjiang Science City and the international tourism resort, adjacent to multiple high-tech industrial parks. With a total land area of approximately 60,000 sq.m., the project is jointly developed by Shendi Group and China Jinmao. Integrating low-density residential areas, commerce, hotels, historical and cultural areas and other diverse businesses, the project will create 21 technological residential buildings each of 5 to 10 storeys that are truly people-centred.

During the Period under Review, Zhangjiang Jinmao Palace made a breakthrough against the trend in its first launch with a subscription rate of over 100%, showing strong product appeal and market recognition.

Hangzhou • Shangcheng Jinmao Palace

Shangcheng Jinmao Palace Project is located within the section of Dingqiao Taohua Lake in Shangcheng District, Hangzhou. Facing Taohua Lake and backed by Banshan Forest Park, the project is surrounded by supporting facilities including Metro Line No. 3, schools, hospital, etc. With a total planned land area of 30,000 sq.m., a GFA of approximately 34,000 sq.m., and a plot ratio of 1.1, the project will create 16 four-storey low-density high-tech residences, with the upper floors enjoying private terrace and roof garden, and the lower floors embracing a large courtyard and an underground clubhouse. Independent entrances provide access to the north and south zones, as well as the ideal life advocated by Palace series 3.0 in Hangzhou.

During the Period under Review, all four launches of Shangcheng Jinmao Palace were sold out with sell-through rates reaching 100%. The project completed the efficient sale of housing stock in a short period of time and performed well in the multi-million-dollar luxury market, continuing the legend of Palace series.



Nanjing • Shoukai Taoyuan Jinmao Palace

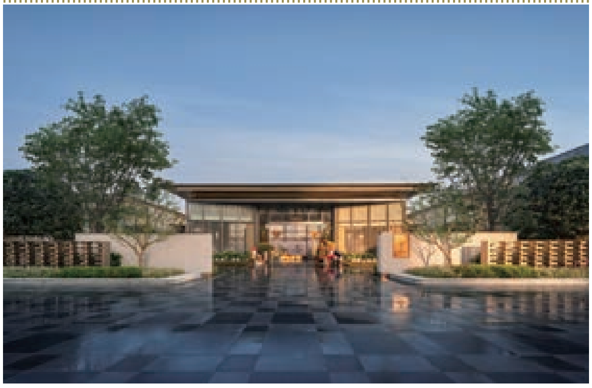
Shoukai Taoyuan Jinmao Palace Project is located within the section of Gulou Binjiang in Gulou District, Nanjing. The project is close to Xiaotaoyuan Park, integrating the historical and cultural genes of Gulou Taoyuan into Jinmao Palace 3.0. With a total planned land area of 17,000 sq.m., a GFA of approximately 50,000 sq.m., and a plot ratio of 2.2, the project will create five small high-rise technological residential buildings each with 15 to 17 floors.

During the Period under Review, all three launches of the project were sold out with an online contract signing rate of 100%, ranking No. 1 in the number of transactions of high-end residential units worth more than RMB7 million from January to September 2024.

Nanjing • Qinhuai Jinmao Palace

Nanjing Qinhuai Jinmao Palace Project is located within the section of Southern New City in Qinhuai District, Nanjing. The project is situated along the core axis of Airport Runway Park, clustered with landmark buildings, national top public facilities, national super headquarters, the largest commercial matrix and dense rail transit. With a total land area of 53,000 sq.m., the project plans to build eight high-rise residential buildings each of 23 to 32 storeys as well as two characteristic commercial streets. Currently for sale, Land Parcel B covers an area of 27,000 sq.m. with a green space rate of over 35%, and is set to create six high-rise technological residential buildings.

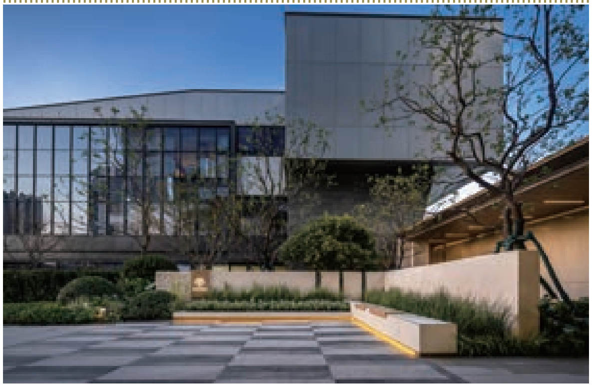
During the Period under Review, with its high-quality products, the project firmly grasped independent pricing power in the fiercely competitive section of Southern New City, ranking top 7 in terms of sales amount of commercial and residential projects in Nanjing.



Nanjing • Dongshan Jinmao Xiaotang

Nanjing Dongshan Jinmao Xiaotang is located within the section of Qinglongshan Ecological New City in Jiangning District, Nanjing. The project is situated in the 1.5th Ring Road of Nanjing, close to the core area of Dongshan. Occupying a total land area of approximately 35,000 sq.m., with a plot ratio of approximately 2.0 and a green space rate of approximately 30%, the project plans to build eight exquisite small high-rise buildings each of 17 to 18 storeys which is rare in the section. It is set to start a new trend of equal rights for rigidly needed products in Nanjing with its ultimate cost-effectiveness.

During the Period under Review, the project recorded eye-catching sales performance during its first launch, ranking top 1 in terms of the number of sell-through units in a single launch in Nanjing in 2024.



Wuhan Fangdao Jinmao Xiaotang

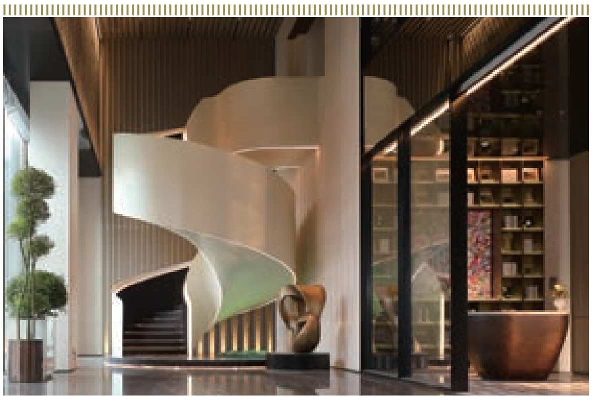
Fangdao Jinmao Xiaotang Project is located within the section of Four New Cores in Hanyang District, Wuhan. Being the first Tang series product in Central China, the project focuses on all-age friendliness, promoting family companionship and parent-child growth by reconstructing 45 life scenes, thus creating a functional family community for all ages, filling every moment with love and companionship, and facilitating happy growth. Through the five dimensions of ecology, humanities, health, integration, and excellence, integration and interaction of people and communities is achieved.

During the Period under Review, the project was sold out during its first launch and became No. 1 in Wuhan in terms of opening sales. With four additional launches within four months, the project maintained top 1 in Wuhan in terms of number of units sold between August and November.

Xi'an Keji Road Jinmao Palace

Keji Road Jinmao Palace Project is located in the section of Future Industry City with a land area of approximately 159 mu, and is a representative product among the first batch of Palace series 3.0. Aiming to create the ultimate improvement landmark site, with "health + technology" as the core of product, the project is comprehensively upgraded through iteration of one core, five beauties, two supporting facilities and two services. Carefully benchmarking the resort atmosphere of a star-rated hotel, the project creates an immersive club of approximately 2,000 sq.m., integrating the all-age art club 3.0 concept to create a micro-resort garden and bring a luxurious and comfortable living experience to the owners. In terms of unit planning, a variety of options ranging from 143 to 245 sq.m. are provided, fully meeting the needs of families of all ages, striving to create a healthy lifestyle of returning home for vacation, and interpreting a model of high-quality living.

During the Period under Review, the project ranked first in the number of units subscribed, contracted amount, and sales area among the fine decoration improvement projects within the section.



Xi'an Jinmao Puyi Qujiang

Jinmao Puyi Qujiang, the first of its kind in China Jinmao's "Pu series", creates a spiritual residence that integrates humanities, nature and art. The project is located in the CCBD section of Qujiang, Xi'an, one of the key development sections of Qujiang. Inheriting the cultural resources of the prosperous Tang Dynasty over a thousand years ago, and aggregating the core resources of metropolitan Xi'an, the project owns its excellent location value. The planning uses a model of "high-end business + city functional cluster + super hub" to create an international luxury living area integrating culture, fashion and commerce. With a site area of approximately 72.5 mu and a plot ratio of 2.8, the project creates an ideal residence of Pu series with its 188 – 310 sq.m. units.

During the Period under Review, the seven launches of the project were all sold out, achieving top 1 in terms of sales performance for the year among all projects with products of RMB6 million and above in Xi'an, and creating a legend for the Pu series.

Xi'an Daming Palace Jinmao Palace

Xi'an Daming Palace Jinmao Palace Project is located within the North Second Ring on the Qujiang Daming Palace section. Being at the central position of the city, complete living facilities are all around the corner. The transportation and road networks are well developed, with Daming Palace North Station of Metro Line 4 adjacent to the project. The ecological landscape resources are prominent and so is the cultural heritage. Daming Palace National Heritage Park, a 5A-rated tourist attraction covering an area of 4,800 mu, is just some 300 metres west of the plot. To the east is Hongqi Railway Park. With such outstanding ecological landscape resources, this high-value city plot can meet the needs for supporting facilities of ecologically livable and high-quality residential buildings.

During the Period under Review, the project stood out from various high-end projects within Daming Palace section, achieving top 1 in terms of the number of units subscribed with RMB5 million and above.

Taiyuan Changfeng Jinmao Residence

Changfeng Jinmao Residence Project is located at the intersection of Jinci Road and Xiaowanzhong Street in Wanbolin District, Taiyuan as part of the Changfeng Business District in the Inner City. The project is designed to create a five-layer coming-home sequence in accordance with the Palace specifications, boasting ingenious designs such as all-age garden forest, ultra-large sitting room and de-housekeeping, to outline the beauty of the community and life, marking a high-quality improvement among the major players in the contemporary city.

During the Period under Review, the project ranked top 1 in sales performance in Taiyuan, and is a well-deserved benchmark for improvement in Taiyuan. Following the great achievements in its first launch, the performance reputation and customer praise reached a new level.

Tianjin Tibei Jinmao Palace

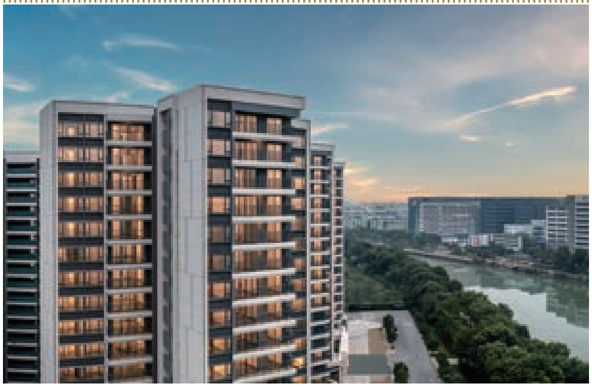
Tianjin Tibei Jinmao Palace Project, the first of its kind in Jinmao Palace series 3.0, is located in the section of Tibei, the hinterland of Hexi, within Expressway Heiniucheng Road and the core intersection of the two axes of Weijin Road and Binshui Road. Within a radius of approximately 2km, it covers the city's highlight resources such as Wanxiang City and Aoti Centre. The project has a planned large-scale community of approximately 200,000 sq.m., and is a rare aircraft carrier-level improvement site within the main city during the past decade. With approximately 35,000 sq.m. of lake ecological resources, the project is also equipped with complete supporting facilities such as art clubs, air-conditioned commercial streets, neighbourhood centres, boutique markets, and kindergartens. Adopting innovative open balcony design, the project has its technology system comprehensively upgraded and iterated, planning large flat-floor products of approximately 128 to 236 sq.m. of legendary lake residence, and redefining the residence of Tianjin by its 1T1/2T2 urban luxury living form.

During the Period under Review, the sales performance continued to dominate the Tianjin market. Firmly ranking top 1 in the luxury home market, the project accounted for more than 50% of the RMB6.5 million and above market, representing half of Tianjin's luxury homes.

Tianjin Shangdong Jinmao Xiaotang

Tianjin Shangdong Jinmao Xiaotang is the first of its kind in China Jinmao's Tang series product line of "Jin Yu Man Tang", adhering to Jinmao's product aesthetics and as an aesthetically matched community created for urban upstarts. As the first representative work of China Jinmao's Tang series, the project first launched Tianjin Jinmao Shangdong Smart Science City, which is located along the golden cross central axis of Southeast Expressway and Jinbin Avenue, creating a full-featured life on an ideal city of 1.27 million sq.m. The project configures overhead floors, external balconies, and a whole-house refined storage system, and plans products for small high-rises and bungalows to achieve a super-beautiful and super-equipped life.

During the Period under Review, the project ranked second in Tianjin's commodity housing ranking in terms of sales amount, and also won the city's double crown in terms of transaction area and number of units sold. In Dongli District, the project won the monthly sales crown throughout the year, highly recognising its product strength and delivery ability.



Foshan Binjiang Jinmao Residence

Binjiang Jinmao Residence, located in the section of Luocun Guangming New City, is situated at a multi-dimensional integrated transportation hub of high-speed rail + airport + metro + bus, seamlessly connecting to the world's cutting-edge fashion. The project is surrounded by two rivers and six parks, creating a beautiful and water-friendly living environment. Within the project, a light luxury waterfront commercial street will be built to provide leisure, entertainment, shopping and a better life all in one step. From guaranteed delivery to high-quality delivery, Binjiang Jinmao Residence is committed to non-stop delivery. From the completion of a kindergarten with 15 classes in 2021, the opening of the Internet celebrity camping base in 2022, to the opening of Xi Jie in August 2022, and then the fine delivery of kindergarten, the completion of a five-lane swimming pool, and the upgrade and opening of the second phase of Jinxiaoxiang play area in 2023, the project perfectly interprets the priority in supporting facilities and demonstrates the hard-core delivery ability of a state-owned enterprise. At the same time, the project actively introduces a new lifestyle by upgrading the Jincai LIFE community and carrying out more than 900 community activities, practising various lifestyles of the community together with the owners and providing a warm and loving atmosphere, so that more owners can feel a sense of belonging, connection and resonance. From an increasingly mature project of a state-owned enterprise to the continuous introduction of new ideal lifestyles, Binjiang Jinmao Residence depicts the vision of life in an endless and beautiful living community.

During the Period under Review, the project ranked 8th in Foshan in terms of number of units sold, and won the double crown in Shishan District in terms of transaction area and number of units sold for 12 consecutive months, becoming a red-hot project in the city and section.

COMMERCIAL LEASING AND RETAIL OPERATIONS

Management Discussion and Analysis • Business Review

Commercial Leasing

During the Period under Review, the leasing of various office projects of the Group performed well. The occupancy rate remained high generally with stable rental levels.

Occupancy rate of major office buildings

	Beijing Chemsunny World Trade Centre	Xicheng Jinmao Centre*	Jin Mao Tower – office portion	Nanjing Xuanwu Lake Jinmao Plaza Phase I – office portion
2024	96.8%	94.0%	83.5%	86.0%
2023	99.2%	85.9%	87.6%	64.8%

* The original Sinochem Tower was renamed as Xicheng Jinmao Centre on 23 March 2023 as approved by Xicheng Branch of Beijing Municipal Commission of Planning and Natural Resources.

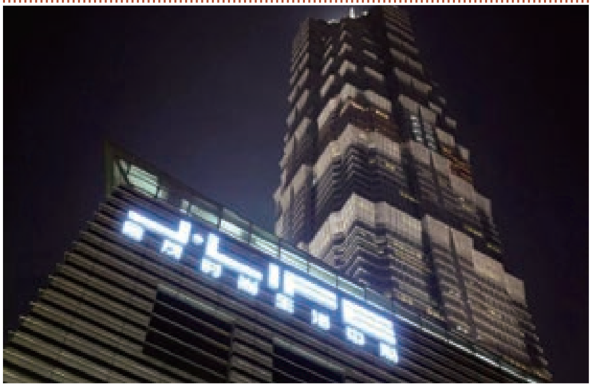
Beijing Chemsunny World Trade Centre which is situated on Fuxingmen Nei Avenue within the financial district of Beijing, is adjacent to West Chang'an Avenue and opposite to Financial Street. It is the first premium office building in China being granted China Three-Star Green Label and USGBC's LEED-EB platinum certification at the same time.

Xicheng Jinmao Centre which is situated at the heart of Beijing on Fuxingmen Wai Avenue, Xicheng District, the prime location of the business circle of Financial Street which is less than 50 metres away from the subway station of the Beijing Subway Line One, is an office building supported by sophisticated office facilities and personalised services.

Shanghai Jin Mao Tower which is situated at the Lujiazui Finance and Trade Zone of Pudong, Shanghai, is one of China's landmark buildings. The 420.5-metre-high 88-storey tower represents a perfect combination of China's traditional architectural techniques and the world's state-of-the-art technology. Its superior landmark effects make the tower one of the first choices as place of business in Shanghai for prestigious domestic and foreign corporations.

Management Discussion and Analysis • Business Review

Retail Operations



Shanghai J•LIFE is located in the core area of the Lujiazui CBD in Shanghai, which commenced operation in 2005. Being the first commercial and retail business centre in the Lujiazui region, the project adhered to the line of portfolio based on experience and quality of commercial and lifestyle services, striving to attempt and explore innovative businesses constantly, and anchored with a variety of famous brands engaging in catering, healthcare and nursing, sports and social networking, and international education services, providing unique and personalised lifestyle services for high-end business customers.

During the Period under Review, the Shanghai J•LIFE Project an occupancy rate close to full occupancy. Making every effort to maintain stable operations and improve quality, the project won the 2024 Annual Gourmet Food Landmark Award, the Best Bang! Awards 2024 Shanghai Creative Landmark, the Best Landmark Partner and other honours.

Nanjing Jinmao Mall of Splendor is located in the Central Road business district in the main city region of Nanjing, with Xuanwu Lake to the east and Hunan Road business district to the west, occupying a prominent geographical location with strong ability to attract people by the Xuanwu Lake subway station. Since recommencement of business in 2021, it has become one of the young and energetic new quality shopping malls in the main city region of Nanjing.

During the Period under Review, Nanjing Jinmao Mall of Splendor adhered to the "youth" orientation by introducing a number of cutting-edge brands suitable for young customers, upgrading the retail and experience atmosphere, and strengthening the brand matrix. Throughout the year, the project carried out large-scale activities at various marketing nodes such as the Xuanwu Lake Flower Life Festival 3.0, the Mid-Autumn Festival Reunion Cake Market, and the National Day Bread Festival, so as to establish in-depth linkages with surrounding communities, scenic spots, and universities. The project firmly ranked top 1 in the shopping mall rankings of Gulou District through multiple online sales channels.

Changsha Jinmao Mall of Splendor is the first Mall of Splendor under China Jinmao, which is located in the core region of Meixi Lake, facing an excellent view of Meixi Lake, with Meixi Lake International Culture and Arts Centre to the east, and is seamlessly connected with the Changsha Metro Line No. 2. Since its opening, the project focused on the customer groups of young families and young people in Changsha, collected a variety of famous domestic brands, and presented the innovative and proprietary hotel and retail business forms of Jinmao. It became a gathering place for pioneer experience-based, leisure-based and social-based business lifestyles in central China.

During the Period under Review, Changsha Jinmao Mall of Splendor, focusing on its positioning as an "artistic and joyful venue for premium families", continued to explore innovations in the "business +" model and comprehensively upgraded productive forces, providing consumers with a rich public space that combined consumption experience and social networking function. Customer flow and sales continued to grow steadily throughout the year, helping merchants to operate stably. In March 2024, CAMC-Jinmao Commercial Property REIT, with Changsha Jinmao Mall of Splendor as its underlying asset, was officially listed on the Shanghai Stock Exchange, becoming one of the first consumption infrastructure public REITs listed in China. Since its listing, CAMC-Jinmao Commercial Property REIT has continued to exceed performance expectations and demonstrated a steady development trend with its refined project management. Winning the 2024 China Real Estate Business Management Financial Empowerment Commercial Office Featured Project Award, the 2024 Outstanding Performance of Consumption Infrastructure REITs and other honours, the project continued to move forward with high quality, empowered urban consumption development, and has become a leading experiential, entertainment, and social business lifestyle gathering place in Changsha region.

Management Discussion and Analysis • Business Review • Retail Operations

Qingdao Jinmao Harbour Shopping Mall is located at the harbour front of Jiaozhou, Qingdao, inside the Shinan District, and adjacent to the Qingdao harbour ferry terminal and cross harbour tunnel of Jiaozhou Bay. It is a commercial complex project nearest to the sea in Qingdao region. At present, the project is a gathering place for trendy living and integrated with shopping, catering, entertainment and healthcare services to satisfy the demand for high quality, one-stop and family-based shopping mall from residents in the region. It is a heartwarming harbour built for family leisure living services for 100,000 permanent residents in the surrounding region.

During the Period under Review, Qingdao Jinmao Harbour Shopping Mall continued to promote product strength improvement, optimised brand portfolio, consolidated project operation foundation, and significantly improved its operation quality. Focusing on core customer groups, and interpreting its sea-friendly theme from the three aspects of vibe creation, check-in locations, and event marketing, the project made use of the IP of The Most Beautiful Orange Sea to gradually create a check-in location in Qingdao for tourism Internet celebrities. At the same time, the linkages between ferry terminals and the opening of Ferry subway station of Qingdao further increased customer flow of the project and helped advance customer flow sales to a new level.

Qingdao Jinmao Mall of Splendor is located in the Hi-Tech Industry Development Zone along the north coast of Jiaozhou Bay in Qingdao, which is the core zone of the north coast city area of Qingdao. Being the commercial element of China Jinmao's city operations project Qingdao Jinmao China-Europe International City, it is positioned as the "life exploration centre of future city" with new middle-class families as its core customer group. In the future, the project will cooperate with businesses along the China-Europe's dynamic axis to jointly create an ecological commercial centre integrating ecological leisure and exploration experience, gathering consumption, focusing on experience, and emphasising on innovation. By implementing the concept of city operations, the project is set to help the region transform from a new city area on the north coast of Qingdao into a main city area.

During the Period under Review, Qingdao Jinmao Mall of Splendor improved reputation of the project with high-quality growth, and introduced first-in-the-region events such as drone performance and circus in conjunction with the promotion theme of "Splendor and Love" to continuously refresh consumer experience in the city. The project continued to consolidate product strength construction and signed contracts to introduce a number of first store brands to the city and region to build advantageous businesses. At the same time, it adhered to a combination of refined operations and targeted improvements, so that brand performance continued to improve, accelerating the release of new vitality in city consumption.

Management Discussion and Analysis • Business Review • Retail Operations

Zhangjiagang Mall of Splendor is located next to the lake of Shazhou, Zhangjiagang with a total area of approximately 200,000 sq.m. Grandly opened in December 2022 and with the theme of "relaxing life at city centre", the project is set to lead the upgrading of consumer life in Zhangjiagang, creating a cheer-up station, a social gathering place and an entertainment energy field for the locals, as well as a new landmark of quality business in the harbour city.

During the Period under Review, Zhangjiagang Mall of Splendor moved forward steadily and improved constantly. The investment promotion work was steady and progressive, and the project brand influence was continuously optimised through brand recruitment and new brand signing. The project continuously created imprint through marketing, organising the city's first kite festival, music festival and other city-level activities, introducing the national-level Super 3 League, and achieving new highs of customer flow, sales and media coverage at the anniversary event. In terms of operation, the project fully implemented the store renovation control system, so that all stores opened on schedule or in advance. Targeted merchant support was also introduced to improve consumer shopping experience, continuing to create new quality life experience of the project.

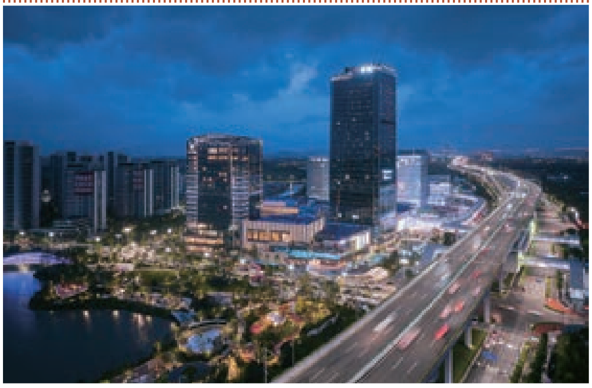
Tianjin Jinmao Place is located along Hai River East Road in Hedong District, and above Liuwei Road Station of Metro Line No. 4. As a landmark building (the original Tianjin No. 1 Thermal Power Plant) on the east bank of Hai River, Jinmao Place was transformed and updated to benchmark Battersea Power Station in London. In terms of the overall design strategy, the project follows the concept of "repairing the old as it was, juxtaposing the old with the new" by retaining the original structural aesthetics of the old building as much as possible, and re-injecting vitality into the industrial relics through restoration of the red brick walls of the factory building, reinforcement of the top trusses, and restoration of the original coal hopper community. On the basis of fully exploring local culture, Jinmao Place has also actively created a commercial scene on the east bank of Hai River by introducing many first stores in the city and region (such as Neobio indoor amusement experience centre, Margherita Italian restaurant, etc.) and attracting many well-known chain brands to jointly develop exclusive and customised theme stores.

During the Period under Review, starting from urban renewal and Internet celebrity landmark attributes, Tianjin Jinmao Place joined hands with the local government to carry out many city-level activities such as the Tianjin Citizen Culture and Art Festival and the Beijing-Tianjin-Hebei-Heilongjiang-Jilin-Liaoning Square Dance Competition. It also actively cooperated with the government to launch a boat terminal along Hai River, double-decker sightseeing buses and other tourist routes, and carry out cultural and tourism activities. Building up popularity and influence, the project recorded steady improvement in business.

Management Discussion and Analysis • Business Review • Retail Operations

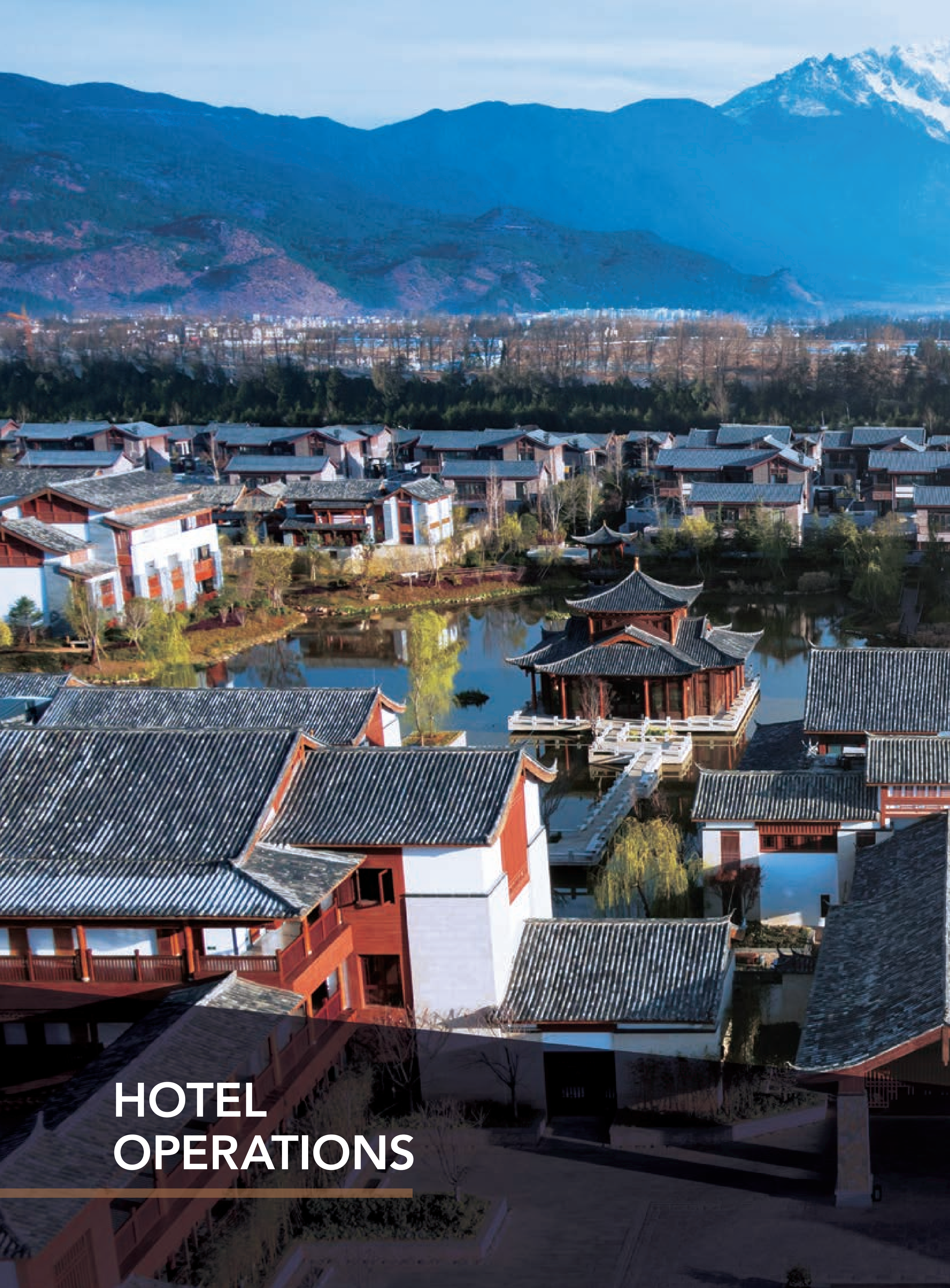
Beiwaitan J•LIFE is located in the Shanghai International Shipping Centre area, and is the second J•LIFE project of the Company in Shanghai with the purpose of meeting the business, social and daily needs of the business people of Beiwaitan CBD, and gathering multiple businesses into a premium commercial and business area. The project integrates multiple resources and uses the advantages of Beiwaitan such as the riverside and lighting to attract the focus of target customers. In particular, the "white + black" double-season operation concept is adopted to keep pace with the overall combination of "new landmark for daily gatherings" and "new gathering point for night visits". On the one hand, the project focuses on the needs of white-collar workers in office buildings, creating a scene-based consumption model to seek for a new way of work and leisure. On the other hand, it responds to the night economy concept promoted by the municipal government by integrating the city's synonym of "Shanghai at night – a city that never sleeps" and creating a landmark nightlife gathering area.

During the Period under Review, with "City Business Card, Making a Difference" as its core, the "Five Chesses and One Card Game Arena" was built in the central district of Beiwaitan J•LIFE, while a leading "Youth Intellectual Sports Hall" in Beiwaitan area was constructed to continue to carry out the youth intellectual sports of five chesses and one card in a scale of 10,000 people, forming regional characteristics. It was awarded the honorary title of "2024 Advanced Unit of Shanghai Chess Association". In the meantime, the project actively fulfilled the duties and responsibilities of a state-owned enterprise, and received high recognition from the public security in the jurisdiction during routine inspections. The project was awarded the honorary title of "2023 Advanced Collective for Mass Prevention and Mass Governance", the only advanced unit in the jurisdiction which earned the honorary title for both 2022 and 2023.



Ningbo Jinmao Place is located in the Life Science City section within the Ningbo hub area. Seamlessly connecting with Fangqiao Station of Ningbo Rail Line No. 3, the project is the Ningnan bridgehead connecting Fenghua District and the main city area of Ningbo. Together with Jinmao Jiayue Hotel and Grade A office buildings of Jinmao, they form the first city complex in the Ningnan section – Jinmao Plaza. Based on the design concept of "Xuedou Mountain in the Dream, Peachland on the Sea", the project integrates fashion retail, catering, leisure and entertainment, experience facilities and other business formats to create a diverse shopping scene.

During the Period under Review, as Jinmao's first commercial project in Ningbo, opened in July 2024, Ningbo Jinmao Place presented more excitement to the market and provided brands with a spatial dimension to expand the Ningbo market. Compared with similar projects in the same period, the sales and customer flow during the opening period reached double peak in terms of both the market level and the internal level, fully unleashing the unique charm of Ningnan business and leading a new business pattern of Ningnan.



HOTEL OPERATIONS

Management Discussion and Analysis • Business Review

Hotel Operations

General Overview

In 2024, the hotel market was under significant pressure. As competition in the existing market became increasingly fierce, the Company focused on hotel performance growth, dynamically optimised its operating strategies, accurately grasped consumption trends, and improved business returns by cultivating innovative service capabilities and integrating core resource advantages.

Average room rate, average occupancy rate and average revenue per available room (RMB) of each major hotel for 2024

	Grand Hyatt Shanghai	The Ritz-Carlton Sanya Yalong Bay	JW Marriott Hotel Shenzhen	Westin Nanjing	Hyatt Regency Chongming	Renaissance Beijing Wangfujing Hotel	Lijiang Jinmao Hotel	Meixi Lake Hotel, A Luxury Collection Hotel, Changsha	Xi'an Jinmao Hotel	Guangzhou Marriott Hotel Nansha
Average room rate	1,283	1,932	1,103	766	598	1,313	1,069	701	331	605
Average occupancy rate	84.8%	70.5%	84.8%	83.0%	35.9%	86.7%	59.8%	71.6%	60.3%	47.0%
Average revenue per available room	1,087	1,363	935	636	215	1,138	639	501	200	284

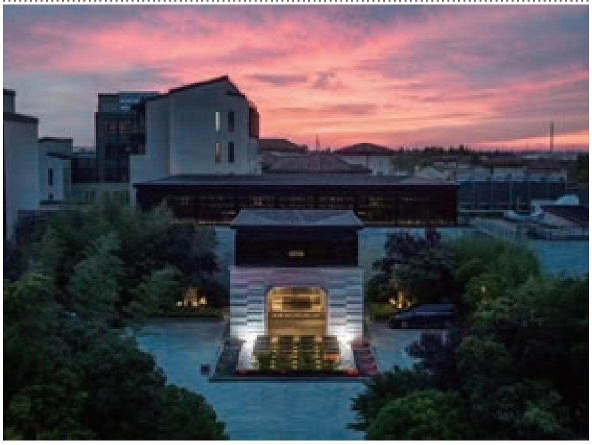
Average room rate, average occupancy rate and average revenue per available room (RMB) of each major hotel for 2023

	Grand Hyatt Shanghai	Hilton Sanya Yalong Bay Resort & Spa	The Ritz-Carlton Sanya Yalong Bay	JW Marriott Hotel Shenzhen	Westin Nanjing	Hyatt Regency Chongming	Renaissance Beijing Wangfujing Hotel	Lijiang Jinmao Hotel	Meixi Lake Hotel, A Luxury Collection Hotel, Changsha	Xi'an Jinmao Hotel	Guangzhou Marriott Hotel Nansha
Average room rate	1,314	1,367	2,338	1,160	811	717	1,274	1,169	790	414	690
Average occupancy rate	82.5%	85.1%	70.9%	83.1%	80.7%	43.0%	82.2%	65.3%	75.6%	73.5%	46.7%
Average revenue per available room	1,084	1,163	1,656	964	654	309	1,048	764	598	304	322

Note: Hilton Sanya Yalong Bay Resort & Spa was sold in December 2024.

Information of Projects

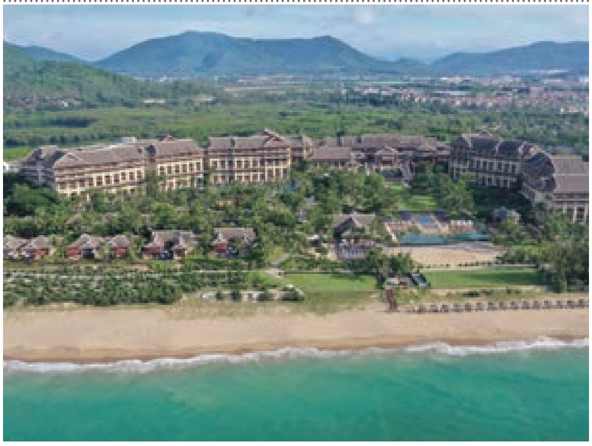
Grand Hyatt Shanghai Located in the core area of Pudong Financial and Trade Zone, Grand Hyatt Shanghai stands proudly on top of the famous Jin Mao Tower and is within easy reach of Puxi across the river. This 88-storey obelisk-shaped building stands in the centre of Shanghai, boasting stunning views of the Bund and the bright cityscape of Shanghai. The hotel rooms are elegant and spacious, integrating Western decorative art style and traditional Chinese classical cultural features, and equipped with modern conveniences to create a comfortable and convenient stay experience and unique dining and entertainment experiences for guests.



Hyatt Regency Chongming Located in the east of Chongming Island, the third largest island in China known as a land of plenty, Hyatt Regency Chongming is surrounded by many geological and cultural landscapes such as national forest parks, wetland parks, and ecological villages. Dongtan, where the hotel is located, is rich in animal and vegetation resources. It is a gathering place for migratory birds, and is also one of the few high-quality natural resources in Shanghai. No wonder it has the reputation of "the best wetland for ecological protection in China". Situated in such a fertile natural environment, Hyatt Regency Chongming undoubtedly becomes the top choice for urban travellers who like embracing the countryside, exploring nature, and enjoying organic cuisine.

Management Discussion and Analysis • Business Review • Hotel Operations

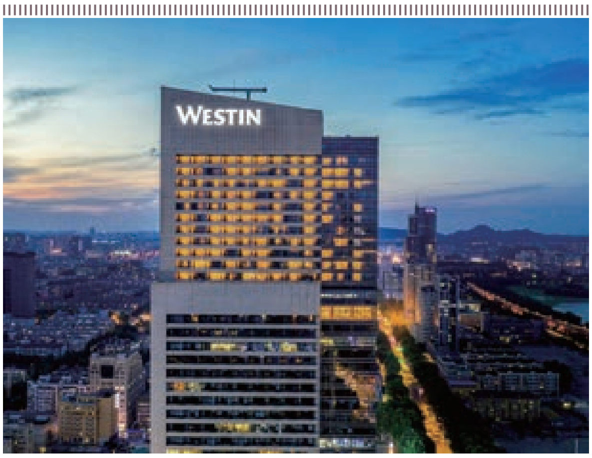
Information of Projects



The Ritz-Carlton Sanya Yalong Bay Situated at the enchanting Yalong Bay in Sanya, The Ritz-Carlton Sanya, Yalong Bay, which was opened in 2008, boasts the majestic views of South China Sea, miles-long beaches and pristine natural beauty. Ambassadors dressed in Li ethnic attire in the hotel lobby lead guests into an unforgettable vacation experience, blending with the tropical nature of Yalong Bay. The hotel boasts 8 restaurants and bars of different styles, vividly showcasing The Ritz-Carlton's personalised service. Guests are invited to share joyful surprises with their children in a secluded paradise by the sea and experience a custom-tailored rejuvenation journey at the tranquil Ritz-Carlton Spa.

Renaissance Beijing Wangfujing Hotel is situated at Wangfujing Avenue and adjacent to Tian'anmen Square and Palace Museum. Its predecessor is Wangfujing Grand Hotel opened in 1995. The hotel adopts a unique dual-wing architecture design with an endless stream of spectacular palaces from the Ancient Wall of the Imperial City and The Forbidden City to the west and the modernised international metropolitan clusters in the CBD of Wangfujing to the east, blending the modern and classic into one. The hotel has a total of 321 guest rooms, each blending stylish modern and cozy elegant tones. The rooms on the west side offer stunning views of the Forbidden City. The nearly 1,000 sq.m. banquet hall is one of the best in the Wangfujing area. There are also two restaurants and one lobby bar to meet the diverse dining needs of guests. Additionally, the hotel is equipped with an indoor swimming pool and fitness centre, thoughtfully creating a healthy lifestyle for guests.

Information of Projects



JW Marriott Hotel Shenzhen is located in the Futian Central Business District of Shenzhen, which is close to Futian Port, major tourist attractions and major shopping malls. It is only a 25-minute drive from Shenzhen Bao'an International Airport and a 200-metre walk to the Exit J1 of Chegongmiao metro station, providing convenient access to transportation. The hotel rooms are modernly decorated and equipped with complete facilities. Chinese and Western restaurants, lounges, banquets and other facilities are also available, making the hotel the first choice for business and leisure guests.

Westin Nanjing is located in the core area of Nanjing's Central Avenue, just across the street from Xuanwu Lake, also known as "Jinling Pearl", an ancient Chinese royal garden lake and Nanjing's landmark tourist destination. Being an ideal choice for business and leisure guests, the hotel is adjacent to the thousand-year-old Jiming Temple and the city wall built in the Ming Dynasty. It is directly connected to a Line 1 subway station and the commercial complex of Jinmao Mall of Splendor. The hotel has more than 200 guest rooms, each of which has a panoramic view of the romantic cityscape and the beautiful Xuanwu Lake, plus nearly 1,000 sq.m. of conference and banquet space to meet various needs of guests for banquets, wedding banquets, conferences and more. Restaurants serving Chinese and Western cuisine as well as a lobby bar serve a wide variety of nutritious and delicious healthy food, allowing guests to enjoy a taste bud journey. Meanwhile, the Westin fitness centre allows guests to relax and rejuvenate.

Information of Projects

Lijiang Jinmao Hotel comprises Lijiang Jinmao Hotel • The Unbound Collection by Hyatt and Jinmao Purelax Mountain Hotel, Lijiang. With the majestic Jade Dragon Snow Mountain as the background, Lijiang Jinmao Hotel • The Unbound Collection by Hyatt is located in the ancient city of Lijiang, a world historical and cultural heritage. The hotel is within the comprehensive project of Jinmao Whisper of Jade Dragon at the northern end of Shangri Avenue, connected to the J•LIFE boutique business area and high-end villa area, and close to Beam River Ancient Town. The hotel architecture cleverly combines the essence of modern fashion elements and ethnic architectural features, allowing one to feel the natural beauty and cultural heritage of Lijiang. Jinmao Purelax Mountain Hotel Lijiang, consisting of suites and villas, is located in the Ganhaizi meadow area at an elevation of 3,100 metres on the eastern foot of Jade Dragon Snow Mountain. It is close to the Snow Mountain Golf Club, which holds two Guinness records, and is 28 kilometres from Dayan Ancient Town. Adhering to the concept of discreet luxury, creating a natural, leisurely, and serene traditional cultural residence is the best place to appreciate and experience the frozen beauty of the century's glaciers.

Meixi Lake Hotel, A Luxury Collection Hotel, Changsha Opened in 2016, Meixi Lake Hotel, A Luxury Collection Hotel, Changsha is located at the prime location in the Xiangjiang New District, Hunan and adjacent to Meixi Lake International Culture & Art Centre, a masterpiece by the legendary architect Zaha Hadid. Taking the design of "exploring the peach garden" and blending the essence of Huxiang culture, the hotel, which promotes unique experiences rich in local characteristics, leads travellers from all over the world to embark on the journey of exploring the peach garden.

Information of Projects

Xi'an Jinmao Hotel is located in the downtown and prosperous area of Xi'an, the historic and ancient capital for 13 dynasties, and is within walking distance from Zhonggulou, Huimin Street and the city wall built in the Ming Dynasty. The combination of European industrial style with strong sense of design and Xi'an's profound historical and cultural heritage allows each tourist to travel between ancient and modern, Eastern and Western cultures, and to have a fine taste of their variety of history and culture.

Guangzhou Marriott Hotel Nansha, a new landmark in the city, is located next to Pearl Bay of Nansha, the core hinterland of the Guangdong-Hong Kong-Macao Greater Bay Area. It is surrounded by the core of the Nansha Free Trade Zone and rare mangrove wetland natural resources. In terms of unique location advantage, the hotel is adjacent to Shenzhen, Hong Kong and Macau. In terms of convenient transportation, the hotel is close to the metro station and easily accessible to the core business district of Guangzhou. The hotel draws inspiration from Nansha's unique three major ecosystems of ocean, wetland and forest, aiming to create a city classic of international and local culture for guests, and allow guests to enjoy an elegant business and leisure trip. In terms of ingenious and unique exterior design, adhering to the principles of agility and aggregation, the hotel makes use of local natural humanities and cultural symbols as sources of inspiration and ensures that 80% of the rooms have a bird's-eye view of the river. In terms of interior space design, the hotel continues the agile and smooth curved outline of its exterior. Inspired by nature and ocean and showing sophistication, the hotel rooms also adopt a modern and simple design to create a warm and comfortable environment. Looking out of the windows, you can have a panoramic view of the brilliant Binjiang scenery.

Information of Projects

Ningbo Jinmao Jiayue Hotel, the first Jinmao Jiayue brand hotel under Jinmao Hotel Commercial Management Company, is located at Jinmao Plaza in Ningnan New City with convenient transportation, and has opened since July 2024. The hotel focuses on providing high-end business travel and banquet services for the new generation of urban achievers. The guest rooms provide excellent views, intelligent equipment and thoughtful design, allowing guests to enjoy comfort while working. Apart from four restaurants with different styles serving authentic Ningbo cuisine and unique global delicacies, there are also more than 1,800 sq.m. of conference space, making it ideal for hosting large meetings, unforgettable weddings and private parties.

Renaissance Qingdao Hotel is located at the key node of the city image belt around the bay in the core area of Qingdao High-tech Zone, and has opened since September 2024. Drawing design inspiration from Qingdao's unique "urban imprints" such as old houses, beer culture, Badaguan, and Foreign Architecture Cluster, the hotel integrates tradition and fashion to reconstruct the spatial experience of urban hotels. With convenient transportation, uniquely designed and comfortable rooms, complete supporting facilities and all-round comprehensive services, the hotel unlocks an extraordinary living experience for business travellers and creates an ideal destination for urban vacations.

Information of Projects

Element Qingdao, located in Qingdao High-tech Zone and has opened since September 2024, adheres to the green environmental protection concept of the Element brand to create a new lifestyle that is natural, organic, comfortable and full of vitality for guests. The hotel makes use of the design stories of Seed Revelation, Life Experience Hall, and Summer Night Dream to give guests a unique space experience. The hotel rooms, comfortable and fully equipped, offer a natural living space ideal for leisure vacations and business trips. Moreover, Yuanxiang Space, Yuanlai Multifunctional Area, Yuanshan Restaurant, Yuanqu Children's Entertainment Area and Yuanting Outdoor Courtyard provide guests with a shared experience of multifunctional space scenes and life. At Element Qingdao, whether travelling for business or leisure, you can stay close to life, embrace nature, and enjoy vitality, as the hotel presents guests with the beauty of pragmatism, consideration, and cleanliness.

SERVICES AND TECHNOLOGY

Services

Jinmao Services actively built the three core IPs of "quality", "intelligence" and "symbiosis", and adhered to the customer-oriented principle with the provision of excellent scenario design capabilities and stable quality output capabilities. Through the Internet of Everything management equipment and mobile Internet management services, Jinmao Services deeply promoted the digital transformation of enterprises, drove service upgrading with technology, and continuously improved the management service efficiency and user digital experience. At the same time, Jinmao Services actively strengthened the community ecosystem, expanded city services, led the sustainable development concept of low-carbon, environmental protection and green, assumed social responsibilities with services, enhanced people's happiness, and grew and prospered together with communities, cities, environment, and the society.

Technology

In 2024, China Jinmao focused on construction technology, striving to cultivate specialised and new businesses, strengthening a technical moat for its main business, and consolidating its differentiated competitive advantages. During the Period under Review, focusing on green, low-carbon, smart and secured "good houses", China Jinmao continued to consolidate the full-process integrated EPC service model such as the technological living system and vibration and noise reduction, helping Jinmao Palace series 3.0 to keep upgrading its "technology" hard core. As for the smart energy segment, China Jinmao focused on comprehensive energy services and green big data centre business, striving to improve operating efficiency and continuing to improve social environmental benefits, thus contributing to the goals of "carbon peaking" and "carbon neutrality".

Management Discussion and Analysis • Financial Review

REVIEW ON OVERALL RESULTS

For the year ended 31 December 2024, profit attributable to owners of the parent amounted to RMB1,064.8 million, representing an increase of 115% compared with RMB-6,896.6 million in last year. Profit attributable to owners of the parent less fair value losses on investment properties (net of deferred tax) amounted to RMB1,332.8 million, representing an increase of 120% compared with RMB-6,793.5 million in last year.

Basic earnings per share, gross profit margin (by business segment) and net debt-to-adjusted capital ratio are selected by the Group as the indicators of assessment on the profitability and solvency of the Group. The analysis of these indicators can comprehensively summarise and evaluate the financial conditions and operating achievements of the Group, and effectively evaluate the management's governance level and whether the goal of maximising shareholders' interests is achieved.

REVENUE

For the year ended 31 December 2024, the revenue of the Group was RMB59,053.0 million, representing a decrease of 18% compared with RMB72,403.6 million in last year.

Revenue by business segments

	For the year ended 31 December				
	2024		2023		
	RMB million	Percentage of the total revenue (%)	RMB million	Percentage of the total revenue (%)	Year-on-year change (%)
City operations and property development	**49,301.8**	**82**	62,781.9	85	-21
Commercial leasing and retail operations	**1,697.3**	**3**	1,802.3	2	-6
Hotel operations	**1,698.6**	**3**	2,080.4	3	-18
Jinmao Services	**2,966.0**	**5**	2,704.4	4	10
Others	**4,708.8**	**7**	4,345.2	6	8
Total	**60,372.5**	**100**	73,714.2	100	-18
Among which:					
Intersegment sales	**1,319.5**	**2**	1,310.6	2	1
Sales to external customers	**59,053.0**	**98**	72,403.6	98	-18

Since its listing on the Main Board of the Hong Kong Stock Exchange in March 2022, Jinmao Services has been performing well. In 2024, its revenue increased significantly as compared to 2023, and its revenue as a percentage of the total revenue of China Jinmao continued to increase. In 2024, such percentage was 5% (2023: 4%) of total revenue. In order to provide a clearer disclosure of the revenue of each major operating segment of China Jinmao, since 2023, China Jinmao manages Jinmao Services as an independent business unit and a reportable operating segment, and divides the Company into five reportable operating segments, namely city operations and property development segment, commercial leasing and retail operations segment, hotel operations segment, Jinmao Services segment and others segment.

In 2024, revenue from city operations and property development of the Group decreased by 21% over that of last year to approximately RMB49,301.8 million and accounted for 82% of the total revenue, which was mainly attributable to the decrease in sales properties delivered and settled as compared with that of last year. Revenue from commercial leasing and retail operations decreased by 6% as compared with that of last year to approximately RMB1,697.3 million and accounted for 3% of the total revenue, which was mainly attributable to the fact that the revenue from Changsha Jinmao Mall of Splendor was no longer included in the financial statements of China Jinmao since it became the underlying asset of CAMC-Jinmao Commercial REIT during the Year. Revenue from hotel operations decreased by 18% from last year to approximately RMB1,698.6 million and accounted for 3% of the total revenue, which was mainly attributable to the disposal of Westin Beijing Chaoyang in the second half of 2023 and the effect of the downward trend of domestic tourism and vacation market. Revenue from Jinmao Services grew by 10% from last year to approximately RMB2,966.0 million and accounted for 5% of the total revenue, which was mainly due to the increase in the area under management of basic property management. Revenue from others (primarily including the property-related revenues arising from the observation deck on the 88th floor of Jin Mao Tower, green buildings technology and building decoration) accounted for 7% of the total revenue, representing an increase of 8% over that of last year, which was mainly due to the increase in revenue from green buildings technology. Details are set out in note 4 and note 5 to the financial statements.

COST OF SALES AND GROSS PROFIT MARGIN

Cost of sales of the Group for the year ended 31 December 2024 was approximately RMB50,456.1 million (2023: RMB63,382.1 million). The overall gross profit margin of the Group in 2024 was 15%, which increased by 3 percentage points as compared with 12% of last year, mainly attributable to the increase in the gross profit margin from the city operations and property development segment.

During the Year, the gross profit margin for commercial leasing and retail operations decreased as compared with that of last year, mainly attributable to the fact that the revenue and cost from Changsha Jinmao Mall of Splendor were no longer included in the financial statements of China Jinmao since it became the underlying asset of CAMC-Jinmao Commercial REIT during the Year, resulting in a decrease in gross profit margin for commercial leasing and retail operations. The gross profit margin for hotel operations decreased, which was due to the disposal of Westin Beijing Chaoyang in the second half of 2023 and the effect of the downward trend of domestic tourism and vacation market in 2024. The decrease in the gross profit margin of Jinmao Services was mainly due to the decrease in the proportion of gross profit of value-added services to non-property owners and community value-added service. The gross profit margin for others increased as compared with that of last year, mainly attributable to the increase in gross profit margin of building decoration.

Gross profit margin by business segments

	For the year ended 31 December	
	2024 Gross profit margin (%)	2023 Gross profit margin (%)
Overall	**15**	12
City operations and property development	**11**	9
Commercial leasing and retail operations	**81**	84
Hotel operations	**36**	46
Jinmao Services	**24**	28
Others	**17**	13

OTHER INCOME AND GAINS

Other income and gains of the Group for the year ended 31 December 2024 amounted to approximately RMB4,306.8 million, which was basically the same as RMB4,354.5 million in last year. Details are set out in note 5 to the financial statements.

SELLING AND MARKETING EXPENSES

Selling and marketing expenses of the Group for the year ended 31 December 2024 decreased by 23% to RMB2,287.5 million from RMB2,962.6 million in last year, mainly due to the decrease in employee expenses and advertising expenses during the Year as compared with last year. Selling and marketing expenses comprise primarily the advertising expenses, commissions paid to relevant sales agencies, staff costs and other expenses in relation to market promotion incurred in the Group's daily operations. Selling and marketing expenses accounted for 4% (2023: 4%) of the Group's total revenue.

ADMINISTRATIVE EXPENSES

Administrative expenses of the Group for the year ended 31 December 2024 amounted to RMB2,917.0 million, representing a decrease of 25% from RMB3,868.6 million in last year, mainly attributable to the decrease in employee expenses and general office expenses as compared with last year. Administrative expenses mainly comprise staff costs, consulting fees, entertainment expenses, general office expenses and depreciation expenses. Administrative expenses accounted for 5% (2023: 5%) of the Group's total revenue.

OTHER EXPENSES AND LOSSES, NET

Other expenses and losses, net of the Group for the year ended 31 December 2024 amounted to RMB2,033.9 million, representing a decrease of 63% from RMB5,424.0 million in last year, mainly attributable to the decrease in the amount of the impairment provision for properties under development, properties held for sale and due from related parties of the Group as compared with last year.

On 31 December 2024, the Group reviewed the market conditions of the properties under development and properties held for sale of the Group and its associates and joint ventures as of that date. The Group estimated the net realisable value of properties under development and properties held for sale by mainly taking into account the latest selling prices and prevailing market conditions, estimated development costs to be incurred by the time of completion and necessary selling expenses and related taxes estimated to be incurred in the process of sales. Provision for impairment is made for properties under development and properties held for sale whose net realisable value is lower than the cost. In 2024, the Group recognised a total of RMB1,256.5 million in impairment losses on properties under development and properties held for sale. Details are set out in note 7 to the financial statements.

FINANCE COSTS

Total interest expense of the Group for the year ended 31 December 2024 was RMB6,882.8 million, representing a decrease of 16% from RMB8,146.3 million in last year, mainly attributable to the decrease in average loan amount and loan interest rates during the Year. Among them, the interest expense capitalised amounted to RMB4,348.3 million, representing a decrease of 15% from RMB5,132.4 million in last year; finance costs of the Group amounted to RMB2,534.5 million, representing a decrease of 16% from RMB3,013.9 million in last year.

INCOME TAX EXPENSE

The Group had an income tax expense of approximately RMB2,238.3 million for the year ended 31 December 2024, representing an increase of 9% from approximately RMB2,045.8 million in last year, primarily attributable to the increase in PRC land appreciation tax and PRC corporate income tax for the Year. The Group's effective income tax rate for 2024 was 50% (2023: -73%).

PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT

For the year ended 31 December 2024, profit for the Year of the Company amounted to RMB2,199.7 million, representing an increase of 145% compared with RMB-4,858.3 million in last year. For the year ended 31 December 2024, excluding the effects of provision for impairment on assets such as properties under development and properties held for sale, etc. (including properties under development and properties held for sale of projects of associates and joint ventures) of RMB1,600.9 million, the profit for the Year of the Company was RMB3,800.6 million. For the year ended 31 December 2024, profit attributable to owners of the parent amounted to RMB1,064.8 million, representing an increase of 115% compared with RMB-6,896.6 million in last year, and profit attributable to owners of the parent excluding fair value losses on investment properties (net of deferred tax) was RMB1,332.8 million, representing an increase of 120% compared with RMB-6,793.5 million in last year. The aforesaid increase in profit was mainly due to the fact that the Group continued to strengthen lean management and fully promote cost control and efficiency improvement, so that administrative expenses, selling and marketing expenses, and finance costs decreased for the Year; and that the provision for impairment of assets such as properties under development and properties held for sale of the Group and certain associates and joint ventures of the Group decreased during the Year.

Basic earnings per share for the Year were RMB5.19 cents, representing an increase of 110% compared with RMB-51.62 cents in last year. The increase in basic earnings per share was primarily attributable to the increase in the profit attributable to owners of the parent for the Year. Basic earnings per share excluding fair value losses on investment properties, net of deferred tax, were RMB7.18 cents (2023: RMB-50.84 cents).

Comparison of profit attributable to owners of the parent before and after fair value losses on investment properties, net of deferred tax

	For the year ended 31 December		Year-on-year
	2024 (RMB million)	2023 (RMB million)	change (%)
Profit attributable to owners of the parent	**1,064.8**	-6,896.6	115
Less: fair value losses on investment properties (net of deferred tax)	**-268.0**	-103.1	160
Profit attributable to owners of the parent excluding fair value losses on investment properties (net of deferred tax)	**1,322.8**	-6,793.5	120
Basic earnings per share (RMB cents)	**5.19**	-51.62	110
Basic earnings per share excluding fair value losses on investment properties (net of deferred tax) (RMB cents)	**7.18**	-50.84	114

INVESTMENT PROPERTIES

As at 31 December 2024, investment properties mainly comprised the Central and West Towers and some floors of the East Tower of Beijing Chemsunny World Trade Centre, offices and retail operations of Jin Mao Tower (for lease), office portion of Xicheng Jinmao Centre, office portion 16# of Shanghai International Shipping Service Center, office portion of Nanjing Xuanwu Lake Jinmao Plaza and Nanjing Jinmao Mall of Splendor, Qingdao Jinmao Harbour Shopping Mall, Zhangjiagang Mall of Splendor, Qingdao Jinmao Mall of Splendor, Tianjin Jinmao Place, etc. Investment properties decreased from RMB37,299.2 million as at 31 December 2023 to RMB36,482.0 million as at 31 December 2024, which was mainly due to the fact that Changsha Jinmao Mall of Splendor was no longer included in the financial statements of China Jinmao since it became the underlying asset of CAMC-Jinmao Commercial REIT. Details are set out in note 18 to the financial statements.

PROPERTIES UNDER DEVELOPMENT

As at 31 December 2024, the current portion of properties under development comprised property development costs incurred by properties under development which have been pre-sold or are intended for sale and expected to be completed within one year from the end of the Reporting Period, whereas the non-current portion of properties under development comprised property development costs incurred by properties under development which have not yet been pre-sold and are expected to be completed after one year from the end of the Reporting Period.

As at 31 December 2024, properties under development (current and non-current) amounted to approximately RMB109,450.5 million, which decreased by 16% compared to RMB130,731.0 million as at 31 December 2023.

INVESTMENTS IN JOINT VENTURES

The investments in joint ventures increased from approximately RMB26,395.5 million as at 31 December 2023 to approximately RMB30,483.7 million as at 31 December 2024, mainly attributable to the increase in capital investments in joint ventures and the increase in share of profits of joint ventures during the Period under Review.

INVESTMENTS IN ASSOCIATES

The investments in associates increased from approximately RMB22,492.6 million as at 31 December 2023 to approximately RMB23,239.6 million as at 31 December 2024, mainly due to the increase in capital investments in associates and the increase in share of profits of associates during the Period under Review.

LOANS TO ASSOCIATES AND JOINT VENTURES

The Group from time to time provides shareholder loans to its joint ventures and associates, which are project companies established by the Group to participate in specific property development projects. These loans are provided by the Group to the relevant joint ventures/associates in proportion to its shareholding and will be used in the development of real estate projects. Provision of shareholder's loan can effectively relieve the financial pressure of the joint ventures/associates and is beneficial for them to carry out real estate development. The Group is entitled to share the distribution and returns generated from the investments in these joint ventures/associates on a pro rata basis, and the provision of shareholder's loans will ultimately benefit the Group as an investor in these companies.

Given that the Company participates in or sends personnel to participate in the business decision-making and daily operation and management of each of its associates and joint ventures, the Company can continuously monitor the business status of these companies. The finance capital department of the Company also monitors the repayment status of the borrowing joint ventures and associates and their financial position on an ongoing basis.

As at 31 December 2024, the balance of the Group's loans receivable from associates and joint ventures, net of impairment allowances, was RMB24,292.2 million (31 December 2023: RMB23,348.5 million).

Further details of the Group's loans to associates and joint ventures are included in note 28 to the financial statements.

LOANS FROM NON-WHOLLY OWNED SUBSIDIARIES TO THEIR SHAREHOLDERS

From time to time, non-wholly owned subsidiaries of the Company provide unsecured loans to the Group and their respective non-controlling shareholders. The loans can only be provided when the relevant non-wholly owned subsidiaries has idle funds in the ordinary course of business, and the non-wholly owned subsidiaries shall determine the specific amount based on the shareholding of each shareholder. The terms and conditions of the loans to be complied with by each shareholder are substantially the same. The provision of loans by non-wholly owned subsidiaries to their shareholders can promote the reasonable allocation of resources, accelerate the turnover of funds, improve the funds utilisation rate and reduce the level of idle funds.

Given that the Company controls the business decision-making and daily operation and management of each of its non-wholly owned subsidiaries, the Company can continuously monitor the business status of these subsidiaries. The finance capital department of the Company also monitors the repayment status of the borrowing non-controlling shareholders and their financial position on an ongoing basis to ensure that they have sufficient ability to meet their repayment obligations.

As at 31 December 2024, the Group's loan balance due from non-controlling shareholders of the non-wholly owned subsidiaries was RMB21,065.8 million (31 December 2023: RMB18,260.0 million).

The Group has fulfilled the relevant compliance and disclosure obligations in respect of the loans which constituted notifiable transactions and/or non-fully exempt connected transactions of the Company during the Year. For further details of the Group's loans to non-controlling shareholders of the non-wholly owned subsidiaries, please see "Report of the Directors – I. Continuing Connected Transactions Exempt from the Independent Shareholders' Approval Requirement and Material Acquisitions, Disposal and Other Discloseable Transactions" and note 26 and note 31 to the financial statements.

PROPERTIES HELD FOR SALE

The properties held for sale increased from RMB27,030.9 million as at 31 December 2023 to RMB39,250.4 million as at 31 December 2024, mainly due to some buildings of Xi'an Daming Palace Jinmao Palace Project and Jinhua Dongmao Huafu Project, etc. that were completed but yet to be delivered in 2024, which were partially offset by the delivery of Hangzhou Fuchun Jinmao Xingwaitan Project, Pingyang Xitang Future Community Project, etc.

LAND UNDER DEVELOPMENT

Land under development mainly included the land costs incurred by Langfang Longhe New City Project and Nanjing Qinglong Mountain International Ecological New City Project.

The land under development (current and non-current) increased from RMB26,055.0 million as at 31 December 2023 to RMB27,942.0 million as at 31 December 2024, which was mainly due to the newly incurred land costs during the Period under Review.

TRADE RECEIVABLES

As at 31 December 2024, trade receivables (current and non-current) amounted to RMB4,798.2 million, representing an increase of 9% compared with RMB4,411.7 million as at 31 December 2023, which was mainly due to the increase in trade receivables as a result of growth in business scale of Jinmao Services and the increase in trade receivables measured at fair value through profit or loss. Details are set out in note 25 to the financial statements.

OTHER FINANCIAL ASSETS

As at 31 December 2024, other financial assets (current and non-current) amounted to approximately RMB5,685.1 million, representing a decrease of 3% compared with approximately RMB5,847.4 million as at 31 December 2023, which was mainly due to the investment cost recovery and impairment assessment of Changsha Meixi Lake Primary Development Project Phase II. Details are set out in note 29 to the financial statements.

GOODWILL

As at 31 December 2024, goodwill of approximately RMB479.9 million (31 December 2023: RMB249.1 million) arose from the acquisition of equity interests in Beijing Capital Services by Jinmao Services (stock code: 00816) in 2022 and the acquisition of equity interests in Beijing Runwu Jiaye Enterprise Management Co., Ltd. and its subsidiaries in the first half of 2024.

TRADE AND BILLS PAYABLES

As at 31 December 2024, trade and bills payables were RMB22,858.0 million, representing a decrease of 27% compared with RMB31,292.8 million as at 31 December 2023, which was mainly due to payment of project fees due.

INTEREST-BEARING BANK AND OTHER BORROWINGS

As at 31 December 2024, interest-bearing bank and other borrowings (current and non-current) were RMB122,800.9 million, representing a decrease of 4% compared with RMB127,379.3 million as at 31 December 2023. The decrease in interest-bearing bank and other borrowings was mainly due to the repayment of interest-bearing bank and other borrowings by the Group during the Year.

GEARING RATIO

The Group monitors its capital on the basis of the net debt-to-adjusted capital ratio. This ratio is calculated as net debt divided by adjusted capital. Net debt is calculated as total interest-bearing bank and other borrowings less other financial assets (financial products), restricted bank balances and cash and cash equivalents. Adjusted capital comprises all components of equity and the Group's amounts due to the holding companies. The Group aims to maintain the net debt-to-adjusted capital ratio at a reasonable level. The net debt-to-adjusted capital ratios as at 31 December 2024 and 31 December 2023 were as follows:

	As at 31 December	
	2024 (RMB million)	2023 (RMB million)
Interest-bearing bank and other borrowings (current and non-current)	**122,800.9**	127,379.3
Less: cash and cash equivalents, restricted bank balances and certain other financial assets	**(34,855.8)**	(37,836.0)
Net debt	**87,945.1**	89,543.3
Total equity	**108,278.6**	109,837.1
Add: the Group's amounts due to the holding companies*	**22,694.3**	12,142.5
Adjusted capital	**130,972.9**	121,979.6
Net debt-to-adjusted capital ratio	**67%**	73%

* The Group's amounts due to the holding companies, including the amounts due to Sinochem Hong Kong Capital Management Co., Ltd., a wholly-owned subsidiary of Sinochem Hong Kong (Group) Company Limited.

LIQUIDITY AND CAPITAL RESOURCES

The Group's cash is primarily used to pay for capital expenditure, construction costs, land costs (principally the payment of land grant fees and relocation costs), infrastructure costs, consulting fees of architects and designers and finance costs, the Group's indebtedness, amounts due to and loans from related parties, and fund working capital and normal recurring expenses. The Group has financed the liquidity requirements primarily through internal resources, bank and other borrowings, issue of senior notes and medium-term notes, issue of perpetual capital securities, issue of domestic corporate bonds and issue of new shares.

As at 31 December 2024, the Group had cash and cash equivalents of RMB30,805.1 million, mainly denominated in RMB, HK dollars and US dollars (as at 31 December 2023: RMB30,920.0 million).

As at 31 December 2024, the Group had total interest-bearing bank and other borrowings of RMB122,800.9 million (as at 31 December 2023: RMB127,379.3 million). An analysis of the interest-bearing bank and other borrowings of the Group is set out as follows:

	As at 31 December	
	2024 (RMB million)	2023 (RMB million)
By term:		
Within one year	**21,607.0**	23,862.4
In the second year	**38,363.9**	20,282.0
In the third to fifth years, inclusive	**42,800.4**	52,774.8
Beyond five years	**20,029.6**	30,460.1
Total	**122,800.9**	127,379.3

Interest-bearing bank and other borrowings of approximately RMB21,607.0 million were repayable within one year and shown under current liabilities. All of the Group's borrowings are denominated in RMB, HK dollars and US dollars. As at 31 December 2024, save as interest-bearing bank and other borrowings of approximately RMB57,705.6 million that bore interest at fixed rates, other interest-bearing bank and other borrowings bore interest at floating rates. There is no material seasonal effect on the Group's borrowing requirements.

As at 31 December 2024, the Group had banking facilities of RMB154,997.7 million denominated in RMB, HK dollars and US dollars. The amount of banking facilities utilised was RMB83,488.1 million.

The Group's net cash outflow of RMB116.3 million up to 31 December 2024 consisted of:

A net cash outflow of RMB3,628.3 million from operating activities, which was mainly attributable to the payment of land and construction costs, selling and marketing expenses, administrative expenses and tax expenses by the Group, partially offset by the proceeds derived from the sales of properties, property rental and revenue from hotel operations etc.

A net cash inflow of RMB1,010.5 million from investing activities, which was mainly attributable to the decrease in restricted bank balances of the Group, and recovery of loans from joint ventures and associates, partially offset by the investments in joint ventures and associates, the purchase of property, plant and equipment and acquisition of subsidiaries, etc.

A net cash inflow of RMB2,501.6 million from financing activities, which was mainly attributable to new bank and other borrowings, new perpetual capital instruments, capital contribution from non-controlling shareholders, etc., partially offset by repayment of bank and other borrowings, payment of interests, redemption of perpetual capital instruments, payment of dividends to non-controlling shareholders, repayment of loans to non-controlling shareholders and acquisition of non-controlling interests, etc.

PLEDGE OF ASSETS

As at 31 December 2024, the Group's interest-bearing bank and other borrowings were secured by the Group's property, plant and equipment of RMB5,184.0 million, properties under development of RMB48,890.6 million, properties held for sale of RMB7,556.2 million, investment properties of RMB27,204.1 million, right-of-use assets of RMB220.7 million, investments in associates of RMB156.8 million, trade receivables of RMB2.5 million, and revenue generated during the Year by certain pledged investment properties and hotels with an aggregate amount of RMB1,261.2 million.

FINANCIAL GUARANTEES

As at 31 December 2024, the Group provided guarantees in respect of mortgage facilities for certain purchasers of the Group's properties amounting to approximately RMB6,739.5 million (2023: RMB11,357.3 million).

In addition, as at 31 December 2024, the Group provided guarantees to certain joint ventures and associates of the Group for their bank loans in the amount of RMB1,364.3 million (2023: RMB2,022.3 million) and RMB632.2 million (2023: RMB936.5 million), respectively. At 31 December 2024, certain of the Group's equity investments in joint ventures and associates, which had an aggregate net carrying amount of RMB1,064.5 million (2023: RMB1,084.7 million), were also pledged to secure the same bank loans aforementioned.

The Group assessed that the fair value of the financial guarantees at initial recognition and the expected credit loss allowance during the Year were insignificant.

MARKET RISK

The Group's assets are predominantly in the form of land use rights, land under development, properties under development, properties held for sale and investment properties. In the event of a severe downturn in the property market in Mainland China, these assets may not be readily realised.

INTEREST RATE RISK

The Group is exposed to interest rate risk resulting from fluctuations in interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations. Increase in interest rates will increase the interest expenses relating to the Group's outstanding floating rate borrowings and increase the cost of new debts. Fluctuations in interest rates may also lead to significant fluctuations in the fair value of the Group's debt obligations. The Board will from time to time review the interest rate risk of the Group and will hedge and control such risks should the need arise.

FOREIGN EXCHANGE EXPOSURE RISK

Substantially all of the Group's revenue and costs are denominated in RMB. Since 2016, the Group has changed to report its financial results in RMB. As the Group still has borrowings denominated in US dollars and HK dollars, the Group is exposed to the risk of fluctuations in foreign exchange rates. The Board will from time to time review the foreign exchange exposure risk of the Group and will hedge and control such risks should the need arise.

NETWORK RISKS AND SECURITY

As computer system and the Internet play a key role in our operations, the Group has designated professionals to monitor and assess the potential network risks. Hardware and software are subject to tracking according to appropriate policies of the Company. Potential network risks and network security are major issues that draw the management's attention. Accordingly, the Group has put in place policies and procedures to regulate the use of the Internet, physical maintenance of system power supply and regular update of the Internet security system and firewall, in order to isolate the Company's intranet from outside networks. Designated professionals are responsible for daily monitoring of any unusual network activities.

DATA FRAUD AND THEFT RISKS

The Group continues to review and update the internal control system on data and information access. The Group has adopted appropriate policies to protect its data. Only authorised persons are allowed to login. The management considers that the existing policies and procedures are effectively implemented to avoid data fraud and theft risks.

ENVIRONMENTAL AND SOCIAL RISKS

Due to the nature of business, in the event of serious and permanent climate change in China, the Company will face moderate environmental risks. The risks may have adverse effects on property construction and operations and affect the Company's market operations and the turnover of property sales.

Investor Relations

INVESTOR RELATIONS ACTIVITIES FOR 2024

March

Announced the annual results for 2023

Carried out non-deal related roadshow

May

Participated in the Beijing investor meeting of Kaiyuan Securities

Participated in offline researches on projects of Shanghai, Tianjin and Beijing

June

Participated in the online investor meeting of Citibank

Participated in the online investor meeting of Minsheng

Participated in the online investor meeting of Everbright

August

Announced the interim results for 2024

Carried out non-deal related roadshow

September

Participated in the Beijing investor meeting of Hua Chuang

Participated in the online investor meeting of Minsheng

Participated in the online investor meeting of Everbright

November

Participated in the online investor meeting of Citibank

December

Participated in the online investor meeting of Minsheng

Participated in the online investor meeting of Industrial Securities

Investor Relations

COMMUNICATION WITH SHAREHOLDERS

The Company considers that high-efficiency communication is a key factor for establishing sound interaction with its shareholders successfully. The Company has always been committed to providing its existing and potential investors with accurate and timely information, and maintaining its communication with investors by various means, thereby enhancing the transparency of its information disclosure. The Company attaches great importance to the communications with shareholders and public investors to ensure them to have a good channel for voicing their opinions and advice on the Company's performance. At the same time, the Company may also explain the operation of projects and its development strategies.

The Company has constantly maintained a sound two-way communication with its shareholders, and provides information to shareholders mainly through the following channels:

- The Company's annual report, interim report and circulars – they are distributed to shareholders and investors, as well as analysts who are interested in the Company's performance pursuant to the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the "Listing Rules");

- Annual general meeting – the directors and other senior management of the Company are present at the meeting, answering shareholders' inquiries and exchanging opinions with them;

- The Company' s interim and annual results announcement conferences – the Company announces its interim and annual results and responds to the inquiries from investors and the media;

- Voluntary disclosure of the Company's information – the Company, through different means, including investor meetings, telephone interviews, press releases and media interviews etc., announces major issues of the Company to the market in a timely and compliant manner pursuant the Listing Rules and the relevant requirement of the "Guidelines on Disclosure of Inside Information", and responds to the inquiries from investors and analysts in a timely manner;

- Periodic meetings with institutional investors and securities analysts on a voluntary basis – the Company provides information on its latest business development to attract more attention from the market. The management of the Company regularly participates in global non-deal related roadshow activities held after the publication of annual reports and interim reports to respond to queries related to its corporate development strategies and market outlook. These measures provide overseas shareholders with an opportunity to discuss with the management of the Company;

- Organising site visits – based on the development progress of its projects, the Company organises on-site visits for investors and analysts to directly visit various projects of the Company as and when necessary, and enables them to communicate with the management, so as to enhance investors' understanding of the Company's development.

In 2024, the Company's management participated in various investor meetings held online, to broaden its communication with international, Hong Kong and Mainland China investors. During the Year, the Company received over 100 investors and arranged over 100 investors to visit its projects in different places.

The Company has reviewed the shareholder communication policy and believes that the Company has provided investors with multiple channels for investors to understand the Group's business and operations, as well as channels for investors to express their opinions and comments. The Company has also actively responded to the feedback from investors. Based on the above, the Company believes that the shareholder communication policy implemented during the Year was sufficient and effective.

FEEDBACK FROM INVESTORS

The Company considers investors' feedback highly important. During the Year, the Company conducted several summaries and analyses on opinions from investors and analysts to have an understanding of the effectiveness of its investor relations function in a timely manner. The Company will further improve the quality of communication based on the investors' feedback to facilitate better communication with investors and analysts in future.

PROSPECTS OF OUR INVESTOR RELATIONS WORK

The Company will continue to progressively strengthen its efforts on investor relations to facilitate better communication with public investors and analysts. The Company is committed to ensuring the full compliance with the disclosure obligations under the Listing Rules and other applicable laws and regulations. In terms of compliance, we will continue to deliver the Company's latest information to the investors all over the world and enhance the Group's corporate governance standards and transparency in order to gain more trust and support from investors.

SUSTAINABLE DEVELOPMENT

Sustainable Development

CHINA JINMAO
SUSTAINABLE DEVELOPMENT

Adopting "Unleashing Future Vitality of the City" as our mission, China Jinmao always adheres to high-quality development as the core, premium holding operations and comprehensive city services as the pivots, and technology innovation as the driver, so as to lead the high-quality and sustainable development of cities and provide unlimited possibilities to satisfy people's yearning for a better life.

SUSTAINABLE DEVELOPMENT MANAGEMENT

Attaching great importance to environmental, social and governance ("ESG"), China Jinmao is committed to continuously improving the level and performance of ESG governance, and achieving the comprehensive and in-depth integration of the concept of sustainable development with corporate development strategy and business decision-making based on a scientific and professional ESG structure and a sound management system.

In 2024, the Company's ESG management and practice standards have been recognised by authoritative indexes and ratings locally and abroad, with the MSCI ESG rating standing firmly as A; awarded a GRESB 4-star green rating, a global real estate sustainable scoring system, with scoring once again achieving high improvement; awarded the title of "ESG Regional Top Rated" for the Asia-Pacific region by Morningstar Sustainalytics 2024; selected into state-owned enterprise ESG index series including the Hang Seng SCHK China Central SOEs ESG 40 Index and the Hang Seng SCHK China Central SOEs ESG Leaders Index; and ranked among the ESG – Pioneer 100 Index for the Central Enterprises for two consecutive years by the Social Responsibility Bureau of the SASAC of the State Council. In addition, the Company was selected for the first time in the 2024 Fortune China ESG Impact List. At the Hong Kong ESG Reporting Awards, the Company received two honours, namely the ESG Report Benchmark Award and the ESG Rating Outstanding Achievement Award. The Company's ESG implementation case of "Green strategy sets the background for high-quality development, wonderful ecology empowers sustainable development of cities" was shortlisted in the 2024 Excellent ESG Cases of Chinese Enterprises organised by the China Enterprise Reform and Development Research Society and Xinhua News Agency's Banyuetan magazine. The Company has become a role model for promoting Chinese enterprises to improve their ESG construction level and assisting the high-quality development of China's economy and society.

Shortlisted in the 2024 Excellent ESG Cases of Chinese Enterprises

Selected in the 2024 Fortune China ESG Impact List

Sustainable development governance structure

Board of Directors

As the highest decision-making body of China Jinmao's ESG governance structure, the Board comprehensively supervises the Company's ESG related matters, reviews the ESG vision, objectives, strategies and policies, evaluates and determines ESG risks and opportunities related to the Company's business, and supervises and reviews the Company's ESG performance.

Environmental, Social and Governance Committee (ESG Committee)

The Board of the Company authorised the establishment of the ESG Committee, with Mr. TAO Tianhai, the Chairman and an executive Director, Mr. ZHONG Wei, an independent non-executive Director, and Mr. TIAN Jiupo, the Vice President and CTO of the Company, serving as members. The ESG Committee shall assist the Board to comprehensively guide and monitor ESG management, formulate and regularly review ESG vision, objectives, strategies and policies, comprehensively monitor ESG risk management, material issues, progress of objectives and other related work, review the Company's annual ESG report, and complete other matters authorised by the Board.

Environmental, Social and Governance Working Group (ESG Working Group)

The Company has set up an ESG Working Group under the ESG Committee, which is composed of the functional office of the Company's headquarters and the counterparties at the relevant departments of the subsidiaries, and is responsible for the implementation of ESG work. Under the supervision and guidance of the ESG Committee, the ESG Working Group carries out ESG goal setting and follow-up work, policy formulation and improvement, information management and disclosure, as well as internal and external communication, so as to comprehensively follow up and implement various ESG matters.

Sustainable development management strategies

China Jinmao pays attention to the demands and expectations of major stakeholders such as shareholders, customers, environment, employees, partners and communities. Guided by the United Nations 2030 Sustainable Development Goals (SDGs), the Company gives full play to the advantages of "city operators" and has developed the following targeted sustainable development strategies with the sustainable development vision of "Unleashing Future Vitality of the City". It is committed to creating maximum comprehensive economic, environmental and social value for each key stakeholder and jointly building a harmonious and win-win sustainable future.

Sustainable development management strategies

Creating value with shareholders:

China Jinmao established sound investors' relations, strengthened the system to safeguard shareholders' interest and operated business in adherence to business ethics and in compliance with the laws and regulations while strengthening risk management and insisting on innovative development to maximise the returns to shareholders with sustainable operating results.

Progressing together with employees:

China Jinmao regarded employees as the Company's most valuable asset and respects their rights while ensuring their safety and health, creating a fair and open environment for employees and providing them with comprehensive career development channels and broad development potential for their growth in an effort to achieve enhancement in both corporate value and employee value.

Sharing quality with customers:

Committed to the mission of "Build Quality for Better Life", China Jinmao executed its undertaking towards each customer to provide customers with more diversified and comprehensive products and services in an effort to achieve the dream of future habitat and city.

Building harmony with the community:

As part of the community, China Jinmao actively participated in community development and contributed to the public welfare undertakings by upholding the development philosophy of "what is taken from society is used in society" to contribute to the building of a harmonious community.

Achieving win-win results with partners:

China Jinmao took a righteous and credible stance as the foundation of business and worked hand-in-hand with partners to drive industrial development in a diversified and win-win manner, building a responsible supply chain of sustainable development.

Co-depending with the environment:

Taking the green strategy as one of the Company's key strategies, China Jinmao continued to upgrade three areas namely "eco-city", "life building" and "zero-carbon operations" to build the "Ever Green" living model covering the whole process from design, construction to operation with a view to establishing itself as the model of city green operator in China.

SUSTAINABLE DEVELOPMENT REVIEW

Creating excellent value for shareholders

China Jinmao insists on steady development by continuously exploring innovative transformation to create higher value for shareholders. In 2024, the Company achieved a contracted value of RMB98.3 billion, ranking 12th in terms of annual sales scale. The brand strength jumped in an all-round way, and with a brand value of RMB66,236 million, the Company was selected among "China's 500 Most Valuable Brands" for the 20th time consecutively, steadily improving its ranking to 171st.

Maintaining investor relations. Based on the trust and support of shareholders, we continue to improve the mechanism for protecting shareholders' rights and interests and actively facilitate the two-way flow of information. We continue to strengthen communication and exchanges with stakeholders, disclose updates on investment and operating condition to domestic and foreign investors as requested by the laws and regulations, and timely respond to investors' concerns.

Enhancing investment and financing capabilities. We continuously explore the opportunity for financial innovation and constantly expand financing channels to achieve diversified low-cost financing and ensure long-term and stable profit mechanism. We make value investments with scenarios and carriers, and open up new models and paths for investment to lead to production and integration of production, investment and financing. In March 2024, the Company officially issued and listed the "Huaxia China Jinmao Shopping Mall Closed Infrastructure Securities Investment Fund", which became the first domestically listed consumer infrastructure public REITs, demonstrating China Jinmao's active response to the national policy direction of "expanding domestic demand and promoting consumption". In addition, the Company once again successfully organised a sustainability-linked club loan, which linked its loan interest rate to the Company's ESG-related performance, reflecting the financial institution's confidence in the Company's steady development and recognition of its sustainable development performance.

Strengthening risk management and control. We continuously improve the risk management system, and endeavour to identify, evaluate, prevent and control internal and external risks effectively to ensure the stable, sustainable and healthy development of the Company. At the same time, by firmly establishing all employees' risk and compliance awareness and competence, we improve management efficiency to effectively avoid risks. In 2024, 100% of the contracts were reviewed by legal specialists and no material risk event was identified.

Promoting anti-corruption and integrity. We continue to improve the management mechanism, optimise the prevention and control measures, smoothen the reporting channels, solidly advance inspection and supervision, constantly enhance warning education, enrich the construction of integrity work culture, and build a solid line of defence against corruption, adopting a zero-tolerance policy towards any form of corruption. The Company has complied with the Code of Business Ethics of China Jinmao to strengthen corporate governance, regulate business cooperation, provide clear business ethics guidelines for employees, and clarify the Company's policies and commitments on reporting and protecting whistle-blowers. In 2024, no event of bribery and corruption was identified.

Sustainable Development

Building the gold quality for our customers

Shouldering the mission of "building quality for better life", China Jinmao always adheres to the service philosophy that "customer's demand is our pursuit", builds a comprehensive one-stop customer service system with our full-dimensional touch points and super-standard services, and cultivates service quality to provide customers with a superior living experience of "warmth all year round".

Improving the quality of products. Upholding the mission of "building quality for better life", China Jinmao creates products and services with the philosophy of long-termism, continuously improves the quality control system and product standardisation system, constantly promotes product upgrades with innovative smart technology, and provides customers with a healthy, safe, and comfortable high-quality life experience. Based on the research and insights into the new needs of habitat, the Company has comprehensively renewed its product strategy and launched four new product lines of "Jin Yu Man Tang" to provide high-quality habitat solutions for different customer groups. During the Year, 37,000 units in aggregate were delivered in 48 projects of 34 cities, with customer satisfaction maintaining at the industry leading level of 90%. In 2024, the Company continued to strengthen its holding operating business, with a number of commercial, hotel and office projects completed and opened, including Wenzhou Aojiang Living Hub, Jinhua Dongmei Living Hub, Ningbo Jinmao Place, Renaissance Qingdao Hotel, Element Qingdao and Changsha Jin Mao Tower, achieving an overall improvement in regional functions and city vitality.

Upgrading service experience. Guided by customer needs, the Company continues to improve the construction of customer service standardisation management system, and explore more humanised, customised and personalised service experience. China Jinmao is committed to providing customers with a full life cycle and full life scene service experience, and improving service quality in all aspects and fields such as the membership system, property services, commercial services, etc.

Strengthening communication with customers. We continue to strengthen the construction of customer service platform, enrich and ensure the smooth operation of customer communication channels, and listen to customers' voices through various means such as the 400 call centre system, Jinmao Luxuriance platform, in-depth interviews with property owners, home visits, site opening, and customer experiencing day. In order to enhance customers' understanding and trust of Jinmao's quality, projects in various places have successively carried out "site open day", "visible construction" and "machine room open day" activities to provide customers with real and visible assurance of quality, and at the same time build a communication bridge to listen to customers. Service standards have been continuously improved as we jointly help the sustainable development of communities.

Changsha Jin Mao Tower

FACILITATING A WIN-WIN PATH FOR OUR PARTNERS

Upholding the principle of "creating value together and pursuing win-win results", China Jinmao pays close attention to the development trends of the industry, actively communicates and cooperates with suppliers, peer enterprises, financial institutions, research institutes and governments at all levels, and constantly uses our own advantages and resources to export high-quality experience so as to expedite the sustainable development of the industry.

Practising transparent procurement. Adhering to the principles of "eco-friendliness, openness, standardisation and intelligence", the Company has established a transparent tendering and procurement platform and a transparent and honest cooperation mechanism, severely cracked down on commercial bribery, unfair competition and other illegal activities, and eliminated inappropriate behaviour in the supply chain, so as to build a high-quality supply chain. The Company and all suppliers are required to sign the "Transparency Agreement", committing to abide by the Company's relevant requirements prohibiting corruption, bribery, benefit transfer, fraud, etc., and requiring suppliers to formulate their internal anti-corruption policies and accept regular audits. Moreover, the Company emphasises on cultivating partners' awareness of sustainable development and integrates environmental protection, resource conservation, product quality, health and safety and other sustainable development concepts into procurement requirements to help create a sustainable supply chain.

Facilitating cross-industry cooperation. Integrating its own advantages, the Company shares technological achievements with partners inside and outside the industry, jointly builds a path of development, and promotes the sustainable development of the industry. In 2024, China Jinmao was invited to participate in the BAU CHINA (an international construction technology expo) to share and demonstrate to the industry the Company's leading experience in creating a better life with technological housing and our green building practice results. At the same time, the Company continued to strengthen its extensive cooperation with various outstanding enterprises. Through a variety of business application scenarios, it effectively promoted the continuous iteration and upgrading of building materials, assisting the green upgrading of the industrial chain. In terms of cooperation and innovation between the enterprise and universities, Jinmao Green Construction held the 6th University Innovation Competition – "The Supremacy of Science and the Unity of Knowledge and Action", attracting 19 innovative teams from universities, science research institutes, startups and other partners to participate. With technological innovation as the driving force, we continued to promote the university innovation series of competitions to absorb and introduce cutting edge innovative technology.

China Jinmao was invited to participate in the BAU CHINA

Building a happy home for employees

China Jinmao regards employees as the most valuable asset. Adhering to the talent development strategy of "creation, sharing and growth together", the Company continuously improves employment, management, training system and protection mechanism, and is committed to building an equal, diversified, inclusive and harmonious workplace environment to provide employees with comprehensive career development channels and broad development space for their growth.

The Company has adopted appropriate recruitment and selection measures and established talent management and training programmes to consider diverse candidates. The Board believes that the Company has ensured gender diversity at the employee level by providing a fair environment, and the proportion of female employees has been maintained at a level consistent with industry characteristics for a long time. The Company continues to improve the system of gender diversity for all employees (including senior management). As of the end of the Reporting Period, the Company had a total of 9,377 employees, of which 36% were female, 22.4% managers were female, and 8.4% were ethnic minority.

Safeguarding employees' interests. The Company strictly abides by relevant international conventions and relevant laws and regulations of the places where it operates, continuously improves the employee management system, always adheres to the principle of equal and fair employment and strictly prohibits discrimination, child labour and other forced and compulsory labour. The Company strengthens democratic management of employees by forming a democratic management and supervision system with the employee representative meeting system as the core, continuing to pay attention to and respond to the requirements of employees. In 2024, the Company did not receive any employee complaints related to human rights such as child labour or forced labour.

Optimising the remuneration package. We continuously improve the system of remuneration package in order to establish a more fair and equal incentive mechanism, further playing the role of the incentive system in driving business growth, and ensuring that revenue growth is in line with corporate development and employee performance. On the premise of basic social security benefits, we provide employees with various supplementary benefits such as trade union care, holiday subsidies and commercial supplementary insurance, and regularly adjust internal salary levels according to market standards, so as to provide employees with competitive remuneration, and comprehensively enhance employees' sense of happiness and belonging.

Reinforcing safety responsibilities. We continue to improve the safety and health management system. Taking lean construction as the core, we adhere to the strategic guidance of the FORUS system, and build our lean construction capabilities by making up for shortcomings, building platforms, and upgrading systems. With the goal of achieving "four zero" in HSE management, the Company earnestly implements the dual prevention mechanism for risks and hidden dangers. Special actions such as illegal operation eradication, 100-day safety improvement, understanding of laws and regulations, and safety management improvement are conducted to ensure the implementation of HSE management at the front line. We also incorporate health and safety as a key indicator in the performance evaluation system, so as to deepen the awareness of safe production of employees and contractors, and continuously reduce safety risks. China Jinmao passed the ISO 45001 occupational health and safety management system standard, reaching the internationally advanced level in occupational health and safety management. During the Year, the Company achieved its "four zero" goal of HSE "0" fatal accident, "0" general and above environmental incident, "0" major negative HSE public opinion, and "0" new occupational disease.

Helping talents grow. The Company continuously improves its internal training mechanism, organises and carries out various vocational training to build a solid talent echelon. The Company has always focused on establishing a systematic talent concept as well as a distinct management culture and values by implementing the PMO organisational system internally, and encouraging innovative business development. The Company has formed a diversified training system for new employees, professional talents, and management talents, which uses "multi-echelon training" to form hierarchical coordination, provide training proposals that meet the development needs of employees at different stages, and comprehensively improve the vocational skills and professional qualities of employees. At the same time, the Company has established a dual-channel career development path for management stream and professional stream employees to meet their career development needs. Altogether fifteen categories in the professional stream, such as design, engineering, and marketing, have been developed according to the business development needs of the Company to provide employees with a broader career development path.

More caring for the employees. Guided by the corporate culture and values and in combination with the actual production and operation conditions of the Company, we organise a variety of cultural and sports activities such as knowledge contests, themed festival cultural activities and employee birthday parties to promote work-life balance of employees. Based on the actual needs of different groups, we implement various employee caring measures, focusing on humanistic caring and psychological counselling, with a view to enhancing the cohesion and combat power of employees. Moreover, to improve the labour protection system and facilities for female employees, we organise various activities such as Women's Day, Mother's Day, and women's health talks, building a diversified development platform to help female employees develop in an all-round way.

Delivering boundless love for our community

Upholding the mission of "alleviating poverty, actively participating in charity and building a harmonious community" and leveraging the resource advantages of city operator, China Jinmao leads employees, partners and customers to participate in social welfare undertakings in the aspects of poverty alleviation, community governance, and respect for the elderly and caring for children, continuing to fulfil its responsibility as a corporate citizen.

Improving public welfare management. Continuously improving the public welfare management mechanism, the Company integrates its own resource advantages and business characteristics to infiltrate public welfare undertakings into organisational management and operation and create all-round public welfare projects. We call on management personnel at all levels and stakeholders for active participation, jointly promoting the close integration of public welfare undertakings and sustainable undertakings, and contributing more warmth and caring to the society. China Jinmao has created the "Walk Together With Children" public welfare project, which cultivates in ecological environment, education, poverty alleviation and other fields with its huge community service and connection capabilities, continuously exploring innovative models of community public welfare.

Exhibition of "Walk Together With Children"

Sustainable Development

Focusing on education assistance. The Company attaches great importance to the education assistance to the assisted areas and resolutely pursues the effective connection between the achievements of poverty alleviation and rural revitalisation. Upholding the concept of "Dual Support for Intelligence and Ambition", we set up an incentive fund for outstanding young teachers and establish remote classroom as the teaching point, which helps areas where educational resources are scarce to improve educational conditions and enrich educational resources. In 2024, the Company donated the money raised at "Walk Together With Children" to support the improvement of school conditions in Gulang County, Gansu Province, helping the sustainable development of local education.

Launching public welfare campaigns. The Company fully explores its own resources, gives full play to its professional advantages, and actively carries out public welfare and charity activities and volunteer services. Companies at all levels actively join hands with local public welfare and charity organisations to form volunteer service teams with Jinmao characteristics, carrying out public welfare and volunteer activities in the community, conveying care and giving back to the community with actions. In 2024, the Company actively promoted various types of assistance work, strengthened close ties with the assisted counterpart areas, and focused on strengthening assistance to people in areas with employment difficulties. The Company actively helped to sell and purchase agricultural products from the assisted areas, with a total consumption support of RMB3.44 million and sales support of RMB0.73 million throughout the year.

Contributing green civilisation to the environment

Inheriting the innate green gene, China Jinmao has always adhered to the green strategy of "utmost green quality", deepened the concept of eco-friendliness and harmonious co-existence, and carried out comprehensive upgrades from the three dimensions of ecological cities, life buildings, and "zero-carbon" operations, infiltrating the green, low-carbon, and sustainable concepts through the entire life cycle of urban and architectural planning and design, building material selection, construction, and operation management, so as to promote high-quality and sustainable development of the city. China Jinmao actively responds to the national strategic goal of "dual carbon" by introducing the concept of "carbon neutrality" in the planning of city operations, actively exploring the path of energy conservation and emission reduction, and creating ultra-low energy consumption and zero energy consumption buildings to promote smart energy, thus helping the green and low-carbon transformation of the city.

Deepening green management. In strict compliance with the relevant laws, regulations and standards in the place of operation, the Company constantly updates and optimises its existing system to continuously manage and reduce the impact of business operations on the environment. The Company continues to carry out environmental impact assessment and management, and takes management measures against dust pollution, noise pollution and solid waste pollution that may exist in construction and operation, so as to reduce pollution from the source, improve the efficiency of resource utilisation, and reduce or avoid the generation and discharge of pollutants in the process of production, service and product use, thereby reducing the harm of construction and operation to personnel health and the environment.

Sustainable Development

Co-building eco-cities. We build ecological cities according to local conditions and inject lasting power into the sustainable development of cities. The Company always adheres to the green development strategy, continuously pushing ahead the creation of the "carbon neutral" IP under city operations, and deepening the development of passive low-energy buildings and net-zero carbon buildings, which are widely used in residential buildings, office buildings, commercial complexes, educational facilities and other fields. The kindergarten of Jinhua Jinmao Future Science City has acquired China's first net-zero carbon certification for an educational building jointly issued by TUV Rheinland of Germany and the BRE of the United Kingdom, the national standard three-star green building pre-evaluation report by the Chinese Society for Urban Studies, and the near-zero energy consumption building design label certification issued by the China Association of Building Energy Efficiency.

Creating green buildings. Adhering to the philosophy of "green technology for a better life", the Company actively advocates green design, promotes green construction and conducts green operation, proactively implementing green environmental protection requirements at every stage of the entire life cycle of buildings. We improve the energy-saving level of buildings and the ability to respond to climate change, setting up a model of green and healthy living. In 2024, the Sinochem Tower project was listed as a green building materials pilot project in Xiong'an New District. In particular, its Block B passed the ninth batch of near-zero energy consumption building project evaluation by the China Association of Building Energy Efficiency and obtained the "near-zero energy consumption building" design certification.

Adhering to green operations. The Company deeply explores the potential of energy conservation and emission reduction in the construction and operation stages, and promotes conservation and utilisation of resources and energy through energy substitution, energy efficiency improvement, green office, waste recycling and other measures. The Company has formulated the China Jinmao Low-carbon Development Plan and Implementation Outline to clarify the key carbon emission units and projects, as well as the implementation path of carbon emission reduction from the four dimensions of "ecological city", "life building", "low-carbon operation" and "focus on carbon reduction in the entire life cycle", so as to ensure the successful achievement of carbon emission reduction targets. The Company continues to explore the development model of smart energy, and vigorously promotes the use of clean energy and renewable energy in daily operations, reducing energy consumption in the operation process from the source. As of 2024, China Jinmao has invested, constructed and operated 73 energy stations at city, regional and project levels, with a planned energy supply area of 27.29 million square metres, which is expected to reduce carbon emissions by 180,000 tonnes per year after reaching the designed capacity.

Disseminating green concept. In response to the national call for low-carbon environmental protection, the Company actively disseminates the concept of green development, leading the industry in green and low-carbon development. China Jinmao not only insists on internal green operation management, but also conveys the concepts of green, low-carbon and sustainability to the society. In 2024, the 10th season of Run Green China officially started in dozens of cities in China with the theme of "Starting New". As one of China Jinmao's brand IPs, "Run Green China" practises green and healthy concepts and delivers green and healthy lifestyles and brand concepts through sports.

Profile of Directors and Senior Management

Mr. TAO Tianhai

Chairman and Executive Director

Mr. TAO, who was born in October 1975, has been the Chairman of the Company since 11 March 2025, and shouldering the work and responsibilities of the Chief Executive Officer at the same time. Mr. TAO joined the Company in July 2000 and held various management positions in China Jin Mao (Group) Co., Ltd., a subsidiary, including the manager of the corporate planning department and the general manager of the strategic planning department. He had successively served as the general manager of the strategic operations department, general manager of the cost contracting department and assistant to the president of the Company from October 2009. Mr. TAO had been a vice president of the Company since January 2017, a senior vice president of the Company since October 2017, and an executive Director and Chief Executive Officer of the Company since April 2023. Mr. TAO also serves as a director or chairman of a number of subsidiaries of the Company, including Shanghai Jinmao Investment Management Group Co., Limited and Jinmao Capital Holdings Limited. Mr. TAO has more than 25 years of experience in hotel and real estate development and management, and accumulated extensive practical experience in areas of corporate management, strategic management, operations management, etc. Mr. TAO obtained a bachelor's degree in library science from the School of International Business Administration of Northeast Normal University in July 1997 and a master's degree in political economy from the School of Economics of Fudan University in July 2000.

Profile of Directors and Senior Management

Mr. ZHANG Hui

Executive Director and Senior Vice President

Mr. ZHANG, born in October 1970, has been an executive Director of the Company since October 2023. He joined the Company in 2010 and was the vice president of the Company from January 2010 to July 2014, and has served as the senior vice president of the Company since October 2017. From October 2017 to July 2019, Mr. ZHANG was in charge of the Group's operation and management in the southwest region. He has been in charge of the Group's investment and industrial and urban development since July 2019. Mr. ZHANG has held senior positions in various subsidiaries of the Company, including serving as the secretary of the Party Committee and general manager of China Jin Mao (Group) Co., Ltd. from January 2010 to October 2017, and as the chief executive officer and executive director of Jinmao Hotel and Jinmao (China) Hotel Investments and Management Limited (a company delisted from The Stock Exchange of Hong Kong Limited in October 2020, stock code before the delisting: 06139) and Jinmao (China) Investments Manager Limited from March 2014 to October 2017. He has been redesignated as a non-executive director of these companies since October 2017. Mr. ZHANG also served as a director of a number of subsidiaries of the Company including Beijing Xingmao Chemsunny Enterprise Management Co., Ltd., Jinmao Chuangying (Tianjin) Consulting Co., Ltd. and Year Fine Limited. Mr. ZHANG joined Sinochem Group Co., Ltd. in 2002 and held a number of senior positions including the director and the general manager of Shanghai Orient Terminal Co., Ltd. Before joining Sinochem Group Co., Ltd., he worked at Shanghai Offshore Petroleum Bureau of China Petrochemical Corporation from 1995 to 2002. Mr. ZHANG has over 25 years of experience in large-scale project investment studies, development and construction, operation and management, and has extensive experience in corporate governance of listed companies. Mr. ZHANG graduated from China University of Geosciences (Wuhan) with a bachelor's degree in oil and gas reservoir engineering in June 1995 and obtained an executive master's degree in business administration from China Europe International Business School in September 2008. He obtained the Professional Certificate of Specialty and Technology and was awarded with the title of Senior Economist in December 2011. He was a delegate in the 14th Session of the Shanghai Municipal People's Congress.

Profile of Directors and Senior Management

Ms. QIAO Xiaojie (喬曉潔, with the former Chinese name of 喬曉杰)

Executive Director and Chief Financial Officer

Ms. QIAO, who was born in October 1973, has been an executive Director and Chief Financial Officer of the Company since April 2023. Ms. QIAO joined the Company in February 2008 and served as the general manager of the financial management department until January 2013. She then joined Sinochem Group Co., Ltd. and had served successively as the deputy general manager of the accounting management department, the deputy general manager and the general manager of the analysis and evaluation department and the deputy director of the strategy implementation department from January 2013 to September 2017. Ms. QIAO rejoined the Company as the deputy financial controller in September 2017 and concurrently served as the general manager of the financial capital centre since May 2021. Ms. QIAO has been a non-executive director of Jinmao Property Services Co., Limited (stock code: 00816) since August 2021. She is also a director of a number of subsidiaries of the Company including Beijing Xingmao Chemsunny Enterprise Management Co., Ltd., Jinmao Investment Management (Tianjin) Co., Ltd. and Jinmao Capital Holdings Limited. Prior to joining the Company, Ms. QIAO had successively held management positions such as accounting head and deputy general manager in the finance department of Beijing Three Gorges Economic Development Group and China Resources Land (Beijing) Company Ltd. from July 1995 to February 2008. Ms. QIAO has over 25 years of experience in corporate finance and financial management. Ms. QIAO obtained a bachelor's degree in accounting from North China University of Technology in July 1995 and a master's degree in accounting from Central University of Finance and Economics in December 2006. Ms. QIAO possesses the qualification of a professor-level senior accountant in Beijing and is a member of The Chinese Institute of Certified Public Accountants. Ms. QIAO is also a certified management accountant of The Institute of Management Accountants of the United States of America.

Profile of Directors and Senior Management

Mr. CHENG Yong
Non-executive Director

Mr. CHENG, who was born in November 1973, joined the Company in August 2020 and has been a non-executive Director of the Company since then. He joined Sinochem Group Co., Ltd. in August 1999 and served as the deputy general manager and the general manager of the strategic planning department and the vice president of the agricultural business department. He was the managing director of Sinochem Agriculture Holdings Limited from October 2015 to October 2018. Mr. CHENG was the deputy director of the human resources department of Sinochem Group Co., Ltd. between October 2018 and June 2021, and has been the director of the human resources department of Sinochem Holdings Corporation Ltd since June 2021. Mr. CHENG has been the executive vice president of Sinochem Innovation Management Institute (中化創新管理學院) since December 2018 and concurrently a director of a number of subsidiaries of Sinochem Holdings Corporation Ltd., including Sinochem Capital Co., Ltd. and China Foreign Economy and Trade Trust Co., Ltd. Mr. CHENG has over 25 years of extensive experience in corporate strategy and human resources management. Mr. CHENG obtained a doctoral degree in applied economics from the Graduate School of Chinese Academy of Social Sciences in 1999. Mr. CHENG is a Chinese certified public accountant (CPA) and a qualified lawyer in the PRC.

Profile of Directors and Senior Management

Ms. CHEN Aihua
Non-executive Director

Ms. CHEN, born in January 1972, joined the Company in July 2023 and has been a non-executive Director of the Company since then. Ms. CHEN joined Sinochem Group Co., Ltd. in August 1994, and had worked successively in the export department of Sinochem Plastics Co., Ltd., the asset management department and the risk management department of Sinochem International Trading Co., Ltd. and the risk management department of Sinochem Group. From January 2008 to March 2018, Ms. CHEN successively served as the deputy general manager of the risk management department, the deputy general manager of the audit department and the deputy director of the audit and compliance department of Sinochem Group. She has served as the director of the audit and compliance department of Sinochem Group since March 2018 and the director of the audit department of Sinochem Group since June 2021. Ms. CHEN has been serving as the chairperson of the board of supervisors of Sinochem International Corporation (a company listed on the Shanghai Stock Exchange, stock code: 600500) since November 2022. Ms. CHEN has been serving as the director of PIRELLI & C. SPA (a company listed on the Borsa Italiana S.p.A, stock code: PIRC.MI) since July 2023. Ms. CHEN concurrently serves as the supervisor of Sinochem Holdings Corporation Ltd., China National Chemical Corporation Ltd. and Sinochem Petroleum Exploration and Production Co., Ltd. and the chairperson of the board of supervisors of Sinochem Corporation, Sinochem Energy Corporation Co., Ltd. and Sinochem Finance Co., Ltd. Ms. CHEN has nearly 30 years of experience in import and export trade, corporate risk management and internal audit. Ms. CHEN obtained a bachelor of engineering degree in polymer materials from Beijing University of Chemical Technology in August 1994.

Mr. CHEN Yijiang

Non-executive Director

Mr. CHEN, who was born in August 1973 and has been a non-executive Director of the Company since June 2024. Mr. CHEN joined New China Life Insurance Company Ltd. (a company listed on the Shanghai Stock Exchange, stock code: 601336.SH and a company listed on The Stock Exchange of Hong Kong Limited, stock code: HK.01336) in April 2003, working in the financial management department. From October 2006 to September 2010, he successively served as a manager and an assistant general manager of the financial management office of the financial management department. From October 2010 to June 2017, he was redesignated to the fund utilisation management department and successively served as an assistant general manager, deputy general manager and general manager. Mr. CHEN served as the general manager of the investment department of New China Life Insurance Company Ltd. from June 2017 to April 2024 and the chairman of New China Asset Management (Hong Kong) Limited since October 2023. Mr. CHEN also served as a director of New China Pension Co., Ltd. since April 2017. Mr. CHEN now serves as the deputy secretary-general to the Institutional Investor Committee of the Insurance Asset Management Association of China, a member of Risk Control Expert Committee and an external expert of asset management plan of PICC Insurance Asset Registration and Trading System Co., Ltd. Mr. CHEN has over 20 years of experience in insurance asset management, financial and accounting management, corporate investment and financing and risk management. Mr. CHEN obtained a bachelor's degree in economics from Renmin University of China in June 1996, a master's degree in management from Department of Financial Accounting of Xiamen University in June 1999, subsequently, and an executive master of business administration (EMBA) from the University of Illinois in July 2002.

Profile of Directors and Senior Management

Ms. WANG Wei

Non-executive Director

Ms. WANG, born in May 1967, joined the Company in November 2023 and has been a non-executive Director of the Company since then. She joined Ping An Life Insurance Company of China, Ltd. in May 2022 as a risk specialist in the alternative investment management department of the investment management centre. Ms. WANG consecutively served as the general manager of the asset preservation department, risk management department and credit approval department of Shenzhen Development Bank (renamed and known as Ping An Bank since 2012) Tianjin Branch from April 2002 to March 2017, and then as an assistant to the president of Ping An Bank Jinan Branch from March 2017 to August 2019. She served as an assistant to the president and then the vice president of the energy finance department of Ping An Bank from August 2019 to August 2021, and as the deputy chief risk specialist of the special asset management department of Ping An Bank from August 2021 to May 2022. Ms. WANG has been serving as a non-executive director of China Fortune Land Development Co., Ltd. (a company listed on the Shanghai Stock Exchange, stock code: 600340) since January 2023. Prior to joining Ping An Bank, Ms. WANG was a teacher at the School of Economics and Management of Tianjin Vocational Institute from August 1989 to April 2002. Ms. WANG has over 20 years of experience in corporate finance and financial management, risk management in asset, investment and financing. Ms. WANG obtained a degree of Bachelor in Law in July 1989 from China University of Political Science and Law, majoring in economic law. Ms. WANG obtained her Lawyers' Qualification Certificate of the People's Republic of China in September 1995.

Mr. SU Xijia

Independent non-executive Director

Mr. SU, who was born in September 1954, has been an independent non-executive Director of the Company since March 2007. He was an assistant professor in 1996 and subsequently an associate professor in the Department of Accountancy of City University of Hong Kong. He has joined China Europe International Business School (CEIBS) since July 2010 as a professor of accounting. His research focuses on corporate governance and auditing practices of PRC listed companies. He has also been appointed as the special researcher by the CICPA since 2005. He has given lectures at the China Securities Regulatory Commission, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, major commercial banks and various universities in China. He has been serving as an independent director of Shanghai Oriental Pearl Media Co. Ltd. (a company listed on the Shanghai Stock Exchange, stock code: 600637) since May 2021 and as an independent director of Juewei Food Co., Ltd. (a company listed on the Shanghai Stock Exchange, stock code: 603517) since May 2024. Mr. SU was an independent Director of Industrial Bank Co., Ltd. between January 2017 and September 2023 (a company listed on the Shanghai Stock Exchange, stock code: 601166) and an independent director of Opple Lighting Co., Ltd. (a company listed on the Shanghai Stock Exchange, stock code: 603515) between June 2018 and August 2024. Mr. SU has over 25 years of experience in corporate governance and accounting practice. Mr. SU earned a bachelor's degree in Accounting from Xiamen University in 1982. He obtained his PhD degree from Concordia University of Canada in 1996.

Profile of Directors and Senior Management

Mr. SUEN Man Tak

Independent non-executive Director

Mr. SUEN, who was born in June 1958, has been an independent non-executive Director of the Company since November 2020. He has extensive experience in the enforcement of securities and futures related legislation as well as commercial crime investigations. Mr. SUEN had served with the Securities and Futures Commission of Hong Kong for more than 17 years. He is now a practicing barrister-at-law specializing in litigation and advisory matters in relation to the Securities and Futures Ordinance, the Codes on Takeovers and Mergers and Share Buy-backs, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission of Hong Kong, market misconduct, white collar crimes and anti-money laundering activities. Mr. SUEN has been an independent non-executive director of Zijin Mining Group Co., Ltd. (stock code: 02899) since December 2019. Mr. SUEN served as an independent non-executive director of Sino-Ocean Group Holding Limited (stock code: 03377) between December 2015 and June 2023. Mr. SUEN served as an independent director of Inception Growth Acquisition Limited, a company listed on the NASDAQ Global Market (stock code: IGTAU) between 9 December 2021 and 2 March 2023. Mr. SUEN received his master's degree in accountancy from the Charles Sturt University, Australia in September 1996. He further obtained a degree of juris doctor in July 2010 and a postgraduate certificate in laws in July 2011, both from the City University of Hong Kong. He was called to the Hong Kong Bar in February 2013. Mr. SUEN has been a member of the Hong Kong Institute of Certified Public Accountants since July 1998 and a member of the Hong Kong Securities and Investment Institute since April 1999.

Profile of Directors and Senior Management

Mr. GAO Shibin

Independent non-executive Director

Mr. GAO, who was born in March 1964, has been an independent non-executive Director of the Company since November 2015. Mr. GAO is currently an independent consultant of enterprise strategy and investment expansion in the real estate field. Mr. GAO served as an independent non-executive Director of the Company from July 2007 to June 2011. Mr. GAO worked for Jones Lang LaSalle Beijing from April 2003 to May 2008 and was a national director before departure. He served as the managing director for China of Standard Chartered Asia Real Estate Fund Management Company from June 2008 to September 2009. He was the managing director of Tishman Speyer Properties and the general manager of its Beijing branch from October 2009 to October 2015. Mr. GAO worked as a project manager, a senior business manager and a senior investment manager for several investment and project management companies in the UK, Hong Kong and Canada between 1996 and 2003. Mr. GAO has nearly 30 years of experience in real estate development and investment, real estate finance and asset management. Mr. GAO obtained a bachelor's degree in Civil Engineering and a master's degree in Building Economics and Management from Tsinghua University in 1987 and 1989, respectively. He obtained his PhD degree in Property Development and Management from the University of Manchester in the UK in 1998. Mr. GAO is a member of the Royal Institution of Chartered Surveyors and an assessor of its membership qualification.

Profile of Directors and Senior Management

Mr. ZHONG Wei

Independent non-executive Director

Mr. ZHONG, who was born in February 1969, has been an independent non-executive Director of the Company since August 2020. Mr. ZHONG has been a professor of the department of finance of the Business School of Beijing Normal University since July 2003. Mr. ZHONG has been an independent non-executive director of China Resources Land Limited (stock code: 01109) since April 2017, an independent non-executive director of Seazen Group Limited (stock code: 01030) since December 2014, and an independent non-executive director of Yunnan Water Investment Co., Limited (stock code: 06839) since November 2020. Mr. ZHONG has over 20 years of experience in the areas of corporate governance, finance and real estate research. Mr. ZHONG obtained a bachelor's degree in science from the department of physics of Nanjing University in 1990, a master's degree in management engineering from the School of Economics and Management of Southeast University in 1994, a doctoral degree in economics from Beijing Normal University in 1999, and a post-doctoral degree in management science and engineering from Tongji University in 2004.

Profile of Directors and Senior Management

Mr. LIU Guanghua
Senior Vice President

Mr. LIU, who was born in March 1974, joined the Company in August 2015 as the secretary of the disciplinary committee, and has been a senior vice president of the Company since June 2021. Prior to joining the Company, Mr. LIU worked at Liaohe Oilfield Huayou Oil Company (遼河油田華油公司) and successively served as staff member, technician and deputy plant manager from July 1997 to September 2002. Mr. LIU joined Sinochem Group Co., Ltd. in July 2004 and has successively held various management positions in the human resources department of Sinochem Group, Sinochem Hebei Import & Export Company (中化河北進出口公司), Sinochem Quanzhou Petrochemical Co., Ltd. and Sinochem Hongrun Petrochemical Co., Ltd. (中化弘潤石油化工有限公司). Mr. LIU has extensive practical experience in strategic management, corporate operation and discipline inspection and supervision. Mr. LIU obtained a bachelor's degree in petroleum processing from Beijing Institute of Petrochemical Technology in July 1997 and a master's degree in business administration from Dalian University of Technology in July 2004.

Mr. LIAO Chi Chiun
Company Secretary

Mr. LIAO, who was born in January 1968, has been the Chief Accountant, Qualified Accountant and Company Secretary of the Company since March 2007. Prior to joining the Company, he served as an accountant of SEA Holdings Limited between 1997 and 2006. He has over 25 years of experience in Hong Kong and PRC accounting practice relating to property leasing and development. Mr. LIAO earned a BA (Hons) degree in Accounting from De Montfort University, England in 1995. He is a fellow member of the Association of Chartered Certified Accountants and an associate member of the HKICPA.

Corporate Governance Report

CODE ON CORPORATE GOVERNANCE

Since its establishment, the Company has been committed to enhancing the level of its corporate governance. The Company has adopted its own code on corporate governance which sets out all code provisions and most of the recommended best practices set out in the Corporate Governance Code in Appendix C1 to the Listing Rules (the "Corporate Governance Code"). The Company will continue to improve its corporate governance practices, focusing on maintenance and enhancement of the management quality of the Board, internal control and high transparency to shareholders, so as to increase the confidence of shareholders in the Company. The Company believes that good corporate governance is crucial to maintaining its long-term healthy and sustainable development and is vital for the interests of its shareholders.

In 2024, the Company complied with all provisions of its own code on corporate governance.

BOARD OF DIRECTORS

The Board is accountable to the shareholders and is responsible for the Group's overall development strategy, business decision-making, internal control and risk management system. In order to fulfil its responsibilities, the Board has established and adhered to explicit operating policies and procedures, reporting hierarchy and delegated authority. The management is authorised to handle the daily operations of the Group.

The Board is responsible for managing the overall business of the Company and overseeing the functions performed by the subordinate special committees. In particular, the internal control practices are mainly reflected in the following areas:

- management and monitoring of the Group's assets, liabilities, revenues and expenditures as well as making adjustments in areas critical to the Group's performance;

- strategic capital investments and new project investments – the implementation of stringent project review and approval process, purchasing and tendering procedures and diligent assessment of its implementation upon completion;

- financial and operational performance – through overall strategic planning, the implementation and maintenance of the effective financial management system and the improvement of the performance-driven operational monitoring system;

- management of relationship with stakeholders of the Company – through frequent communication with partners, governments, customers and other parties who have legal interests in the business of the Company;

- risk management – continuous risk management through review of the reports from the Audit and Risk Management Department to identify, evaluate and appropriately manage the risks faced by the Company; and

- corporate governance – formulation and review of the Company's corporate governance policies and practices; review and monitoring of the training and continuous professional development of Directors and senior management; review and monitoring of the Company's policies and practices in relation to compliance with laws and regulatory requirements; formulation, review and monitoring of the code of conduct for employees and Directors; as well as review of the Company's compliance with the Corporate Governance Code and disclosure in the Corporate Governance Report.

With respect to Board diversity, the Directors have different professional backgrounds, providing professional advice to the Company in their respective areas of expertise. As of the date of this report, the Board consisted of the following eleven Directors. The term of office of each of the Directors is three years from their respective dates of appointment:

EXECUTIVE DIRECTORS

Mr. TAO Tianhai (Chairman)
Mr. ZHANG Hui (Senior Vice President)
Ms. QIAO Xiaojie (Chief Financial Officer)

NON-EXECUTIVE DIRECTORS

Mr. CHENG Yong
Ms. CHEN Aihua
Mr. CHEN Yijiang
Ms. WANG Wei

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. SU Xijia
Mr. SUEN Man Tak
Mr. GAO Shibin
Mr. ZHONG Wei

At the annual general meeting of the Company held 19 June 2024, Mr. ZHANG Hui was re-elected as an executive Director of the Company; Mr. CHENG Yong was re-elected as a non-executive Director of the Company; Ms. CHEN Aihua was re-elected as a non-executive Director of the Company; Ms. WANG Wei was re-elected as a non-executive Director of the Company; Mr. SUEN Man Tak was re-elected as an independent non-executive Director of the Company; and Mr. ZHONG Wei was re-elected as an independent non-executive Director of the Company.

Mr. AN Hongjun resigned as a non-executive Director and a member of the Audit Committee of the Company with effect from 26 June 2024 due to his other business commitments which require more of his dedication. Mr. AN has confirmed that he has no disagreement with the Board and there are no matters relating to his resignation that need to be brought to the attention of the shareholders. On the same day, Mr. CHEN Yijiang was appointed by the Board as a non-executive Director and a member of the Audit Committee of the Company. Mr. CHEN Yijiang has obtained the legal opinions as required by Rule 3.09D of the Listing Rules from the Company's Hong Kong legal advisor on 21 June 2024, confirming that he understood his responsibilities as a Director.

Mr. ZHANG Zenggen, having reached the retirement age, resigned as the Chairman of the Company, an executive Director, the chairman of the Strategy and Investment Committee and the chairman of the ESG Committee with effect from 11 March 2025. Mr. ZHANG has confirmed that he has no disagreement with the Board and there are no matters relating to his resignation that need to be brought to the attention of the shareholders. On the same day, Mr. TAO Tianhai, an executive Director, was appointed by the Board as the Chairman of the Company, the chairman of the Strategy and Investment Committee and the chairman of the ESG Committee.

As of the date of this report, the composition of the special committees under the Board of the Company is as follows:

Audit Committee: Mr. SU Xijia (Chairman), Ms. CHEN Aihua, Mr. CHEN Yijiang, Mr. SUEN Man Tak and Mr. GAO Shibin

Remuneration and Nomination Committee: Mr. ZHONG Wei (Chairman), Mr. SU Xijia, Mr. GAO Shibin, Mr. CHENG Yong and Ms. WANG Wei

Strategy and Investment Committee: Mr. TAO Tianhai (Chairman), Mr. ZHANG Hui, Mr. GAO Shibin and Ms. QIAO Xiaojie

Independent Board Committee: Mr. SU Xijia (Chairman), Mr. SUEN Man Tak, Mr. GAO Shibin and Mr. ZHONG Wei

ESG Committee: Mr. TAO Tianhai (Chairman), Mr. ZHONG Wei and Mr. TIAN Jiupo

Other than disclosed above, there was no change in the Company's Directors during the Period under Review and as at the date of this report.

Biographical details of the Directors are set out from pages 98 to 109 of this report. The Board members have no financial, business, family or other material/relevant relationships with each other. The Company has arranged appropriate insurance coverage in respect of potential legal actions against its Directors and reviews the coverage of the insurance every year.

The Board has a balanced composition. Each Director possesses the knowledge, experience and expertise required for the business operation and development of the Group. All Directors are aware that they are severally and collectively accountable to the shareholders. They also fulfil their duties and responsibilities diligently to make contribution to the outstanding results of the Group.

The current non-executive Directors are not involved in the Company's daily management but they provide the Company with a wide range of expertise and experience. Their participation in the Board and the committee meetings brings independent judgment on issues relating to the Company's strategies, performance, conflicts of interest and management procedures, to ensure that adequate checks and balances are provided and the interest of all shareholders are taken into account. The Board believes that the balance between executive and non-executive Directors is reasonable and appropriate to safeguard the interests of shareholders, other related parties and the Group.

As at the end of the Reporting Period and the date of this report, the Company has four independent non-executive Directors in compliance with the requirements that the number of independent non-executive directors shall account for at least one-third of the members of the board and at least one of them shall have appropriate financial management expertise. Each independent non-executive Director has confirmed his independence to the Company, and the Company is of the view that these Directors are independent of the Company under the guidelines set out in Rule 3.13 of the Listing Rules.

The Directors have access to appropriate business documents and information about the Company on a timely basis. The Directors have free access to the management for enquiries and further information when necessary. All Directors and the special committees under the Board also have recourse to external legal counsels and other professionals for independent advice at the Company's expense as and when the need arises.

The Company believes that the composition of the Board of the Company (including the number and proportion of independent non-executive Directors), the channels for Directors to obtain information and resources, as well as the process of nomination of Directors and the implementation of the diversity policy of the Board (see the section headed "Rules for Nomination, Appointment, Re-election and Removal of Directors and Board Diversity" below for details) can ensure that the Board can obtain independent views and opinions.

The Directors actively participate in continuous professional development, develop and refresh their knowledge and skills to ensure that their contributions to the Board remain informed and relevant. During the Reporting Period, each of the Directors participated in a number of external training and conferences, read books and related materials, etc. Every executive Director participated in the "Intensive training on learning and implementing Xi Jinping's Thought on Socialism with Chinese Characteristics for a New Era and the spirit of the Third Plenary Session of the 20th CPC Central Committee" held by Sinochem Holdings, and each participated in the training sessions on "Improving the Mechanism of Enterprise Technology Innovation" and "Enhancing the Ability of Enterprise Leaders to Govern and Develop Enterprises" held by China E-learning Academy For Leadership. TAO Tianhai and ZHANG Hui, all being the Directors, participated in the special topic seminar on "Improving Safety Performance Ability" held by Sinochem Holdings. ZHANG Hui, being a Director, read books such as "Three produced All Things", "The Path to Capital Growth of Listed Companies", "Principles of

Corporate Governance Report

Economics" and "Dynamic Efficiency". QIAO Xiaojie, being a Director, attended the "2024 Second Financial Personnel Training (Chief Financial Officer Class)" held by Sinochem Holdings. CHENG Yong, being a Director, attended the training sessions on "Logical Connotation and Implementation Path of New Quality Productivity", "Key Points of Duties Performance of External Directors of Central Enterprises under the New Situation" and "Modern Corporate Governance and Board Decision-making of State-owned Enterprises with Chinese Characteristics". CHEN Aihua, being a Director, attended the special topic seminars on the "Case Analysis of the Duties and Supervision of Supervisors of Listed Companies in the Performance of Financial-related Aspects", "Interpretation of Regulatory Policies for Listed Companies" and "Interpretation of Sustainability Reporting Guidelines". WANG Wei, being a Director, attended the course on "Investor Relationship Management Theory and Practice" held by China Association for Public Companies, the course on "Financial Innovation and Financial Value Creation" held by Ping An Institute of Financial Management and the training sessions organised by Cheung Kong Graduate School of Business. CHEN Yijiang, being a Director, attended the training sessions titled "High-quality Development of China's Insurance Industry after the Central Economic Work Conference", "Effectively Playing the Role of Insurance and Doing a Good Job in Inclusive Finance" and "Practical Exploration and Innovative Development of Science and Technology Finance" held by Insurance Association of China; special topic seminar on "Learning and Implementing the Spirit of the Central Financial Work Conference" held by New China Life Insurance; and director induction training sessions by Jun He Law Offices, the compliance advisor of the Company. SU Xijia, being a Director, participated in the independent director continuing education training programme held by the Shanghai Stock Exchange and received a certificate of completion. SUEN Mak Tak, being a Director, participated in the special topic seminars on "Environmental, Social and Corporate Governance" and "Anti-Money Laundering Management" organised by BOC International; a number of events including the "Independent non-executive director forum" organised by KPMG on topics including the "Future of board leadership", "ESG governance" and "Updates and outlook on the Hong Kong capital market"; participated in a number of keynote speeches at the 8th ICAC Symposium on topics including "Innovative governance to fight corruption", "Towards a GLOCAL systemic approach on anti-corruption" and "Sustainable international cooperation for a shared future", as well as the course series on "Regulatory Dialogue and Director Development" organised by The Hong Kong Institute of Bankers. GAO Shibin, being a Director, participated in the online lectures and training sessions organised by Tsinghua University on topics including "Housing demand trends: Changes, challenges and opportunities", "Echoes of history: The long-term perspective of real estate industry", "Breakthrough and reconstruction of the real estate market" and "Starting a new journey: Commercial real estate in transition". ZHONG Wei, being a Director, participated in the "China Office Building Industrial Park Development Forum" and delivered a keynote speech entitled "Where? Where to? Outlook for China's Economic and Real Estate Industry in 2025". He also read books such as "Decline in Balance Sheet", "Long-Term Crisis", "The Truth of Innovation" and "The Next Age of Uncertainty".

BOARD MEETINGS

The Board holds meetings regularly to review the financial performance of the Company, significant issues and other matters that require decisions of the Board.

The Company has made proper arrangements to give all Directors the opportunity to present matters for discussion in the agenda of each Board meeting. All Directors are given the meeting agenda and relevant documents prior to each Board meeting.

The Board office of the Company assists in preparing agenda for Board meetings and ensures that all applicable rules and regulations regarding the meetings are followed.

Apart from the consent obtained through circulation of 10 written resolutions to all Board members, during the Period under Review, the Board held four meetings, during which the Directors considered and approved various matters, mainly including the 2023 annual report, the 2024 interim report and the 2023 environmental, social and governance report of the Company, annual authorisation of domestic and foreign debt financing, revision of the strategic plan, strategy execution plan and budget for 2025, changes in directors, six continuing connected transactions, etc. In addition, the Directors regularly review the relevant matters of corporate governance, including review of the Company's compliance with the policies and practices on laws and regulatory requirements, training and continuous professional development of Directors and senior management, code of conduct for employees and Directors and the Company's compliance with the Corporate Governance Code. Meeting and resolution participation of each Director during 2024 is set out below:

Position	Name	Meeting attended in person	Meeting attendance rate	Total number of resolutions	Resolution participation rate
Non-executive Director	Mr. CHEN Yijiang*	2/3	67%	14/14	100%
Non-executive Director	Ms. CHEN Aihua	4/4	100%	18/18	100%
Non-executive Director	Mr. AN Hongjun*	1/1	100%	10/10	100%
Non-executive Director	Mr. CHENG Yong	3/4	75%	18/18	100%
Non-executive Director	Ms. WANG Wei	4/4	100%	22/22	100%
Executive Director	Mr. ZHANG Zenggen*	4/4	100%	24/24	100%
Executive Director	Mr. TAO Tianhai	4/4	100%	24/24	100%
Executive Director	Mr. ZHANG Hui	4/4	100%	24/24	100%
Executive Director	Ms. QIAO Xiaojie	4/4	100%	24/24	100%
Independent non-executive Director	Mr. SU Xijia	4/4	100%	24/24	100%
Independent non-executive Director	Mr. SUEN Man Tak	4/4	100%	24/24	100%
Independent non-executive Director	Mr. GAO Shibin	4/4	100%	24/24	100%
Independent non-executive Director	Mr. ZHONG Wei	4/4	100%	24/24	100%

* Mr. AN Hongjun resigned as a Director of the Company with effect from 26 June 2024, and Mr. CHEN Yijiang was appointed as a Director of the Company on the same day. Mr. ZHANG Zenggen resigned as a Director of the Company with effect from 11 March 2025.

The Directors are given sufficient information both at meetings and at regular intervals so that they can maintain effective control over strategic, financial, operational, compliance and corporate governance issues. They also have unrestricted access to independent professional advice and the advice and services from the Company Secretary to ensure compliance with all procedures of the Board meetings. The Company Secretary keeps minutes of each meeting of the Board and the subordinate committees, which are available to all Directors for review at any time.

The Company continuously updates all Directors on the latest developments regarding the Listing Rules and other applicable regulatory requirements to ensure compliance with the requirements by the Directors, and to maintain good corporate governance practices.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Code provision C.2.1 of the Corporate Governance Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual.

There is a clear division of these two positions of Chairman and Chief Executive Officer of the Company to ensure a balanced distribution of power and authority. The Chairman of the Company is responsible for leading and supervising the operation of the Board and providing leadership to the Board in terms of formulating overall strategies, business directions and policies of the Company. The Chairman of the Company also makes effective plans for Board meetings and ensures that the Board acts in the best interests of the Company and its shareholders. The Chief Executive Officer of the Company is directly responsible for the management of daily operation of the Company, formulation and execution of policies of the Company, and reports to the Board for the overall operation of the Company. The Chief Executive Officer also advises the Board on any significant developments and issues.

Mr. ZHANG Zenggen had served as an executive Director and the Chairman of the Company from 31 May 2023 to 11 March 2025. Mr. TAO Tianhai has been serving as an executive Director and the Chief Executive Officer of the Company since 28 April 2023, and then has been served as the Chairman and an executive Director of the Company since 11 March 2025. Following the resignation of Mr. ZHANG Zenggen, Mr. TAO Tianhai, the Chairman of the Company, has temporarily shouldered the work and responsibilities of the Chief Executive Officer during the transition period. In order to fully comply with the code provision C.2.1 of the Corporate Governance Code as soon as possible, the Company is committed to identifying a suitable candidate with appropriate professional qualifications or relevant expertise for appointment as the Chief Executive Officer wherever practicable.

RULES FOR NOMINATION, APPOINTMENT, RE-ELECTION AND REMOVAL OF DIRECTORS AND BOARD DIVERSITY

The Company has a set of formal, prudent and transparent procedures for the appointment and succession of Directors. According to the Articles of Association of the Company, a Director shall be appointed or removed by an ordinary resolution at the general meeting; the Board has the right to appoint any Director to fill a casual vacancy or appoint a new member to the Board, subject to re-election by the shareholders at the first annual general meeting immediately after the appointment. All Directors (including executive and non-executive Directors) of the Company are appointed for a term of three years. A Director may be re-elected at the general meeting after expiration of his/her term.

According to the Articles of Association of the Company, a Director shall be recommended by the Board or be nominated by any shareholder (other than the person to be nominated) of the Company who is entitled to exercise voting rights at a general meeting during the period from the date of despatch of the notice of the general meeting to 7 days before the date on which such general meeting is duly convened. The Remuneration and Nomination Committee of the Company will also provide advice to the Board in respect of the nomination. Qualifications and competence of the nominees should be taken into consideration during nomination.

To achieve sustainable and balanced development, the Company considers that having a diversified Board is crucial to fulfilling its strategic objectives and achieving sustainable development. In determining the composition of the Board, the Company seeks to achieve Board diversity through the consideration of a number of factors. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board. The selection of candidates by the Company is based on a number of criteria on diversity, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. During the Reporting Period, the Remuneration and Nomination Committee made recommendations to the Board with respect to the re-election of Directors having due regard for the above diversity requirements. The Board reviewed the current composition of Board diversity and confirmed that the members of the Board of the Company have diversified backgrounds, professional experience and skills, including property development and investment, corporate management, capital market, law, financial accounting and financial investment. The Board is committed to gender diversity of Board members. For appointment and re-appointment, the Remuneration and Nomination Committee also makes recommendations to the Board with respect to the appointment of Directors according to the diversity policy of the Company so as to promote gender diversity of Board members. There are three Directors of another gender, which achieves the objective of Board diversity and aligns the best interests of shareholders as a whole on an ongoing basis. For male and female employees who have the experience, skills and knowledge required for operations and business, the Group will provide comprehensive training, including but not limited to operations, management, accounting, finance, compliance, etc. The Board believes that the above strategies can provide opportunities for the Board to select capable female employees, which will further and simultaneously promote the gender diversity of the employees of the Company and the Board in the long run.

During the Reporting Period, the diversity of the Board is set out below:

Age	
40 – 49	1 person
50 – 59	7 persons
60 or above	4 persons

Term of directorship	
5 years or less	10 persons
more than 5 years – 10 years	1 person
more than 10 years	1 person

Roles	
Executive Director	4 persons
Non-executive Director	4 persons
Independent non-executive Director	4 persons

RESPONSIBILITIES OF DIRECTORS

Each Director is required to keep abreast of his responsibilities as a Director and of the operation and business activities of the Company from time to time. Non-executive Directors have the same duties of care and skills as executive Directors.

The non-executive Directors of the Company have sufficient experience and talent and fully participate in the Board to fulfil the functions specified in the provisions C.1.2(a) to (d) of the Corporate Governance Code.

RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Board is responsible for the preparation of financial statements of each financial year, which give a true and fair view of the operating results and financial status of the Company. In preparing the financial statements, the Directors of the Company have selected and applied appropriate accounting policies, and have made prudent and reasonable judgments.

The statement of the auditor of the Company about their reporting responsibilities on the financial statements is set out in the "Independent Auditor's Report" on page 169.

THE SPECIAL COMMITTEES UNDER THE BOARD

In order to review the specific matters, the Company has established five special committees under the Board, namely the Remuneration and Nomination Committee, the Audit Committee, the Independent Board Committee, ESG Committee and the Strategy and Investment Committee.

REMUNERATION AND NOMINATION COMMITTEE

As of the date of this report, the members of the Remuneration and Nomination Committee of the Company are Mr. ZHONG Wei, Mr. SU Xijia and Mr. GAO Shibin as independent non-executive Directors, and Mr. CHENG Yong and Ms. WANG Wei as non-executive Directors. The chairman of the Remuneration and Nomination Committee is Mr. ZHONG Wei.

The functions of the Remuneration and Nomination Committee include:

– to review the size and composition of the Board at least annually based on the operation, scale of assets and shareholding structure of the Company, and make recommendations to the Board;

– to examine the standards and procedures for election of candidates for Directors and senior management and make recommendations; review the qualifications and abilities of candidates for directorship and management and make recommendations;

– to assess the independence of independent non-executive Directors;

– to make recommendations to the Board on the remuneration policies, share option/incentive schemes for Directors and senior management and on the establishment of formal and transparent procedures for developing such policies; and

– to determine, with delegated responsibility, the remuneration packages of all executive Directors and senior management; to review and approve the management's remuneration proposals with reference to the Board's corporate strategies, policies and objectives; and make recommendations in respect of the remuneration of the non-executive Directors to the Board.

The Remuneration and Nomination Committee may seek professional advice if necessary and will be provided with sufficient resources to perform its duties.

In 2024, the Remuneration and Nomination Committee's determination of remuneration packages and approval of incentive proposals included the following:

– assessed the performance of executive Directors;

– determined the remuneration packages of Directors and senior management based on the results performance of the Company and with reference to the market rates;

– made recommendations to the Board with respect to the re-election of Directors according to the policies and procedures for nomination of Directors with due regards to election and recommendation criteria including gender, age, cultural and educational background, professional experience, skills and knowledge.

The Remuneration and Nomination Committee entered into 4 written resolutions in respect of the above matters in 2024. Resolution participation of each member is set out below:

Position	Name	Total number of resolutions	Resolution participation rate
Independent non-executive Director	Mr. ZHONG Wei	4/4	100%
Independent non-executive Director	Mr. SU Xijia	4/4	100%
Independent non-executive Director	Mr. GAO Shibin	4/4	100%
Non-executive Director	Mr. CHENG Yong	4/4	100%
Non-executive Director	Ms. WANG Wei	4/4	100%

THE AUDIT COMMITTEE

The Audit Committee of the Company is responsible for communicating with management and internal and external auditors, as well as reviewing and overseeing the Company's financial reporting and audit procedures jointly with them. As of the date of this report, the members of the Audit Committee are Mr. SU Xijia, Mr. SUEN Man Tak and Mr. GAO Shibin as independent non-executive Directors, and Ms. CHEN Aihua and Mr. CHEN Yijiang as non-executive Directors. The chairman of the Audit Committee is Mr. SU Xijia. Mr. AN Hongjun has resigned as a member of the Audit Committee on 26 June 2024, and Mr. CHEN Yijiang has been appointed as a member of the Audit Committee with effect from the same day.

All members of the Audit Committee have financial backgrounds, which enable them to precisely assess the financial conditions, compliance and risk exposure of the Company, as well as to impartially perform their duties and responsibilities.

The functions of the Audit Committee include:

– to make recommendations to the Board on the appointment, re-appointment and removal of the external auditor, to approve the remuneration and terms of engagement of the external auditor, and to deal with any issues in respect of resignation or dismissal of the auditor;

– to discuss the nature and scope of the audit and the relevant reporting responsibilities with the external auditor before auditing, and to review and examine whether the external auditor is independent and objective and whether the audit procedures are effective according to applicable standards;

– to develop and implement policies on the engagement of external auditors for non-audit services, and report and make recommendations to the Board with respect to any actions to be taken or areas for improvement;

– to monitor the integrity of the Company's financial statements, reports and accounts, interim reports and quarterly reports (if any), and to review significant opinions regarding financial reporting contained therein, to consider any material matters or unusual matters that are reflected or are required to be reflected in such reports and accounts, and to consider any matters proposed by the person in charge of accounting and finance work, compliance officer or auditor of the Company as appropriate;

– to review the financial control of the Company and review the risk management and internal control system of the Company, to discuss the risk management and internal control system with the management to ensure that the management has performed its duties in establishing an effective system, and to examine the material investigation findings and the management's responses in respect of risk management and internal control matters;

– to ensure coordination between internal and external auditors, and to ensure that the internal audit function is adequately resourced and has appropriate standing within the Company, and to review and monitor its effectiveness;

– to review the Company's financial and accounting policies and practices, to review the external auditor's management letter, to timely respond to any queries raised by the management and the Board, and to report to the Board as and when necessary;

– to have the right to establish a system for direct reporting by employees of the Company, to conduct investigations on any abnormalities of the Company in the manner as it considers necessary and appropriate, and to report to the Board as and when necessary. The committee shall also have the right to direct the Company to make proper arrangements for such issues, including conducting fair and independent investigations and taking appropriate actions; and

– to act as the key representative body for overseeing the Company's relation with the external auditor.

In 2024, the financial reporting and control reviews undertaken by the Audit Committee included the following:

– reviewed the integrity and accuracy of the 2023 annual report, the 2024 interim report and formal announcements relating to the Group's financial performance;

– reviewed the 2024 work report and 2025 work plans for internal audit, risk management and internal control of the Company, confirmed the effectiveness of the internal audit and internal control functions, and carried out profound communication and discussion on strengthening the capacity building of internal audit teams, enhancing the application of big data and information technology, and conducting front-line work research; and

– reviewed the annual pre-audit results, profit forecast, audit strategies and significant issues for 2024.

The Audit Committee held three meetings in 2024. Resolution participation of each member is set out below:

Position	Name	Total number of resolutions	Resolution participation rate
Independent non-executive Director	Mr. SU Xijia	8/8	100%
Non-executive Director	Mr. CHEN Yijiang*	6/6	100%
Non-executive Director	Ms. CHEN Aihua	8/8	100%
Non-executive Director	Mr. AN Hongjun*	2/2	100%
Independent non-executive Director	Mr. SUEN Man Tak	8/8	100%
Independent non-executive Director	Mr. GAO Shibin	8/8	100%

* Mr. AN Hongjun has resigned as a member of the Audit Committee on 26 June 2024, and Mr. CHEN Yijiang has been appointed as a member of the Audit Committee with effect from the same day.

The chief financial officer, the qualified accountant and the auditor of the Company attended all these meetings including the three meetings which reviewed the integrity and accuracy of the Company's 2023 annual report, 2024 interim report and formal announcements relating to the Group's financial performance.

INDEPENDENT BOARD COMMITTEE

During the Period under Review and as of the date of this report, the members of the Independent Board Committee of the Company are Mr. SU Xijia, Mr. SUEN Man Tak, Mr. GAO Shibin and Mr. ZHONG Wei. The chairman of the Independent Board Committee is Mr. SU Xijia. All members are independent non-executive Directors.

The functions of the Independent Board Committee include:

– to discuss whether to exercise the independent options granted by Sinochem Group to the Company pursuant to the Non-competition Undertaking dated 26 July 2007, and to discuss any business in connection with the Non-competition Undertaking or any redevelopment business in relation to the properties held by Sinochem Group, and any new business opportunities or property redevelopment opportunities of which the Company is notified by Sinochem Group in writing;

– to formulate and implement policies in relation to the appointment of an independent financial adviser or other professional advisers regarding the exercise of options and the pursuit of new business opportunities;

– for connected transactions and transactions subject to independent shareholders' approval under the Listing Rules, or spin-off listing arrangements subject to approval under the Listing Rules, to examine whether the terms thereunder are fair and reasonable, and in the interest of the Group and its shareholders as a whole, and to make recommendations to the Board; and

– to review continuing connected transactions every year and make confirmation in the annual reports and accounts of the Company.

The Independent Board Committee convened two meetings and entered into two written resolutions in 2024. It considered the independent option over Shimao Investment as granted by Sinochem Group, and resolved not to exercise the option over Shimao Investment for the time being and to make relevant disclosure in the 2023 annual report and 2024 interim report; confirmed various continuing connected transactions of the Company in 2023; considered the opinions of the independent financial advisor with respect to the continuing connected transactions regarding the deposits under the financial services framework agreement entered into with Sinochem Finance and the connected transactions regarding the mortgage loan contract of the operating property under Jinzhan Project. Resolution participation of each member is set out below:

Position	Name	Total number of resolutions	Resolution participation rate
Independent non-executive Director	Mr. SU Xijia	5/5	100%
Independent non-executive Director	Mr. SUEN Man Tak	5/5	100%
Independent non-executive Director	Mr. GAO Shibin	5/5	100%
Independent non-executive Director	Mr. ZHONG Wei	5/5	100%

STRATEGY AND INVESTMENT COMMITTEE

During the Period under Review and up to the date of this report, the members of the Strategy and Investment Committee of the Company are executive Directors Mr. TAO Tianhai, Mr. ZHANG Hui, Mr. GAO Shibin and Ms. QIAO Xiaojie. The chairman of the Strategy and Investment Committee is Mr. TAO Tianhai. Mr. ZHANG Zenggen resigned as the chairman of the Strategy and Investment Committee on 11 March 2025, and Mr. TAO Tianhai was appointed as the chairman of the Strategy and Investment Committee on the same day.

The functions of the Strategy and Investment Committee include:

- to study and formulate the Company's growth strategies and investment performance standards, and supervise and monitor the management's execution of the Company's growth strategies; and

- to review the new project investment proposals submitted by the management according to the Company's growth strategies and investment performance standards.

The Strategy and Investment Committee entered into 26 written resolutions in 2024. It considered and approved various issues, including a number of investment feasibility research reports, equity/assets acquisitions and disposals, etc. Resolution participation of each member is set out below:

Position	Name	Total number of resolutions	Resolution participation rate
Executive Director	Mr. ZHANG Zenggen*	38/38	100%
Executive Director	Mr. TAO Tianhai*	38/38	100%
Executive Director	Mr. ZHANG Hui	38/38	100%
Executive Director	Ms. QIAO Xiaojie	38/38	100%
Independent non-executive Director	Mr. GAO Shibin	38/38	100%

* Mr. ZHANG Zenggen resigned as the chairman of the Strategy and Investment Committee on 11 March 2025, and Mr. TAO Tianhai was appointed as the chairman of the Strategy and Investment Committee on the same day.

ESG COMMITTEE

During the Period under Review and up to the date of this report, the members of the ESG Committee of the Company are Mr. TAO Tianhai, an executive Director, Mr. ZHONG Wei, an independent non-executive Director, and Mr. TIAN Jiupo, Vice President and CTO. The chairman of the ESG Committee is Mr. TAO Tianhai. Mr. ZHANG Zenggen resigned as the chairman of the ESG Committee on 11 March 2025, and Mr. TAO Tianhai was appointed as the chairman of the ESG Committee on the same day.

The functions of the ESG Committee include:

– Responsible for formulating and regularly reviewing the Company's ESG vision, objectives, strategies and policies;

– Responsible for monitoring the Company's ESG risk management, material issues, target progress, and communication with stakeholders; and

– to review the Company's annual ESG report for the Board's consideration, approval and disclosure.

The ESG Committee may seek professional advice if necessary and will be provided with sufficient resources to perform its duties.

The ESG Committee entered into 1 written resolution in 2024. It considered and approved issues, including the 2023 environmental, social and governance report and the ESG work progress report of the Company. Resolution participation of each member is set out below:

Position	Name	Total number of resolutions	Resolution participation rate
Executive Director	Mr. ZHANG Zenggen*	1/1	100%
Independent non-executive Director	Mr. ZHONG Wei	1/1	100%
CTO	Mr. TIAN Jiupo	1/1	100%

* Mr. ZHANG Zenggen resigned as the chairman of the ESG Committee on 11 March 2025, and Mr. TAO Tianhai was appointed as the chairman of the ESG Committee on the same day.

EXTERNAL AUDITOR

In 2024, the remuneration paid or payable to the Company's auditor, Ernst & Young, for the audit and non-audit services amounted to HK$9,700,000 and HK$3,920,000, respectively. The fees for non-audit services were mainly in relation to the fees for the review services on the interim financial reports, the services on continuing connected transactions and other professional services.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board confirms that it shall take responsibilities for the risk management and internal control systems and is responsible for reviewing the effectiveness of such systems. In 2024, the Directors and the Audit Committee of the Company respectively listened to the special reporting on the Company's internal and external audit and the internal control work summary report, and continued to communicate directly with the personnel from the finance department, the internal audit department, the legal and compliance department and the strategic operations department with respect to key tasks including evaluating the effectiveness of the Company's risk management, operations and compliance management, financial management and internal control systems, and made specific guiding opinions and requirements.

The Company has in place comprehensive internal audit functions and, through its internal control department, conducts regular audits, including annual financial accountability audit and special audit where the scope of audits covers all aspects including the execution of the Group's internal regulations and procedures, finance, cost, tender and procurement, project quality, strategic operations, marketing, design, customer service and HSE management to prevent assets from inappropriate use. The Company also maintains proper accounts and ensures that relevant regulations are complied with. In 2024, the internal audit department of the Company carried out 8 financial accountability audits, 8 special audits and 6 training sessions. The above measures aim to manage but not eliminate relevant risks and the above measures can only provide reasonable but not absolute assurance to the achievement of business objectives.

The Company has formulated a complete system concerning risk identification, assessment and management, and constantly made amendments and updates to the system. Various departments at the headquarters are responsible for executing the professional risk assessment, management and monitoring procedures, including 75 management standards, 128 management rules and 70 reference guidelines in 17 categories on integrated management, human resources management, strategic operation and management, financial fund management, investment expansion management, industrial city management, design management, cost management, tender and procurement management, marketing management, customer relationship management, HSE management, engineering management, asset management, audit and legal affairs management, party and masses management and discipline inspection management which comprehensively cover various risks associated with property related business and development of the Company. In addition, environmental, social and governance risks are also one of the important risk categories that the Company pays attention to in its comprehensive risk management system. The identified risk issues including bribery and corruption, business ethics, product quality and safety, occupational health and safety, etc. are included in the Company's overall risk assessment and monitoring process. In 2024, among all procedures implemented, managed and monitored by the headquarters of the Company, executive Directors gave 6,013 approvals in total, all of which were completed via the electronic online approval system.

The Company has in place a regulated, sound and effective internal control system. The headquarters of the Company is responsible for making annual amendments to the organisational structure, the accountability system and institutional documents on a rolling basis, and optimising the management hierarchy and approval procedures. It added 87 new management standards, management rules and reference guidelines, revised the management standards, management rules and reference guidelines 157 times and revised the terms of accountabilities 2 times in 2024. At the same time, it endeavours to strengthen the IT system development, enhance the process monitoring and risk management in the course of business execution, and continuously improve the internal control system. In addition to regular internal audit and inspection of the accountability system by the internal audit department of our headquarters to ensure that the internal control system of the Company is in smooth operation as a whole, all the companies under the Group also regularly implement self-examination of the internal control system as part of their routine internal control efforts. In addition, the routine control measures also include the following: i) professional committees comprising the senior management and the relevant persons-in-charge from the headquarters' functional departments of the Company are established by the Company to regularly review the management of internal controls of the Company, such as budget and assessment, operation, quality and safety, investment as well as customer and product research, centralised purchasing and procurement, risk management and supervision coordination, and to report to the senior management, and to decide and account for the same. In 2024, the seven professional committees of the Company proposed 140 resolutions at regular and ad hoc meetings to consider and approve the enhancement initiatives for the management of a number of professional line functions and the decisions on key achievements of projects; ii) evaluation of the Group's comprehensive operating results, strategic progress and performance is carried out by the strategic operations department of the headquarters on a quarterly, semi-annual and annual basis, the reports of which are subject to the collective review and approval by the management of the Company. The supervision list of key matters is distributed to the relevant subordinate units for implementation and rectification within a specified period. This forms an efficient internal control feedback mechanism of the Company. The internal control system of the Company fully covers the major matters of the Company's operations and high risk areas that draw close attention, such that any material risks and deficiencies can be evaluated, supplemented and rectified in a timely manner.

After careful evaluation, the Directors of the Company all consider that the Group's existing risk management and internal control system is effective and adequate.

CORPORATE CULTURE

The Company has formulated a corporate culture that is consistent with long-term development goals, values and strategies, including the corporate vision of unleashing the future vitality of the city, the corporate mission of building quality for better life; and the internal values and behaviour requirements of honesty and cooperation, customer orientation, entrepreneurship and innovation, and pursuit of excellence. Directors have always set a role model and are committed to the promotion and implementation of corporate culture. During the Reporting Period, centring around the theme of "Vitality", organisations at all levels of the Company carried out a variety of corporate culture-themed activities combined with actual business operations. Upholding the propaganda mission of "raising the banner, gathering people's hearts, cultivating new talents, invigorating culture, and displaying image", the Company created a cultural atmosphere of technology innovation, excellent operation, synergistic development, compliant operation and anti-corruption through various evaluation and sharing activities, effectively enhancing the cohesion and working strength of all employees of the Company.

INSIDE INFORMATION

The Company has taken prudent measures in handling inside information, for which the Company has formulated effective confidentiality systems and measures, such as the formulation of the "Board Performance Support and Listing Compliance Management System of China Jinmao" (《中國金茂董事會履職保障及上市合規管理制度》), which provides in detail that inside information shall be kept strictly confidential prior to public disclosure, among which the personnel who have access to inside information must ensure confidentiality of the information, and should not, in any manner, divulge the information of the Company to external parties without authorisation. Besides, consultants and intermediaries engaged by the Company shall enter into strict confidentiality agreements with the Company to ensure the inside information is properly handled. At the same time, to ensure the inside information is disclosed in a timely and proper manner, any matters that constitute inside information must be first reviewed by the compliance officers and investor relations officers of the Company and obtain consent from the relevant executive Directors before due disclosure.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix C3 of the Listing Rules to regulate directors' securities transactions. Having made specific enquiries to all Directors, all Directors have confirmed that they have complied with the requirements set out in the Model Code for the year ended 31 December 2024.

All employees of the Group shall comply with the "Board Performance Support and Listing Compliance Management System of China Jinmao" formulated by the Company with reference to the requirements under Appendix C3 of the Listing Rules in their dealings in the securities of the Company.

RIGHTS OF SHAREHOLDERS

Shareholders have the right to raise questions and make suggestions on the business of the Company. All shareholders shall have equal rights according to their respective shareholding and assume corresponding obligations. Shareholders are entitled to get access to and participate in the material matters of the Company as prescribed by laws, administrative regulations and the Articles of Association of the Company.

MOVING A RESOLUTION AT AN ANNUAL GENERAL MEETING

Pursuant to Section 615 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), a shareholder may submit a written requisition to move a resolution at an annual general meeting if it has received requests that it do so from:

(a) the members of the Company representing at least 2.5% of the total voting rights of all the members who have a right to vote on the resolution at the annual general meeting to which the requests relate; or

(b) at least 50 members who have a right to vote on the resolution at the annual general meeting to which the requests relate.

A request -

(a) may be sent to the Company in hard copy form or in electronic form;

(b) must identify the resolution of which notice is to be given;

(c) must be authenticated by the person or persons making it; and

(d) must be received by the Company not later than -

  (i) six weeks before the annual general meeting to which the requests relate; or

  (ii) if later, the time at which notice is given of that meeting.

PROPOSING A CANDIDATE FOR ELECTION AS A DIRECTOR

Pursuant to paragraph (2)(b) of Article 77 of the Articles of Association of the Company, if a shareholder wishes to propose a person other than a retiring Director for election as a Director at a general meeting, the shareholder should give the Company Secretary a written notice of his intention to propose a resolution for the appointment or reappointment of the person as a Director of the Company and a notice executed by that person of his willingness to be appointed or re-appointed, no earlier than the day after the despatch of the notice of the general meeting and no later than seven days prior to the date fixed for such general meeting.

CONVENING A GENERAL MEETING

Pursuant to Section 566 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), a general meeting may be called upon if the company has received requests to do so from members of the company representing at least 5% of the total voting rights of all the members having a right to vote at general meetings.

(a) A request -

  (i) must state the general nature of the business to be dealt with at the meeting; and

  (ii) may include the text of a resolution that may properly be moved and is intended to be moved at the meeting;

(b) Requests may consist of several documents in like form; and

(c) A request -

  (i) may be sent to the Company in hard copy form or in electronic form; and

  (ii) must be authenticated by the person or persons making it.

SHAREHOLDERS' ENQUIRIES TO THE BOARD

Enquiries from shareholders to the Board may be directed to us by the means as stated in the section under "Corporate Information" in this report.

GENERAL MEETING

The Company maintains and facilitates exchange and communication between shareholders and the Board through a number of communication methods, including general meetings, announcements and circulars to shareholders, interim reports and annual reports, as well as the official website. Shareholders may send relevant questions or information and their contact details to the Investor Relations mailing address published on the Company's official website if they have any opinions or suggestions on the Company. The Investor Relations Department of the Company is responsible for contacting and giving feedback to shareholders in a timely manner. The Company uses its best endeavours to listen, understand and respond to shareholders' feedback. The Directors have reviewed the implementation and effectiveness of the communication policy with the shareholders and investors (the "Communication Policy"). Having considered the multiple channels of communication in place, the Board is satisfied that the Communication Policy has been properly implemented for the year ended 31 December 2024 and is effective.

The Company held an annual general meeting on 19 June 2024, which considered and approved the audited financial statements, the report of the Directors and the auditor's report for the year ended 31 December 2023; re-elected Mr. ZHANG Hui, Mr. CHENG Yong, Ms. WANG Wei, Mr. Suen Man Tak, Mr. ZHONG Wei and Ms. CHEN Aihua as Directors of the Company; authorised the Board of the Company to determine the remuneration of Directors of the Company; re-appointed Ernst & Young as the auditor of the Company and authorised the Board to determine its remuneration; and considered and approved the general mandate to issue shares and repurchase shares. Save for Mr. CHENG Yong, being a non-executive Director, who was unable to attend the meeting due to other business commitments, all of the remaining Directors attended the annual general meeting held on 19 June 2024.

The Company held an extraordinary general meeting on 29 April 2024, which considered and approved the deposit services (including the revised maximum daily balance of the total deposits) contemplated under the supplemental agreement to the financial services framework agreement between the Company and Sinochem Finance Co., Ltd. Save for non-executive Director Mr. CHENG Yong, executive Director Mr. ZHANG Hui and independent non-executive Director Mr. SUEN Man Tak, who were unable to attend the meeting due to other business commitments, all of the remaining Directors attended the extraordinary general meeting held on 29 April 2024.

The Company held an extraordinary general meeting on 19 June 2024, which considered and approved the mortgage loan service of the operating property under Jinzhan project contemplated under the the loan agreement and the mortgage agreement between the Company and Sinochem Finance Co., Ltd. and the office leasing service contemplated under the new framework lease agreement between the Company and Sinochem Holdings Corporation Ltd. Save for non-executive Director Mr. CHENG Yong, who were unable to attend the meeting due to other business commitments, all of the remaining Directors attended the extraordinary general meeting held on 19 June 2024.

The Company held an extraordinary general meeting on 15 November 2024, which considered and approved the potential disposal of 100% equity interests in Jin Mao Sanya Resort Hotel Company Limited and the related claims by way of public tender process through the China Beijing Equity Exchange. Save for non-executive Director Mr. CHENG Yong, executive Director Mr. ZHANG Hui and independent non-executive Director Mr. SU Xijia, who were unable to attend the meeting due to other business commitments, all of the remaining Directors attended the extraordinary general meeting held on 15 November 2024.

Report of the Directors

The Board presents its report and the audited financial statements of the Group for the year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The Company is an investment holding company, and the principal activities of its subsidiaries are focusing on city operations, property development, services and building technology, commercial leasing, retail operations and hotel operations. Details of the subsidiaries of the Company are set out in note 4 to the financial statements.

BUSINESS REVIEW

For details of the business operations, future business development and major risks faced by the Company during the Reporting Period, please refer to the section headed "Chairman's Statement" from pages 8 to 11, and the section headed "Management Discussion and Analysis" from pages 16 to 82 in this report.

For details of the environmental policies and performance of the Company during the Reporting Period, please refer to the section headed "Sustainable Development" from pages 86 to 97 in this report.

For details of the material relationship between the Company and its employees, customers, suppliers and other persons of significant influence to the Company during the Reporting Period, please refer to the section headed "Sustainable Development" from pages 86 to 97 in this report. The above discussion forms part of the Report of the Directors.

Taking into account the laws, regulations, policies and documents that have a material impact on the business of the Company, including but not limited to the "Civil Code of the People's Republic of China", the "Land Administration Law of the People's Republic of China", the "Urban Real Estate Administration Law of the People's Republic of China", the "Bidding Law of the People's Republic of China", the "Measures on the Administration of Sale of Commodity Houses", the "Company Law of the People's Republic of China" and foreign-invested related laws and regulations, as well as the documents issued by relevant government authorities from time to time including the State Administration of Foreign Exchange, the Ministry of Housing and Urban-Rural Development, the Ministry of Finance, the China Securities Regulatory Commission and the People's Bank of China (the "PBOC"), the Company confirmed that, during the Reporting Period, there were no circumstances of material administrative punishments or inspections by relevant government authorities as a result of violation of laws, regulations, policies and documents that have material impact on the business of the Company, and the Company and its subsidiaries were in compliance with all applicable laws and regulations. The Company has formulated the comprehensive administration standards and approval procedures for legal affairs and continued to revise them for improvement. In 2024, the Group reviewed and approved a total of 62,012 contracts according to the standardised procedures via the network office automation platform with a rate of 100% of the contracts reviewed by legal specialists, and avoided contract default risks through ongoing supervision of contract execution. In addition, in 2024, the Company built a risk management and supervision coordination work system; further strengthened legal management, compliance management, internal control management, and risk management coordination; clarified the roles and responsibilities of each functional department and each level of business unit in the compliance management system; established a compliance duties list for key positions and a compliance risk identification list; and improved the front-end prevention and identification mechanism of legal and compliance risks through regular special risk investigations. At the same time, the Company organised 57 legal publicity trainings for employees, including professional trainings on corporate governance, listing compliance, prevention of legal risks regarding advertisements and publicity, management and control of engineering performance risks; revised the standard contracts, so as to ensure continuously effective operation of the legal risk prevention and control system of the Company by making sure that the employees of the Company are aware of and in compliance with the relevant laws and regulations, related major risks and solutions when discharging their duties.

RESULTS AND DIVIDENDS

Details of the Group's results for the year ended 31 December 2024 are set out in the consolidated statement of profit or loss on page 176 of this report.

The dividend distribution policy of the Company is to distribute dividend to its shareholders when the Group records profit for a financial period. The dividend to be distributed to shareholders will be determined based on the profit attributable to owners of the parent (net of fair value of investment properties (net of deferred tax), and net of the profit attributable to owners of the parent attributable to perpetual capital instruments) for that period, multiplied by a dividend distribution ratio of around 40%. In determining the specific dividend distribution ratio, the Board will take into account the financial performance, cash flow, paid special dividends (if any) and capital commitments, etc. of the Group.

On 27 August 2024, the Board resolved to make payment of an interim dividend of HK3.0 cents per share to the shareholders of the Company and provide a scrip dividend arrangement to the shareholders in respect of such dividend distribution. Such dividend, including the new shares issued pursuant to the scrip dividend arrangement, was paid and distributed on 31 October 2024.

The Board resolved not to declare payment of a final dividend for the year ended 31 December 2024.

SHARES, PAID-UP SHARE CAPITAL AND SHARE OPTIONS

As at 31 December 2024, the total issued shares of the Company were 13,505,971,218 ordinary shares.

Details of movement in the Company's paid-up share capital and share options in 2024 are set out in notes 38 and 39 to the financial statements, respectively.

RESERVES

Movements in reserves of the Company and of the Group in 2024 are set out in note 40 to the financial statements and in the consolidated statement of changes in equity, respectively.

DISTRIBUTABLE RESERVES

As at 31 December 2024, the Company's reserves available for distribution, calculated in accordance with the provisions of Sections 291, 297 and 299 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), amounted to RMB11,240,000.

MAJOR CUSTOMERS AND SUPPLIERS

Sales to major customers and purchases from major suppliers of the Group in the Year are set out below:

	For the year ended 31 December 2024 Percentage of total turnover (%)
Five largest customers	1.74
The largest customer	0.65

	Percentage of total purchase (%)
Five largest suppliers	16.61
The largest supplier	6.63

The above five largest customers and suppliers of the Group are independent third parties. To the best knowledge of the Directors, none of the Directors of the Company or any of their close associates or any shareholders who own more than 5% of the Company's shares had any interest in the Group's five largest customers or five largest suppliers.

BANK AND OTHER BORROWINGS

Particulars of the bank and other borrowings of the Company and the Group as at 31 December 2024 are set out in note 34 to the financial statements.

CHARITABLE DONATIONS

During the Year, the subsidiaries of the Company in Xinjiang, Hunan and other places donated a total of approximately RMB13.27 million for public welfare including science, education, culture, health and sports, environmental protection, energy conservation and emission reduction as well as targeted poverty alleviation.

PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

Details of movement in the property, plant and equipment and investment properties of the Group during the Year are set out in notes 14 and 18 to the financial statements.

FINANCIAL SUMMARY

A summary of the published results and assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the audited financial statements and restated as appropriate, is set out on page 308 of this report. The summary does not form part of the audited financial statements.

DIRECTORS OF THE LISTED COMPANY AND ITS SUBSIDIARIES

During the Year and up to the date of this report, the Directors of the Company include:

Executive Directors

Mr. ZHANG Zenggen (resigned on 11 March 2025)
Mr. TAO Tianhai (appointed as the Chairman on 11 March 2025)
Mr. ZHANG Hui
Ms. QIAO Xiaojie

Non-executive Directors

Mr. AN Hongjun (resigned on 26 June 2024)
Mr. CHENG Yong
Ms. CHEN Aihua
Mr. CHEN Yijiang (appointed on 26 June 2024)
Ms. WANG Wei

Independent non-executive Directors

Mr. SU Xijia
Mr. SUEN Man Tak
Mr. GAO Shibin
Mr. ZHONG Wei

During the Year and up to the date of this report, the list of directors of the Company's subsidiaries is published on the website of the Company at www.chinajinmao.cn.

DIRECTORS' SERVICE CONTRACTS

As at 31 December 2024, none of the Directors had a service contract with the Company or any of its subsidiaries which is not terminable within one year without payment of compensation other than statutory compensation.

SENIOR MANAGEMENT

Biographical details of the current senior management of the Company are set out on pages 98 to 109 of this report.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

The Directors' remuneration is determined by reference to Directors' duties and responsibilities, individual performance and the results of the Group.

For the year ended 31 December 2024, the annual remuneration of 3 of the executive Directors and other members of senior management of the Company fell within the band of below HK$2.5 million and the annual remuneration of 3 of them fell within the band of HK$2.5 million to HK$3.5 million. Details of the remuneration of the Directors and senior management of the Company are set out in notes 9, 10 and 46 to the financial statements. There was no arrangement under which a Director waived or agreed to waive any remuneration during the Year.

DIRECTORS' INTERESTS IN COMPETITIVE BUSINESSES

As far as the Directors are aware, none of the Directors or any of their respective close associates had any interests in any business apart from the Group's business that competes or is likely to compete, either directly or indirectly, with the business of the Group during the year ended 31 December 2024.

DIRECTORS' (OR THEIR CONNECTED ENTITIES') INTEREST IN MATERIAL TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

None of the Directors (or their connected entities) was materially interested, directly or indirectly, in any transactions, arrangements or contracts of significance entered into by the Company or its controlling shareholders or any of their respective subsidiaries as at 31 December 2024 or at any time during the Year. The Company did not provide any loan to any of the Directors or the management personnel of the Company during the Year.

DIRECTORS' RIGHTS TO SUBSCRIBE FOR SHARES

Save as disclosed in the section headed "Share Option Scheme" under the "Report of the Directors" in this report, no arrangements to which the Company or its controlling shareholders or any of their respective subsidiaries is a party, whose purposes are, or one of whose purposes is, to enable any Director to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, subsisted as at 31 December 2024 or at any time during the Year.

PERMITTED INDEMNITY PROVISION

The Company has arranged appropriate insurance coverage in respect of legal actions against its Directors, which was in force during the Year and up to the date of this report.

CONTROLLING SHAREHOLDERS' INTEREST IN CONTRACTS

Sinochem Holdings is the ultimate controlling shareholder of the Company. The contracts of significance entered into between Sinochem Holdings or its subsidiaries and the Company or its subsidiaries are mainly agreements of connected transactions and continuing connected transactions conducted between them, as detailed in sections headed "Connected Transactions", "Continuing Connected Transactions" below.

Sinochem Group is a wholly-owned subsidiary of Sinochem Holdings and an indirect controlling shareholder of the Company. Details of the agreement of the Non-competition Undertaking entered into between Sinochem Group and the Company on 26 July 2007 are set out in "Compliance with Non-Competition Agreement" below.

COMPLIANCE WITH NON-COMPETITION AGREEMENT

Sinochem Group and the Company entered into an agreement of the Non-competition Undertaking on 26 July 2007. Sinochem Group has provided a written confirmation stating that Sinochem Group and its subsidiaries (other than those which form part of the Group) complied with their obligations under the Non-competition Undertaking during 2024.

EMPLOYEES AND REMUNERATION POLICIES

For details regarding the employees and remuneration policies of the Group during the Year, please refer to the section headed "Sustainable Development" on pages 86 to 97 of this report.

RETIREMENT SCHEMES

The Group contributes on a monthly basis to various defined contribution retirement benefit schemes (the "Retirement Schemes") administrated and organised by the relevant municipal and provincial governments in the PRC. The municipal and provincial governments undertake to pay retirement benefits under the Retirement Schemes to employees when they retire, and the Group is not required to provide other post-retirement benefits to the employees, except for the contributions made under the Retirement Schemes.

The Group also participates in a mandatory provident fund scheme (the "MPF Scheme") required by the government of Hong Kong, which is a defined contribution retirement benefit scheme. Contributions to these schemes are expenses as incurred.

Neither the Retirement Schemes nor the MPF Scheme has any requirement concerning forfeited contributions.

Contributions to the retirement benefit schemes by the Group for the year ended 31 December 2024 were RMB270,658,000.

MANAGEMENT CONTRACT

No contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the Year.

SHARE OPTION SCHEME

The Company adopted a share option scheme on 22 November 2007 (the "2007 Scheme"), which has expired on 21 November 2017. On 29 January 2019, the Company convened an extraordinary general meeting, and approved and adopted a new share option scheme (the "New Scheme"), the purpose of which is to enhance the commitment of the participants to the Company and encourage them to pursue the objectives of the Company.

According to the terms of the New Scheme, the Board shall at its absolute discretion grant to any participant a certain number of options at any time within 10 years after the approval date of the New Scheme. Participants, i.e. recipients of the options granted, include any existing executive or non-executive Directors of any member of the Group and any senior management, key technical and professional personnel, managers and employees of any member of the Group, but do not include any independent non-executive Directors of the Company. As at the end of the Reporting Period, the remaining life of the New Scheme is approximately four years.

The number of shares to be issued at any time upon exercise of all options granted under the New Scheme and other share option schemes of the Company shall not in aggregate exceed 10% of the then issued shares of the Company. Accordingly, the Company may issue up to 1,155,352,832 shares to the participants under the New Scheme, representing 8.55% of the issued shares of the Company as at the date of this report.

Unless an approval of shareholders is obtained at a general meeting, if the total number of shares issued and shares which may fall to be issued upon exercise of the share options (including exercised, cancelled and outstanding share options) granted under the New Scheme and any other share option schemes of the Company to a participant in any 12-month period in aggregate exceeds 1% of the issued shares of the Company at any time, no further share options shall be granted to such participant. Upon acceptance of the grant, the grantee undertakes that he/she will, at the request of the Company, pay a consideration of HK$1 or equivalent (to be determined on the date when the offer of the grant is accepted) to the Company for acceptance of the offer of the grant of the share option.

The share options shall vest after two years from the date of grant of the options at the earliest, and the exercise period shall not exceed seven years from the date of grant, subject to the vesting conditions and early termination provisions as set out in the New Scheme and the share option grant letter. The exercise price of share options shall be the higher of (i) the closing price of the Company's shares on the Hong Kong Stock Exchange on the date of grant of the share options; and (ii) the average closing price of the Company's shares on the Hong Kong Stock Exchange for the five trading days immediately preceding the date of grant.

More details of the 2007 Scheme and the New Scheme are set out in note 39 to the financial statements.

GRANT AND EXERCISE OF SHARE OPTIONS

On 17 October 2016, the Company granted 172,350,000 share options to eligible participants pursuant to the 2007 Scheme and the exercise price was HK$2.196 per share, being the average closing price per share as stated in the Hong Kong Stock Exchange's daily quotation sheet for the last five consecutive trading days prior to the date of grant. Such options shall vest after two years from the date of grant of the options at the earliest, and the exercise period shall not exceed seven years from the grant date. The share options shall only vest if the pre-set performance targets of the Group and the grantees are achieved. In particular, (i) in respect of the performance of the Group, the return on equity attributable to the parent company, the growth rate of net profit attributable to the parent company and the working capital turnover ratio of the Company for the financial year immediately preceding each effective year shall not be lower than the specified target value and not lower than the 75th percentile of the selected comparable companies for the same period; (ii) in respect of the individual performance assessment of the grantees, if the performance assessment result of the previous year for each effective year is B or above, such batch of options shall become 100% vested on the grantees, and if the result is B-, such batch of options shall become 80% vested on the grantees. The share options shall lapse unless all the aforesaid targets have been achieved.

On 6 September 2018, the Remuneration and Nomination Committee of the Board of the Company approved the release of lock-up restrictions on the grantees who fulfil the conditions on a pro rata basis of up to one-third of the share options granted by the Company on 17 October 2016 (where the percentage may decrease on a pro rata basis depending on the rating of the individual performance assessment of the grantees) according to 1) the 2007 Scheme (the amendment to which was approved by the Board on 23 August 2012); 2) results of performance assessment of the grantees in 2017; 3) the "Explanation on the Fulfilment of Conditions of the First Batch of Share Options Granted by China Jinmao (2016) for the Third Time (based on the 2017 performance)" provided by the external independent professional advisor (in particular, 11 comparable companies were selected based on factors such as similar nature of principal business and company, continuous operation and consistency of listing place, and in accordance with their publicly disclosed financial statements (after making necessary adjustments to the incomparable information (if any)), the comparison results of the relevant performance of the Group and the comparable companies were then calculated); and 4) a breakdown of the final vesting of this batch of options for all the grantees based on the above three documents.

On 8 February 2019, the Company granted 265,950,000 share options to eligible participants pursuant to the New Scheme and the exercise price was HK$3.99 per share, being the closing price per share on the Hong Kong Stock Exchange on the date of grant. Such options shall vest after two years from the date of grant of the options at the earliest, and the exercise period shall not exceed seven years from the grant date. The share options shall only vest if the pre-set performance targets of the Group and the grantees are achieved. In particular, (i) in respect of the performance of the Group, the return on equity attributable to the parent company, the growth rate of net profit attributable to the parent company and the working capital turnover ratio of the Company for the financial year immediately preceding each effective year shall not be lower than the specified target value and not lower than the 75th percentile of the selected comparable companies for the same period; (ii) in respect of the individual performance assessment of the grantees, if the performance assessment result of the previous year for each effective year is B or above, such batch of options shall become 100% vested on the grantees, and if the result is B-, such batch of options shall become 80% vested on the grantees. The share options shall lapse unless all the aforesaid targets have been achieved.

On 26 August 2019, the Remuneration and Nomination Committee of the Board of the Company approved the release of lock-up restrictions on the grantees who fulfil the conditions on a pro rata basis of up to one-third of the share options granted by the Company on 17 October 2016 (where the percentage may decrease on a pro rata basis depending on the rating of the individual performance assessment of the grantees) according to 1) the 2007 Scheme (the amendment to which was approved by the Board on 23 August 2012); 2) results of performance assessment of the grantees in 2018; 3) the "Explanation on the Fulfilment of Conditions of the Second Batch of Share Options Granted by China Jinmao (2016) for the Third Time (based on the 2018 performance)" provided by the external independent professional advisor (in particular, 11 comparable companies were selected based on factors such as similar nature of principal business and company, continuous operation and consistency of listing place, and in accordance with their publicly disclosed financial statements (after making necessary adjustments to the incomparable information (if any)), the comparison results of the relevant performance of the Group and the comparable companies were then calculated); and 4) a breakdown of the final vesting of this batch of options for all the grantees based on the above three documents.

On 9 September 2019, the Company granted in a total of 9,000,000 share options to Mr. LI Congrui, Mr. JIANG Nan and Mr. SONG Liuyi, the then-executive Directors of the Company, pursuant to the New Scheme and the exercise price was HK$4.58 per share, being the closing price per share on the Hong Kong Stock Exchange on the date of grant. Such options shall vest after two years from the date of grant of the options at the earliest, and the exercise period shall not exceed seven years from the date of grant. The share options shall only vest if the pre-set performance targets of the Group and the grantees are achieved. In particular, (i) in respect of the performance of the Group, the return on equity attributable to the parent company, the growth rate of net profit attributable to the parent company and the working capital turnover ratio of the Company for the financial year immediately preceding each effective year shall not be lower than the specified target value and not lower than the 75th percentile of the selected comparable companies for the same period; (ii) in respect of the individual performance assessment of the grantees, if the performance assessment result of the previous year for each effective year is B or above, such batch of options shall become 100% vested on the grantees, and if the result is B-, such batch of options shall become 80% vested on the grantees. The share options shall lapse unless all the aforesaid targets have been achieved.

On 5 August 2020, the Remuneration and Nomination Committee of the Board of the Company approved the release of lock-up restrictions on the grantees who fulfil the conditions on a pro rata basis of up to one-third of the share options granted by the Company on 17 October 2016, 8 February 2019 and 9 September 2019, respectively (where the percentage may decrease on a pro rata basis depending on the rating of the individual performance assessment of the grantees) according to 1) the 2007 Scheme (the amendment to which was approved by the Board on 23 August 2012); 2) results of performance assessment of the grantees in 2019; 3) the "Explanation on the Fulfilment of Conditions of the Third Batch of Share Options Granted by China Jinmao (2016) (based on the 2019 performance) and Breakdown of the Release" and the "Explanation on the Fulfilment of Conditions of the First Batch of Share Options Granted by China Jinmao (2019) (based on the 2019 performance) and Breakdown of the Release" provided by the external independent professional advisor (in particular, 11 comparable companies were selected based on factors such as similar nature of principal business and company, continuous operation and consistency of listing place, and in accordance with their publicly disclosed financial statements (after making necessary adjustments to the incomparable information (if any)), the comparison results of the relevant performance of the Group and the comparable companies were then calculated); and 4) a breakdown of the final vesting of the aforesaid batches of options for all the grantees based on the above three documents.

On 10 March 2022, the Remuneration and Nomination Committee of the Board of the Company approved the lapsing on a pro rata basis of up to one-third of the share options granted by the Company on 8 February 2019 and 9 September 2019, respectively, which were no longer vested in the grantees and cancelled, according to 1) the New Scheme; 2) results of performance assessment of the grantees in 2020; 3) the "Explanation on the Failure to Fulfil Conditions of the Second Batch of Share Options Granted by China Jinmao (2019) (based on the 2020 performance)" provided by the external independent professional advisor.

On 8 December 2022, the Remuneration and Nomination Committee of the Board of the Company approved the release of lock-up restrictions on the grantees who fulfil the conditions on a pro rata basis of up to one-third of the share options granted by the Company on 8 February 2019 and 9 September 2019, respectively (where the percentage may decrease on a pro rata basis depending on the rating of the individual performance assessment of the grantees) according to 1) the New Scheme; 2) results of performance assessment of the grantees in 2021; 3) the "Explanation on the Fulfilment of Conditions of the Third Batch of Share Options Granted by China Jinmao (2019) (based on the 2021 performance)" provided by the external independent professional advisor (in particular, 10 comparable companies were selected based on factors such as similar nature of principal business and company, continuous operation and consistency of listing place, and in accordance with their publicly disclosed financial statements (after making necessary adjustments to the incomparable information (if any)), the comparison results of the relevant performance of the Group and the comparable companies were then calculated); and 4) a breakdown of the final vesting of this batch of options for all the grantees based on the above three documents.

On 10 March 2023, the Remuneration and Nomination Committee of the Board of the Company approved the lapsing on a pro rata basis of up to one-third of the share options granted by the Company on 8 February 2019 and 9 September 2019, respectively, which were no longer vested in the grantees and cancelled, according to 1) the New Scheme; 2) results of performance assessment of the grantees in 2021; 3) the "Explanation on the Failure to Fulfil Conditions of the Third Batch of Share Options Granted by China Jinmao (2019) (based on the 2021 performance)" provided by the external independent professional advisor.

At the beginning and the end of the Reporting Period, the number of share options that may be granted by the Company under the New Scheme was 1,020,676,832 and 1,048,494,832, respectively. During the Reporting Period, the Company did not grant any share options. Share options lapsed during the Reporting Period were not treated as utilized, resulting in an increase in the number of share options available for grant at the end of the Reporting Period as compared to the beginning of the Reporting Period.

Report of the Directors

The following share options were outstanding under the New Scheme during the year ended 31 December 2024:

Name or category of grantees	Number of share options: As at 1 January 2024	Granted during the period	Exercised during the period	Cancelled during the period	Lapsed during the period	As at 31 December 2024	Date of grant of share options	Exercise period of share options (both days inclusive)	Exercise price of share options (HK$)	Closing price of the shares of the Company immediately preceding the grant date of share options (HK$)
Directors										
Mr. TAO Tianhai	1,000,000	–	–	–	–	1,000,000	8 February 2019	8 February 2021 to 7 February 2026	3.99	4.00
	1,000,000	–	–	–	–	1,000,000	8 February 2019	8 February 2023 to 7 February 2026	3.99	4.00
Mr. ZHANG Hui	1,000,000	–	–	–	–	1,000,000	8 February 2019	8 February 2021 to 7 February 2026	3.99	4.00
	1,000,000	–	–	–	–	1,000,000	8 February 2019	8 February 2023 to 7 February 2026	3.99	4.00
Ms. QIAO Xiaojie	666,000	–	–	–	–	666,000	8 February 2019	8 February 2021 to 7 February 2026	3.99	4.00
	668,000	–	–	–	–	668,000	8 February 2019	8 February 2023 to 7 February 2026	3.99	4.00
Subtotal	5,334,000	–	–	–	–	5,334,000	8 February 2019	8 February 2021 to 7 February 2026	3.99	4.00
Employees in aggregate	64,278,000	–	–	–	(14,432,000)	49,846,000	8 February 2019	8 February 2021 to 7 February 2026	3.99	4.00
	63,064,000	–	–	–	(13,386,000)	49,678,000	8 February 2019	8 February 2023 to 7 February 2026	3.99	4.00
	1,000,000	–	–	–	–	1,000,000	9 September 2019	9 September 2021 to 8 September 2026	4.58	4.71
	1,000,000	–	–	–	–	1,000,000	9 September 2019	9 September 2023 to 8 September 2026	4.58	4.71
Total	132,676,000	–	–	–	(27,818,000)	104,858,000	8 February 2019	8 February 2021 to 7 February 2026	3.99	4.00
	2,000,000	–	–	–	–	2,000,000	9 September 2019	9 September 2021 to 8 September 2026	4.58	4.71

DIRECTORS AND CHIEF EXECUTIVES' INTEREST IN SHARES OR UNDERLYING SHARES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

Save as disclosed below, as at 31 December 2024, none of the Directors and chief executives of the Company had any interests and short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein, or which were required, pursuant to the Model Code as set out in the Listing Rules, to be notified to the Company and the Hong Kong Stock Exchange.

Interest in the shares or underlying shares of the Company

Name	Capacity	Number of shares held	Number of underlying shares held (Note)	Approximate percentage of the issued share capital
Mr. ZHANG Zenggen*	Beneficial owner	3,800,000(L)	–	0.028%
Mr. TAO Tianhai	Beneficial owner	7,700,000(L)	2,000,000(L)	0.072%
Mr. ZHANG Hui	Beneficial owner	6,484,000(L)	2,000,000(L)	0.063%
Ms. QIAO Xiaojie	Beneficial owner	4,500,000(L)	1,334,000(L)	0.043%

(L) Denotes long positions

* Mr.ZHANG Zenggen resigned as a Director of the Company with effect from 11 March 2025.

Note: Represents the underlying shares subject to share options which are unlisted physically settled equity derivatives.

SUBSTANTIAL SHAREHOLDERS' INTEREST

So far as is known to the Directors of the Company, as at 31 December 2024, the following persons (other than the Directors or chief executives of the Company) had interest and short positions in the shares, or underlying shares of the Company which were required to be notified to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO, or which were required, pursuant to section 336 of the SFO, to be recorded in the register referred to therein, or which had already been notified to the Company and the Hong Kong Stock Exchange:

Name of the substantial shareholder	Nature	Capacity/nature of Interest	Number of ordinary shares	Approximate percentage of the issued share capital
Sinochem Hong Kong (Group) Company Limited ("Sinochem Hong Kong")	Long position	Beneficial owner	5,183,735,902	38.38%
Sinochem Corporation	Long position	Interest of controlled corporation[Note 1]	5,183,735,902	38.38%
Sinochem Group	Long position	Interest of controlled corporation[Note 1]	5,183,735,902	38.38%
Sinochem Holdings	Long position	Interest of controlled corporation[Note 1]	5,183,735,902	38.38%
Ping An Life Insurance Company of China, Ltd. ("Ping An Life Insurance")	Long position	Beneficial owner	1,787,077,435	13.23%
Ping An Insurance (Group) Company of China, Ltd. ("Ping An")	Long position	Interest of controlled corporation[Note 2]	1,787,077,435	13.23%
New China Life Insurance Company Ltd.	Long position	Beneficial owner	1,234,475,138	9.14%
UBS Group AG	Long position	Interest of controlled corporation[Note 3]	700,979,926	5.19%

Note 1: Sinochem Holdings holds the entire equity interests in Sinochem Group, which in turn holds 100% equity interests in Sinochem Corporation, which in turn holds the entire equity interests in Sinochem Hong Kong. For the purpose of the SFO, Sinochem Holdings, Sinochem Group and Sinochem Corporation are all deemed to be interested in the shares beneficially owned by Sinochem Hong Kong.

Note 2: Ping An holds 99.51% equity interests in Ping An Life Insurance and the entire equity interests in Ping An of China Asset Management (Hong Kong) Company Limited. For the purpose of the SFO, Ping An is deemed to be interested in 1,787,077,435 shares beneficially owned by Ping An Life Insurance.

Note 3: UBS Group AG is deemed to have interests in the shares of the Company held by UBS AG, UBS Switzerland AG, UBS Asset Management (Shanghai) Limited, UBS Asset Management (Americas) Inc., UBS Asset Management (Australia) Ltd, UBS Fund Management (Luxembourg) S.A., UBS Asset Management (Deutschland) GmbH, UBS Asset Management (Hong Kong) Ltd, UBS Asset Management Switzerland AG, UBS Asset Management (UK) Limited and UBS O'Connor LLC, and such companies are subsidiaries of UBS Group AG. Among such long positions, 9,103,021 shares are cash settled unlisted derivatives.

Note 4: On 6 August 2019, Sinochem Hong Kong delivered 1,787,077,435 shares to Ping An Life Insurance pursuant to a placing and subscription agreement dated 26 July 2019. Ping An Life Insurance is granted a pre-emptive right to off-market transfers and is thus deemed to be interested in the shares held by Sinochem Hong Kong by virtue of section 317 of the SFO, and Sinochem Hong Kong is deemed to be interested in the shares held by Ping An Life Insurance by virtue of section 317 of the SFO.

Save as disclosed above, as at 31 December 2024, the Directors of the Company were not aware of any person (other than the Directors or chief executives of the Company) who had interest or short positions in the shares and underlying shares of the Company which were required to be notified to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO, or which were required, pursuant to section 336 of the SFO, to be recorded in the register referred to therein, or which had already been notified to the Company and the Hong Kong Stock Exchange.

CONTINUING CONNECTED TRANSACTIONS

During the Period under Review and up to the date of this report, the Company entered into non-exempt continuing connected transactions, including:

I. Continuing connected transactions exempt from the independent shareholders' approval requirement:

1 Factoring service framework agreement between the Company and Sinochem Commercial Factoring Co., Ltd. ("Sinochem Factoring");

2 Loan framework agreement between Chongqing Xingqian Real Estate Co., Ltd. ("Xingqian Real Estate") and its direct and indirect shareholders (including the Company, Ping An Real Estate Company Limited ("Ping An Real Estate"), Jinmao Xinan Enterprise Management (Tianjin) Limited ("Jinmao Xinan"), Fubao Investment Management Limited ("Fubao"), Step Fancy Investments Limited ("Step Fancy"), and Year Fine Limited ("Year Fine"));

3 Loan framework agreement between 10 project companies including Qingdao Fanghui Properties Co., Ltd. ("Qingdao 10 Project Companies"), Beijing Xingmao Properties Co., Ltd. ("Xingmao Properties"), Win Cheer Limited ("Win Cheer"), Tongxiang Haoji Properties Co., Ltd. ("Haoji Properties"), Tongxiang Haoqing Properties Co., Ltd. ("Haoqing Properties") and China Overseas Enterprise Development Group Co., Ltd. ("China Overseas Development");

4 Cash pooling accession agreement between the Company, Sinochem Hong Kong and Bank Mendes Gans N.V. (the "Bank");

5 Loan framework agreement between Sanya Nanfan Rongmao Properties Co., Ltd. ("Nanfan Rongmao"), Hainan Nongken Nanfan Industry Group Co., Ltd. ("Hainan Nongken") and Sanya Yazhou Bay Science and Technology City Holding Group Co., Ltd. ("Sanya Yazhou");

6 Digital services framework agreement between the Company and Sinochem Information Technology Co., Ltd. ("Sinochem Information");

7 Entrustment loan framework agreement between Ningbo Yingmao Properties Development Co., Ltd. ("Ningbo Yingmao"), Wide Sea Limited ("Wide Sea") and Shenzhen Pingjia Investment and Management Co., Ltd. ("Pingjia Investment");

8 Tendering and procurement services framework agreement between the Company and Sinochem Commerce Co., Ltd. ("Sinochem Commerce");

9 Property management service and value-added service framework agreement between Jinmao Services and Sinochem Holdings.

II. Continuing connected transactions approved or to be approved by independent shareholders:

10 Framework lease agreement between the Company and Sinochem Holdings Corporation Ltd.;

11 Supplemental agreement to the financial services framework agreement between the Company and Sinochem Finance Co., Ltd. ("Sinochem Finance");

12 Financial services framework agreement between the Company and various subsidiaries of Ping An.

For these continuing connected transactions, the Company confirms that it had complied with the requirements under Chapter 14A of the Listing Rules. During the Year, when conducting these continuing connected transactions, the Company had complied with the pricing policies and guidelines formulated when such transactions were entered into. Set out below is a summary of all these transactions:

I. CONTINUING CONNECTED TRANSACTIONS EXEMPT FROM THE INDEPENDENT SHAREHOLDERS' APPROVAL REQUIREMENT

1 Factoring service framework agreement between the Company and Sinochem Factoring

On 19 April 2022, the Company and Sinochem Factoring entered into a factoring service framework agreement, pursuant to which the Group will utilise the financing factoring services and non-financing factoring services available from Sinochem Factoring from time to time as it deems necessary for a term of three years. Under the factoring service framework agreement, the interest and fees payable by the Group to Sinochem Factoring shall not be higher than the interest and fees charged by independent factoring companies in the PRC in providing the same type of factoring services under the same conditions. During the term of the factoring service framework agreement, the cap on the daily maximum balance (including the amount of accounts receivables and accrued interest) in respect of the financing factoring services to be provided by Sinochem Factoring to the Group will be RMB1,400 million, and the annual cap for the fees of the non-financing factoring services to be provided by Sinochem Factoring to the Group will be RMB28 million. As of 31 December 2024, the transaction amount did not exceed the aforesaid two caps.

Sinochem Factoring is an indirect non-wholly-owned subsidiary of Sinochem Holdings, which is the ultimate controlling shareholder of the Company. Accordingly, Sinochem Factoring is a connected person of the Company. The transactions under the factoring service framework agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

2 Loan framework agreement between Xingqian Real Estate and its direct and indirect shareholders (including the Company, Ping An Real Estate, Jinmao Xinan, Fubao, Step Fancy and Year Fine)

On 22 August 2022, Xingqian Real Estate, an indirect non-wholly-owned subsidiary of the Company, entered into the loan framework agreement with its direct and indirect shareholders (including the Company, Ping An Real Estate, Jinmao Xinan, Fubao, Step Fancy and Year Fine) (the "2022 Xingqian Framework Agreement"), pursuant to which Xingqian Real Estate shall continue to provide loans to the Company and Ping An Real Estate (or their respective designated entities) during the term of the 2022 Xingqian Framework Agreement. The 2022 Xingqian Framework Agreement shall be valid for three years commencing from 22 August 2022. During the term of the 2022 Xingqian Framework Agreement, the cap on the maximum daily balance (including the accrued interest) of the loans to be provided by Xingqian Real Estate to Ping An Real Estate (or its designated entities) will be RMB821 million. For the year ended 31 December 2024, the transaction amount did not exceed the aforesaid cap.

Ping An Real Estate is an associate of Ping An Life Insurance, which is a substantial shareholder of the Company, and is therefore a connected person of the Company. Step Fancy is a subsidiary of the Company owned as to 63.2% by the Company and 36.8% by Ping An Real Estate through Fubao, its wholly-owned subsidiary. Accordingly, Step Fancy is a connected subsidiary of the Company. Xingqian Real Estate is an indirect non-wholly-owned subsidiary of Step Fancy and also a connected subsidiary of the Company. Therefore, the transactions under the 2022 Xingqian Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Report of the Directors

3 Loan framework agreement among Qingdao 10 Project Companies, Xingmao Properties, Win Cheer, Haoji Properties, Haoqing Properties and China Overseas Development

On 12 May 2023, Qingdao 10 Project Companies, the indirect non-wholly-owned subsidiaries of the Company, entered into the loan framework agreement with their shareholders (including Xingmao Properties, Win Cheer, Haoji Properties, Haoqing Properties and China Overseas Development) (the "2023 Qingdao Framework Agreement"), pursuant to which Qingdao 10 Project Companies agreed to provide loans to their shareholders (or their respective designated entities) based on the same terms and conditions and in proportion to the respective shareholding ratio of the Company (through its subsidiaries Xingmao Properties and Win Cheer), Ping An (through its subsidiaries Haoji Properties and Haoqing Properties) and China Overseas Development in Qingdao 10 Project Companies. Under the 2023 Qingdao Framework Agreement, the effective interest rate of each of the loans shall be determined by reference to the loan prime rate for one-year loan as published by the National Interbank Funding Center from time to time, subject to a floating range of 50% higher or lower than such rate. The parties shall enter into specific loan agreements separately according to the terms and conditions set out in the 2023 Qingdao Framework Agreement. The 2023 Qingdao Framework Agreement shall be for a term of three years commencing from 13 May 2023. During the term of the 2023 Qingdao Framework Agreement, the cap on the aggregate maximum daily balance (including the accrued interests) of the loans to be provided by Qingdao 10 Project Companies to Haoji Properties and Haoqing Properties (or their respective designated entities) will be RMB670 million. For the year ended 31 December 2024, the transaction amount did not exceed the aforesaid cap.

Haoji Properties and Haoqing Properties are associates of Ping An, a substantial shareholder of the Company, and are therefore connected persons of the Company. The above Qingdao 10 Project Companies are subsidiaries owned as to 68% by the Company (through Xingmao Properties or Win Cheer) and 14% by Ping An (through Haoji Properties or Haoqing Properties). Accordingly, Qingdao 10 Project Companies are therefore connected subsidiaries of the Company. Accordingly, the transactions under the 2023 Qingdao Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. In addition, the provision of loans by the Project Companies to Haoji Properties, Haoqing Properties and China Overseas Development (or their respective designated entities) under the 2023 Qingdao Framework Agreement in aggregate also constitute discloseable transactions of the Company under Chapter 14 of the Listing Rules.

4 Cash pooling accession and cooperation agreement among the Company, Sinochem Hong Kong and the Bank

On 17 March 2023, the Company and Sinochem Hong Kong entered into the Supplemental Agreement II to the Cooperation Agreement in relation to the cash pooling cooperation arrangement (the "Supplemental Agreement II") to extend the cash pooling cooperation arrangement to 31 December 2025. Pursuant to which, the Company continued to join the Cash Pool established by, among others, Sinochem Hong Kong and the Bank pursuant to the Cash Pooling Agreement in relation to such arrangement. As part of the Cash Pooling Cooperation Arrangement, the Company and Sinochem Hong Kong entered into the Cash Pooling Cooperation Agreement and the First Supplemental Agreement (the "Cash Pooling Agreement") whereby Sinochem Hong Kong provided protection to the Company against any risks arising from the enforcement by the Bank of its right of pledge over the Deposit placed by the Company and the exercise by Sinochem Hong Kong and/or the Bank of their rights to set off the balances among the Accounts pursuant to the Cash Pooling Agreement. Pursuant to the Supplemental Agreement II, during the extension period of the Cash Pooling Cooperation Arrangement, the daily balance (including the accrued interest) of the Deposit placed by the Company in the Cash Pool shall not exceed US$120,000,000, and the interest rate of the Deposit shall be calculated at Overnight SOFR plus 10 base points (for Deposit in US dollars) or Overnight HIBOR plus 10 base points (for Deposit in HK dollars). In addition, for the purpose of providing protection to the Company for the safety of its Deposit placed in the Cash Pool, Sinochem Hong Kong agreed to continue to provide the Loan in a principal amount of US$120,000,000 (equivalent to the maximum amount of the Deposit) to the Company. For the year ended 31 December 2024, the transaction amount did not exceed the aforesaid cap.

Sinochem Hong Kong is a direct controlling shareholder of the Company, therefore is a connected person of the Company. The cash pooling cooperation arrangement involves a provision of financial assistance among customers of the cash pool (including the Company, Sinochem Hong Kong and group companies of Sinochem Hong Kong), and therefore constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

5 Loan framework agreement between Nanfan Rongmao, Hainan Nongken and Sanya Yazhou

On 28 June 2024, Nanfan Rongmao, an indirect non-wholly owned subsidiary of the Company, entered into the loan framework agreement ("Framework Agreement") with its indirect shareholders, Jinmao Investment Management (Tianjin) Co., Ltd. ("Jinmao Tianjin"), Hainan Nongken and Sanya Yazhou, pursuant to which Nanfan Rongmao agreed to provide loans to Jinmao Tianjin, Hainan Nongken and Sanya Yazhou based on the same terms and conditions and in proportion to the respective shareholding ratio of Jinmao Tianjin, Hainan Nongken and Sanya Yazhou in Nanfan Science and Technology City Co., Ltd. ("Nanfan Science and Technology City"). The Framework Agreement shall be valid for three years commencing from 28 June 2024. During the term of the Framework Agreement, the caps on the maximum daily balance (including the accrued interest) of the loans to be provided by Nanfan Rongmao to Hainan Nongken and Sanya Yazhou will be RMB340 million and RMB170 million respectively. For the year ended 31 December 2024, the transaction amount did not exceed the aforesaid two caps.

Jinmao Tianjin is an indirect wholly-owned subsidiary of the Company, and Nanfan Rongmao is a direct wholly-owned subsidiary of Nanfan Science and Technology City, which is owned by Jinmao Tianjin, Hainan Nongken and Sanya Yazhou as to 70%, 20% and 10% respectively. Therefore, Nanfan Rongmao and Nanfan Science and Technology City are indirect non-wholly owned subsidiaries of the Company. Hainan Nongken and Sanya Yazhou are substantial shareholders of Nanfan Science and Technology City and are therefore connected persons of the Company at the subsidiary level. Accordingly, the transaction under the Framework Agreement constitutes a continuing connected transaction under Chapter 14A of the Listing Rules.

6 Digital services framework agreement between the Company and Sinochem Information Technology Co., Ltd. ("Sinochem Information")

On 26 July 2024, the Company entered into the Digital Services Framework Agreement with Sinochem Information, an indirect wholly-owned subsidiary of Sinochem Holdings, pursuant to which the Group will, from time to time, utilize the digital services available from Sinochem Information as it deems necessary, including but not limited to information system construction, information system operation and maintenance, network security services, network private line services, application software support services, cloud resource services and other digital services. The Digital Services Framework Agreement was effective from 26 July 2024 and will expire on 31 December 2026. For the three years ending 31 December 2026, with respect to the digital services provided by Sinochem Information, the annual cap on the cumulative service fees paid by the Group is approximately RMB33.224 million. For the year ended 31 December 2024, the transaction amount did not exceed the aforesaid cap.

Sinochem Holdings is the ultimate controlling shareholder of the Company, and Sinochem Information is an indirect wholly-owned subsidiary of Sinochem Holdings. Accordingly, Sinochem Information is a connected person of the Company. The transactions under the Digital Services Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

7 Entrustment loan framework agreement between Yingmao Properties, Wide Sea and Pingjia Investment

On 28 December 2023, Yingmao Properties, an indirect non-wholly-owned subsidiary of the Company, entered into the entrustment loan framework agreement with Wide Sea and Pingjia Investment ("2024 Yingmao Framework Agreement"), pursuant to which Yingmao Properties will continue to provide entrustment loans to Wide Sea and Pingjia Investment (or their respective designated entities) during the term of the 2024 Yingmao Framework Agreement. The 2024 Yingmao Framework Agreement shall take effect from 28 December 2023 and expire on 31 December 2024. During the term of the 2024 Yingmao Framework Agreement, the cap on the maximum daily balance (including the accrued interest) of the loans to be provided by Yingmao Properties to Pingjia Investment (or its designated entities) will be RMB400 million. On 27 December 2024, Yingmao Properties entered into an extended loan framework agreement with Wide Sea and Pingjia Investment to extend the term of such loan arrangement to 31 December 2025. The cap amount under the extended framework agreement remains to be RMB400 million. For the year ended 31 December 2024, the transaction amount did not exceed the aforesaid cap.

Pingjia Investment is an associate of Ping An Life Insurance, a substantial shareholder of the Company, and is therefore a connected person of the Company. Yingmao Properties is a subsidiary owned as to 50% by the Company through Wide Sea and the remaining 50% by Pingjia Investment, and is therefore a connected subsidiary of the Company. Accordingly, the transactions under the 2024 Yingmao Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

8 Tendering and procurement services framework agreement between the Company and Sinochem Commerce Co., Ltd. ("Sinochem Commerce")

On 17 September 2021, the Company entered into a framework agreement on tendering and procurement services with Sinochem Commerce for a period of three years. The annual cap for continuing connected transactions under the Framework Agreement is RMB16 million, and the related service fees paid by the Group did not exceed the aforesaid annual cap. The Company had not previously announced that the entering into of the Framework Agreement with Sinochem Commerce was due to the fact that all applicable percentage ratios of the annual caps for the continuing connected transactions under the Framework Agreement were lower than 0.1% at that time and were therefore fully exempt from the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

On 13 September 2024, the Company entered into the Tendering and Procurement Services Framework Agreement with Sinochem Commerce, an indirect non-wholly owned subsidiary of Sinochem Holdings, pursuant to which the Group will, from time to time, utilise the tendering and procurement services provided by Sinochem Commerce as it deems necessary, including but not limited to business consultation services, engineering consultation services, tendering agency services and other tendering-related services as approved by the relevant competent authorities. The Tendering and Procurement Services Framework Agreement was be effective from 13 September 2024 and will expire on 31 December 2026. The annual cap for the cumulative service fees to be paid by the Group in respect of the tendering and procurement services to be provided by Sinochem Commerce for the three years ended 31 December 2026 is approximately RMB14.06 million. For the year ended 31 December 2024, the transaction amount did not exceed the aforesaid cap.

9 Property management service and value-added service framework agreement between Jinmao Services and Sinochem Holdings

Jinmao Services renewed the framework agreement (the "2023 Sinochem Framework Agreement") with Sinochem Holdings on 9 November 2023 for a term commencing from 1 January 2024 to 31 December 2026, pursuant to which Jinmao Services (for itself and on behalf of Jinmao Services Group) agreed to provide certain services to the Sinochem Connected Persons, including (i) property management services involving industrial parks, research institutions and office buildings held by the Sinochem Connected Persons and office premises used by the Sinochem Connected Persons; and (ii) value-added services such as parking space management as may be required by the Sinochem Connected Persons from time to time. Relevant members of the Jinmao Services Group shall enter into specific agreements with members of Sinochem Holdings in respect of each transaction for the provision of the services, which shall set out the specific content of the services, the price of the services and the basis of determination, the payment method and the specific service period. For the year ended 31 December 2024, the caps of the transaction amount for the provision of property management services and value-added services by Jinmao Services to Sinochem Connected Persons were RMB100 million and RMB21 million, respectively. For the year ended 31 December 2024, the transaction amount did not exceed the above cap.

Sinochem Holdings is the ultimate controlling shareholder of the Company and Jinmao Services, indirectly holding approximately 38.38% and 74.76% of the total issued shares of each of the Company and Jinmao Services, respectively. Jinmao Services is a non-wholly owned subsidiary of China Jinmao. The transactions under the 2023 Sinochem Framework Agreement constitute continuing connected transactions of Jinmao Services under Chapter 14A of the Listing Rules. The respective transaction caps for the property management services and value-added services under the 2023 Sinochem Framework Agreement for the three years ending 31 December 2026 were approved at the extraordinary general meeting of Jinmao Services held on 22 December 2023.

II. CONTINUING CONNECTED TRANSACTIONS APPROVED BY INDEPENDENT SHAREHOLDERS

10 Framework lease agreement between the Company and Sinochem Holdings

On 28 December 2021, the Company entered into a framework lease agreement (the "Existing Framework Lease Agreement") with Sinochem Holdings to streamline the leasing relationship between the Group and Sinochem Holdings and its associates in respect of the relevant units in Shanghai Jin Mao Tower, Xicheng Jinmao Centre (the former Sinochem Tower), Beijing Chemsunny World Trade Centre and Royal International Mansion. The Existing Framework Lease Agreement is for a term of three years with effect from 1 January 2022. The annual caps for the rent, property management fees and other fees received by the Group in respect of the above leased properties under the Existing Framework Lease Agreement for the three years ended 31 December 2024 were RMB582.25 million, RMB654.14 million and RMB733.45 million, respectively.

On 7 May 2024, the Company entered into the New Framework Lease Agreement ("New Framework Lease Agreement") with Sinochem Holdings to extend the lease term to 31 December 2033, and to set annual caps for the three years ending 31 December 2026 under the New Framework Lease Agreement. The Existing Framework Lease Agreement will be terminated and replaced by the New Framework Lease Agreement upon the New Framework Lease Agreement coming into effect. The annual caps for the rent, property management fees and other fees received by the Group under the New Framework Lease Agreement for the three years ending 31 December 2026 were RMB529.04 million, RMB593.85 million and RMB662.62 million, respectively.

Report of the Directors

In 2024, details of the transactions contemplated under the Framework Lease Agreement are as follows:

Connected person		Nature of transaction	Effective period	Currency	Transaction amount in 2024
1.	Two subsidiaries/controlled companies of Sinochem Holdings Corporation Ltd.			RMB	35,224,238
	1A Manulife-Sinochem Life Insurance Co., Ltd.	Lease of relevant units in Jin Mao Tower from the Group	2017 to 2025	RMB	27,706,269
	1B China Foreign Economy and Trade Co., Ltd.	Lease of relevant units in Jin Mao Tower from the Group	2023 to 2026	RMB	7,517,969
2.	15 subsidiaries of Sinochem Holdings Corporation Ltd.			RMB	260,435,252
	2A Sinochem Corporation	Lease of relevant units in Beijing Chemsunny World Trade Centre from the Group	2023 to 2025	RMB	113,974,812
	2B China Foreign Economy and Trade Co., Ltd.	Lease of relevant units in Beijing Chemsunny World Trade Centre from the Group	2023 to 2026	RMB	45,865,039
	2C Sinochem Fertilizer Company Limited	Lease of relevant units in Beijing Chemsunny World Trade Centre from the Group	2024 to 2024	RMB	17,921
	2D Sinochem Finance Co., Ltd.	Lease of relevant units in Beijing Chemsunny World Trade Centre from the Group	2024 to 2025	RMB	20,294,729
	2E Sinochem Juyuan Enterprises Management (Beijing) Co., Ltd.	Lease of relevant units in Beijing Chemsunny World Trade Centre from the Group	2024 to 2025	RMB	3,500,524
	2F Sinochem Energy Corporation Co., Ltd.	Lease of relevant units in Beijing Chemsunny World Trade Centre from the Group	2024 to 2026	RMB	21,225,153
	2G Sinochem Commercial Factoring Co., Ltd.	Lease of relevant units in Beijing Chemsunny World Trade Centre from the Group	2022 to 2026	RMB	7,557,743
	2H Sinochem Petroleum Exploration and Production Co., Ltd.	Lease of relevant units in Beijing Chemsunny World Trade Centre from the Group	2024 to 2026	RMB	10,490,688
	2I Sinochem Petroleum Sales Co., Ltd.	Lease of relevant units in Beijing Chemsunny World Trade Centre from the Group	2024 to 2024	RMB	20,011
	2J Sinochem Oil Co., Ltd.	Lease of relevant units in Beijing Chemsunny World Trade Centre from the Group	2024 to 2026	RMB	11,950,783
	2K Sinochem Information and Technology Co., Ltd.	Lease of relevant units in Beijing Chemsunny World Trade Centre from the Group	2024 to 2025	RMB	7,264,022
	2L Sinochem Capital Co., Ltd., Beijing Branch	Lease of relevant units in Beijing Chemsunny World Trade Centre from the Group	2024 to 2026	RMB	12,990,673

Report of the Directors

	Connected person	Nature of transaction	Effective period	Currency	Transaction amount in 2024
	2M Sinochem Energy Logistics Co., Ltd.	Lease of relevant units in Beijing Chemsunny World Trade Centre from the Group	2024 to 2026	RMB	4,881,633
	2N Sinochem Baoli Commercial Services Co., Ltd.	Lease of relevant units in Beijing Chemsunny World Trade Centre from the Group	2024 to 2025	RMB	15,132
	2O Syngenta (China) Investment Co. Ltd.	Lease of relevant units in Beijing Chemsunny World Trade Centre from the Group	2024 to 2026	RMB	386,389
3.	13 subsidiaries/controlled companies of Sinochem Holdings Corporation Ltd.			RMB	44,872,327
	3A Sinochem Corporation	Lease of relevant units in Xicheng Jinmao Centre from the Group	2022 to 2025	RMB	4,028,139
	3B Beijing Sinochem Jinqiao Trade Co., Ltd.	Lease of relevant units in Xicheng Jinmao Centre from the Group	2022 to 2025	RMB	219,526
	3C China Foreign Economy and Trade Co., Ltd.	Lease of relevant units in Xicheng Jinmao Centre from the Group	2022 to 2025	RMB	9,206,847
	3D Manulife-Sinochem Life Insurance Co., Ltd., Beijing Branch	Lease of relevant units in Xicheng Jinmao Centre from the Group	2022 to 2025	RMB	2,997,782
	3E Sinochem International (Holdings) Co., Ltd., Beijing Branch	Lease of relevant units in Xicheng Jinmao Centre from the Group	2022 to 2025	RMB	4,874,765
	3F Sinochem Juyuan Enterprises Management (Beijing) Co., Ltd.	Lease of relevant units in Xicheng Jinmao Centre from the Group	2024 to 2025	RMB	119,687
	3G Sinochem Plastics Co., Ltd.	Lease of relevant units in Xicheng Jinmao Centre from the Group	2022 to 2025	RMB	10,272,458
	3H Sinochem Information and Technology Co., Ltd.	Lease of relevant units in Xicheng Jinmao Centre from the Group	2023 to 2025	RMB	911,040
	3I Sinochem Asset Management Co. Ltd.	Lease of relevant units in Xicheng Jinmao Centre from the Group	2022 to 2025	RMB	9,012,047
	3J Sinochem Baoli Commercial Services Co., Ltd.	Lease of relevant units in Xicheng Jinmao Centre from the Group	2023 to 2026	RMB	563,859
	3K Beijing Jili Petroleum Products Service Co., Ltd.	Lease of relevant units in Xicheng Jinmao Centre from the Group	2021 to 2026	RMB	114,178
	3L Sinochem Capital Digital Technology Co., Ltd.	Lease of relevant units in Xicheng Jinmao Centre from the Group	2024 to 2027	RMB	410,985
	3M Sinochem Chanxing (Beijing) Enterprise Management Co., Ltd.	Lease of relevant units in Xicheng Jinmao Centre from the Group	2024 to 2027	RMB	2,141,014

Report of the Directors

Connected person		Nature of transaction	Effective period	Currency	Transaction amount in 2024
4.	15 subsidiaries of Sinochem Holdings Corporation Ltd.			RMB	60,200,602
	4A Sinochem Refined Oil Commerce Co., Ltd.	Lease of relevant units in Royal International Mansion from the Group	2021 to 2024	RMB	1,721,134
	4B Sinochem Petroleum Sales Co., Ltd.	Lease of relevant units in Royal International Mansion from the Group	2021 to 2026	RMB	15,163,398
	4C Sinochem Energy and Technology Co., Ltd.	Lease of relevant units in Royal International Mansion from the Group	2021 to 2024	RMB	3,638,360
	4D Beijing Yixingyuan Petrochemical Technology Co., Ltd.	Lease of relevant units in Royal International Mansion from the Group	2022 to 2025	RMB	268,349
	4E Sinochem Fangsheng Energy Management Service Co., Ltd.	Lease of relevant units in Royal International Mansion from the Group	2022 to 2025	RMB	161,176
	4F Syngenta Group Co., Ltd.	Lease of relevant units in Royal International Mansion from the Group	2020 to 2026	RMB	2,729,963
	4G Sinochem Fertilizer Company Limited	Lease of relevant units in Royal International Mansion from the Group	2020 to 2026	RMB	6,313,236
	4H Sinochem Agriculture Holdings Co., Ltd.	Lease of relevant units in Royal International Mansion from the Group	2020 to 2026	RMB	7,375,048
	4I China National Seed Group Corp.	Lease of relevant units in Royal International Mansion from the Group	2023 to 2026	RMB	6,575,759
	4J Syngenta Seeds (Beijing) Co., Ltd.	Lease of relevant units in Royal International Mansion from the Group	2023 to 2026	RMB	1,659,129
	4K Sinochem Agro Co., Ltd.	Lease of relevant units in Royal International Mansion from the Group	2023 to 2026	RMB	31,316
	4L ADAMA (China) Investment Co., Ltd.	Lease of relevant units in Royal International Mansion from the Group	2023 to 2026	RMB	606,735
	4M Syngenta (China) Investment Co. Ltd.	Lease of relevant units in Royal International Mansion from the Group	2023 to 2026	RMB	1,717,143
	4N Syngenta Biotechnology (China) Co., Ltd.	Lease of relevant units in Royal International Mansion from the Group	2023 to 2026	RMB	36,558
	4O Syngenta Group Modern Agricultural Technology Co., Ltd.	Lease of relevant units in Royal International Mansion from the Group	2021 to 2026	RMB	12,203,298
Total				RMB	400,732,419

Sinochem Holdings is the ultimate controlling shareholder of the Company and is therefore a connected person of the Company. Accordingly, the New Framework Lease Agreement and the transactions contemplated under the specific lease contracts constitute the continuing connected transactions of the Company under Chapter 14A of the Listing Rules. The New Framework Lease Agreement and the transactions contemplated thereunder (including the annual caps) were adopted by voting at the extraordinary general meeting of the Company held on 19 June 2024. For the year ended 31 December 2024, the transaction amount under the New Framework Lease Agreement did not exceed the annual cap.

11 Supplemental agreement to the financial services framework agreement between the Company and Sinochem Finance

On 16 November 2022, the Company and Sinochem Finance entered into a renewed financial services framework agreement (the "2022 Sinochem Financial Services Framework Agreement") for a period until 31 December 2025, pursuant to which the Group will continue to utilise the financial services provided by Sinochem Finance on a non-exclusive basis as it deems necessary, including deposit and loan services, entrustment loans, settlement services, guarantee services, internet banking services and any other financial services as approved by the China Banking and Insurance Regulatory Commission, and paid the relevant interests and service fees to or received deposit interest from Sinochem Finance. The relevant fees and loan interest should be determined at a rate no higher than the standards as set by the PBOC from time to time or the market price, and the deposit interest should be determined at a rate no lower than the benchmark interest rate as promulgated by the PBOC from time to time or the market price. The settlement services are provided free of charge. During the term of the 2022 Sinochem Financial Services Framework Agreement, the cap on the maximum daily balance (including the accrued interest) of the deposits placed by the Group with Sinochem Finance would be RMB10,000 million. The deposit services (including the maximum daily balance) under the 2022 Sinochem Financial Services Framework Agreement were adopted by voting at the extraordinary general meeting of the Company held on 23 December 2022.

The Supplemental Agreement was entered into between the Company and Sinochem Finance on 15 March 2024 to amend certain terms of the 2022 Sinochem Financial Services Framework Agreement and extend the term of the agreement to 31 December 2026. At the same time, having reviewed the funding utilisation and funding deployment arrangements of the Group, the Company proposes to amend the maximum daily deposit balance for each year for the three years ending 31 December 2026 to RMB15.0 billion. The caps for the deposit services (including the maximum daily balance) under the Supplemental Agreement to the Sinochem Financial Services Framework Agreement were approved at the extraordinary general meeting of the Company held on 29 April 2024. For the year ended 31 December 2024, the transaction amount under the Supplemental Agreement to the Sinochem Financial Services Framework Agreement did not exceed the annual cap.

Sinochem Finance is a subsidiary of Sinochem Holdings, the ultimate controlling shareholder of the Company, and is therefore a connected person of the Company. The transactions under the 2022 Sinochem Financial Services Framework Agreement and the Supplemental Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Report of the Directors

12 Financial services framework agreement between the Company and various subsidiaries of Ping An

On 16 November 2022, the Company entered into the renewed financial services framework agreement (the "2022 Ping An Financial Services Framework Agreement") with various subsidiaries of Ping An (including Ping An Bank Co., Ltd., Ping An Wealth Management Co., Ltd., Shenzhen Qianhai Pingyu Commercial Factoring Co., Ltd., Ping An Property & Casualty Insurance Company of China, Ltd., Ping An Annuity Insurance Company of China, Ltd., Ping An Real Estate and Ping An Asset Management Co., Ltd.) for a period until 31 December 2025, pursuant to which the Group will, when it deems necessary, continue to utilise the financial services that Ping An member companies provide on a non-exclusive basis, including deposit and loan services, entrustment loans services, mortgage loan services, settlement services, factoring services (including financing factoring services and non-financing factoring services), commercial insurance services and other financial services as approved by competent authorities such as the China Banking and Insurance Regulatory Commission and the China Securities Regulatory Commission, and paid the relevant interests and service fees to or received deposit interest from Ping An member companies. The relevant fees and loan interest should be determined at a rate no higher than the rates offered by independent financial institutions of the same type under the same conditions, and the deposit interest should be determined at a rate no lower than the benchmark interest rate as promulgated by the PBOC or those offered by independent financial institutions. The mortgage loan services and settlement services were provided free of charge. During the term of the 2022 Ping An Financial Services Framework Agreement, the caps on the maximum daily balance (including the accrued interest) of the deposit services, the loan services and the financing factoring services were RMB8,000 million, RMB10,000 million and RMB3,000 million, respectively, whereas the annual caps of all other financial services were RMB20 million, RMB21 million and RMB22 million. The deposit services, the loan services and the financing factoring services (including their respective maximum daily balances) under the 2022 Ping An Financial Services Framework Agreement were adopted by voting at the extraordinary general meeting of the Company held on 23 December 2022. For the year ended 31 December 2024, the transaction amount under the 2022 Ping An Financial Services Framework Agreement did not exceed the aforesaid cap.

Each of Ping An and its subsidiaries is an associate of Ping An Life Insurance, a substantial shareholder of the Company, and is therefore a connected person of the Company. Accordingly, the transactions under the 2022 Ping An Financial Services Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

CONNECTED TRANSACTIONS

During the Period under Review and up to the date of this report, the one-time connected transactions of the Company include:

1 Loan agreement and mortgage agreement between Zhantuo Real Estate and Sinochem Finance with respect to the operating properties

On 26 April 2024, Beijing Zhantuo Real Estate Co., Ltd. ("Zhantuo Real Estate"), an indirect wholly-owned subsidiary of the Company, as borrower, entered into the Loan Agreement with Sinochem Finance, as lender, pursuant to which Sinochem Finance agreed to provide the Loan in a total principal amount of RMB1,500,000,000 to Zhantuo Real Estate. As a security for its repayment obligations under the Loan Agreement, Zhantuo Real Estate entered into the Mortgage Agreement with Sinochem Finance on the same date, pursuant to which Zhantuo Real Estate agreed to mortgage the Properties to Sinochem Finance. It was approved at the extraordinary general meeting of the Company held on 19 June 2024.

Sinochem Holdings is the ultimate controlling shareholder of the Company, and is therefore a connected person of the Company. As Sinochem Finance is owned as to 37% by Sinochem Holdings and as to 63% in aggregate by Sinochem Corporation and Sinochem Capital, both of which are indirect subsidiaries of Sinochem Holdings, Sinochem Finance is a connected person of the Company. The provision of secured Loan by Sinochem Finance to Zhantuo Real Estate constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As the relevant percentage ratios applicable to the secured Loan exceed 5%, the transaction under the Loan Agreement and the Mortgage Agreement is subject to the reporting, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

2 Project development entrusted management agreement between Jinmao Xiong'an, Sinochem Holdings and Sinochem Xiong'an

On 8 November 2024, the Company and its indirect wholly-owned subsidiary, Xiong'an Jinmao Corporate Management Co., Ltd. ("Jinmao Xiong'an"), entered into the Project Development Entrusted Management Agreement with Sinochem Holdings and its indirect wholly-owned subsidiary, Sinochem Holdings Xiong'an Property Co., Ltd. ("Sinochem Xiong'an"), pursuant to which Jinmao Xiong'an will provide management services to Sinochem Xiong'an in relation to the development and construction of the office building project to be constructed on land parcel No. XACR-2024-013 in Corporate Headquarters Zone, Xiong'an New Area Startup Zone. Sinochem Xiong'an shall pay a service fee of 4.8% of the construction cost of the Project to Jinmao Xiong'an for its provision of management services under the Project Development Entrusted Management Agreement, which is estimated to be no more than RMB54,630,000 in aggregate.

Sinochem Holdings is the ultimate controlling shareholder of the Company, and is therefore a connected person of the Company. Sinochem Xiong'an is an indirect wholly-owned subsidiary of Sinochem Holdings and is also a connected person of the Company. Accordingly, the Transaction constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios of the Transaction are more than 0.1% but less than 5%, the Transaction is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

3 Equity and loan acquisition agreement between Jin Mao Northern and Shenzhen Shengqiu

On 27 December 2024, Jin Mao Northern Enterprises Management (Tianjin) Company Limited ("Jin Mao Northern"), an indirect wholly-owned subsidiary of the Company, Shenzhen Shengqiu Enterprise Management Co., Ltd. ("Shenzhen Shengqiu") and Shandong Jiexing Enterprise Management Co., Ltd. ("Shandong Jiexing") entered into the Equity and Loan Acquisition Agreement, pursuant to which, Shandong Jiexing and Jin Mao Northern respectively agreed to acquire all the equity and the Subject Loan of Shenzhen Shengqiu in Jinan Lumao Real Estate Co., Ltd. ("Jinan Lumao") for a total consideration of RMB100,012,581.15, among which, the consideration for the Transferred Subject I acquired by Shandong Jiexing is RMB62,077,809.12, and the consideration for the Transferred Subject II acquired by Jin Mao Northern is RMB37,934,772.03. Upon the completion of Jinan Lumao Acquisition, the proportion of equity interests in Jinan Lumao held by the Company indirectly will be increased from 27.5% to 37.93%.

Ping An, through its subsidiaries, holds approximately 13.23% of the total issued shares of the Company, and is therefore a connected person of the Company. Shenzhen Shengqiu is a subsidiary of Ping An and is also a connected person of the Company. Accordingly, the Transaction constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios of the Transaction are more than 0.1% but less than 5%, the Transaction is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

The above transactions have complied with the requirements of Chapter 14A of the Listing Rules.

CONFIRMATION OF INDEPENDENT NON-EXECUTIVE DIRECTORS

In the opinion of the independent non-executive Directors of the Company, the continuing connected transactions for the year ended 31 December 2024 were entered into by the Group:

- in the ordinary and usual course of its business;
- on normal commercial terms; and
- in accordance with the relevant agreements governing such transactions on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The auditor of the Company has been engaged to report on the continuing connected transactions of the Company for the year ended 31 December 2024 in accordance with the Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements other than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The Board of Directors has received an unqualified letter from the auditor of the Company in accordance with Rule 14A.56 of the Listing Rules, stating that the auditor has not noticed that any of these continuing connected transactions:

- have not been approved by the Board of Directors of the Company;
- for the connected transactions involving the provision of goods or services by the Group have not been entered into in accordance with the pricing policies of the Group in all material aspects;
- have not been entered into in accordance with the terms of the relevant agreements governing such continuing connected transactions in all material aspects; and
- have exceeded the relevant caps for the year ended 31 December 2024.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of its Directors, as at the date of this report, there is sufficient public float of not less than 25% of the Company's total issued share capital as required under the Listing Rules.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Save as disclosed in the sections headed "Issuance of Notes and Bonds" and "Redemption of Notes" under the "Report of the Directors" in this report, during the Period under Review, none of the Company or any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

ISSUANCE OF NOTES AND BONDS

1 Issue of unsecured medium-term notes

On 17 June 2024, Shanghai Jinmao Investment Management Group Co., Ltd. ("Shanghai Jinmao", a wholly-owned subsidiary of the Company) (as the issuer) completed the issuance the first tranche of the medium-term notes of 2024 in a principal amount of RMB3,000,000,000 to qualified investors. The notes are unsecured and have a term of three years. The final coupon rate is fixed at 2.8%. The proceeds from the issuance of the notes amounted to approximately RMB3,000 million and had been used to supplement the Company's working capital that had been used to repay its matured notes. As at the date of this report, the Group has not redeemed or canceled any of these notes.

2 Issue of unsecured medium-term notes

On 26 August 2024, Shanghai Jinmao, a wholly-owned subsidiary of the Company (as the issuer) completed the issuance of the 2024 second tranche of the medium-term notes in a principal amount of RMB2,000,000,000 to qualified investors. The notes are unsecured and have a term of three years. The final coupon rate is fixed at 2.8%. The proceeds from the issuance of the notes amounted to approximately RMB2,000 million and had been used to repay other matured notes of the Company. As at the date of this report, the Group has not redeemed or canceled any of these notes.

3 Issue of domestic corporate bonds

On 21 February 2025, Shanghai Jinmao, a wholly-owned subsidiary of the Company (as the issuer) completed the issuance of the corporate bonds in a principal amount of RMB1,700,000,000 to professional investors. The bonds are unsecured and have a term of four years, and the issuer shall be entitled to adjust the coupon rate and the investors shall be entitled to sell back the corporate bonds at the end of the second year. The final coupon rate is fixed at 2.79%. The proceeds from the issuance of the bonds amounted to approximately RMB1,700 million and had been used to repay other debts of the Company. As at the date of this report, the Group has not redeemed or canceled any of these bonds.

4 Issue of domestic corporate bonds

On 20 March 2025, Shanghai Jinmao, a wholly-owned subsidiary of the Company (as the issuer) completed the issuance of the corporate bonds in a principal amount of RMB1,600,000,000 to professional investors. The bonds are unsecured and have a term of four years, and the issuer shall be entitled to adjust the coupon rate and the investors shall be entitled to sell back the corporate bonds at the end of the second year. The final coupon rate is fixed at 2.93%. The proceeds from the issuance of the bonds amounted to approximately RMB1,600 million and had been used to repay other debts of the Company. As at the date of this report, the Group has not redeemed or canceled any of these bonds.

REDEMPTION OF NOTES

Redemption of subordinated guaranteed perpetual capital securities

As stated in the announcement of the Company dated 6 December 2019 regarding the issuance and listing of the securities, and the announcement dated 29 October 2024 regarding the notice of redemption of securities, Franshion Brilliant Limited (as the issuer) has elected to redeem all the securities at the aggregate principal amount of the securities plus any distributions (including any arrears of distribution and additional distribution amounts) accrued on the subordinated guaranteed perpetual capital securities issued by it in an aggregate principal amount of US$400,000,000 with an interest rate of 4.00% per annum, but excluding the distribution accrued on the scheduled redemption date of 6 December 2024 (being the first reset date). On 9 December 2024, the securities were fully redeemed at the redemption price of US$400,000,000. The listing of the securities on the Hong Kong Stock Exchange was withdrawn on 9 December 2024.

REVIEW OF THE OPTION OVER SHIMAO INVESTMENT BY THE INDEPENDENT BOARD COMMITTEE

A written resolution was entered into by the Independent Board Committee comprising all independent non-executive Directors of the Company on 21 March 2025 to review its decision made on 23 August 2024 not to exercise, for the time being, the option to acquire Sinochem Group's 15% interest in China Shimao Investment Company Limited ("Shimao Investment").

The Independent Board Committee has carefully reviewed the relevant information of Shimao Investment, taking into account the facts that Sinochem Group is a financial investor of Shimao Investment and owns only a minority and passive interest in it, and that the property business of Shimao Investment is mainly office buildings, which is inconsistent with the Company's strategy of developing the "consumer infrastructure" commercial business and focusing on building the "Mall of Splendor" brand. At present, the Company's overall total debt position remains stable. In face of the higher volatility in the real estate industry at present, the Company should insist on consolidating its principal businesses by "in-depth cultivation and focus, as well as quality and efficiency improvement". The acquisition of Shimao Investment at the moment would pose greater challenges to the Company in various aspects, including manpower and financial capacity. As such, the independent non-executive Directors unanimously agreed that the exercise of the option over Shimao Investment at this moment is not in line with the Company's prudent investment policy, and is not in the best interests of the Company and the shareholders as a whole.

The Independent Board Committee unanimously resolved not to exercise the option to acquire Sinochem Group's 15% interest in Shimao Investment at this moment. As disclosed in the prospectus and the announcement dated 9 April 2010 of the Company, the Independent Board Committee would continue to review the option over Shimao Investment at the time when the interim and annual reports of the Company are to be released.

REVIEW BY AUDIT COMMITTEE

The Audit Committee has reviewed with the management and the auditor of the Company the accounting principles and practices adopted by the Company, and discussed with them the audit, internal control and financial reporting matters of the Company, including review of the financial statements for 2024. The 2024 financial statements prepared in accordance with Hong Kong Financial Reporting Standards were audited by Ernst & Young based on the Hong Kong Standards on Auditing. Ernst & Young issued unqualified opinion on the 2024 financial statements.

MATERIAL ACQUISITIONS, DISPOSAL AND OTHER DISCLOSEABLE TRANSACTIONS

During the Period under Review and as of the date of this report, save as disclosed in the section headed "Continuing Connected Transactions" and "Connected Transactions" above, the material acquisitions, disposal and other discloseable transactions entered into by the Company include the following:

1 Provision of earnest money loan to Nanjing Jiatai and acquisition of 51% equity interests of Nanjing Jiatai through capital increase

On 26 January 2024, Hefei Fengmao Real Estate Development Company Limited ("Hefei Fengmao", an indirect wholly-owned subsidiary of the Company), entered into the Agreement with Beijing Capital Development Co., Ltd. ("BCDC") and Nanjing Jiatai Zhumao Real Estate Co., Ltd. ("Nanjing Jiatai"), pursuant to which, for the purpose of their subsequent cooperation in the development of the land parcel No. 2023G89 situated in Gulou District, Nanjing, the PRC, Hefei Fengmao (i) agreed to provide Nanjing Jiatai with the Earnest Money Loan in an aggregate amount of not exceeding RMB612,021,265 at an interest rate of 5.5% per annum; and (ii) conditionally agreed to participate in the listing-for-sale process for the capital increase of Nanjing Jiatai. For details, please refer to the announcement of the Company dated 26 January 2024.

Hefei Fengmao won the bid in the equity capital increase project introduced by Nanjing Jiatai through listing-for-sale. On 24 June 2024, Hefei Fengmao entered into the Capital Increase Agreement with BCDC and Nanjing Jiatai, pursuant to which, Hefei Fengmao agreed to provide capital investment of RMB302,884,461 to Nanjing Jiatai and acquired 51% equity interest in Nanjing Jiatai; BCDC agreed to provide capital investment of RMB269,410,599 to Nanjing Jiatai and held 49% equity interest in Nanjing Jiatai. Upon completion of the Capital Increase, the registered capital of the Nanjing Jiatai will be increased to RMB550 million and it will become an indirect non-wholly-owned subsidiary of the Company. The transaction constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. For details, please refer to the announcement of the Company dated 24 June 2024. The transaction was completed on 27 June 2024.

2 Proposed spin-off and separate listing of the REITs on the Shanghai Stock Exchange

On 12 March 2024, the proposed spin-off and the proposed listing of CAMC-Jinmao Commercial REIT ("REIT") of the Company was completed. The steps of the Proposed Spin-off include: (i) the net acquisition of approximately 49% equity interest (excluding the 4/F Fitness Centre) in Changsha Jinmao Mall of Splendor project, which was completed in August 2023; (ii) the disposal of 100% equity interest in Changsha Xiumao Commercial Management Co., Ltd. ("Changsha Xiumao") to CITIC Securities Company Limited (asset-backed special account manager) (which was completed on 4 March 2024); and (iii) the Company subscribed for 34% of the fund units in the REIT (which was completed on 4 March 2024).

On 30 December 2023, the final offer price of the REIT was determined to be RMB2.67 per unit. The consideration for the transfer of 100% equity interest in Changsha Xiumao shall be based on the proceeds from the public offering, after deducting (i) the amount set aside for the fees and expenses to be incurred by the REIT, the Asset-backed Special Project and Changsha Xiumao (including but not limited to the expenses for the preparation of the completion audit and the taxes incurred in connection with the transaction); and (ii) the total liabilities stated in the simulated net assets financial statements of Changsha Xiumao as at 30 June 2023. If the public offering is completed, (1) the consideration for the 100% transfer of Changsha Xiumao is approximately RMB55,040,000; (2) the consideration for the Company's subscription of 34% interest in the REIT through an indirect wholly-owned subsidiary is approximately RMB363,120,000. The proposed spin-off constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. For details, please refer to the announcements of the Company dated 26 October 2023, 28 November 2023, 30 December 2023, 4 March 2024 and 12 March 2024.

3 Acquisition of equity interests in Chengdu Yuemao

On 15 May 2024, Jinmao Xinan Enterprise Management (Tianjin) Limited ("Jinmao Xinan", an indirect wholly-owned subsidiary of the Company), Jiaxing Zhenmao Investment Partnership (Limited Partnership) ("Jiaxing Zhenmao") and Chengdu Yuemao Property Co., Ltd. ("Chengdu Yuemao") entered into the Equity Transfer Agreement, pursuant to which Jinmao Xinan agreed to acquire and Jiaxing Zhenmao agreed to sell 49% equity interests in Chengdu Yuemao for a total consideration of approximately RMB1,192.81 million. Upon completion of the transaction, Chengdu Yuemao will become an indirect wholly-owned subsidiary of the Company. The transaction constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. For details, please refer to the announcement of the Company dated 15 May 2024. The transaction was completed on 28 June 2024.

4 Acquisition of equity interests in Chengdu Junmao

On 15 May 2024, Jinmao Xinan Enterprise Management (Tianjin) Limited ("Jinmao Xinan", an indirect wholly-owned subsidiary of the Company), Jiaxing Wenmao II Investment Partnership (Limited Partnership) ("Jiaxing Wenmao II") and Chengdu Junmao Property Co., Ltd. ("Chengdu Junmao") entered into the Equity Transfer Agreement, pursuant to which Jinmao Xinan agreed to acquire and Jiaxing Wenmao II agreed to sell 49% equity interests in Chengdu Yuemao for a total consideration of approximately RMB1,192.13 million. Upon completion of the transaction, Chengdu Junmao will become an indirect wholly-owned subsidiary of the Company. The transaction constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. For details, please refer to the announcement of the Company dated 15 May 2024. The transaction was completed on 29 June 2024.

5 Acquisition of 40% equity interests in Xi'an Mingmao

On 29 September 2024, Xi'an Shunmao Property Co., Ltd. ("Xi'an Shunmao", an indirect wholly-owned subsidiary of the Company), Jiaxing Yangmao Investment Partnership (Limited Partnership) ("Jiaxing Yangmao") and Xi'an Mingmao Property Co., Ltd. ("Xi'an Mingmao") entered into the Equity Transfer Agreement, pursuant to which Xi'an Shunmao agreed to acquire and Jiaxing Yangmao agreed to sell 40% equity interests in Xi'an Mingmao for a total consideration of approximately RMB1,664.74 million. Upon completion of the Transaction, Xi'an Mingmao will become an indirect wholly-owned subsidiary of the Company. The transaction constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. For details, please refer to the announcement of the Company dated 29 September 2024. The transaction was completed on 31 December 2024.

6 Exercise of the right of first refusal

On 24 November 2021, Shanghai Congmao Enterprise Management Partnership (Limited Partnership) ("Shanghai Congmao") and China Jin Mao (Group) Company Limited ("Jin Mao Group", an indirect wholly-owned subsidiary of the Company) entered into the Partnership Agreement and the Asset-backed Securities Subscription Agreement with Huafu Securities Co., Ltd. ("Huafu Securities") respectively, pursuant to which an asset-backed securities scheme named as Jinmao Huafu – Jinmao Hotel Xinxuan No. 1 Asset-backed Special Scheme (金茂華福－金茂酒店鑫選1號資產支持專項計劃) was prepared to be established to securitise the Relevant Properties held by the Group and to raise funds for the Group's operations and business development. Jin Mao Group also entered into the Right of First Refusal Agreement ("Right of First Refusal Agreement") with Huafu Securities on the same date, pursuant to which Jin Mao Group shall be entitled to the corresponding preferential right to purchase the asset-backed securities or Underlying Assets under the Special Scheme.

On 5 July 2024, pursuant to the terms of the Right of First Refusal Agreement, Jin Mao Group issued an Exercise Notice to Huafu Securities in relation to the Exercise of the Right of First Refusal in principle at a price of RMB966,000,000, being the carrying amount of all the repurchased asset-backed securities. However, if the exercise subject is finally determined to be the Underlying Assets, the exercise price shall also be assessed by and filed with the state-owned assets supervision and administration department. The Exercise of the Right of First Refusal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. For details, please refer to the announcement of the Company dated 5 July 2024.

On 15 October 2024, Shanghai Congmao, Jin Mao Group and Huafu Securities entered into a limited partnership property share transfer agreement (the "Transfer Agreement"), pursuant to which, Jin Mao Group finally chose to exercise the Right of First Refusal for Exercise Subject II, that is, Jin Mao Group will purchase the Underlying Assets as agreed in the Transfer Agreement (i.e., Shanghai Congmao Class B limited partnership interest held by Huafu Securities (on behalf of the Special Scheme), which represents 69.95% of all limited partnership interest) at a total consideration of RMB966,000,000. For details, please refer to the announcement of the Company dated 15 October 2024. The transaction was completed on 15 October 2024.

7 Capital increase in Qingdao Eastern Eden

On 22 March 2024, Qingdao High-tech Investment & Development Group Co., Ltd., Qingdao Qingmao Real Estate Co., Ltd. (a wholly-owned subsidiary of the Company) and Qingdao Shengmao Real Estate Co., Ltd. ("Shengmao Real Estate", a wholly-owned subsidiary of the Company) entered into a capital increase agreement to increase the registered capital of Qingdao Eastern Eden Cultural Tourism Development Co., Ltd. (the "Project Company") from RMB600 million to RMB1,050 million, with Shengmao Real Estate fully subscribing for the additional registered capital. Upon completion of the capital increase, a total of 80.95% equity interest in the Project Company will be held by the Group and it will become a non-wholly owned subsidiary of the Company. According to Chapter 14 of the Listing Rules, the capital increase constitutes a discloseable transaction of the Company. For details, please refer to the announcement of the Company dated 22 March 2024. The capital increase was completed on 22 March 2024.

Report of the Directors

8 Disposal of 100% equity interest in Jin Mao Sanya

On 15 October 2024, after trading hours, the Board approved a proposed plan to dispose of 100% of the equity interest of Jin Mao Sanya Resort Hotel Company Limited ("Jin Mao Sanya") and to assign the claims of Jin Mao Hainan Investment Company Limited ("Hainan Jin Mao") against Jin Mao Sanya on 14 November 2024 (including outstanding principal and accrued interests) by way of Public Tender and transfer at the CBEX. Pursuant to the relevant PRC laws and regulations, the Potential Disposal is intended to be conducted by a Public Tender trading through the CBEX and the successful delisting party, as the final transferee, shall also enter into the Property Transfer Agreement with China Jin Mao (Group) Company Limited ("Jin Mao Group") and Hainan Jin Mao, as the transferors, in accordance with the requirements of the CBEX. The final consideration for the transfer will depend on the final bid price provided that it is not less than the Minimum Consideration. The Minimum Consideration for the Public Tender is approximately RMB1,848.88 million. The transaction was approved at the extraordinary general meeting held on 15 November 2024. For details, please refer to the announcements of the Company dated 15 October 2024 and 15 November 2024, and the EGM circular dated 30 October 2024.

The announcement period for the Public Tender ended on 12 December 2024. Through the Public Tender process, Hainan Lichi Consulting Company Limited ("Hainan Lichi") has been confirmed as the transferee of the Potential Disposal that meets the qualification as required by CBEX. On 16 December 2024, Jin Mao Group and Hainan Jin Mao, as the transferor, entered into the property transfer agreement (the "Property Transfer Agreement") with Hainan Lichi, as the transferee, pursuant to which, Hainan Lichi agreed to acquire and Jin Mao Group and Hainan Jin Mao agreed to dispose of the Sale Shares and Hainan Jin Mao agreed to assign the Related Claims for a final total transfer consideration of RMB1,848.88 million. The transaction constituted a discloseable transaction of the Company, and please refer to the announcement of the Company dated 16 December 2024 for details. The transaction was completed on 24 December 2024.

9 Provision of earnest money loan to Fuzhou Yucheng

On 31 December 2024, Beijing Fangxing Yicheng Real Estate Co., Ltd. ("Beijing Yicheng"), an indirect wholly-owned subsidiary of the Company, entered into the Agreement with Shanghai C&D Shenggao Enterprise Development Co., Ltd. ("C&D Shenggao"), Fuzhou Yucheng Real Estate Co., Ltd. ("Fuzhou Yucheng") and Beijing Zhaoxing Real Estate Development Co., Ltd. ("Beijing Zhaoxing"), pursuant to which, for the purpose of their subsequent cooperation in the development of the Land Parcel, Beijing Yicheng (i) agreed to provide Fuzhou Yucheng with the Earnest Money Loan in an aggregate amount of not exceeding RMB921,150,810 at an interest rate of 6% per annum; and (ii) conditionally agreed to acquire 36% equity interests in Beijing Zhaoxing. The land use right of the Land Parcel was acquired by Fuzhou Yucheng through a public tender process on 29 November 2024. Beijing Zhaoxing is the Project Company established by Fuzhou Yucheng for the development of the Land Parcel. The transaction constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. For details, please refer to the announcement of the Company dated 31 December 2024.

10 Land resumption

On 13 January 2025, Huzhou Dongmao Real Estate Co., Ltd. ("Huzhou Dongmao", an indirect wholly-owned subsidiary of the Company), entered into the Land Resumption Agreement with Huzhou South Taihu New District Management Committee ("Huzhou South Taihu Management Committee"), in respect of the Land Resumption. Pursuant to the Land Resumption Agreement, Huzhou South Taihu Management Committee has agreed to repossess and reserve the four land parcels namely TH-07-01-06A, 08B, 08E and 09A situated in Binhu East Unit, Huzhou from Huzhou Dongmao, at a consideration of RMB781,000,000 by way of cash compensation. The transaction constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. For details, please refer to the announcement of the Company dated 13 January 2025.

11 Exercise of right of first refusal

On 10 June 2022, Changsha Dingmao Real Estate Co., Ltd. ("Dingmao Real Estate", a then indirect affiliated company of the Company), entered into the Equity Transfer Agreement and the Claims Assignment and Claims and Debt Confirmation Agreement with Jinmao (Jiaxing) Investment Management Company Limited ("Jiaxing Investment") and Huafu Securities (on behalf of the Special Scheme), pursuant to which an asset-backed securities scheme named as Jinmao Huafu – Changsha Jinmao Plaza North Tower Phase II Green Asset-backed Special Scheme (Carbon Neutrality) (金茂華福－長沙金茂廣場北塔二期綠色資產支持專項計劃(碳中和)) was prepared to be established on 30 June 2022 to securitise the Subject Property held by Dingmao Real Estate and to raise funds for the Group's operations and business development. Dingmao Real Estate also entered into the Right of First Refusal Agreement with Jiaxing Xiangmao Investment Partnership (Limited Partnership) ("Jiaxing Xiangmao"), Jiaxing Investment and Huafu Securities Co., Ltd. ("Huafu Securities", on behalf of the Special Scheme) on the same date, pursuant to which Jiaxing Investment or its designated other entities shall be entitled to the Right of First Refusal to purchase all preferred asset-backed securities not held by them or the Subject Assets (i.e., the Subject Equity and the Subject Claims (including the Subject Property) held by Huafu Securities (on behalf of the Special Scheme)) under the Special Scheme.

On 22 January 2025, Beijing Fangxing Yicheng Property Co., Ltd. ("Beijing Yicheng", an indirect wholly-owned subsidiary of the Company), was designated by Jiaxing Investment as the successor of the holders of Right of First Refusal, and Beijing Yicheng issued a notice of exercise of the Right of First Refusal to Huafu Securities pursuant to the terms of the Right of First Refusal Agreement on the same date, notifying its decision to exercise the Right of First Refusal for the Subject Assets with the intended exercise price not exceeding RMB1,323 million, and such exercise price shall not exceed the final result of the filing of the state-owned assets evaluation. The exercise of right of first refusal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. For details, please refer to the announcement of the Company dated 22 January 2025.

12 Acquisition of 49% equity interests in Xi'an Changmao

On 4 March 2025, Xi'an Shunmao Property Co., Ltd. ("Xi'an Shunmao", an indirect wholly-owned subsidiary of the Company), Jiaxing Tangmao Investment Partnership Enterprise (Limited Partnership) ("Jiaxing Tangmao") and Xi'an Changmao Property Co., Ltd. ("Xi'an Changmao") entered into the Equity Transfer Agreement, pursuant to which Xi'an Shunmao agreed to acquire and Jiaxing Tangmao agreed to sell 49% equity interests in Xi'an Changmao for a total consideration of approximately RMB1,686.74 million. Upon completion of the transaction, Xi'an Changmao will become an indirect wholly-owned subsidiary of the Company. The transaction constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. For details, please refer to the announcement of the Company dated 4 March 2025.

13 Provision of loans

On 5 March 2025, Jinmao Tianjin, Shanghai Simao Real Estate Co., Ltd. ("Shanghai Simao"), Beijing Capital Development Co., Ltd. ("BCDC") and Kaimao Real Estate (Hangzhou) Co., Ltd. ("Kaimao Real Estate") entered into the Supplemental Agreement to increase the maximum daily balance (including the accrued interests) of the loans provided by Kaimao Real Estate to BCDC from RMB620 million to RMB720 million. Following the entering into of the Supplemental Agreement, the transaction constitutes a disclosable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules. For details, please refer to the announcement of the Company dated 5 March 2025.

MATERIAL LITIGATION

For the year ended 31 December 2024, the Company was not subject to any material litigation that could have an adverse impact on the Company.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed under the section(s) headed "Issuance of Notes and Bonds" and "Material Acquisitions, Disposal and Other Discloseable Transactions" under the "Report of the Directors" in this report, there were no material events of the Group after the Reporting Period.

AUDITOR

The financial reports of the Group have been audited by Ernst & Young, who has offered itself for reappointment. A resolution will be proposed at the forthcoming annual general meeting to re-appoint Ernst & Young as the auditor of the Company. The Company did not change its auditor in the past three years.

On Behalf of the Board
TAO Tianhai
Chairman

Independent Auditor's Report

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 members of China Jinmao Holdings Group Limited
(Incorporated in Hong Kong with limited liability)

OPINION

We have audited the consolidated financial statements of China Jinmao Holdings Group Limited (the "Company") and its subsidiaries (the "Group") set out on pages 176 to 307, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss, the consolidated statement of 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 material accounting policy information.

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 2024, 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 Hong Kong Companies Ordinance.

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.

Independent Auditor's Report

Key audit matter	How our audit addressed the key audit matter
Revaluation of investment properties	
The Group adopted the fair value model for its investment properties in accordance with HKAS 40 *Investment Property*. Changes in fair values were recognised in profit or loss. The valuations on the investment properties of the Group as at 31 December 2024 were determined by management or independent appraisers engaged by management. Different valuation techniques were applied to these investment properties. As both the year-end balance of RMB36,482,002,000 and the changes in fair value of RMB336,982,000 were significant, and the valuation involved management judgement and estimates based on a projection of future rental income, growth rate, vacancy rate, discount rate and reversionary yield, we considered the revaluation of investment properties a key audit matter of our audit. Relevant disclosures are included in notes 3 and 18 to the consolidated financial statements.	We considered the competence, capabilities and objectivity of the external appraisers. We involved our real estate valuation specialists to assist us in evaluating the valuation techniques and assessing the underlying assumptions for selected samples. We compared market rental assumptions against actual rents of existing lease contracts and external market rents, expected vacancy rate against historical data maintained by the Group, and the discount rate, the growth rate and reversionary yield against those of peers with similar nature and area of properties. We also assessed the adequacy of the disclosures of investment properties, including the fair value hierarchy.

Independent Auditor's Report

Key audit matter	How our audit addressed the key audit matter
Assessment of carrying values of properties for sale held by the Group, its associates and joint ventures As at 31 December 2024, the total carrying value of the Group's properties for sale, including properties under development and properties held for sale, amounted to RMB148,700,917,000. Besides, as at 31 December 2024, the total carrying values of investments in associates and joint ventures, and the amounts due from associates and joint ventures amounted to RMB78,361,724,000. Given the properties for sale represented the majority of the total assets of these associates and joint ventures, management's assessment on carrying values for the investments in and amounts due from these companies would take into account the carrying values of the properties for sale held by these companies. The assessment of the carrying values of the properties for sale is complex because it involves significant management judgements and estimates regarding, among others, the net realisable value (the "NRV") of the properties for sale and anticipated construction costs to be incurred to complete the properties under development based on existing plans. Relevant disclosures are included in notes 3, 6, 7, 15, 17, 22, 23 and 28 to the consolidated financial statements.	**For properties for sale held by the Group** We understood and assessed the Group's assessment of the carrying values of properties for sale. In assessing the NRV of the properties for sale, we evaluated, on a sample basis, the reasonableness of their forecasted selling price based on the current market price of properties of comparable locations and conditions, and on our knowledge of the Group's business and the current market development in the real estate industry, where appropriate. For construction costs to be incurred to complete properties under development, we obtained an understanding of the management's process in estimating the future costs to completion for the properties under development and assessed the reasonableness of the budgeted construction costs, on a sample basis, by comparing to the actual development costs of similar projects recently completed by the Group and by checking to construction contracts and other relevant documents. We re-calculated the carrying values of the properties for sale based on management's methodology at the year end.

Independent Auditor's Report

Key audit matter	How our audit addressed the key audit matter
	For properties for sale held by the Group's associates and joint ventures We understood and assessed the Group's assessment of the carrying values of the properties for sale held by its significant associates and joint ventures. In assessing the NRV of the properties for sale held by its significant associates and joint ventures, we evaluated, on a sample basis, the reasonableness of their forecasted gross profit margins based on the current market price of comparable locations and conditions and unit cost of properties, and based on our knowledge of the business of the significant associates and joint ventures and the current market development in the real estate industry, where appropriate. We re-calculated the carrying values of the properties for sale held by the Group's significant associates and joint ventures based on management's methodology at the year end.

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 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.

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 405 of the Hong Kong Companies Ordinance, 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 HKSAs 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.

Independent Auditor's Report

As part of an audit in accordance with HKSAs, 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.

- 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.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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.

Independent Auditor's Report

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 Man Kit.

Ernst & Young
Certified Public Accountants
Hong Kong

25 March 2025

Consolidated Statement of Profit or Loss

Year ended 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
REVENUE	5	59,052,954	72,403,613
Cost of sales		(50,456,068)	(63,382,132)
Gross profit		8,596,886	9,021,481
Other income and gains	5	4,306,787	4,354,472
Selling and marketing expenses		(2,287,492)	(2,962,631)
Administrative expenses		(2,916,978)	(3,868,557)
Other expenses and losses, net	7	(2,033,897)	(5,423,991)
Finance costs	8	(2,534,525)	(3,013,873)
Share of profits and losses of:			
Joint ventures		988,412	(1,051,173)
Associates		318,778	131,739
PROFIT/(LOSS) BEFORE TAX	6	4,437,971	(2,812,533)
Income tax expense	11	(2,238,274)	(2,045,816)
PROFIT/(LOSS) FOR THE YEAR		2,199,697	(4,858,349)
Attributable to:			
Owners of the parent		1,064,809	(6,896,644)
Non-controlling interests		1,134,888	2,038,295
		2,199,697	(4,858,349)
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	13	RMB cents	RMB cents
Basic		5.19	(51.62)
Diluted		5.19	(51.62)

Consolidated Statement of Comprehensive Income

Year ended 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
PROFIT/(LOSS) FOR THE YEAR		2,199,697	(4,858,349)
OTHER COMPREHENSIVE INCOME/(LOSS)			
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		(666,906)	(834,094)
Net loss on cash flow hedges		–	(6,312)
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods, net of tax		(666,906)	(840,406)
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:			
Gains on property revaluation	14	–	99,840
Income tax effect	36	–	(24,960)
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods, net of tax		–	74,880
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX		(666,906)	(765,526)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		1,532,791	(5,623,875)
Attributable to:			
Owners of the parent		273,663	(7,784,670)
Non-controlling interests		1,259,128	2,160,795
		1,532,791	(5,623,875)

Consolidated Statement of Financial Position

31 December 2024

	Notes	31 December 2024 RMB'000	31 December 2023 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	14	13,581,471	12,656,862
Properties under development	15	68,643,514	81,163,783
Land under development	16	25,000,111	21,712,536
Investment properties	18	36,482,002	37,299,191
Right-of-use assets	19(a)	1,273,216	1,482,205
Goodwill	20	479,874	249,122
Intangible assets	21	401,115	381,173
Investments in joint ventures	22	30,483,729	26,395,501
Investments in associates	23	23,239,619	22,492,553
Deferred tax assets	36	3,089,818	3,151,193
Due from non-controlling shareholders	31	1,488,749	2,106,504
Due from related parties	28	3,363,403	2,278,094
Prepayments, other receivables and other assets	26	319,671	303,401
Trade receivables	25	2,669,350	2,448,330
Other financial assets	29	5,685,102	5,847,369
Total non-current assets		216,200,744	219,967,817
CURRENT ASSETS			
Properties under development	15	40,806,977	49,567,259
Properties held for sale	17	39,250,426	27,030,875
Land under development	16	2,941,885	4,342,469
Inventories	24	585,545	679,003
Trade and bills receivables	25	2,128,895	1,963,383
Contract assets	27	1,341,452	423,149
Prepayments, other receivables and other assets	26	42,689,292	36,385,149
Due from related parties	28	24,138,611	24,749,787
Prepaid tax		4,316,771	4,174,318
Other financial assets	29	40	40
Restricted bank balances	30	4,050,695	6,915,984
Cash and cash equivalents	30	30,805,085	30,919,968
Total current assets		193,055,674	187,151,384

Consolidated Statement of Financial Position

31 December 2024

	Notes	31 December 2024 RMB'000	31 December 2023 RMB'000
CURRENT LIABILITIES			
Trade and bills payables	32	22,858,047	31,292,804
Other payables and accruals	33	70,673,497	72,501,285
Interest-bearing bank and other borrowings	34	21,607,045	23,862,447
Lease liabilities	19(b)	222,599	194,171
Due to related parties	28	53,534,067	44,295,464
Tax payable		2,909,832	2,010,666
Provision for land appreciation tax	35	1,523,957	1,933,567
Total current liabilities		173,329,044	176,090,404
NET CURRENT ASSETS		19,726,630	11,060,980
TOTAL ASSETS LESS CURRENT LIABILITIES		235,927,374	231,028,797
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	34	101,193,870	103,516,902
Lease liabilities	19(b)	902,876	920,138
Other payables and accruals	33	2,287,296	1,938,804
Due to related parties	28	13,944,689	5,451,394
Deferred tax liabilities	36	9,320,041	9,364,442
Total non-current liabilities		127,648,772	121,191,680
Net assets		108,278,602	109,837,117
EQUITY			
Equity attributable to owners of the parent			
Share capital	38	26,925,023	26,917,815
Perpetual capital instrument		15,195,750	–
Other reserves		11,454,358	12,373,481
		53,575,131	39,291,296
Non-controlling interests		54,703,471	70,545,821
Total equity		108,278,602	109,837,117

Tao Tianhai
Director

Qiao Xiaojie
Director

Consolidated Statement of Changes in Equity

Year ended 31 December 2024

		Attributable to owners of the parent											
	Notes	Share capital RMB'000 (note 38)	Capital reserve RMB'000 (note 40)	Asset revaluation reserve RMB'000 (note 40)	PRC statutory surplus reserve RMB'000 (note 40)	Exchange fluctuation reserve RMB'000	Hedging reserve RMB'000 (note 40)	Share option reserve RMB'000 (note 40)	Retained profits RMB'000	Merger reserve RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2023		26,738,026	(2,982,349)	194,906	6,522,173	(3,608,793)	7,935	157,847	20,745,682	(330,000)	47,445,427	65,241,313	112,686,740
Profit for the year		–	–	–	–	–	–	–	(6,896,644)	–	(6,896,644)	2,038,295	(4,858,349)
Other comprehensive income/(loss) for the year:													
Exchange differences on translation of foreign operations		–	–	–	–	(956,594)	–	–	–	–	(956,594)	122,500	(834,094)
Net loss on cash flow hedges		–	–	–	–	–	(6,312)	–	–	–	(6,312)	–	(6,312)
Net gain on property revaluation		–	–	74,880	–	–	–	–	–	–	74,880	–	74,880
Total comprehensive income/(loss) for the year		–	–	74,880	–	(956,594)	(6,312)	–	(6,896,644)	–	(7,784,670)	2,160,795	(5,623,875)
Issue of perpetual capital instruments		–	–	–	–	–	–	–	–	–	–	8,000,000	8,000,000
Redemption of perpetual capital instruments		–	–	–	–	–	–	–	–	–	–	(10,338,750)	(10,338,750)
Perpetual capital instruments' distribution		–	–	–	–	–	–	–	–	–	–	(1,264,304)	(1,264,304)
Acquisition of subsidiaries	41	–	–	–	–	–	–	–	–	–	–	3,536,132	3,536,132
2022 final dividend settled by cash		–	–	–	–	–	–	–	(147,808)	–	(147,808)	–	(147,808)
2022 final dividend settled by scrip dividends		96,798	–	–	–	–	–	–	(96,798)	–	–	–	–
2023 interim dividend settled by cash	12	–	–	–	–	–	–	–	(101,321)	–	(101,321)	–	(101,321)
2023 interim dividend settle by scrip dividend	12	82,991	–	–	–	–	–	–	(82,991)	–	–	–	–
Acquisition of non-controlling interests		–	(347)	–	–	–	–	–	–	–	(347)	(298,856)	(299,203)
Capital repayment to non-controlling shareholders		–	(176,820)	–	–	–	–	–	–	–	(176,820)	(1,057,455)	(1,234,275)
Capital contribution from non-controlling shareholders		–	58,525	–	–	–	–	–	–	–	58,525	6,574,024	6,632,549
Dividends distribution to non-controlling shareholders		–	–	–	–	–	–	–	–	–	–	(1,351,633)	(1,351,633)
Equity-settled share option arrangements	39	–	–	–	–	–	–	(1,690)	–	–	(1,690)	–	(1,690)
Disposal of subsidiaries	42	–	–	–	–	–	–	–	–	–	–	(655,445)	(655,445)
Transfer from retained profits		–	–	–	1,172,717	–	–	–	(1,172,717)	–	–	–	–
Disposal of investment properties		–	–	(17,065)	–	–	–	–	17,065	–	–	–	–
At 31 December 2023		26,917,815	(3,100,991)*	252,721*	7,694,890*	(4,565,387)*	1,623*	156,157 *	12,264,468 *	(330,000)*	39,291,296	70,545,821	109,837,117

Consolidated Statement of Changes in Equity

Year ended 31 December 2024

		Attributable to owners of the parent												
	Notes	Share capital RMB'000 (note 38)	Capital reserve RMB'000 (note 40)	Asset revaluation reserve RMB'000 (note 40)	PRC statutory surplus reserve RMB'000 (note 40)	Exchange fluctuation reserve RMB'000	Hedging reserve RMB'000 (note 40)	Share option reserve RMB'000 (note 40)	Retained profits RMB'000	Merger reserve RMB'000	Perpetual capital instrument RMB'000 (note 37(f))	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2024		26,917,815	(3,100,991)	252,721	7,694,890	(4,565,387)	1,623	156,157	12,264,468	(330,000)	-	39,291,296	70,545,821	109,837,117
Profit for the year		-	-	-	-	-	-	-	701,330	-	363,479	1,064,809	1,134,888	2,199,697
Other comprehensive income/(loss) for the year:														
Exchange differences on translation of foreign operations		-	-	-	-	(791,146)	-	-	-	-	-	(791,146)	124,240	(666,906)
Total comprehensive income/(loss) for the year		-	-	-	-	(791,146)	-	-	701,330	-	363,479	273,663	1,259,128	1,532,791
Issue of perpetual capital instruments	37	-	-	-	-	-	-	-	-	-	15,000,000	15,000,000	-	15,000,000
Redemption of perpetual capital instruments	37	-	-	-	-	-	-	-	-	-	-	-	(11,871,667)	(11,871,667)
Perpetual capital instruments' distribution		-	-	-	-	-	-	-	-	-	(167,729)	(167,729)	(622,116)	(789,845)
Acquisition of subsidiaries	41	-	-	-	-	-	-	-	-	-	-	-	771,180	771,180
2024 interim dividend settled by cash	12	-	-	-	-	-	-	-	(369,997)	-	-	(369,997)	-	(369,997)
2024 interim dividend settle by scrip dividend	12	7,208	-	-	-	-	-	-	(7,208)	-	-	-	-	-
Acquisition of non-controlling interests		-	(481,575)	-	-	-	-	-	-	-	-	(481,575)	(2,620,622)	(3,102,197)
Capital repayment to non-controlling shareholders		-	-	-	-	-	-	-	-	-	-	-	(6,362,967)	(6,362,967)
Capital contribution from non-controlling shareholders		-	29,473	-	-	-	-	-	-	-	-	29,473	4,713,675	4,743,148
Dividends distribution to non-controlling shareholders		-	-	-	-	-	-	-	-	-	-	-	(914,898)	(914,898)
Disposal of subsidiaries	42	-	-	-	-	-	-	-	-	-	-	-	(194,063)	(194,063)
Transfer from retained profits		-	-	-	55,153	-	-	-	(55,153)	-	-	-	-	-
At 31 December 2024		26,925,023	(3,553,093)*	252,721*	7,750,043*	(5,356,533)*	1,623*	156,157*	12,533,440*	(330,000)*	15,195,750	53,575,131	54,703,471	108,278,602

* These reserve accounts comprise the consolidated other reserves of RMB11,454,358,000 (2023: RMB12,373,481,000) in the consolidated statement of financial position.

Consolidated Statement of Cash Flows

Year ended 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) before tax:		4,437,971	(2,812,533)
Adjustments for:			
Finance costs	8	2,534,525	3,013,873
Share of profits and losses of joint ventures and associates		(1,307,190)	919,434
Interest income	5	(1,070,306)	(1,899,482)
Other investment income	5	(199,254)	(241,516)
Gain on disposal of items of property, plant and equipment	6	(3,344)	(2,993)
Gain on disposal of other financial assets	6	–	(13,794)
Provision of impairment of trade and bills receivables	6	20,107	11,744
Impairment of amounts due from related parties	6	–	451,967
Impairment of properties under development	6	1,079,989	3,144,536
Impairment of properties held for sale	6	176,481	1,247,886
Impairment of land under development	6	136,059	–
Fair value losses on investment properties	6	336,982	236,466
Fair value gains on transfers from properties held for sale to investment properties	5	(1,396)	–
Impairment of property, plant and equipment	6	51,213	–
(Gain)/loss on revision of a lease term arising from a change in the non- cancellable period of a lease		(7,146)	2,883
Depreciation of property, plant and equipment	6	587,435	609,984
Depreciation of right-of-use assets	6	126,933	183,295
Amortisation of intangible assets	6	42,600	215,645
Gain on disposal of subsidiaries	5	(2,094,092)	(1,354,717)
Fair value gains on the equity interests previously held as investments in joint ventures	5	(149,853)	(316,063)
Gain on bargain purchase	5	(2,625)	(1,223)
Gain on disposal of investments in joint ventures and associates	5	(27,789)	(231)
Equity-settled share option expense	6	–	(1,690)
Change in fair value of trade receivables at fair value through profit or loss	5	(94,076)	(96,349)
Fair value losses on other financial asset	6	52,546	129,694
		4,625,770	3,426,816
Increase in properties under development		(40,818,089)	(33,984,654)
Decrease in properties held for sale		46,968,505	54,469,814
Increase in land under development		(1,405,137)	(2,297,942)
Decrease/(increase) in inventories		93,071	(283,459)
(Increase)/decrease in trade and bills receivables		(244,471)	367,999
(Increase)/decrease in contract assets		(918,303)	52,868
Increase in prepayments, other receivables and other assets		(8,296,808)	(3,571,783)

Consolidated Statement of Cash Flows

Year ended 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
Decrease/(increase) in amounts due from related parties		514,785	(2,793,533)
(Decrease) /increase in trade and bills payables		(6,475,171)	614,512
Increase/(decrease) in other payables and accruals		2,369,446	(12,822,763)
Increase in amounts due to related parties		880,621	707,500
Effect of exchange rate changes, net		125,715	(57,785)
Cash (used in)/generated from operations		(2,580,066)	3,827,590
Interest received		800,110	1,622,082
PRC corporate income tax paid		(770,335)	(1,792,640)
Land appreciation tax paid		(1,078,054)	(566,300)
Net cash flows (used in)/from operating activities		(3,628,345)	3,090,732
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income received from unlisted investments		199,254	241,516
Purchases of items of property, plant and equipment		(703,051)	(787,796)
Proceeds from disposal of items of property, plant and equipment		98,084	10,255
Proceeds from disposal of intangible assets		153	799
Additions to investment properties		(36,048)	(39,789)
Proceeds from disposal of investment properties		157,470	22,355
Additions to intangible assets		(62,917)	(110,356)
Decrease in other financial assets		219,149	94,638
Disposal of subsidiaries	42	207,579	3,458,401
Acquisition of subsidiaries	41	(466,622)	1,409,602
Dividends received from joint ventures and associates		336,438	271,353
Investments in joint ventures		(2,627,277)	(2,993,073)
Investments in associates		(305,127)	(55,950)
Decrease in loans to joint ventures and associates		1,012,455	1,205,101
Increase in loans to non-controlling shareholders		–	(936,574)
Decrease in entrustment loans to substantial shareholders		(8,614)	138,193
Payment for acquisition of a subsidiary in prior year		–	(554,175)
(Advance)/repayment of investment from/(to) third parties		124,313	(427,615)
Decrease in restricted bank deposits		2,865,289	698,263
Net cash flows from investing activities		1,010,528	1,645,148

Consolidated Statement of Cash Flows

Year ended 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Issue of perpetual capital instruments, net of issue expenses		15,000,000	8,000,000
New bank and other borrowings		43,911,584	81,836,373
Repayment of bank and other borrowings		(40,178,973)	(82,170,029)
Interest paid		(6,975,016)	(7,084,283)
Advance/(repayment) of investment from/(to) third parties		2,850,005	(1,845,531)
Principal portion of lease payments		(105,678)	(138,754)
Dividends paid		(369,997)	(249,129)
Dividends paid to non-controlling shareholders		(545,210)	(777,394)
Capital repayment of non-controlling shareholders		(433,066)	(1,038,667)
Loans from non-controlling shareholders		100,668	138,460
Repayment of loans from non-controlling shareholders		(2,741,604)	(159,920)
Acquisition of non-controlling interests		(2,022,661)	(299,203)
Capital contribution from non-controlling shareholders		4,266,149	8,501,839
Distributions of perpetual capital instruments paid		(789,845)	(1,264,304)
Advance/(repayment) of loans from related parties		2,406,867	(4,017,495)
Redemption of perpetual capital instruments		(11,871,667)	(10,338,750)
Net cash flows from/(used in) financing activities		2,501,556	(10,906,787)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(116,261)	(6,170,907)
Cash and cash equivalents at beginning of year		30,919,968	37,089,244
Effect of foreign exchange rate changes, net		1,378	1,631
CASH AND CASH EQUIVALENTS AT END OF YEAR		30,805,085	30,919,968
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	30	30,805,085	30,919,968
Cash and cash equivalents as stated in the statement of financial position and the statement of cash flows	30	30,805,085	30,919,968

Notes to Financial Statements

Year ended 31 December 2024

1. CORPORATE AND GROUP INFORMATION

China Jinmao Holdings Group Limited (formerly known as Franshion Properties (China) Limited) (the "Company") is a limited liability company incorporated in Hong Kong on 2 June 2004 under the Hong Kong Companies Ordinance. The registered office of the Company is located at Rooms 4702-03, 47/F, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong. Its shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") since 17 August 2007.

During the year, the Company and its subsidiaries (collectively referred to as the "Group") were involved in the following principal activities:

- city and property development
- commercial leasing and retail operations
- hotel operations
- provision of property management, design and decoration services

In the opinion of the directors, the immediate holding company of the Company is Sinochem Hong Kong (Group) Company Limited, a company incorporated in Hong Kong, and the ultimate holding company of the Company is Sinochem Holdings Corporation Ltd., a company established in the People's Republic of China (the "PRC") and is a state-owned enterprise under the supervision of the State-owned Assets Supervision and Administration Commission in the PRC.

Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

Company name	Place of incorporation/ registration and operations	Issued ordinary share capital/ paid-up capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Chongqing Xingqian Properties Development Co., Ltd.*	The PRC/Mainland China	RMB2,884,540,000	–	73%	Property development
Nanjing Xingtuo Investment Co., Ltd.**	The PRC/Mainland China	RMB3,000,000,000	–	80%	Land development
Beijing Xingmao Chemsunny Enterprise Management Co., Ltd.***	The PRC/Mainland China	US$102,400,000	50%	50%	Property investment
China Jin Mao Group Co., Ltd.***	The PRC/Mainland China	RMB2,635,000,000	–	100%	Hotel operation and property investment

Notes to Financial Statements

Year ended 31 December 2024

1. CORPORATE AND GROUP INFORMATION (Continued)

Information about subsidiaries (Continued)

Particulars of the Company's principal subsidiaries are as follows: (Continued)

Company name	Place of incorporation/ registration and operations	Issued ordinary share capital/ paid-up capital	Percentage of equity attributable to the Company Direct	Indirect	Principal activities
Jin Mao Investment (Changsha) Co., Ltd.**	The PRC/Mainland China	RMB3,000,000,000	–	80%	Land development
Changsha Jinmao City Construction Limited**	The PRC/Mainland China	RMB2,962,500,000	–	100%	Land development
Jinmao Assets Management Limited Partnership	Cayman Islands/ Hong Kong	RMB23, 343,018,000	95%	5%	Investment holding
Jinmao Investment Management (Tianjin) Co., Ltd. ("Jinmao Tianjin")**	The PRC/Mainland China	–	–	100%	Investment management
Hangzhou Qinmao Property Development Co., Ltd.**	The PRC/Mainland China	RMB4, 000, 000,000	–	60%	Property development
Wuhan Huazi Enterprise Management Consulting Co., Ltd.**	The PRC/Mainland China	RMB6, 520, 000,000	–	100%	Investment holding
Beijing Fangxing Yicheng Property Co., Ltd.***	The PRC/Mainland China	RMB6, 000, 000,000	–	100%	Property development
Qingdao Maochuang Technology Co., Ltd.***	The PRC/Mainland China	US$1,431,935,900	36.31%	63.69%	Property development
Changshu Yumao Property Co., Ltd.**	The PRC/Mainland China	RMB4,000,000,000	–	54%	Property development

1. CORPORATE AND GROUP INFORMATION (Continued)

Information about subsidiaries (Continued)

Particulars of the Company's principal subsidiaries are as follows: (Continued)

Company name	Place of incorporation/ registration and operations	Issued ordinary share capital/ paid-up capital	Percentage of equity attributable to the Company Direct	Percentage of equity attributable to the Company Indirect	Principal activities
Xi'an Mingmao Property Co., Ltd.**	The PRC/Mainland China	RMB1,833,333,000	–	100%	Property development
Shanghai Taomao Property Co., Ltd.***	The PRC/Mainland China	RMB3,710,000,000	–	51%	Property development
Langfang Hongtai Industrial Town Investment Co., Ltd.**	The PRC/Mainland China	RMB150,000,000	–	90.1%	Investment holding
Nanjing Maocheng Real Estate Co., Ltd.**	The PRC/Mainland China	RMB4,800,000,000	–	25%^	Property development
Suzhou Xinmao Real Estate Co., Ltd.**	The PRC/Mainland China	RMB3,690,000,000	–	51%	Property development
Shanghai Zhenmao Real Estate Co., Ltd.*	The PRC/Mainland China	RMB4,000,000,000	–	51%	Property development
Wuhan Yumao Real Estate Co., Ltd**	The PRC/Mainland China	RMB800,000,000	–	100%	Property development
Shanghai Jinmao Investment Management Group Co., Ltd*	The PRC/Mainland China	US$10,000,000	80%	20%	Investment management
Ningbo Yongmao Construction and Development Co., Ltd**	The PRC/Mainland China	RMB1,500,000,000	–	80%	Property development
Tianjin Donghui Production and Innovation Co., Ltd**	The PRC/Mainland China	RMB7,000,000,000	–	100%	Property development
Beijing Yunmao Real Estate Co., Ltd**	The PRC/Mainland China	RMB10,000,000	–	100%	Property development

Notes to Financial Statements

Year ended 31 December 2024

1. CORPORATE AND GROUP INFORMATION (Continued)

Information about subsidiaries (Continued)

Particulars of the Company's principal subsidiaries are as follows: (Continued)

Company name	Place of incorporation/ registration and operations	Issued ordinary share capital/ paid-up capital	Percentage of equity attributable to the Company Direct	Indirect	Principal activities
Beijing Huimao Real Estate Co., Ltd**	The PRC/Mainland China	RMB10,000,000	–	100%	Property development
Jinhua Zhengmao Real Estate Development Co., Ltd**	The PRC/Mainland China	RMB2,500,000,000	–	100%	Property development
Xi'an Chenmao Real Estate Co., Ltd**	The PRC/Mainland China	RMB1,140,000,000	–	100%	Property development
Chengdu Yuemao Real Estate Co., Ltd**	The PRC/Mainland China	RMB10,000,000	–	100%	Property development
Chengdu Junmao Real Estate Co., Ltd**	The PRC/Mainland China	RMB2,136,000,000	–	100%	Property development
Chengdu Zhimao Real Estate Co., Ltd.**	The PRC/Mainland China	RMB4,680,000,000	–	76%	Property development

* Registered as Sino-foreign joint ventures under PRC law
** Registered as limited liability companies under PRC law
*** Registered as wholly-foreign-owned entities under PRC law
^ The Group is entitled to 51% voting rights at the shareholders' meetings, and therefore has the power to exercise over the entity's operating and management activities.

The English names of certain of the above companies represent the best efforts by management of the Company in directly translating the Chinese names of these companies as no English names have been registered or available.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

2. ACCOUNTING POLICIES

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 Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties, other financial assets and certain trade receivables which have been measured at fair value. These financial statements are presented in RMB and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2024. 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 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 owners of the parent of the Group 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. ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

Basis of consolidation (Continued)

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and 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 profits, 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 new and revised HKFRSs for the first time for the current year's financial statements.

Amendments to HKFRS 16	*Lease Liability in a Sale and Leaseback*
Amendments to HKAS 1	*Classification of Liabilities as Current or Non-current (the "2020 Amendments")*
Amendments to HKAS 1	*Non-current Liabilities with Covenants (the "2022 Amendments")*
Amendments to HKAS 7 and HKFRS7	*Supplier Finance Arrangements*

The nature and the impact of the revised HKFRSs are described below:

(a) 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. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of HKFRS 16, the amendments did not have any impact on the financial position or performance of the Group.

2. ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policies and disclosures (Continued)

(b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments 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. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

(c) Amendments to HKAS 7 and HKFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. As a result of the implementation of the amendments, the Group has provided additional disclosures about its supplier finance arrangements in notes 32 and 49 to the financial statements.

Notes to Financial Statements

Year ended 31 December 2024

2. ACCOUNTING POLICIES (Continued)

2.3 Issued but not yet effective hong kong financial reporting standards

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and revised HKFRSs, if applicable, when they become effective.

HKFRS 18	*Presentation and Disclosure in Financial Statements*[3]
HKFRS 19	*Subsidiaries without Public Accountability: Disclosures*[3]
Amendments to HKFRS 9 and HKFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[2]
Amendments to HKFRS 10 and HKAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]
Amendments to HKAS 21	*Lack of Exchangeability*[1]
Annual Improvements to HKFRS Accounting Standards – Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7[2]

1 Effective for annual periods beginning on or after 1 January 2025
2 Effective for annual periods beginning on or after 1 January 2026
3 Effective for annual/reporting periods beginning on or after 1 January 2027
4 No mandatory effective date yet determined but available for adoption

Further information about those HKFRSs that are expected to be applicable to the Group is described below.

HKFRS 18 replaces HKAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from HKAS 1 with limited changes, HKFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as HKAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 *Statement of Cash Flows,* HKAS 33 *Earnings per Share* and HKAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other HKFRSs. HKFRS 18 and the consequential amendments to other HKFRSs are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of HKFRS 18 on the presentation and disclosure of the Group's financial statements.

2. ACCOUNTING POLICIES (Continued)

2.3 Issued but not yet effective hong kong financial reporting standards (Continued)

HKFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other HKFRSs. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in HKFRS 10 *Consolidated Financial Statements*, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with HKFRSs. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply HKFRS 19. Some of the Company's subsidiaries are considering the application of HKFRS 19 in their specified financial statements.

Amendments to HKFRS 9 and HKFRS 7 clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKFRS 10 and HKAS 28 address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 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 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 was removed by the HKICPA. However, the amendments are available for adoption now.

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. Earlier application is permitted. When applying the amendments, an entity cannot restate comparative information. Any cumulative effect of initially applying the amendments shall be recognised as an adjustment to the opening balance of retained profits or to the cumulative amount of translation differences accumulated in a separate component of equity, where appropriate, at the date of initial application. The amendments are not expected to have any significant impact on the Group's financial statements.

Notes to Financial Statements

Year ended 31 December 2024

2. ACCOUNTING POLICIES (Continued)

2.3 Issued but not yet effective hong kong financial reporting standards (Continued)

Annual Improvements to HKFRS Accounting Standards – Volume 11 set out amendments to HKFRS 1, HKFRS 7 (and the accompanying *Guidance on implementing* HKFRS 7), HKFRS 9, HKFRS 10 and HKAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- HKFRS 7 *Financial Instruments: Disclosures*: The amendments have updated certain wording in paragraph B38 of HKFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing HKFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the *Guidance on implementing HKFRS 7* does not necessarily illustrate all the requirements in the referenced paragraphs of HKFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- HKFRS 9 *Financial Instruments*: The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with HKFRS 9, the lessee is required to apply paragraph 3.3.3 of HKFRS 9 and recognise any resulting gain or loss in profit or loss. In addition, the amendments have updated certain wording in paragraph 5.1.3 of HKFRS 9 and Appendix A of HKFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- HKFRS 10 *Consolidated Financial Statements*: The amendments clarify that the relationship described in paragraph B74 of HKFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of HKFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- HKAS 7 *Statement of Cash Flows*: The amendments replace the term "cost method" with "at cost" in paragraph 37 of HKAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies

Investments in associates and joint ventures

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it 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 type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investments in associates and joint ventures are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

The Group's share of the post-acquisition results and other comprehensive income of associates and joint ventures is included in the consolidated statement of profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's investments in the associates or joint ventures, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates or joint ventures is included as part of the Group's investments in associates or joint ventures.

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other case, upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When an investment in an associate or a joint venture is classified as held for sale, it is accounted for in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

Notes to Financial Statements

Year ended 31 December 2024

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed 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. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or other comprehensive income, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Business combinations and goodwill (Continued)

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Notes to Financial Statements

Year ended 31 December 2024

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Fair value measurement

The Group measures its investment properties, certain trade receivables and certain financial assets fair value at the end of each reporting period. 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for a non-financial asset is required (other than inventories, contract assets properties under development, land under development, properties held for sale, deferred tax assets, financial assets and investment properties), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs. In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. 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. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired assets.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises.

Notes to Financial Statements

Year ended 31 December 2024

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with HKFRS 5, as further explained in the accounting policy for "Non-current assets and disposal groups held for sale". The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off 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:

Hotel properties	1.7% – 9.5%
Leasehold improvements	9% – 50%
Buildings	2% – 5%
Furniture, fixtures and office equipment	20% – 33.3%
Motor vehicles	8.3% – 25%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress is stated at cost less any impairment losses, and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Notes to Financial Statements

Year ended 31 December 2024

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Investment properties

Investment properties are interests in land and buildings (including right-of-use assets) held to earn rental income and/or for capital appreciation. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the end of the reporting period.

Gains or losses arising from changes in the fair values of investment properties are included in the statement of profit or loss in the year in which they arise.

Any gains or losses on the retirement or disposal of an investment property are recognised in the statement of profit or loss in the year of the retirement or disposal.

For a transfer from investment properties to owner-occupied properties or inventories, the deemed cost of a property for subsequent accounting is its fair value at the date of change in use. If a property occupied by the Group as an owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under "Property, plant and equipment and depreciation" for owned property and/or accounts for such property in accordance with the policy stated under "Right-of-use assets" for property held as a right-of-use asset up to the date of change in use, and any difference at that date between the carrying amount and the fair value of the property is accounted for as a revaluation with surplus credited to the asset revaluation reserve and deficit charged to the statement of profit or loss. For a transfer from inventories to investment properties, any difference between the fair value of the property at that date and its previous carrying amount is recognised in the statement of profit or loss.

Non-current assets and disposal groups held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sales transaction rather than through continuing use. For this to be the case, the asset or disposal group must be available for immediate sale in its present condition subject only to terms that are usual and customary for the sale of such assets or disposal groups and its sale must be highly probable. All assets and liabilities of a subsidiary classified as a disposal group are reclassified as held for sale regardless of whether the Group retains a non-controlling interest in its former subsidiary after the sale.

Non-current assets and disposal groups (other than investment properties and financial assets) classified as held for sale are measured at the lower of their carrying amounts and fair values less costs to sell. Property, plant and equipment and intangible assets classified as held for sale are not depreciated or amortised.

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

Computer software

Purchased computer software is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful life of 1 to 10 years.

Contractual right

Contractual right is stated at cost less any impairment loss and is amortised on the straight-line basis over its estimated life of 12 years.

Notes to Financial Statements

Year ended 31 December 2024

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Leases

The Group assesses at contract inception whether a contract is, or contains, 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.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. At inception or on reassessment of a contract that contains a lease component and non-lease component(s), the Group adopts the practical expedient not to separate non-lease component(s) and to account for the lease component and the associated non-lease component(s) (e.g., property management services for leases of properties) as a single lease component.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Where applicable, the cost of a right-of-use asset also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Leasehold land	30 to 70 years
Office properties, equipment and staff quarters	2 to 15 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

When the right-of-use assets relate to interests in leasehold land held as properties held for sale, they are subsequently measured at the lower of cost and net realisable value in accordance with the Group's policy for "properties held for sale". When a right-of-use asset meets the definition of investment property, it is included in investment properties. The corresponding right-of-use asset is initially measured at cost, and subsequently measured at fair value, in accordance with the Group's policy for "investment properties".

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Leases (Continued)

Group as a lessee (Continued)

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. 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, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of properties and equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Notes to Financial Statements

Year ended 31 December 2024

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Leases (Continued)

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease term and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, are accounted for as finance leases. At the commencement date, the cost of the leased asset is capitalised at the present value of the lease payments and related payments (including the initial direct costs), and presented as a receivable at an amount equal to the net investment in the lease. The finance income on the net investment in the lease is recognised in the statement of profit or loss so as to provide a constant periodic rate of return over the lease terms.

When the Group is an intermediate lessor, a sublease is classified as a finance lease or operating lease with reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the Group applies the on-balance sheet recognition exemption, the Group classifies the sublease as an operating lease.

Land under development

Land under development is stated at the lower of cost and net realisable value and comprises the compensation for land requisition, project costs, other preliminary infrastructure costs, borrowing costs, professional fees and other costs directly attributable to such land under development during the development period.

Land under development which has been pre-sold or intended for sale and is expected to be completed within one year from the end of the reporting period is classified under current assets. Net realisable value takes into account the Group's proceeds derived from the sale of land under development by government authorities, less costs to completion and the costs to be incurred in realising the revenue derived from the sale of land under development based on prevailing market conditions.

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Properties under development

Properties under development are stated at the lower of cost and net realisable value and comprise construction costs, borrowing costs, professional fees and other costs directly attributable to such properties incurred during the development period.

Properties under development which have been pre-sold or intended for sale and are expected to be completed within one year from the end of the reporting period are classified under current assets. On completion, the properties are transferred to properties held for sale.

Properties held for sale

Properties held for sale are stated at the lower of cost and net realisable value.

Cost of properties held for sale is determined by an apportionment of total land and building costs attributable to the unsold properties.

Net realisable value is determined by reference to the sales proceeds of properties sold in the ordinary course of business, less applicable variable selling expenses, or by management's estimates based on the prevailing market conditions, on an individual property basis.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Investments and other financial assets (Continued)

Initial recognition and measurement (Continued)

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes certain long-term trade receivables, other unlisted investments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on the equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or

- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

Notes to Financial Statements

Year ended 31 December 2024

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Impairment of financial assets (Continued)

General approach (Continued)

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, 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 and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Group considers a financial asset in default when contractual payments are 180 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For trade receivables and contract assets that contain a significant financing component and lease receivables, the Group chooses as its accounting policy to adopt the simplified approach in calculating ECLs with policies as described above.

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group classifies financial liabilities that arise from a supplier finance arrangement within trade and bills payables in the statement of financial position if they have a similar nature and function to trade payables. This is the case if the supplier finance arrangement is part of the working capital used in the Group's normal operating cycle, the level of security provided is similar to trade payables and the terms of the liabilities that are part of the supply chain finance arrangement are not substantially different from the terms of trade payables that are not part of the arrangement. Cash flows related to liabilities arising from supplier finance arrangements that are classified in trade and bills payables in the statement of financial position are included in operating activities in the statement of cash flows.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost (trade and other payables, and borrowings)

After initial recognition, trade and other payables, and interest-bearing borrowings and lease liabilities are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

Notes to Financial Statements

Year ended 31 December 2024

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Financial liabilities (Continued)

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. A financial guarantee contract is recognised initially as a liability at its fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the Group measures the financial guarantee contracts at the higher of: (i) the ECL allowance determined in accordance with the policy as set out in "Impairment of financial assets"; and (ii) the amount initially recognised less, when appropriate, the cumulative amount of income recognised.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Notes to Financial Statements

Year ended 31 December 2024

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Income tax (Continued)

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to the statement of profit or loss by way of a reduced depreciation charge.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

Notes to Financial Statements

Year ended 31 December 2024

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Revenue recognition (Continued)

(a) *Sale of completed properties*

Revenue from the sale of completed properties is recognised at the point in time when control of the asset is transferred to the customer, revenue is recognised when the customer obtains the physical possession or the legal title of the completed property and the Group has obtained the right to payment and the collection of the consideration is probable;

(b) *Land development*

Revenue from land development is recognised at the point in time when control of the asset is transferred to the customers, that is when the related construction works have been completed as well as land is sold, and the collectability of the proceeds from land sales is reasonably assured;

(c) *Hotel operations*

Hotel and other service income is recognised in the period in which such services are rendered because the customer simultaneously receives and consumes the benefits provided by the Group;

(d) *Property management services*

Revenue from the rendering of property management services is recognised over the scheduled period on a straight-line basis because the customer simultaneously receives and consumes the benefits provided by the Group. Value-added services provided to the customer is recognised over time, in the amount to which the Group has a right to invoice, when the customer simultaneously receives and consumes the benefits provided by the Group, otherwise, is recognised at the point in time when the services are rendered and accepted by the customer;

(e) *Design, construction and decoration services*

Revenue from the provision of design, construction and decoration services is recognised over time, using an input method to measure progress towards complete satisfaction of the service, because the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced. The input method recognises revenue based on the proportion of the actual costs incurred relative to the estimated total costs for satisfaction of the design, construction and decoration services.

Revenue from other sources

Rental income is recognised on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are incurred.

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Dividend income is recognised when the shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Contract assets

If the Group performs by transferring goods or services to a customer before being unconditionally entitled to the consideration under the contract terms, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets. They are reclassified to trade receivables when the right to the consideration becomes unconditional.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Contract costs

Other than the costs which are capitalised as properties under development, land under development, inventories, property, plant and equipment and intangible assets, costs incurred to fulfil a contract with a customer are capitalised as an asset if all of the following criteria are met:

(a) The costs relate directly to a contract or to an anticipated contract that the entity can specifically identify.

(b) The costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future.

(c) The costs are expected to be recovered.

The capitalised contract costs are amortised and charged to the statement of profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. Other contract costs are expensed as incurred.

Notes to Financial Statements

Year ended 31 December 2024

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Share-based payments

The Company operates a share option scheme. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("equity-settled transactions"). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted.The fair value is determined by an external valuer using a binomial model.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Pension scheme

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for all of its employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to the statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. The subsidiaries are required to contribute certain percentages of their payroll costs to the central pension scheme. The contributions are charged to the statement of profit or loss as they become payable in accordance with the rules of the central pension scheme.

Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs involving the payment of termination benefits.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Where funds have been borrowed generally, and used for the purpose of obtaining qualifying assets, a weighted average capitalisation rate of 4.55% has been applied to the expenditure on the group level.

Notes to Financial Statements

Year ended 31 December 2024

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its financial statements, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the financial statements.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

Foreign currencies

These financial statements are presented in RMB, while the Company's functional currency is HK$. Because the Group's revenues, profits and cash flows are primarily generated in RMB, using RMB as the presentation currency would be better reflect the underlying performance and position of the Group. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period.

Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time the cumulative amount is reclassified to the statement of profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Foreign currencies (Continued)

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of the Company and subsidiaries incorporated outside Mainland China are currencies other than the RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in the statement of profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the consolidated statement of cash flows, the cash flows of the Company and subsidiaries incorporated outside Mainland China are translated into RMB at the exchange rate ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arises throughout the year are translated into RMB at the weighted average exchange rates for the year.

Notes to Financial Statements

Year ended 31 December 2024

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.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Classification between investment properties and properties held for sale

The Group develops properties held for sale and properties held to earn rentals and/or for capital appreciation or both. Judgement is made by management in determining whether a property is designated as an investment property or a property held for sale. The Group considers its intention for holding the properties at the early development stage of the related properties. During the course of construction, the related properties under construction are accounted for as properties under development if the properties are intended for sale after completion. Upon completion of construction, properties under development are transferred to completed properties held for sale and are stated at cost. Properties under construction are accounted for as investment properties if the properties are intended to be held to earn rentals and/or for capital appreciation after completion.

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

The Group has tax losses of RMB18,185,713,000 (2023: RMB12,473,792,000) carried forward. These losses related to subsidiaries that have a history of losses, have not expired, and may not be used to offset taxable income elsewhere in the Group. The subsidiaries have neither any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward.

If the Group had been able to recognise all unrecognised deferred tax assets, the profit and equity would have increased by RMB4,546,428,000 (2023: RMB3,118,448,000). Further details on deferred taxes are disclosed in note 36 to the financial statements.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill at 31 December 2024 was RMB479,874,000 (2023: RMB249,122,000). Further details are given in note 20 to the financial statements.

Fair value measurement of certain trade receivables at fair value through profit or loss

Certain of the Group's trade receivables amounting to RMB2,602,150,000 as at 31 December 2024 (2023: RMB2,448,330,000) are classified as financial assets at fair value through profit or loss and measured at fair value, which was determined by management with the assistance of an independent qualified professional valuer. Judgement and estimation are required in establishing the relevant valuation techniques and the relevant input thereof, mainly including estimated repayment periods. Further details are given in note 48 to the financial statements. Changes to these assumptions would result in changes in the fair values of these trade receivables and the corresponding adjustments to the amount of gain or loss reported in profit or loss.

Provision for expected credit losses on trade receivables at amortised cost and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables at amortised cost and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by customer type and rating, and credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic products) are expected to deteriorate over the next year which can lead to an increased number of defaults in the properties development sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables at amortised cost and contract assets is disclosed in note 25 and note 27 to the financial statements, respectively.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Estimation uncertainty (Continued)

Provision for expected credit losses on amounts due from joint ventures and associates

The Group uses general approach to calculate ECLs on the amounts due from joint ventures and associates. For those associates and joint ventures undertaking property development projects, if applicable, the provision is measured at an amount equal to the lifetime ECL which would be calculated by taking into account the impairment losses of the properties under development and properties held for sale held by the associates and joint ventures. The ECLs reflect the current conditions and forecasts of future economic conditions, as appropriate. The assessment of the carrying value of properties under development and properties held for sale held by the associates and joint ventures and ECLs is a significant estimate. Further details are disclosed in note 28 to the financial statements.

Estimation of fair value of investment properties

In the absence of current prices in an active market for similar properties, the Group considers information from a variety of sources, including:

(a) current prices in an active market for properties of a different nature, condition or location, adjusted to reflect those differences;

(b) recent prices of similar properties on less active markets, with adjustments to reflect any changes in economic conditions since the dates of the transactions that occurred at those prices; and

(c) discounted cash flow projections based on reliable estimates of future cash flows, supported by the terms of any existing lease and other contracts and (when possible) by external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

The carrying amount of investment properties at 31 December 2024 was RMB36,482,002,000 (2023: RMB37,299,191,000). Further details, including the key assumptions used for the fair value measurement, are given in note 18 to the financial statements.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Estimation uncertainty (Continued)

Measurement of properties under development

The Group's properties under development is stated at the lower of cost and net realisable value. Development costs of properties are recorded as properties under development during the construction stage and will be transferred to completed properties held for sale upon completion. An apportionment of these costs will be recognised in the statement of profit or loss upon the recognition of the sale of the properties. Before the final settlement of the development costs and other costs relating to the sale of the properties, these costs are accrued by the Group based on management's best estimate.

When developing properties, the Group may divide the development projects into phases. Specific costs directly related to the development of a particular phase are recorded as the cost of such phase. Common costs are allocated to individual phases based on the estimated saleable area of the entire development project. Where the final settlement of costs and the related cost allocation is different from the initial estimates, any increase or decrease in the development costs and other costs would affect profit or loss in future years.

Based on the Group's recent experience and the nature of the subject project, the Group makes estimates of cost of properties under development, and its net realisable value, i.e., the revenue to be derived from the properties under development for sale, less costs to completion and the costs to be incurred in realising the revenue from the sale of properties under development based on prevailing market conditions.

If the cost is higher than the estimated net realisable value, provision for the excess of cost of properties under development over its net realisable value should be made. Such provision would require the use of judgement and estimates. Where the expectation is different from the original estimate, the carrying value and provision for properties under development in the periods in which such estimate is changed will be adjusted accordingly. The carrying amount of properties under development at 31 December 2024 was RMB109,450,491,000 (2023: RMB130,731,042,000). Further details are given in note 15 to the financial statements.

Notes to Financial Statements

Year ended 31 December 2024

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Estimation uncertainty (Continued)

Measurement of land under development

The Group's land under development is stated at the lower of cost and net realisable value. Costs of land under development during the construction stage, before the final settlement of the development costs and other costs relating to the land under development are accrued by the Group based on management's best estimate. Where the final settlement of costs and the related cost allocation is different from the initial estimates, any increase or decrease in the development costs and other costs would affect profit or loss in future years. Based on the Group's recent experience and the nature of the subject land development, the Group makes estimates of cost allocated to each parcel of land under development, and its net realisable value, i.e., the revenue to be derived from the land under development for sale by government authorities, less costs to completion and the costs to be incurred in realising the revenue from the sale of land under development based on prevailing market conditions.

If the cost is higher than the estimated net realisable value, provision for the excess of cost of land under development over its net realisable value should be made. Such provision would require the use of judgement and estimates. Where the expectation is different from the original estimate, the carrying value and provision for land under development in the periods in which such estimate is changed will be adjusted accordingly. The carrying amount of land under development at 31 December 2024 was RMB27,941,996,000 (2023: RMB26,055,005,000). Further details are given in note 16 to the financial statements.

Estimation of net realisable value for properties held for sale

Properties held for sale are stated at the lower of cost and net realisable value. The net realisable value is assessed with reference to market conditions and prices existing at the end of the reporting period and is determined by the Group having taken suitable external advice and in light of recent market transactions. The carrying amounts of properties held for sale at 31 December 2024 were RMB39,250,426,000 (2023: RMB27,030,875,000). Further details are given in note 17 to the financial statements.

Provision for impairment of properties for sale

Management reviews the market conditions of properties for sale held by the Group and associates and joint ventures at the end of each reporting period, and makes provision for impairment of properties for sale identified that the net realisable value is lower than cost. Management estimates the net realisable value for properties for sale based primarily on the latest selling prices and current market conditions. If the condition was to deteriorate so that the actual provision might be higher than expected, the Group would be required to revise the basis of making the provision and its future results would be affected. Further details are given in notes 15 and 17 to the financial statements.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Estimation uncertainty (Continued)

PRC corporate income tax

The Group is subject to income taxes in the PRC. As a result of the fact that certain matters relating to the income taxes have not been confirmed by the local tax bureau, objective estimate and judgement based on currently enacted tax laws, regulations and other related policies are required in determining the provision for income taxes to be made. Where the final tax outcome of these matters is different from the amounts originally recorded, the differences will impact on the income tax and tax provisions in the period in which the differences realise. The carrying amount of income tax payable at 31 December 2024 was RMB2,909,832,000 (2023: RMB2,010,666,000).

PRC land appreciation tax ("LAT")

The Group is subject to LAT in the PRC. The provision for LAT is based on management's best estimates according to the understanding of the requirements set forth in the relevant PRC tax laws and regulations. The actual LAT liabilities are subject to the determination by the local tax authorities upon the completion of the Group's property development projects. The Group has not finalised its LAT tax returns and payments with the local tax authorities for its property development projects. When the final outcome is determined, it may be different from the amounts that were initially recorded, and any differences will affect the current income tax expense and LAT provision in the period which LAT is ascertained. The carrying amount of provision for LAT at 31 December 2024 was RMB1,523,957,000 (2023: RMB1,933,567,000). Further details are given in note 35 to the financial statements.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organized into business units based on their products and services and has five reportable operating segments of the Group are as follows:

(a) the city and property development segment develops city complexes and properties and develops land;

(b) the commercial leasing and retail operations segment leases office and retail commercial premises;

(c) the hotel operations segment provides hotel accommodation services, food and beverage;

(d) the Jinmao services segment provides property management services, value-added services to non-property owners, community value-added services; and

(e) the "others" segment mainly comprises the provision of design and decoration services, and the operation of an observation deck and other services.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of adjusted profit/(loss) before tax. The adjusted profit/(loss) before tax is measured consistently with the Group's profit/(loss) before tax except that interest income, other investment income, non-lease-related finance costs and corporate and other unallocated expenses are excluded from such measurement.

Segment assets exclude deferred tax assets, prepaid tax, restricted bank balances, cash and cash equivalents, certain financial assets at fair value through profit or loss and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude interest-bearing bank and other borrowings and related interest payables, tax payable, provision for land appreciation tax, deferred tax liabilities and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted in accordance with the terms and conditions mutually agreed by the parties involved.

The Group's operations are mainly conducted in Mainland China. Management considered there is one reportable geographic segment as all revenues from external customers are generated in Mainland China and the Group's significant non-current assets are located in Mainland China.

4. OPERATING SEGMENT INFORMATION (Continued)

Year ended 31 December 2024	City and property development RMB'000	Commercial leasing and retail operations RMB'000	Hotel operations RMB'000	Jinmao services RMB'000	Others RMB'000	Total RMB'000
Segment revenue:						
Sales to external customers	49,193,469	1,626,835	1,698,619	2,545,435	3,988,596	59,052,954
Intersegment sales	108,295	70,438	–	420,538	720,256	1,319,527
Total Segment revenue	49,301,764	1,697,273	1,698,619	2,965,973	4,708,852	60,372,481
Reconciliation:						
Elimination of intersegment sales						(1,319,527)
Total revenue						59,052,954
Segment results	4,111,844	606,585	1,435,917	493,001	1,095,604	7,742,951
Reconciliation:						
Elimination of intersegment results						(1,936,896)
Interest income						1,070,306
Other investment income						199,254
Corporate and other unallocated expenses						(152,461)
Finance costs (other than interest on lease liabilities)						(2,485,183)
Profit before tax						4,437,971
Segment assets	388,623,881	36,446,888	11,659,121	2,900,697	17,699,128	457,329,715
Reconciliation:						
Elimination of intersegment assets						(166,078,087)
Corporate and other unallocated assets						118,004,790
Total assets						409,256,418
Segment liabilities	279,548,455	4,873,606	7,780,020	2,586,838	7,466,659	302,255,578
Reconciliation:						
Elimination of intersegment liabilities						(175,257,026)
Corporate and other unallocated liabilities						173,979,264
Total liabilities						300,977,816
Other segment information						
Share of profits of joint ventures	988,300	–	–	–	112	988,412
Share of profits of associates	318,778	–	–	–	–	318,778
Depreciation and amortisation	204,822	66,122	268,502	57,132	160,390	756,968
Loss/(gain) on disposal of items of property, plant and equipment	(4,709)	128	477	760	–	(3,344)
Impairment losses recognised in the statement of profit or loss, net	1,443,743	–	–	37,448	(17,342)	1,463,849
Fair value gains/(losses) on investment properties	–	(341,798)	–	4,816	–	(336,982)
Investments in associates	23,239,619	–	–	–	–	23,239,619
Investments in joint ventures	30,454,954	–	–	–	28,775	30,483,729
Capital expenditure*	145,610	52,411	63,875	194,054	397,360	853,310

* Capital expenditure consists of additions to property, plant and equipment, intangible assets, and investment properties including assets from the acquisition of subsidiaries.

Notes to Financial Statements

Year ended 31 December 2024

4. OPERATING SEGMENT INFORMATION (Continued)

Year ended 31 December 2023	City and property development RMB'000	Commercial leasing and retail operations RMB'000	Hotel operations RMB'000	Jinmao services RMB'000	Others RMB'000	Total RMB'000
Segment revenue:						
Sales to external customers	62,765,470	1,743,053	2,080,434	2,139,082	3,675,574	72,403,613
Intersegment sales	16,401	59,238	–	565,330	669,649	1,310,618
Total Segment revenue	62,781,871	1,802,291	2,080,434	2,704,412	4,345,223	73,714,231
Reconciliation:						
Elimination of intersegment sales						(1,310,618)
Total revenue						72,403,613
Segment results	(2,241,817)	797,396	918,958	446,794	267,985	189,316
Reconciliation:						
Elimination of intersegment results						(1,841,546)
Interest income						1,899,482
Other investment income						241,516
Corporate and other unallocated expenses						(338,812)
Finance costs (other than interest on lease liabilities)						(2,962,489)
Loss before tax						(2,812,533)
Segment assets	467,497,405	47,962,839	14,063,653	2,328,863	17,178,522	549,031,282
Reconciliation:						
Elimination of intersegment assets						(265,439,863)
Corporate and other unallocated assets						123,527,782
Total assets						407,119,201
Segment liabilities	311,957,922	13,818,375	7,391,416	1,981,828	10,873,736	346,023,277
Reconciliation:						
Elimination of intersegment liabilities						(250,006,565)
Corporate and other unallocated liabilities						201,265,372
Total liabilities						297,282,084
Other segment information:						
Share of profits/(losses) of joint ventures	(1,052,088)	–	–	–	915	(1,051,173)
Share of profits of associates	131,739	–	–	–	–	131,739
Depreciation and amortisation	207,219	55,567	388,681	44,564	312,893	1,008,924
Loss/(gain) on disposal of items of property, plant and equipment	(3,785)	128	145	(12)	531	(2,993)
Impairment losses recognised in the statement of profit or loss, net	4,841,661	–	–	13,312	1,160	4,856,133
Fair value gains/(losses) on investment properties	–	(238,136)	–	1,670	–	(236,466)
Investments in associates	22,492,553	–	–	–	–	22,492,553
Investments in joint ventures	26,366,775	–	–	–	28,726	26,395,501
Capital expenditure*	44,117	112,117	60,918	83,255	739,668	1,040,075

Information about major customers

During the year, there was no revenue from a single customer which accounted for 10% or more of the Group's revenue (2023: Nil).

5. REVENUE, OTHER INCOME AND GAINS

An analysis of the Group's revenue is as follows:

	2024 RMB'000	2023 RMB'000
Revenue from contracts with customers	57,426,119	70,660,560
Revenue from other sources		
Gross rental income from investment property operating leases:		
Variable lease payments that do not depend on an index or a rate	8,747	16,115
Other lease payments, including fixed payments	1,618,088	1,726,938
Subtotal	1,626,835	1,743,053
Total	59,052,954	72,403,613

Revenue from contracts with customers

(i) Disaggregated revenue information

For the year ended 31 December 2024

Segments	City and property development RMB'000	Hotel operations RMB'000	Jinmao services RMB'000	Others RMB'000	Total RMB'000
Types of goods or services					
Sale of completed properties	48,749,524	–	–	–	48,749,524
Land development	443,945	–	–	–	443,945
Hotel operations	–	1,698,619	–	–	1,698,619
Property management	–	–	2,545,435	–	2,545,435
Others	–	–	–	3,988,596	3,988,596
Total	49,193,469	1,698,619	2,545,435	3,988,596	57,426,119
Timing of revenue recognition					
Goods transferred at a point in time	49,081,032	–	145,982	–	49,227,014
Services transferred over time	112,437	1,698,619	2,399,453	3,988,596	8,199,105
Total	49,193,469	1,698,619	2,545,435	3,988,596	57,426,119

5. REVENUE, OTHER INCOME AND GAINS (Continued)

Revenue from contracts with customers (Continued)

(i) Disaggregated revenue information (Continued)

For the year ended 31 December 2023

Segments	City and property development RMB'000	Hotel operations RMB'000	Jinmao services RMB'000	Others RMB'000	Total RMB'000
Types of goods or services					
Sale of completed properties	62,682,441	–	–	–	62,682,441
Land development	83,029	–	–	–	83,029
Hotel operations	–	2,080,434	–	–	2,080,434
Property management	–	–	2,139,082	–	2,139,082
Others	–	–	–	3,675,574	3,675,574
Total	62,765,470	2,080,434	2,139,082	3,675,574	70,660,560
Timing of revenue recognition					
Goods transferred at a point in time	62,765,470	–	243,959	–	63,009,429
Services transferred over time	–	2,080,434	1,895,123	3,675,574	7,651,131
Total	62,765,470	2,080,434	2,139,082	3,675,574	70,660,560

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 2024

Segments	City and property development RMB'000	Hotel operations RMB'000	Jinmao services RMB'000	Others RMB'000	Total RMB'000
Revenue from contracts with customers					
Sales to external customers	49,193,469	1,698,619	2,545,435	3,988,596	57,426,119
Intersegment sales	108,295	–	420,538	720,256	1,249,089
Subtotal	49,301,764	1,698,619	2,965,973	4,708,852	58,675,208
Intersegment adjustments and eliminations	(108,295)	–	(420,538)	(720,256)	(1,249,089)
Total	49,193,469	1,698,619	2,545,435	3,988,596	57,426,119

5. REVENUE, OTHER INCOME AND GAINS (Continued)

Revenue from contracts with customers (Continued)

(i) Disaggregated revenue information (Continued)

For the year ended 31 December 2023

Segments	City and property development RMB'000	Hotel operations RMB'000	Jinmao services RMB'000	Others RMB'000	Total RMB'000
Revenue from contracts with customers					
Sales to external customers	62,765,470	2,080,434	2,139,082	3,675,574	70,660,560
Intersegment sales	16,401	–	565,330	669,649	1,251,380
Subtotal	62,781,871	2,080,434	2,704,412	4,345,223	71,911,940
Intersegment adjustments and eliminations	(16,401)	–	(565,330)	(669,649)	(1,251,380)
Total	62,765,470	2,080,434	2,139,082	3,675,574	70,660,560

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

	2024 RMB'000	2023 RMB'000
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Sale of completed properties	**39,544,747**	47,557,887
Hotel operations	**8,815**	12,179
Property management services	**472,555**	334,641
Others	**127,192**	79,468
Total	**40,153,309**	47,984,175

Notes to Financial Statements

Year ended 31 December 2024

5. REVENUE, OTHER INCOME AND GAINS (Continued)

Revenue from contracts with customers (Continued)

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of completed properties

The performance obligation is satisfied upon delivery of the completed properties.

Hotel operations

The performance obligation is satisfied when services are rendered. Short-term advances are sometimes required before rendering the services.

Property management services

For property management services, the performance obligation is satisfied over time as services are rendered and short-term advances are normally required before rendering the services. The Group recognises property management services revenue in the amount that equals to the rights to invoices which corresponds directly with the value to the customers of the Group's performance to date. For value-added services, the Group agrees the price and the performance obligation for each service with customers upfront and issues monthly or quarterly bills to customers which vary based on the actual level of service completed. When the performance obligation related to the value-added services, e.g., sales assistance services and construction consultancy services, is satisfied over time as services are rendered, the related revenue is recognised over time in the amount to which the Group has a right to invoice, because the customer simultaneously receives and consumes the benefits provided by the Group. When the performance obligation related to the value-added services, e.g. real estate agency services and preliminary planning and design consultancy services, is satisfied at the time when the services are accepted by the customers, the related revenue is recognised at the point in time when the services are rendered and accepted by the customers.

Design, construction and decoration services

The performance obligation is satisfied over time as services are rendered and payment is generally due within 60 days from the date of billing. A certain percentage of payment is retained by customers until the end of the retention period as the Group's entitlement to the final payment is conditional on the satisfaction of the service quality by the customers over a certain period as stipulated in the contracts.

5. REVENUE, OTHER INCOME AND GAINS (Continued)

	Notes	2024 RMB'000	2023 RMB'000
Other income			
Bank interest income		492,877	499,021
Other interest income			
– From related parties		556,216	1,232,693
– From non-controlling shareholders		21,213	167,768
Other investment income		199,254	241,516
Government grants*		473,393	220,770
Default penalty income		46,817	49,884
Total other income		1,789,770	2,411,652
Gains			
Fair value gains on transfers from properties held for sale to investment properties		1,396	–
Gain on bargain purchase	41	2,625	1,223
Gain on disposal of subsidiaries	42	2,094,092	1,354,717
Fair value gains on the equity interests previously held as investments in joint ventures	41	149,853	316,063
Gain on disposal of other financial assets		–	13,794
Gain on disposal of investments in joint ventures and associates		27,789	231
Change in fair value of trade receivables at fair value through profit or loss		94,076	96,349
Others		147,186	160,443
Total gains		2,517,017	1,942,820
Total other income and gains		4,306,787	4,354,472

* Various government grants have been received from the relevant authorities for the Group's businesses conducted in certain cities in Mainland China. There are no unfulfilled conditions or contingencies relating to these grants.

Notes to Financial Statements

Year ended 31 December 2024

6. PROFIT/(LOSS) BEFORE TAX

The Group's profit/(loss) before tax is arrived at after charging/(crediting):

	Notes	2024 RMB'000	2023 RMB'000
Cost of properties sold		43,747,267	57,352,465
Cost of land development		224,490	14,903
Cost of services provided		6,423,540	5,935,315
Cost of goods sold		60,771	79,449
Direct operating expenses (including repairs and maintenance) arising on rental – earning investment properties		316,789	295,610
Depreciation of property, plant and equipment	14	587,435	609,984
Depreciation of right-of-use assets	19(a)	126,933	183,295
Amortisation of intangible assets	21	42,600	215,645
Lease payments not included in the measurement of lease liabilities	19(c)	77,533	116,303
Auditor's remuneration		8,982	9,275
Employee benefit expense (including directors' and chief executive's remuneration (note (9)):			
Wages and salaries		2,353,788	2,949,151
Equity-settled share option expense	39	–	(1,690)
Pension scheme contributions (defined contribution schemes)*		212,360	218,212
Total		2,566,148	3,165,673
Foreign exchange differences, net		174,589	198,031
Gain on disposal of items of property, plant and equipment		(3,344)	(2,993)
Gain on disposal of other financial assets		–	(13,794)
Fair value losses on other financial assets**		52,546	129,694
Provision of impairment of trade and bills receivables**	25	20,107	11,744
Impairment of properties under development, net**		1,079,989	3,144,536
Impairment of properties held for sale, net**		176,481	1,247,886
Impairment of land under development, net**		136,059	–
Impairment of amounts due from related parties, net**	28	–	451,967
Impairment of property, plant and equipment**	14	51,213	–
Fair value losses on investment properties**	18	336,982	236,466

* At 31 December 2024, the Group had no forfeited contributions available to reduce its contributions to the pension schemes in future years (2023: Nil).

** These items are included in "other expenses and losses, net" in the consolidated statement of profit or loss.

7. OTHER EXPENSES AND LOSSES, NET

An analysis of other expenses and losses, net is as follows:

	Notes	2024 RMB'000	2023 RMB'000
Impairment of properties under development, net		1,079,989	3,144,536
Impairment of properties held for sale, net		176,481	1,247,886
Impairment in land under development, net		136,059	–
Impairment of amounts due from related parties, net	28	–	451,967
Fair value loss on investment properties	18	336,982	236,466
Foreign exchange differences, net		174,589	198,031
Fair value loss on other financial assets		52,546	129,694
Others		77,251	15,411
Total		2,033,897	5,423,991

8. FINANCE COSTS

An analysis of finance costs is as follows:

	2024 RMB'000	2023 RMB'000
Interest on bank and other borrowings and other payables	5,775,382	6,501,862
Interest on amounts due to related parties (note 47(a))	1,058,060	1,593,065
Interest on lease liabilities (note 19(b))	49,342	51,384
Total interest expense	6,882,784	8,146,311
Less: Interest capitalised	(4,348,259)	(5,132,438)
Total	2,534,525	3,013,873

Notes to Financial Statements

Year ended 31 December 2024

9. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), section 383(1) (a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	Group	
	2024 RMB'000	2023 RMB'000
Fees	1,678	1,656
Other emoluments:		
Salaries, allowances and benefits in kind	5,059	7,770
Bonuses*	2,957	–
Equity-settled share option expense	–	215
Pension scheme contributions	1,218	1,061
Subtotal	9,234	9,046
Total	10,912	10,702

* Certain executive directors of the Company are entitled to bonus payments which are determined with reference to the performance of the Group's operations.

In prior years, certain directors were granted share options, in respect of their services to the Group, under the share option scheme of the Company, further details of which are set out in note 39 to the financial statements. The fair value of such options, which has been recognised in the statement of profit or loss over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the current year is included in the above directors' and chief executive's remuneration disclosures.

(a) Independent non-executive directors

Mr. Su Xijia, Mr. Suen Man Tak, Mr. Gao Shibin and Mr. Zhong Wei, are independent non-executive directors of the Company, and the fees paid to them during the year were RMB419,000 (2023: RMB414,000), RMB419,000 (2023: RMB414,000), RMB419,000 (2023: RMB414,000) and RMB419,000 (2023: RMB414,000), respectively.

There were no other emoluments payable to the independent non-executive directors during the year (2023: Nil).

9. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (Continued)

(b) Executive directors, non-executive directors and the chief executive

Executive directors

i. Mr. ZHANG Zenggen was appointed as the chairman and an executive director of the Company with effect from 31 May 2023 and resigned as the chairman and an executive director of the Company with effect from 11 March 2025. During the year ended 31 December 2024, the remuneration paid to him included fees of nil, salaries, allowances and benefits in kind of RMB1,249,000, performance related bonuses of RMB721,000 and pension scheme contributions of RMB281,000 (2023: the remuneration paid to him included fees of nil, salaries, allowances and benefits in kind of RMB732,000 and pension scheme contributions of RMB158,000).

ii. Mr. TAO Tianhai was appointed as the chief executive officer and an executive director of the Company with effect from 28 April 2023 and was appointed as the chairman of the Company with effect from 11 March 2025. During the year ended 31 December 2024, the remuneration paid to him included fees of nil, salaries, allowances and benefits in kind of RMB1,301,000, performance related bonuses of RMB1,124,000, equity-settled share option expense of nil and pension scheme contributions of RMB349,000 (2023: the remuneration paid to him included fees of nil, salaries, allowances and benefits in kind of RMB1,536,000, equity-settled share option expense of RMB20,000, and pension scheme contributions of RMB222,000).

iii. Mr. ZHANG Hui was appointed as an executive director of the Company with effect from 19 October 2023. During the year ended 31 December 2024, the remuneration paid to him included fees of nil, salaries, allowances and benefits in kind of RMB1,267,000, performance related bonuses of RMB274,000, equity-settled share option expense of nil and pension scheme contributions of RMB307,000 (2023: the remuneration paid to him included fees of nil, salaries, allowances and benefits in kind of RMB344,000, equity-settled share option expense of RMB6,000, and pension scheme contributions of RMB46,000).

iv Ms. QIAO Xiaojie was appointed as the chief financial officer and an executive director of the Company with effect from 28 April 2023. During the year ended 31 December 2024, the remuneration paid to her included fees of nil, salaries, allowances and benefits in kind of RMB1,242,000, performance related bonuses of RMB837,000, equity-settled share option expense of nil and pension scheme contributions of RMB282,000 (2023: the remuneration paid to her included fees of nil, salaries, allowances and benefits in kind of RMB824,000, equity-settled share option expense of RMB13,000, and pension scheme contributions of RMB157,000).

v. Mr. LI Congrui was appointed as the chairman and ceased to be the chief executive officer of the Company with effect from 28 April 2023 and resigned as the chairman and an executive director of the Company with effect from 31 May 2023. During the year ended 31 December 2023 the remuneration paid to him included fees of nil, salaries, allowances and benefits in kind of RMB1,264,000 and pension scheme contributions of RMB138,000.

Notes to Financial Statements

Year ended 31 December 2024

9. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (Continued)

(b) Executive directors, non-executive directors and the chief executive (Continued)

Executive directors (Continued)

vi. Mr. JIANG Nan resigned as the chief financial officer and an executive director of the Company with effect from 28 April 2023. During the year ended 31 December 2023, the remuneration paid to him included fees of nil, salaries, allowances and benefits in kind of RMB1,032,000 and pension scheme contributions of RMB110,000.

vii. Mr. SONG Liuyi resigned as an executive director of the Company with effect from 19 October 2023. During the year ended 31 December 2023, the remuneration paid to him included fees of nil, salaries, allowances and benefits in kind of RMB2,038,000, equity-settled share option expense of RMB176,000, and pension scheme contributions of RMB230,000.

Non-executive directors

i. Mr. LI Fanrong resigned as the chairman and a non-executive director of the Company with effect from 28 April 2023. There was no remuneration paid to him during the year ended 31 December 2023.

ii. Mr. LI Fuli resigned as a non-executive director of the Company with effect from 12 July 2023. There was no remuneration paid to him during the year ended 31 December 2023.

iii. Ms. CHEN Aihua was appointed as a non-executive director of the Company with effect from 12 July 2023. There was no remuneration paid to her during the year (2023: Nil).

iv. Mr. CHEN Chuan resigned as a non-executive director of the Company with effect from 29 November 2023. There was no remuneration paid to him during the year ended 31 December 2023.

v. Ms. WANG Wei was appointed as a non-executive director of the Company with effect from 29 November 2023. There was no remuneration paid to her during the year (2023: Nil).

vi. Mr. AN Hongjun resigned as a non-executive director of the Company with effect from 26 June 2024. There was no remuneration paid to him during the year (2023: Nil).

vii. Mr. CHEN Yijiang was appointed as a non-executive director of the Company with effect from 26 June 2024. There was no remuneration paid to her during the year (2023: Nil).

viii. Mr. CHENG Yong was a non-executive directors of the Company. There was no remuneration paid to him during the year (2023: Nil).

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the year (2023: Nil).

10. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included four directors (2023: three directors), details of whose remuneration are set out in note 9 above. Details of the remuneration for the year of the remaining one (2023: two) highest paid employees of the Company are as follows:

	2024 RMB'000	2023 RMB'000
Salaries, allowances and benefits in kind	1,284	3,069
Bonuses*	937	–
Equity-settled share option expense	–	19
Pension scheme contributions	307	468
Total	2,528	3,556

The number of the non-director highest paid employees whose remuneration fell within the following bands is as follows:

	Number of employees	
	2024	2023
HK$1,500,001 to HK$2,000,000	–	1
HK$2,000,001 to HK$2,500,000	–	1
HK$2,500,001 to HK$3,000,000	1	–
Total	1	2

In prior years, share options were granted to one non-director highest paid employees in respect of their services to the Group, further details of which are included in the disclosures in note 39 to the financial statements. The fair value of such options, which has been recognised in the statement of profit or loss over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the current year is included in the above non-director highest paid employees' remuneration disclosures.

Notes to Financial Statements

Year ended 31 December 2024

11. INCOME TAX

	Note	2024 RMB'000	2023 RMB'000
Current			
PRC corporate income tax			
Charge for the year		1,878,106	1,837,186
Over-provision in prior years		105,187	21,778
PRC land appreciation tax		337,922	47,973
Subtotal		2,321,215	1,906,937
Deferred	36	(82,941)	138,879
Total tax charge for the year		2,238,274	2,045,816

Hong Kong profits tax

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the year (2023: Nil).

PRC corporate income tax

Except for certain PRC subsidiaries which subject to a preferential income tax rate of 15%, the income tax provision of the Group in respect of its operation in Mainland China was calculated at the tax rates of 25% (2023: 25%) on the assessable profits for the reporting period, if applicable, based on the existing legislation, interpretations and practice in respect thereof.

PRC land appreciation tax ("LAT")

According to the requirements of the Provisional Regulations of the PRC on LAT (中華人民共和國土地增值税暫行條例) effective from 1 January 1994 and the Detailed Implementation Rules on the Provisional Regulations of the PRC on LAT (中華人民共和國土地增值税暫行條例實施細則) effective from 27 January 1995, all gains arising from a transfer of real estate property in Mainland China effective from 1 January 1994 are subject to LAT at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from the sale of properties less deductible expenditures including borrowing costs and all property development expenditures.

11. INCOME TAX (Continued)

A reconciliation of the tax expense applicable to profit/(loss) before tax at the statutory rates for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled and/or operate to the tax charge/(credit) for the year at the effective tax rates is as follows:

2024

	Hong Kong RMB'000	Mainland China RMB'000	Total RMB'000
Profit/(loss) before tax	(1,183,318)	5,621,289	4,437,971
Tax at the statutory income tax rate	(195,248)	1,405,323	1,210,075
Lower tax rates for specific provinces or local authority	–	(159,224)	(159,224)
Effect of withholding tax at 5% on the distributable profits of certain PRC subsidiaries	3,894	–	3,894
Adjustments in respect of current tax of previous periods	–	105,187	105,187
Profits and losses attributable to joint ventures and associates	–	(340,416)	(340,416)
Income not subject to tax	(28,580)	(274,350)	(302,930)
Expenses not deductible for tax	223,828	296,943	520,771
Tax losses utilised from previous periods	–	(372,377)	(372,377)
Tax losses not recognised	–	1,319,853	1,319,853
LAT (note 35)	–	337,922	337,922
Tax effect of LAT	–	(84,481)	(84,481)
Tax charge for the year	3,894	2,234,380	2,238,274

Notes to Financial Statements

Year ended 31 December 2024

11. INCOME TAX (Continued)

A reconciliation of the tax expense applicable to profit/(loss) before tax at the statutory rates for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled and/or operate to the tax charge/(credit) for the year at the effective tax rates is as follows: (continued)

2023

	Hong Kong RMB'000	Mainland China RMB'000	Total RMB'000
Loss before tax	(1,073,911)	(1,738,622)	(2,812,533)
Tax at the statutory income tax rate	(177,195)	(434,654)	(611,849)
Lower tax rates for specific provinces or local authority	–	43,714	43,714
Effect of withholding tax at 5% on the distributable profits of certain PRC subsidiaries	60,087	–	60,087
Adjustments in respect of current tax of previous periods	–	21,778	21,778
Profits and losses attributable to joint ventures and associates	–	229,859	229,859
Income not subject to tax	(46,994)	(129,087)	(176,081)
Expenses not deductible for tax	224,189	1,453,366	1,677,555
Tax losses utilised from previous periods	–	(868,298)	(868,298)
Tax losses not recognised	–	1,633,071	1,633,071
LAT (note 35)	–	47,973	47,973
Tax effect of LAT	–	(11,993)	(11,993)
Tax charge for the year	60,087	1,985,729	2,045,816

The share of tax attributable to joint ventures and associates amounting to RMB879,600,000 (2023: RMB1,090,876,000) is included in "Share of profits and losses of joint ventures and associates" in the consolidated statement of profit or loss.

12. DIVIDENDS

	2024 RMB'000	2023 RMB'000
Interim – HK3.0 cents (2023 interim dividend: HK1.5 cents) per ordinary share	377,205	184,312

Scrip dividend scheme

On 29 August 2023, the board of directors of the Company resolved to declare and pay 2023 interim dividend of HK$0.015 per share to the Shareholders, and resolved to offer the Shareholders an option to receive the 2023 interim dividend wholly or partly in the form of new and fully paid shares of the Company in lieu of cash. The number of ordinary shares issued as scrip dividends was 95,585,500 and the total amount of dividend paid as scrip dividends was RMB82,991,000 while cash dividends amounted to RMB101,321,000.

On 27 August 2024, the board of directors of the Company resolved to declare and pay 2024 interim dividend of HK$0.03 per share to the Shareholders, and resolved to offer the Shareholders an option to receive the 2024 interim dividend wholly or partly in the form of new and fully paid shares of the Company in lieu of cash. The number of ordinary shares issued as scrip dividends was 6,382,966 and the total amount of dividend paid as scrip dividends was RMB7,208,000 while cash dividends amounted to RMB369,997,000.

No final dividend for the year ended 31 December 2024 was proposed (2023: Nil).

Notes to Financial Statements

Year ended 31 December 2024

13. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings/(loss) per share amount is based on the earnings/(loss) for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 13,500,669,519 (2023: 13,361,224,450) outstanding during the year.

No adjustment has been made to the basic earnings/(loss) per share amount presented for the years ended 31 December 2024 and 2023 in respect of a dilution as the impact of the Company's share options outstanding had an anti-dilutive effect on the basic earnings/(loss) per share amount presented.

The calculations of basic and diluted earnings/(loss) per share are based on:

	2024 RMB'000	2023 RMB'000
Earnings/(loss)		
Profit/(loss) for the period attributable to the owners of the parent	1,064,809	(6,896,644)
Distribution related to the perpetual capital instrument	(363,479)	–
Profit/(loss) attributable to ordinary equity holders of the parent used in the basic and diluted earnings/(loss) per share calculations	701,330	(6,896,644)

	Number of shares	
	2024	2023
Shares		
Weighted average number of ordinary shares outstanding during the year used in the basic and diluted earnings/(loss) per share calculation	13,500,669,519	13,361,224,450

14. PROPERTY, PLANT AND EQUIPMENT

	Hotel properties RMB'000	Leasehold improvements RMB'000	Buildings RMB'000	Furniture, fixtures and office equipment RMB'000	Motor vehicles RMB'000	Construction in progress RMB'000	Total RMB'000
31 December 2024							
At 1 January 2024							
Cost	8,005,453	116,550	2,909,431	3,080,741	70,480	3,852,315	18,034,970
Accumulated depreciation and impairment	(2,578,128)	(68,222)	(935,845)	(1,734,060)	(61,853)	–	(5,378,108)
Net carrying amount	5,427,325	48,328	1,973,586	1,346,681	8,627	3,852,315	12,656,862
At 1 January 2024, net of accumulated depreciation and impairment	5,427,325	48,328	1,973,586	1,346,681	8,627	3,852,315	12,656,862
Additions	85,394	4,346	4,483	64,340	1,724	542,764	703,051
Disposals	(733)	(36)	(57,326)	(13,562)	(997)	(22,086)	(94,740)
Depreciation provided during the year (note 6)	(118,391)	(47,136)	(244,991)	(173,788)	(3,129)	–	(587,435)
Acquisition of a subsidiary (note 41)	–	3	35,449	1,549	148	–	37,149
Disposal of subsidiaries (note 42)	(303,825)	–	–	(7,424)	(294)	–	(311,543)
Impairment (note 6)	–	–	(51,213)	–	–	–	(51,213)
Transfer from properties under development	–	–	1,229,244	–	–	–	1,229,244
Transfers	5,643	3,408	138,256	118,842	–	(266,149)	–
Exchange realignment	–	2	93	1	–	–	96
At 31 December 2024, net of accumulated depreciation and impairment	5,095,413	8,915	3,027,581	1,336,639	6,079	4,106,844	13,581,471
At 31 December 2024							
Cost	7,535,496	124,132	4,237,621	3,085,589	53,426	4,106,844	19,143,108
Accumulated depreciation and impairment	(2,440,083)	(115,217)	(1,210,040)	(1,748,950)	(47,347)	–	(5,561,637)
Net carrying amount	5,095,413	8,915	3,027,581	1,336,639	6,079	4,106,844	13,581,471

Notes to Financial Statements

Year ended 31 December 2024

14. PROPERTY, PLANT AND EQUIPMENT (Continued)

	Hotel properties RMB'000	Leasehold improvements RMB'000	Buildings RMB'000	Furniture, fixtures and office equipment RMB'000	Motor vehicles RMB'000	Construction in progress RMB'000	Total RMB'000
31 December 2023							
At 1 January 2023							
Cost	9,252,262	61,703	2,708,564	3,156,103	82,333	3,321,802	18,582,767
Accumulated depreciation and impairment	(2,707,720)	(40,011)	(661,251)	(1,698,943)	(73,546)	–	(5,181,471)
Net carrying amount	6,544,542	21,692	2,047,313	1,457,160	8,787	3,321,802	13,401,296
At 1 January 2023, net of accumulated depreciation and impairment	6,544,542	21,692	2,047,313	1,457,160	8,787	3,321,802	13,401,296
Additions	70,533	46,010	259	79,692	5,623	624,503	826,620
Disposals	(2,182)	(3)	–	(4,426)	(1,925)	(2,857)	(11,393)
Depreciation provided during the year (note 6)	(267,460)	(28,270)	(90,367)	(219,806)	(4,081)	–	(609,984)
Acquisition of a subsidiary (note 41)	–	–	–	1,001	263	–	1,264
Disposal of subsidiaries (note 42)	(929,882)	–	–	(37,076)	(50)	(325)	(967,333)
Gain on properties revaluation in relation to the transfer to investment properties	–	–	99,840	–	–	–	99,840
Transfer to investment properties (note 18)	–	–	(199,369)	–	–	–	(199,369)
Transfer from investment properties (note 18)	–	–	113,702	–	–	–	113,702
Transfers	11,774	8,899	–	70,135	–	(90,808)	–
Exchange realignment	–	–	2,208	1	10	–	2,219
At 31 December 2023, net of accumulated depreciation and impairment	5,427,325	48,328	1,973,586	1,346,681	8,627	3,852,315	12,656,862
At 31 December 2023							
Cost	8,005,453	116,550	2,909,431	3,080,741	70,480	3,852,315	18,034,970
Accumulated depreciation and impairment	(2,578,128)	(68,222)	(935,845)	(1,734,060)	(61,853)	–	(5,378,108)
Net carrying amount	5,427,325	48,328	1,973,586	1,346,681	8,627	3,852,315	12,656,862

At 31 December 2024, certain of the Group's hotel properties and buildings, construction in progress included in property, plant and equipment with an aggregate net carrying amount of approximately RMB5,183,985,000 (2023: RMB5,472,565,000) were pledged to secure bank and other borrowings granted to the Group (note 34).

15. PROPERTIES UNDER DEVELOPMENT

The Group's properties under development are situated in Mainland China.

At 31 December 2024, certain of the Group's properties included in properties under development with a net carrying amount of approximately RMB48,890,597,000 (2023: RMB54,804,915,000) were pledged to secure bank and other borrowings granted to the Group (note 34).

16. LAND UNDER DEVELOPMENT

Land under development represents the project cost, land requisition cost, compensation cost and other preliminary infrastructure costs in relation to the Group's land development projects (the "Projects") in Mainland China. Though the Group does not have the ownership title or land use right to such land, the Group is given the right to carry out construction and preparation works in respect of land infrastructure and ancillary public facilities as well as other development works in the Projects. When the land plots are sold by the local government, the Group is entitled to receive from the local authorities the land development fee.

17. PROPERTIES HELD FOR SALE

The Group's properties held for sale are situated in Mainland China.

At 31 December 2024, certain of the Group's properties included in properties held for sale with a net carrying amount of approximately RMB7,556,171,000 (2023: RMB510,764,000) were pledged to secure bank and other borrowings granted to the Group (note 34).

18. INVESTMENT PROPERTIES

	Notes	2024 RMB'000	2023 RMB'000
Carrying amount at 1 January		**37,299,191**	37,088,686
Additions		**36,048**	101,835
Net loss from a fair value adjustment		**(336,982)**	(236,466)
Transfer from properties held for sale		**540,000**	455,054
Transfer from property, plant and equipment	14	**–**	199,369
Transfer to property, plant and equipment	14	**–**	(113,702)
Transfer from right-of-use assets	19(a)	**166,344**	18,159
Transfer to right-of-use assets	19(a)	**(75,262)**	(60,017)
Acquisition of subsidiaries	41	**14,133**	–
Disposal of subsidiaries	42	**(1,004,000)**	(123,627)
Disposals		**(157,470)**	(30,100)
Carrying amount at 31 December		**36,482,002**	37,299,191

18. INVESTMENT PROPERTIES (Continued)

The Group's investment properties consist of commercial properties and right-of-use assets in Mainland China. The directors of the Company have determined that the investment properties consist of one class of asset, i.e., commercial, based on the nature, characteristics and risks of each property. The Group's investment properties were revalued individually on 31 December 2024 based on valuations performed by Cushman & Wakefield Limited, Shanghai Cairui Real Estate Land Appraisal Co., Ltd., Beijing Zhongtianhua Asset Appraisal Co., Ltd, Beijing Renda Real Estate Land Asset Appraisal Co., Ltd and Beijing Zhuoxindahua Appraisal Co., Ltd., independent professionally qualified valuers. Each year, the Group's management decides to appoint which external valuers to be responsible for the external valuations of the Group's properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Group's management has discussions with the valuers on the valuation assumptions and valuation results twice a year when the valuation is performed for interim and annual financial reporting.

As at 31 December 2024, five of the Group's investment properties were right-of-use asset with total carrying amount of RMB803,818,000 (2023: RMB692,677,000) relating to buildings which were leased out under one or more operating leases. These investment properties are leased under operating leases, further summary details of which are included in note 19 to the financial statements.

At 31 December 2024, certain of the Group's investment properties with a carrying value of RMB27,204,084,000 (2023: RMB21,963,015,000) were pledged to secure bank and other borrowings granted to the Group (note 34).

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's investment properties:

	Fair value measurement using significant unobservable inputs (Level 3)	
	2024 RMB'000	**2023 RMB'000**
Recurring fair value measurement for:		
Commercial properties	**36,482,002**	37,299,191

18. INVESTMENT PROPERTIES (Continued)

Fair value hierarchy (Continued)

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 (2023: Nil).

Reconciliation of fair value measurements categorised within Level 3 of the fair value hierarchy:

	Commercial properties RMB'000
Carrying amount at 1 January 2023	37,088,686
Additions	101,835
Net loss from a fair value adjustment	(236,466)
Transfer from properties held for sale	455,054
Transfer from property, plant and equipment	199,369
Transfer from right-of-use assets	18,159
Transfer to right-of-use assets	(60,017)
Transfer to property, plant and equipment	(113,702)
Disposal of subsidiaries	(123,627)
Disposals	(30,100)
Carrying amount at 31 December 2023 and 1 January 2024	37,299,191
Additions	36,048
Net loss from a fair value adjustment	(336,982)
Transfer from properties held for sale	540,000
Transfer from right-of-use assets	166,344
Transfer to right-of-use assets	(75,262)
Disposal of subsidiaries	(1,004,000)
Acquisition of subsidiaries	14,133
Disposals	(157,470)
Carrying amount at 31 December 2024	36,482,002

Notes to Financial Statements

Year ended 31 December 2024

18. INVESTMENT PROPERTIES (Continued)

Fair value hierarchy (Continued)

Below is a summary of the valuation techniques used and the key inputs to the valuation of investment properties:

	Valuation techniques	Significant unobservable inputs	Range or weighted average 2024	2023
Commercial properties	Term and reversion method	Term yield	2.00% – 5.50%	2.00% – 6.00%
		Reversionary yield	2.00% – 6.00%	2.00% – 6.50%
		Market rent (per square metre ("sqm")/lot per annum ("p.a."))	RMB336 – RMB18,600	RMB314 – RMB18,600
	Discounted cash flow method	Estimated rental value (per sqm p.a.)	RMB626 – RMB1,741	RMB626 – RMB2,000
		Rental growth p.a.	0.00% – 9.67%	0.00% – 9.67%
		Long term vacancy rate	0.00% – 20.00%	0.00% – 5.00%
		Discount rate	4.00% – 7.00%	4.00% – 6.08%
	Market comparable method	Price per sqm	RMB3,247 – RMB31,150	RMB5,600 – RMB31,000
Right-of-use assets	Term and reversion method	Term yield	3.50% – 5.50%	3.50% – 5.50%
		Reversionary yield	4.00% – 6.00%	4.00% – 6.00%
		Market rent (per sqm p.a.)	RMB647 – RMB2,204	RMB634 – RMB2,252
	Discounted cash flow method	Estimated rental value (per sqm p.a.)	RMB576 – RMB978	RMB316 – RMB563
		Rental growth p.a.	2.50% – 3.00%	(1.00%) – 11.00%
		Discount rate	7.00%	6.50%

The term and reversion method measures the fair value of the property by taking into account the rental income derived from the existing leases with due allowance for the reversionary income potential of the leases, which are then capitalised into the value at appropriate rates.

A significant increase (decrease) in the term yield and the reversionary yield in isolation would result in a significant decrease (increase) in the fair value of the investment properties. A significant increase (decrease) in the market rent would result in a significant increase (decrease) in the fair value of the investment properties.

Under the discounted cash flow method, fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. This method involves the projection of a series of cash flows on a property interest. A market-derived discount rate is applied to the projected cash flow in order to establish the present value of the income stream associated with the asset. The exit yield is normally separately determined and differs from the discount rate.

18. INVESTMENT PROPERTIES (Continued)

Fair value hierarchy (Continued)

The duration of the cash flows and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal and related reletting, redevelopment or refurbishment. The appropriate duration is driven by market behaviour that is a characteristic of the class of property. The periodic cash flow is estimated as gross income less vacancy, non-recoverable expenses, collection losses, lease incentives, maintenance costs, agent and commission costs and other operating and management expenses. The series of periodic net operating income, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted.

A significant increase (decrease) in the estimated rental value and the market rent growth rate per annum in isolation would result in a significant increase (decrease) in the fair value of the investment properties. A significant increase (decrease) in the long term vacancy rate and the discount rate in isolation would result in a significant decrease (increase) in the fair value of the investment properties. Generally, a change in the assumption made for the estimated rental value is accompanied by a directionally similar change in the rent growth per annum and the discount rate and an opposite change in the long term vacancy rate.

Under the market comparable method, a property's fair value is estimated based on comparable transactions. Although property interests are not homogeneous, the International Valuation Standards Council considers the market approach most commonly applied. "In order to compare the subject of the valuation with the price of other real property interests that have been recently exchanged or that may be currently available in the market, it is usual to adopt a suitable unit of comparison. Units of comparison that are commonly used include analysing sales prices by calculating the price per square meter of a building or per hectare for land. Other units used for price comparison where there is sufficient homogeneity between the physical characteristics include a price per room or a price per unit of output, e.g., crop yields. A unit of comparison is only useful when it is consistently selected and applied to the subject property and the comparable properties in each analysis".

The market comparable method is based upon the principle of substitution under which a potential buyer will not pay more for the property than it will cost to buy a comparable substitute property. In theory, the best comparable sale would be an exact duplicate of the subject property and would indicate, by the known selling price of the duplicate, the price for which the subject property could be sold. The unit of comparison applied by the Group is the price per square metre. The market comparable approach is often used in combination with either the discounted cash flow or the term and reversion method as many inputs to these methods are based on market comparison.

A significant increase (decrease) in the price per square metre would result in a significant increase (decrease) in the fair value of the investment properties.

Notes to Financial Statements

Year ended 31 December 2024

19. LEASES

The Group as a lessee

The Group has lease contracts mainly for properties used in its operations. Lump sum payments were made upfront to acquire the leased land from the owners with lease periods of 30 to 70 years, and no ongoing payments will be made under the terms of these land leases. Leases of office properties, equipments and staff quarters generally have lease terms between 2 and 15 years.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	Leasehold land RMB'000	Office properties, equipments and staff quarters RMB'000	Total RMB'000
As at 1 January 2023	1,629,359	322,316	1,951,675
Additions	1,615	137,237	138,852
Additions as a result of acquisition of subsidiaries (note 41)	–	1,463	1,463
Transferred to investment properties (note 18)	(4,062)	(14,097)	(18,159)
Transfer from investment properties (note 18)	–	60,017	60,017
Termination	–	(2,883)	(2,883)
Depreciation charge (note 6)	(59,669)	(123,626)	(183,295)
Disposal of subsidiaries (note 42)	(465,465)	–	(465,465)
As at 31 December 2023 and 1 January 2024	**1,101,778**	**380,427**	**1,482,205**
Additions	**1,616**	**123,260**	**124,876**
Additions as a result of acquisition of subsidiaries (note 41)	**–**	**16,714**	**16,714**
Transferred to investment properties (note 18)	**–**	**(166,344)**	**(166,344)**
Transfer from investment properties (note 18)	**–**	**75,262**	**75,262**
Termination	**–**	**(29,499)**	**(29,499)**
Depreciation charge (note 6)	**(38,003)**	**(88,930)**	**(126,933)**
Disposal of subsidiaries (note 42)	**(100,272)**	**(2,793)**	**(103,065)**
As at 31 December 2024	**965,119**	**308,097**	**1,273,216**

At 31 December 2024, certain of the Group's right-of-use assets with an aggregate net carrying amount of approximately RMB220,736,000 (2023: RMB326,493,000) were pledged to secure bank and other borrowing granted to the Group (note 34).

19. LEASES (Continued)

The Group as a lessee (Continued)

(b) ***Lease liabilities***

The carrying amount of lease liabilities and the movements during the year are as follows:

	2024 RMB'000	2023 RMB'000
Carrying amount at 1 January	**1,114,309**	1,126,102
New leases	**139,151**	125,407
Additions as a result of acquisition of subsidiaries (note 41)	**16,714**	1,554
Accretion of interest recognised during the year (note 8)	**49,342**	51,384
Payments	**(155,020)**	(190,138)
Disposal of subsidiaries (note 42)	**(2,376)**	–
Termination	**(36,645)**	–
Carrying amount at 31 December	**1,125,475**	1,114,309
Analysed into:		
Current portion	**222,599**	194,171
Non-current portion	**902,876**	920,138

The maturity analysis of lease liabilities is disclosed in note 49 to the financial statements.

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	2024 RMB'000	2023 RMB'000
Interest on lease liabilities	**49,342**	51,384
Depreciation charge of right-of-use assets	**126,933**	183,295
Expense relating to short-term leases and leases of low-value assets	**77,533**	116,303
Total amount recognised in profit or loss	**253,808**	350,982

(d) The total cash outflow for leases and future cash outflows relating to leases that have not yet commenced are disclosed in notes 43(c) and 45(b), respectively, to the financial statements.

Notes to Financial Statements

Year ended 31 December 2024

19. LEASES (Continued)

The Group as a lessor

The Group leases its investment properties (note 18) consisting of commercial properties and right-of-use assets in Mainland China under operating lease arrangements. The terms of the leases generally also require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions. Rental income recognised by the Group during the year was RMB1,626,835,000 (2023: RMB1,743,053,000), details of which are included in note 5 to the financial statements.

At 31 December 2024, the undiscounted lease payments receivable by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

	2024 RMB'000	2023 RMB'000
Within one year	826,318	1,387,077
After one year but within two years	843,576	1,129,205
After two years but within three years	315,416	407,538
After three years but within four years	253,986	263,785
After four years but within five years	163,044	215,509
After five years	723,918	348,251
Total	3,126,258	3,751,365

20. GOODWILL

	RMB'000
Cost and net carrying amount at 1 January 2023, 31 December 2023 and 1 January 2024	249,122
Acquisition of subsidiaries (note 41)	230,752
Cost and net carrying amount at 31 December 2024	479,874

20. GOODWILL (Continued)

Impairment testing of goodwill

Goodwill acquired through business combinations is allocated to the following cash-generating unit for impairment testing:

- Beijing Capital Property Services Limited cash-generating unit
- Beijing Shengrui Property Services Limited cash-generating unit

The carrying amount of goodwill allocated to each of the cash-generating units is as follows:

	Beijing Capital Property Services Limited cash-generating unit		Beijing Shengrui Property Services Limited cash-generating unit		Total	
	2024 RMB'000	2023 RMB'000	2024 RMB'000	2023 RMB'000	2024 RMB'000	2023 RMB'000
Carrying amount of goodwill	249,122	249,122	230,752	–	479,874	249,122

Beijing Capital Property Services Limited cash-generating unit

The recoverable amount of this cash-generating unit has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The discount rate applied to the cash flow projections is 10.49% (2023: 12.16%). The growth rate used to extrapolate the cash flows of the upscale residential and commercial projects cash-generating unit beyond the five-year period is 2% (2023: 3%), which was the same as the long term average growth rate of the properties management industry.

Beijing Shengrui Property Services Limited cash-generating unit

The recoverable amount of this cash-generating unit has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The discount rate applied to the cash flow projections is 10.49%. The growth rate used to extrapolate the cash flows of the upscale residential and commercial projects cash-generating unit beyond the five-year period is 2%, which was the same as the long term average growth rate of the properties management industry.

Assumptions were used in the value in use calculation of this cash-generating unit for 31 December 2024 and 2023. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

Budgeted gross margins – The basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the year immediately before the budget year, increased for expected efficiency improvements, and expected market development.

Discount rates – The discount rates used are after tax and reflect specific risks relating to the relevant unit.

The values assigned to the key assumptions and discount rates are consistent with external information sources.

Notes to Financial Statements

Year ended 31 December 2024

21. INTANGIBLE ASSETS

	Computer software RMB'000	Contractual rights RMB'000	Total RMB'000
31 December 2024			
At 1 January 2024			
Cost	563,571	86,200	649,771
Accumulated amortisation and impairment	(257,538)	(11,060)	(268,598)
Net carrying amount	306,033	75,140	381,173
Cost at 1 January 2024, net of accumulated amortisation and impairment	306,033	75,140	381,173
Additions	62,917	–	62,917
Disposal of subsidiaries (note 42)	(234)	–	(234)
Acquisition of subsidiaries (note 41)	12	–	12
Disposals	(153)	–	(153)
Amortisation provided during the year (note 6)	(35,417)	(7,183)	(42,600)
At 31 December 2024	333,158	67,957	401,115
At 31 December 2024			
Cost	614,809	86,200	701,009
Accumulated amortisation	(281,651)	(18,243)	(299,894)
Net carrying amount	333,158	67,957	401,115

	Computer software RMB'000	Contractual rights RMB'000	Total RMB'000
31 December 2023			
At 1 January 2023			
Cost	513,483	86,200	599,683
Accumulated amortisation and impairment	(108,381)	(3,877)	(112,258)
Net carrying amount	405,102	82,323	487,425
Cost at 1 January 2023, net of accumulated amortisation and impairment	405,102	82,323	487,425
Additions	110,356	–	110,356
Disposal of subsidiaries (note 42)	(164)	–	(164)
Disposals	(799)	–	(799)
Amortisation provided during the year (note 6)	(208,462)	(7,183)	(215,645)
At 31 December 2023	306,033	75,140	381,173
At 31 December 2023			
Cost	563,571	86,200	649,771
Accumulated amortisation and impairment	(257,538)	(11,060)	(268,598)
Net carrying amount	306,033	75,140	381,173

22. INVESTMENTS IN JOINT VENTURES

Investments in joint ventures

	2024 RMB'000	2023 RMB'000
Share of net assets	**28,536,199**	23,508,314
Other investments in joint ventures	**1,947,530**	2,887,187
Total investments in joint ventures	**30,483,729**	26,395,501

Other investments in joint ventures represented the investments in perpetual capital instruments issued by joint ventures. In the opinion of the directors, these perpetual capital instruments are considered as part of the Group's investments in joint ventures.

The amounts due from and to joint ventures are disclosed in note 28 to the financial statements.

All of the Group's investments in joint ventures are indirectly held by the Company.

The Group has discontinued the recognition of its share of loss of certain joint ventures because the share of loss of the joint ventures exceeded the Group's interests in them and the Group has no obligation to take up further losses. The amounts of the Group's unrecognised share of loss of the joint ventures for the current year and cumulatively were RMB1,777,000 (2023: RMB199,580,000) and RMB1,438,661,000 (2023: RMB1,436,884,000), respectively.

At 31 December 2024, certain of the Group's investments in joint ventures with a carrying amount of RMB812,796,000 (2023: RMB832,594,000) were pledged to secure bank and other borrowings granted to the joint ventures of the Group, further details of which are set out in note 44 to the financial statements.

The joint ventures of the Group are considered not individually material and the following table illustrates the aggregate financial information of the joint ventures:

	2024 RMB'000	2023 RMB'000
Share of the joint ventures' profit/(loss) for the year	**988,412**	(1,051,173)
Share of the joint ventures' total comprehensive income/(loss) for the year	**988,412**	(1,051,173)
Aggregate carrying amount of the Group's investments in the joint ventures	**30,483,729**	26,395,501

Notes to Financial Statements

Year ended 31 December 2024

23. INVESTMENTS IN ASSOCIATES

	2024 RMB'000	2023 RMB'000
Share of net assets	**22,327,682**	21,525,116
Other investments in associates	**911,937**	967,437
Total investments in associates	**23,239,619**	22,492,553

Other investments in associates represented the investments in perpetual capital instruments issued by associates. In the opinion of the directors, these perpetual capital instruments are considered as part of the Group's investments in the associates.

The amounts due from and to associates are disclosed in note 28 to the financial statements.

The Group has discontinued the recognition of its share of loss of certain associates because the share of loss of the associates exceeded the Group's interests in them and the Group has no obligation to take up further losses. The amounts of the Group's unrecognised share of loss of the associates for the current year and cumulatively were RMB133,065,000 (2023: RMB82,985,000) and RMB1,478,396,000 (2023: RMB1,345,331,000), respectively.

At 31 December 2024, certain of the Group's investments in associates with a carrying amount of RMB251,688,000 (2023: RMB252,114,000) were pledged to secure bank and other borrowings granted to the associates of the Group, further details of which are set out in note 44 to the financial statements.

At 31 December 2024, the Group's investment in an associate with an aggregate net carrying amount of approximately RMB156,835,000 (2023: RMB161,317,000) was pledged to secure bank and other borrowings granted to the Group (note 34).

The associates of the Group are considered not individually material and the following table illustrates the aggregate financial information of the associates:

	2024 RMB'000	2023 RMB'000
Share of the associates' profit for the year	**318,778**	131,739
Share of the associates' total comprehensive income for the year	**318,778**	131,739
Aggregate carrying amount of the Group's investments in the associates	**23,239,619**	22,492,553

24. INVENTORIES

	2024 RMB'000	2023 RMB'000
Raw materials	571,280	662,749
Consumables and tools	394	403
Hotel merchandise	10,795	12,713
Trading stock	3,076	3,138
Total	585,545	679,003

25. TRADE AND BILLS RECEIVABLES

	2024 RMB'000	2023 RMB'000
– At amortised cost		
Trade and bills receivables	2,263,695	2,010,876
Impairment	(67,600)	(47,493)
Total	2,196,095	1,963,383
– At fair value through profit or loss		
Trade receivables	2,602,150	2,448,330
Carrying amount at 31 December	4,798,245	4,411,713
Current portion	2,128,895	1,963,383
Non-current portion	2,669,350	2,448,330

Consideration in respect of properties sold is receivable in accordance with the terms of the related sale and purchase agreements, whilst the Group's trading terms with its customers in relation to the provision of hotel, decoration and other services are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally one to six months for major customers. Each customer has a maximum credit limit.

The Group seeks to maintain strict control over its outstanding receivables and overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade and bills receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade and bills receivable balances. Trade receivables are non-interest-bearing.

At 31 December 2024, certain of the Group's trade and bills receivables measured at amortised cost with a net carrying amount of approximately RMB2,457,000 (2023: RMB10,399,000) were pledged to secure bank and other borrowings granted to the Group (note 34).

25. TRADE AND BILLS RECEIVABLES (Continued)

Trade and bills receivables at amortised cost

An ageing analysis of the trade and bills receivables at amortised cost as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2024 RMB'000	2023 RMB'000
Within 1 month	202,148	211,468
1 to 3 months	450,689	467,889
3 to 6 months	343,803	209,760
6 months to 1 year	572,476	688,514
Over 1 year	626,979	385,752
Total	2,196,095	1,963,383

The movements in the loss allowance for impairment of trade and bills receivables at amortised cost are as follows:

	2024 RMB'000	2023 RMB'000
At 1 January	47,493	35,749
Impairment losses, net (note 6)	20,107	11,744
At 31 December	67,600	47,493

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by customer type and rating, and forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade and bills receivables are written off if past due for more than one year and are not subject to enforcement activity.

25. TRADE AND BILLS RECEIVABLES (Continued)

Trade and bills receivables at amortised cost (Continued)

Set out below is the information about the credit risk exposure on the Group's trade and bills receivables at amortised cost using a provision matrix:

As at 31 December 2024

		Past due			
	Current	Less than 1 month	1 to 3 months	Over 3 months	Total
Expected credit loss rate	**0.06%**	**0.09%**	**0.92%**	**16.94%**	**3.08%**
Gross carrying amount (RMB'000)	**1,653,115**	**138,548**	**13,096**	**458,936**	**2,263,695**
Expected credit losses (RMB'000)	**991**	**125**	**121**	**66,363**	**67,600**

As at 31 December 2023

		Past due			
	Current	Less than 1 month	1 to 3 months	Over 3 months	Total
Expected credit loss rate	0.09%	2.15%	0.00%	22.38%	2.36%
Gross carrying amount (RMB'000)	1,791,501	15,655	–	203,720	2,010,876
Expected credit losses (RMB'000)	1,554	336	–	45,603	47,493

Trade receivables – at fair value through profit or loss

Trade receivables at fair value through profit or loss represents the income arising from land development for which the transaction price is determined on a cost-plus basis. The Group entered into service agreements with the relevant local government authorities, according to which the Group provides construction services and is entitled to service consideration on a cost-plus basis. Based on the terms of the agreements, the relevant local government authorities have the right to defer payment under certain circumstances and the cash flows of the receivables could not pass the solely payments of principal and interest testing, thus, these were classified as fair value through profit or loss.

Included in the trade receivables – at fair value through profit or loss from land development was an amount of RMB2,078,810,000 (2023: RMB1,858,462,000) which was bearing interest ranging from 4.68% to 10% (2023: 5.46% to 10%).

Details of fair value information of trade receivables – at fair value through profit or loss are set out in note 48.

Notes to Financial Statements

Year ended 31 December 2024

26. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	2024 RMB'000	2023 RMB'000
Prepayments	**8,786,577**	9,198,738
Deposits	**5,573,098**	1,571,272
Other receivables	**8,036,842**	8,644,494
Due from non-controlling shareholders	**19,577,036**	16,153,530
Others	**1,035,410**	1,120,516
Carrying amount at 31 December	**43,008,963**	36,688,550
Current portion	**42,689,292**	36,385,149
Non-current portion	**319,671**	303,401

The financial assets included in the above balances relate to receivables for which there was no recent history of default and past due amounts. As at 31 December 2024 and 2023, the loss allowance was assessed to be minimal.

The current balances of amounts due from non-controlling shareholders are unsecured, interest-free and repayable within one year, except for the amounts of RMB8,008,017,000, in aggregate, which bear interest at rates from 1.83% to 6.00% per annum (2023: RMB6,896,130,000, in aggregate, which bear interest at rates from 1.78% to 6.00% per annum).

27. CONTRACT ASSETS

	31 December 2024 RMB'000	31 December 2023 RMB'000	1 January 2023 RMB'000
Contract assets arising from design, construction and decoration services and sale of properties	**1,341,452**	423,149	476,017

Contract assets are initially recognised from the design, construction and decoration services and sale of properties as the receipt of consideration is conditional on successful completion of contract requirements. Upon completion of contract requirements and acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables. The change in contract assets in 2024 and 2023 was the result of the ongoing provision of design, construction and decoration services and sale of properties at the end of each of the years.

The expected timing of recovery or settlement for contract assets as at 31 December 2024 is within one year.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates for the measurement of the expected credit losses of the contract assets are based on those of the trade and bills receivables as the contract assets and the trade and bills receivables are from the same customer bases. The provision rates of contract assets are based on days past due of trade and bills receivables for groupings of various customer segments with similar loss patterns (i.e., by customer type and rating, and forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

In determining the recoverability of contract assets, management has closely monitored the credit qualities and the collectability of the assets and considers that the expected credit risks of them are not significant in view of the track record of repayment from them, the history of cooperation with them and forward-looking information. Accordingly, the provision of contract assets was insignificant at the end of the reporting period.

Notes to Financial Statements

Year ended 31 December 2024

28. BALANCES WITH RELATED PARTIES

An analysis of the amounts due from related parties is as follows:

	Notes	2024 RMB'000	2023 RMB'000
Current:			
Due from related parties:			
The ultimate holding company		–	280
An intermediate holding company		468	229
The immediate holding company		461	451
An associate of the Group's ultimate holding company		475	215
Fellow subsidiaries		294,358	326,044
Associates*	(i)	8,484,823	9,941,829
Joint ventures*	(ii)	16,914,481	16,055,964
The substantial shareholder	(iii)	1,792,604	1,773,834
Impairment allowance		(3,349,059)	(3,349,059)
Total – current		24,138,611	24,749,787
Non-current:			
Due from related parties:			
Associates*	(iv)	1,254,867	266,884
Joint ventures*	(v)	1,333,264	1,225,782
The substantial shareholder	(vi)	775,272	785,428
Total – non-current		3,363,403	2,278,094
Total		27,502,014	27,027,881

* Trade receivable from associates and joint ventures relating to provision of property management, green buildings technology, design and decoration services are included in due from related parties as at 31 December 2024 with amounts of approximately RMB210,314,000 (2023: RMB268,082,000) and RMB135,872,000 (2023: RMB519,182,000) respectively, which arose from ordinary course of business of the Group on normal commercial terms. Other than the aforesaid trade receivable, the remaining balances due from associates and joint ventures as at 31 December 2024 represented loans or advances by the Group to its associates and joint ventures, according to the Group's shareholdings therein, as the working capital of these associates and joint ventures for their property projects.

The movements in the loss allowance for impairment of due from related parties are as follows:

	2024 RMB'000	2023 RMB'000
At 1 January	3,349,059	2,897,092
Impairment losses, net (note 6)	–	451,967
At 31 December	3,349,059	3,349,059

28. BALANCES WITH RELATED PARTIES (Continued)

At each reporting date, an impairment analysis is performed using the general approach to recognise the ECLs on the amounts due from the related parties. For those associates and joint ventures undertaking property development projects, if applicable, the loss allowance is measured at an amount equal to the lifetime ECL which would be calculated by taking into account the impairment losses of the properties under development and properties held for sale held by the associates and joint ventures. The ECLs reflect the current conditions and forecasts of future economic conditions, as appropriate. As at 31 December 2024, the loss allowance was assessed and recognised at an amount of RMB3,349,059,000 (2023: RMB3,349,059,000).

The amounts due from related parties are unsecured, interest-free and are repayable on demand, except for the following:

(i) The current balances of amounts due from associates as at 31 December 2024 of RMB2,111,052,000 in aggregate, which bear interest at rates ranging from 5.35% to 8.00% per annum (2023: RMB1,898,897,000 in aggregate, which bear interest at rates ranging from 5.35% to 10.00% per annum).

(ii) The current balances of amounts due from joint ventures as at 31 December 2024 of RMB10,409,101,000 in aggregate, which bear interest at rates ranging from 3.92% to 9.00% per annum (2023: RMB7,425,417,000 in aggregate, which bear interest at rates ranging from 3.92% to 9.50% per annum).

(iii) The current balances of amounts due from the substantial shareholder as at 31 December 2024 of RMB2,343,370,000 in aggregate, which bear interest at a rate of 2.18% to 4.35% per annum (2023: RMB662,022,000 in aggregate, which bear interest at a rate of 2.18% per annum).

(iv) The non-current balances of amounts due from associates as at 31 December 2024 of RMB266,884,000 in aggregate, which bear interest at a rate of 8.00% per annum (2023: RMB266,884,000 in aggregate, which bear interest at a rate of 8.00% per annum).

(v) The non-current balances of amounts due from joint ventures as at 31 December 2024 of RMB304,417,000 in aggregate which bear interest at a rate of 6.00% per annum (2023: RMB50,000,000 in aggregate which bear interest at a rate of 7.00% per annum).

(vi) The non-current balances of amounts due from the substantial shareholder as at 31 December 2024 was interest-free. (2023: RMB752,282,000, which bear interest at a rate of 2.75% per annum).

Notes to Financial Statements

Year ended 31 December 2024

28. BALANCES WITH RELATED PARTIES (Continued)

An analysis of the amounts due to related parties is as follows:

	Notes	2024 RMB'000	2023 RMB'000
Current:			
Due to related parties:			
The ultimate holding company		417	2,184
An intermediate holding company		14,179,944	30,882
The immediate holding company		–	12,142,483
Fellow subsidiaries		5,165,847	1,043,356
Associates	(i)	18,392,240	17,535,918
Joint ventures		15,732,532	11,944,950
Associates of the Group's ultimate holding company		2,586	12,137
The substantial shareholder		60,501	1,583,554
Total – current		53,534,067	44,295,464
Non-current:			
Due to related parties:			
Fellow subsidiaries		6,710,718	–
An intermediate holding company	(ii)	5,593,012	5,192,724
Associates		288,172	19,814
Joint ventures	(iii)	1,352,787	238,856
Total – non-current		13,944,689	5,451,394
Total		67,478,756	49,746,858

The amounts due to related parties are unsecured, interest-free and are repayable on demand, except for the following:

(i) The current balances of amounts due to associates as at 31 December 2024 of RMB1,109,027,000 in aggregate, which bear interest at rates ranging from 2.00% to 4.75% per annum (2023: RMB1,505,970,000 in aggregate, which bear interest at rates ranging from 2.18% to 4.75% per annum).

(ii) The non-current balances of amounts due to an intermediate holding company as at 31 December 2024 of RMB5,593,012,000, which bears interest from 4.20% to 4.35% per annum (2023: RMB4,900,000,000, which bears interest from 4.20% to 4.35% per annum).

(iii) The non-current balances of amounts due to a joint venture as at 31 December 2024 of RMB250,786,000, which bear interest at a rate of 5.80% per annum (2023: RMB205,710,000, which bear interest at a rate of 5.80% per annum).

29. OTHER FINANCIAL ASSETS

	2024 RMB'000	2023 RMB'000
Non-current balances		
Unlisted equity investments, at fair value	105,000	105,000
Investment in a land development project, at fair value	5,415,274	5,571,566
Other unlisted investments, at fair value	164,828	170,803
Total – non-current	5,685,102	5,847,369
Current balances		
Other unlisted investments, at fair value	40	40
Total	5,685,142	5,847,409

The above equity investments were classified as financial assets at fair value through profit or loss as the Group has not elected to recognize the fair value gain or loss through other comprehensive income.

Investment in a land development project as at 31 December 2024 represented the interest in Phase II of Changsha Meixi Lake Primary Development Project. The other unlisted investments include wealth management products issued by financial institutions in Mainland China and investments in unlisted funds. These investments were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

Notes to Financial Statements

Year ended 31 December 2024

30. CASH AND CASH EQUIVALENTS, RESTRICTED BANK BALANCES AND DEPOSITS

	2024 RMB'000	2023 RMB'000
Cash and bank balances	30,805,085	30,919,968
Time deposits	4,050,695	6,915,984
Subtotal	34,855,780	37,835,952
Less:		
Restricted bank balances	(4,050,695)	(6,915,984)
Cash and cash equivalents	30,805,085	30,919,968

At 31 December 2024, the cash and bank balances and the time deposits of the Group denominated in RMB amounted to RMB30,945,702,000 (2023: RMB30,450,983,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of within one year depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

Included in the Group's cash and cash equivalents are deposits of RMB8,271,489,000 (2023: RMB8,981,721,000) placed with Sinochem Group Finance Co., Ltd. ("Sinochem Finance"), a financial institution approved by the People's Bank of China. The interest rates on these deposits ranged from 0.55% to 1.90% per annum (2023: 0.55% to 1.90%). Further details of the interest income attributable to the deposits placed with Sinochem Finance are set out in note 46 to the financial statements.

As at 31 December 2024, restricted bank balances included the regulated pre-sales proceeds of properties of RMB2,502,400,000 (2023: RMB4,307,384,000), and guarantee deposits designated for certain property development projects.

At 31 December 2024, certain of the Group's restricted bank deposits with a carrying value of RMB0 (2023: RMB4,000,000) were pledged to secure bank and other borrowings granted to the Group (note 34).

31. DUE FROM NON-CONTROLLING SHAREHOLDERS

The amounts due from non-controlling shareholders of RMB1,488,749,000 as at 31 December 2024 (2023: RMB2,106,504,000) represented loans (the "Loans") provided by certain non-wholly-owned subsidiaries of the Company (the "Lending Subsidiaries") to their non-controlling shareholders. The Loans were financed by the non-restricted cash from the Lending Subsidiaries' sale of properties generated in their ordinary course of business, and were provided to their shareholders in proportion to their shareholdings. The non-current balances of amounts due from non-controlling shareholders are unsecured, bear interest at rates ranging from 2.00% to 4.35% (2023: 1.85% to 4.55%) per annum and are not repayable within one year.

32. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

	2024 RMB'000	2023 RMB'000
Within 1 year or on demand	**20,344,679**	25,215,092
Over 1 year	**2,513,368**	6,077,712
Total	**22,858,047**	31,292,804

The trade and bills payables are non-interest-bearing and are normally settled on 60-day terms.

The financial liabilities that are part of the Group's supplier finance arrangements included in trade payables are normally settled on 60-day terms and 180-day terms, respectively.

The Group has established supplier finance arrangements that are offered to some of the Group's key suppliers in Mainland China. Participation in the arrangements is at the suppliers' own discretion. Suppliers that participate in the supplier finance arrangements will receive early payments or payments at the original due dates on invoices sent to the Group from the Group's external finance provider. If suppliers choose to receive early payments, they pay a fee to the finance provider. In order for the finance provider to pay the invoices, the goods must have been received or supplied and the invoices must have been approved by the Group. Payments to suppliers ahead of or at the invoice due date are processed by the finance provider and, in all cases, the Group settles the original invoice by paying the finance provider in line with the original invoice maturity date or at a later date as agreed with the finance provider. Payment terms with suppliers have not been renegotiated in conjunction with the arrangements. The Group provides no security to the finance provider.

All financial liabilities that are part of the supplier finance arrangements are included in trade and bills payables in the statement of financial position and within trade payables.

	2024 RMB'000
Carrying amount of financial liabilities that are part of the supplier finance arrangements included in:	
Trade and bills payables	**967,339**
Of which suppliers have received payments	**954,846**

For financial liabilities that are part of the supplier finance arrangements included in trade and bills payables, there were no significant non-cash changes in the carrying amounts of these financial liabilities.

Notes to Financial Statements

Year ended 31 December 2024

33. OTHER PAYABLES AND ACCRUALS

	Notes	2024 RMB'000	2023 RMB'000
Other payables	(a)	**12,490,963**	14,269,211
Receipts in advance		**2,962,439**	153,104
Contract liabilities	(b)	**52,752,143**	55,236,431
Accruals		**590,627**	582,071
Due to non-controlling shareholders	(c)	**3,338,767**	3,238,099
Deferred revenue		**825,854**	961,173
Carrying amount at 31 December		**72,960,793**	74,440,089
Current portion		**70,673,497**	72,501,285
Non-current portion		**2,287,296**	1,938,804

Notes:

(a) Other payables are non-interest-bearing with an average term of not more than one year. The value added taxes ("VAT") relating to pre-sale of properties and others are included in other payables as at 31 December 2024 with an amount of approximately RMB4,694,195,000 (2023: RMB5,077,063,000). VAT payable is recognised when or as the control of the properties is transferred to customers and revenue is recognised.

(b) Details of contract liabilities are as follows:

	31 December 2024 RMB'000	31 December 2023 RMB'000	1 January 2023 RMB'000
Short-term advances received from customers:			
Sale of properties	**50,984,397**	53,917,034	59,171,384
Hotel operations	**47,817**	49,737	54,715
Property management services	**646,734**	464,558	345,010
Others	**1,073,195**	805,102	576,430
Total contract liabilities	**52,752,143**	55,236,431	60,147,539

Contract liabilities include short-term advances received to deliver completed properties and land development assets, render hotel operations, design and decoration services and management services. The decrease in contract liabilities in 2024 was mainly due to the recognition of revenue arising from contract liabilities in relation to short-term advances received from customers.

(c) The amounts due to non-controlling shareholders as at 31 December 2024 are unsecured and interest-free, except for the amounts of RMB1,183,771,000 in aggregate, which bear interest at rates ranging from 3.45% to 8.00% per annum (2023: RMB579,951,000 in aggregate, which bear interest at rates ranging from 4.75% to 8.00% per annum).

34. INTEREST-BEARING BANK AND OTHER BORROWINGS

	2024			2023		
	Effective Interest rate (%)	Maturity	RMB'000	Effective Interest rate (%)	Maturity	RMB'000
Current						
Bank loans, secured	2.29-8.00	2025	7,013,546	2.70-8.00	2024	2,625,578
Bank loans, unsecured	2.15-8.00	2025	8,305,761	2.40-8.50	2024	12,062,624
Other loans, unsecured	–	–	–	2.60-3.10	2024	2,368,610
Other loans, secured	3.00-5.82	2025	172,117	3.00-5.82	2024	37,444
Bonds, unsecured	3.25-4.00	2025	6,115,621	3.65-4.00	2024	6,768,191
Total – current			21,607,045			23,862,447
Non-current						
Bank loans, secured	2.44-7.50	2026-2039	15,405,498	2.29-8.00	2025-2041	19,742,333
Bank loans, unsecured	2.15-8.00	2026-2038	26,964,672	2.40-8.50	2025-2038	24,283,586
Other loans, unsecured	4.60-5.30	2026-2028	6,370,000	2.60-5.35	2025-2028	9,451,376
Other loans, secured	3.00-5.82	2026-2041	23,020,203	3.60-5.82	2025-2041	19,736,551
Bonds, unsecured	2.80-4.40	2026-2029	29,433,497	3.20-4.40	2025-2029	30,303,056
Total – non-current			101,193,870			103,516,902
Total			122,800,915			127,379,349

	2024 RMB'000	2023 RMB'000
Analysed into:		
Bank loans repayable:		
Within one year	15,319,307	14,688,202
In the second year	20,716,738	11,861,105
In the third to fifth years, inclusive	14,929,381	22,109,654
Beyond five years	6,724,050	10,055,160
Subtotal	57,689,476	58,714,121
Other borrowings repayable:		
Within one year	6,287,738	9,174,245
In the second year	17,647,138	8,420,905
In the third to fifth years, inclusive	27,871,063	30,665,171
Beyond five years	13,305,500	20,404,907
Subtotal	65,111,439	68,665,228
Total	122,800,915	127,379,349

Notes to Financial Statements

Year ended 31 December 2024

34. INTEREST-BEARING BANK AND OTHER BORROWINGS (Continued)

Notes:

(a) Certain of the Group's bank and other borrowings are secured by:

(i) certain of the Group's property, plant and equipment, which had an aggregate net carrying value at the end of the reporting period of RMB5,183,985,000 (2023: RMB5,472,565,000);

(ii) certain of the Group's properties under development, which had an aggregate carrying amount at the end of the reporting period of approximately RMB48,890,597,000 (2023: RMB54,804,915,000);

(iii) certain of the Group's properties held for sale, which had an aggregate carrying amount at the end of the reporting period of RMB7,556,171,000 (2023: RMB510,764,000);

(iv) certain of the Group's investment properties, which had an aggregate carrying value at the end of the reporting period of approximately RMB27,204,084,000 (2023: RMB21,963,015,000);

(v) certain of the Group's trade and bills receivables, which had an aggregate net carrying value at the end of the reporting period of RMB2,457,000 (2023: RMB10,399,000);

(vi) certain of the Group's right-of-use assets, which had an aggregate net carrying value at the end of the reporting period of RMB220,736,000 (2023: RMB326,493,000);

(vii) the Group's investment in an associate with an aggregate net carrying value at the end of the reporting period of RMB156,835,000 (2023: RMB161,317,000);

(viii) certain of the Group's restricted bank deposits, which had an aggregate net carrying value at the end of the reporting period of RMB0 (2023: RMB4,000,000).

(ix) the revenue generated during the year by the Group's certain pledged investment properties and hotels with an aggregate amount of RMB1,261,194,000 (2023: RMB495,605,000).

(b) Except for the bank and other borrowings amounting to approximately RMB10,399,119,000 (2023: RMB12,681,695,000) and RMB24,100,580,000 (2023: RMB26,216,652,000) which are denominated in United States dollars and Hong Kong dollars, respectively, all bank and other borrowings are denominated in RMB.

35. PROVISION FOR LAND APPRECIATION TAX

PRC land appreciation tax

According to the requirements of the Provisional Regulations of the PRC on LAT (中華人民共和國土地增值稅暫行條例) effective from 1 January 1994, and the Detailed Implementation Rules on the Provisional Regulations of the PRC on LAT (中華人民共和國土地增值稅暫行條例實施細則) effective from 27 January 1995, all income arising from the sale or transfer of state-owned land use rights, buildings and their attached facilities in Mainland China is subject to LAT at progressive rates ranging from 30% to 60% of the appreciation value, with an exemption for the sale of ordinary residential properties (普通標準住宅) if their appreciation values do not exceed 20% of the sum of the total deductible items.

Effective from 1995, the local tax bureau requires the prepayment of LAT on the pre-sales and sales proceeds of property development. According to the relevant tax notices issued by local tax authorities, the Group is required to pay LAT in advance at 1.0% to 5.0% on the pre-sales and sales proceeds of the Group's properties.

The Group has estimated, made and included in taxation a provision for LAT according to the requirements set out in the relevant PRC tax laws and regulations. The actual LAT liabilities are subject to the determination by the tax authorities upon completion of the property development projects. The tax authorities might disagree with the basis on which the provision for LAT is calculated.

Notes to Financial Statements

Year ended 31 December 2024

36. DEFERRED TAX

The movements in deferred tax liabilities and assets during the year are as follows:

Deferred tax liabilities

	Revaluation of properties RMB'000	Depreciation allowance in excess of related depreciation RMB'000	Fair value adjustment arising from acquisition of subsidiaries RMB'000	Withholding taxes RMB'000	Accrued interest income RMB'000	Others RMB'000	Total RMB'000
At 1 January 2023	4,545,558	879,767	2,864,098	142,197	65,699	950,158	9,447,477
Acquisition of subsidiaries (note 41)	–	–	306,616	–	–	–	306,616
Deferred tax charged/(credited) to the statement of profit or loss during the year (note 11)	(109,242)	138,053	(318,342)	(31,940)	10,531	(110,247)	(421,187)
Deferred tax charged to asset revaluation reserve during the year	24,960	–	–	–	–	–	24,960
Disposal of subsidiaries (note 42)	1,822	(6,872)	–	–	–	–	(5,050)
Gross deferred tax liabilities at 31 December 2023 and 1 January 2024	4,463,098	1,010,948	2,852,372	110,257	76,230	839,911	9,352,816
Acquisition of subsidiaries (note 41)	–	–	84,689	–	–	–	84,689
Deferred tax charged/(credited) to the statement of profit or loss during the year (note 11)	2,130	49,086	(195,566)	–	(1,606)	19,541	(126,415)
Disposal of subsidiaries (note 42)	–	(2,223)	–	–	–	–	(2,223)
Gross deferred tax liabilities at 31 December 2024	4,465,228	1,057,811	2,741,495	110,257	74,624	859,452	9,308,867

36. DEFERRED TAX (Continued)

Deferred tax assets

	Provision for LAT RMB'000	Losses available for offsetting against future taxable profits RMB'000	Unrealised profit arising from intra-group transactions RMB'000	Others RMB'000	Total RMB'000
At 1 January 2023	214,468	1,493,047	1,059,948	934,085	3,701,548
Acquisition of subsidiaries (note 41)	–	36,146	–	–	36,146
Deferred tax credited/(charged) to the statement of profit or loss during the year (note 11)	(24,245)	(232,615)	(140,201)	(163,005)	(560,066)
Disposal of subsidiaries (note 42)	–	(38,061)	–	–	(38,061)
Gross deferred tax assets at 31 December 2023 and 1 January 2024	190,223	1,258,517	919,747	771,080	3,139,567
Acquisition of subsidiaries (note 41)	–	9,128	–	–	9,128
Deferred tax credited/(charged) to the statement of profit or loss during the year (note 11)	(17,964)	188,095	(180,986)	(32,619)	(43,474)
Disposal of subsidiaries (note 42)	–	(26,577)	–	–	(26,577)
Gross deferred tax assets at 31 December 2024	172,259	1,429,163	738,761	738,461	3,078,644

For presentation purposes, certain deferred tax assets and liabilities have been offset in the consolidated statement of financial position.

The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	2024 RMB'000	2023 RMB'000
Net deferred tax assets recognised in the consolidated statement of financial position	3,089,818	3,151,193
Net deferred tax liabilities recognised in the consolidated statement of financial position	(9,320,041)	(9,364,442)
	(6,230,223)	(6,213,249)

Notes to Financial Statements

Year ended 31 December 2024

36. DEFERRED TAX (Continued)

Deferred tax assets (Continued)

The Group also has tax losses arising in Mainland China of RMB18,185,713,000 (2023: RMB12,473,792,000) that will expire in one to five years for offsetting against future taxable profits. Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

The Group is liable for withholding taxes on dividends distributed by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008. The applicable rate is 5% or 10% for the Group.

At 31 December 2024, the Group recognised deferred tax liabilities of approximately RMB110,257,000 (2023: RMB110,257,000) for withholding taxes that would be payable on the unremitted earnings of the Group's subsidiaries established in Mainland China. In the opinion of the directors, it is not probable that the remaining unremitted earnings of the Group's subsidiaries, associates, joint ventures and joint operations will be distributed in the foreseeable future. The aggregate amount of temporary differences associated with investments in subsidiaries, associates, joint ventures and joint operations in Mainland China for which deferred tax liabilities have not been recognised totalled approximately RMB26,803,747,000 at 31 December 2024 (2023: RMB24,669,163,000).

There is no income tax consequence attaching to the payment of dividends by the Company to its shareholders.

37. PERPETUAL CAPITAL INSTRUMENTS

(a) 2019 Subordinate Guaranteed Perpetual Capital Securities

On 6 December 2019, Franshion Brilliant Limited issued the subordinate guaranteed perpetual capital securities with an aggregate principal amount of US$400,000,000 (equivalent to approximately RMB2,815,320,000). The direct transaction costs attributable to the issuance amounted to US$759,000 (equivalent to approximately RMB5,340,000).

The securities confer a right to receive distributions at the applicable distribution rate of 7.125% per annum from and including 6 June 2020, payable semi-annually on 6 June and 6 December of each year. The issuer may, at its sole discretion, elect to defer a distribution pursuant to the terms of the securities. The securities may be redeemed at the option of the issuer, in whole but not in part.

During the year ended 31 December 2024, the Group redeemed all of the 2019 Subordinate Guaranteed Perpetual Capital Securities with a principal amount of US$400,000,000.

(b) 2021 Subordinate Guaranteed Perpetual Capital Securities

On 8 February 2021, Franshion Brilliant Limited issued the subordinate guaranteed perpetual capital securities with an aggregate principal amount of US$500,000,000 (equivalent to approximately RMB3,233,900,000). The direct transaction costs attributable to the issuance amounted to US$1,695,000 (equivalent to approximately RMB10,964,000).

The securities confer a right to receive distributions at the applicable distribution rate of 6.00% per annum from and including 8 August 2021, payable semi-annually on 8 February and 8 August of each year. The issuer may, at its sole discretion, elect to defer a distribution pursuant to the terms of the securities. The securities may be redeemed at the option of the issuer, in whole but not in part.

(c) 2021 Yangguang Guaranteed Perpetual Debts

On 29 June 2021, Suzhou Yongmao Properties Limited, a wholly-owned subsidiary of the Company, entered into a perpetual debt agreement, in an aggregate principal amount of RMB1,000,000,000 with Yangguang Asset Management Co., Ltd. The debts are guaranteed by Shanghai Jinmao Investment Management Group Co., Ltd. The debts confer a right to receive distribution at 5.40% per annum from and including 20 September 2021, payable quarterly on 20 March, 20 June, 20 September and 20 December of each year. The Group may at its sole discretion, elect to defer a distribution pursuant to the terms of the debts.

During the year ended 31 December 2024, the Group redeemed all of the 2021 Yangguang Guaranteed Perpetual Debts with a principal amount of RMB1,000,000,000.

(d) 2023 Sinochem Corporation Perpetual Debts

On 14 December 2023, Jinmao Tianjin entered into a perpetual debt agreement, in an aggregate principal amount of RMB5,000,000,000 with its intermediate holding company, Sinochem Corporation. The debts confer a right to receive distribution at 4.50% per annum payable annually in arrears beginning on 14 December 2024. Jinmao Tianjin may, at its sole discretion, elect to defer a distribution pursuant to the terms of the debts.

During the year ended 31 December 2024, the Group redeemed all of the 2023 Sinochem Corporation Perpetual Debts with a principal amount of RMB5,000,000,000.

Notes to Financial Statements

Year ended 31 December 2024

37. PERPETUAL CAPITAL INSTRUMENTS (Continued)

(e) 2023 Sinochem Hong Kong Perpetual Debts

On 21 December 2023, Franshion Properties (China) Limited, a wholly-owned subsidiary of the Company, entered into a perpetual debt agreement, in an aggregate principal amount of RMB3,000,000,000 with its intermediate holding company, Sinochem Hong Kong. The debts confer a right to receive distribution at 4.50% per annum payable annually in arrears beginning on 15 March 2024. Franshion Properties (China) Limited may, at its sole discretion, elect to defer a distribution pursuant to the terms of the debts.

During the year ended 31 December 2024, the Group redeemed all of the 2023 Sinochem Hong Kong Perpetual Debts with a principal amount of RMB3,000,000,000.

(f) 2024 Sinochem Hong Kong Perpetual Debts

On 6 June 2024, the Company entered into a perpetual debt agreement, in an aggregate principal amount of RMB15,000,000,000 with its immediate holding company, Sinochem Hong Kong. The debts confer a right to receive distribution at 4.35% per annum from and including 15 March 2025, payable semi-annually on 15 March and 15 September of each year. The Company may, at its sole discretion, elect to defer a distribution pursuant to the terms of the debts.

In the opinion of the directors, the Group is able to control the delivery of cash or other financial assets to the holders of the perpetual capital instruments in (a) to (f) above due to redemption other than an unforeseen liquidation of the Company or the issuers. Accordingly, these instruments are classified as equity instruments.

38. SHARE CAPITAL

A summary of movements in the Company's share capital is as follows:

	Number of shares in issue	Share capital RMB'000
At 1 January 2023	13,314,992,912	26,738,026
Scrip dividends	184,595,340	179,789
At 31 December 2023 and 1 January 2024	13,499,588,252	26,917,815
Scrip dividends (note 12)	6,382,966	7,208
At 31 December 2024	13,505,971,218	26,925,023

Share options

Details of the Company's share option scheme and the share options issued under the scheme are included in note 39 to the financial statements.

39. SHARE OPTION SCHEME

2007 Scheme

The Company adopted a share option scheme on 22 November 2007 (the "2007 Scheme"), which has expired on 21 November 2017. All the share options granted and yet to be exercised under the 2007 Scheme were expired and lapsed on 16 October 2023. Accordingly, there were no outstanding share options granted and yet to be exercised under the 2007 Scheme as at 31 December 2023.

New Scheme

On 29 January 2019, a new share option scheme (the "New Scheme") was adopted by the Company to enhance the Company's continuous commitment to eligible participants and enhance them to pursue the objectives of the Company. On 8 February 2019, an aggregate of 265,950,000 share options were granted under the New Scheme to eligible participants of the Group. These share options have an exercise price of HK$3.99 per share. One-third of the share options granted will be vested in two years from 8 February 2019, one-third of the share options granted will be vested in three years from 8 February 2019 and one-third of the options granted will be vested in four years from 8 February 2019. Once the share options are vested, they are exercisable until 7 February 2026.

On 9 September 2019, an aggregate of 9,000,000 share options were granted under the New Scheme to eligible participants of the Group. These share options have an exercise price of HK$4.58 per share. One-third of the share options granted will be vested in two years from 9 September 2019, one-third of the share options granted will be vested in three years from 9 September 2019 and one-third of the options granted will be vested in four years from 9 September 2019. Once the share options are vested, they are exercisable until 8 September 2026.

According to the terms of the New Scheme, the board of directors shall at its absolute discretion grant to any participant a certain number of options at any time within 10 years after the adoption date of the New Scheme. Participants, i.e. recipients of the options granted, include any existing executive or non-executive directors of any member of the Group and any senior management, key technical and professional personnel, managers and employees of any member of the Group, but do not include any independent non-executive directors of the Company.

The number of shares to be issued at any time upon exercise of all options granted under the New Scheme and other share option schemes of the Company shall not in aggregate exceed 10% of the then issued share capital of the Company.

Unless an approval of shareholders is obtained at a general meeting, if the total number of shares issued and shares which may fall to be issued upon exercise of the share options (including exercised, cancelled and outstanding options) granted under the New Scheme and any other share option schemes of the Company to a participant in any 12-month period in aggregate exceeds 1% of the issued share capital of the Company at any time, no further options shall be granted to such participant. Upon acceptance of the grant, the grantee undertakes that he/she will, at the request of the Company, pay a consideration of HK$1 or the equivalent (to be determined on the date when the offer of the grant is accepted) to the Company for acceptance of the offer of the grant of the share option.

Notes to Financial Statements

Year ended 31 December 2024

39. SHARE OPTION SCHEME (Continued)

New Scheme (Continued)

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings. The following share options were outstanding under the New Scheme during the year:

	2024		2023	
	Weighted average exercise price HK$ per share	Number of options	Weighted average exercise price HK$ per share	Number of options
At 1 January	4.01	134,676,000	4.01	151,906,000
Forfeited during the year	3.99	(27,818,000)	3.99	(17,230,000)
At 31 December	4.00	106,858,000	4.00	134,676,000

The exercise prices and exercise periods of the share options outstanding under the New Scheme as at the end of the reporting period are as follows:

2024

Number of options	Exercise price* HK$ per share	Exercise period
52,512,000	3.99	8 February 2021 to 7 February 2026
52,346,000	3.99	8 February 2023 to 7 February 2026
1,000,000	4.58	9 September 2021 to 8 September 2026
1,000,000	4.58	9 September 2022 to 8 September 2026
106,858,000		

2023

Number of options	Exercise price* HK$ per share	Exercise period
66,944,000	3.99	8 February 2021 to 7 February 2026
65,732,000	3.99	8 February 2023 to 7 February 2026
1,000,000	4.58	9 September 2021 to 8 September 2026
1,000,000	4.58	9 September 2023 to 8 September 2026
134,676,000		

* The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.

The fair value of the share options granted during the year ended 31 December 2019 was HK$257,594,000 of which the Group reversed an equity-settled share option expense of HK$1,877,000 (equivalent to RMB1,690,000) during year ended 31 December 2023 as a result of the service or non-market performance conditions related to these shares options not being fulfilled (2024: Nil).

No other feature of the options granted was incorporated into the measurement of fair value.

At the end of the reporting period, the Company had 106,858,000 share options outstanding under the New Scheme. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 106,858,000 additional ordinary shares of the Company and additional share capital of HK$427,543,000 (equivalent to RMB389,810,000) (before issue expenses).

40. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity.

Capital reserve

The capital reserve represents additional contribution made by the shareholders of the Company's subsidiaries and, in the case of an acquisition of an additional equity interest in a non-wholly-owned subsidiary, the difference between the cost of acquisition and the non-controlling interests acquired.

PRC statutory surplus reserve

Transfers from retained profits to the statutory surplus reserve were made in accordance with the relevant PRC rules and regulations and the articles of association of the Group's subsidiaries established in Mainland China and were approved by the board of directors of the respective subsidiaries.

The statutory surplus reserve can be used to cover previous years' losses, if any, and may be converted into capital in proportion to equity holders' existing equity holding, provided that the balance after such conversion is not less than 25% of their registered capital.

Asset revaluation reserve

The asset revaluation reserve arose from the change in use from owner-occupied properties to investment properties carried at fair value.

Share option reserve

The share option reserve comprises the fair value of share options granted which are yet to be exercised, as further explained in the accounting policy for share-based payments in note 2.4 to the financial statements. The amount will either be transferred to the share capital account when the related options are exercised, or be transferred to retained profits should the related options expire or be forfeited.

Hedging reserve

The hedging reserve represents reserves related to net investment hedges.

41. BUSINESS COMBINATION

(a) 2024 business combination

The Group's business combination during the year ended 31 December 2024 mainly included the acquisitions of a number of property development companies and acquisition of additional interests in joint ventures (collectively referred to as the "2024 Acquirees"). The directors of the Company consider that none of the 2024 Acquirees acquired during the year was significant to the Group and thus the individual financial information of the 2024 Acquirees on the acquisition date was not disclosed.

The Group remeasured the fair value of the equity interest previously held as joint ventures at the date of acquisition, and fair value gains of RMB149,853,000 were recognised in other income and gains in the consolidated statement of profit or loss during the year ended 31 December 2024 (note 5).

The Group has elected to measure the non-controlling interest in the 2024 Acquirees at the non-controlling interest's proportionate share of the 2024 Acquirees' identifiable net assets.

Notes to Financial Statements

Year ended 31 December 2024

41. BUSINESS COMBINATION (Continued)

(a) 2024 business combination (Continued)

The fair values of the identifiable assets and liabilities of the 2024 Acquirees as at the date of acquisition were as follows:

	Notes	RMB'000
Property, plant and equipment	14	37,149
Right-of-use assets	19(a)	16,714
Intangible assets	21	12
Financial assets at fair value through profit or loss		106,769
Properties under development		7,862,944
Investment properties	18	14,133
Deferred tax assets	36	9,128
Trade and bill receivables		72,062
Other financial assets		2,659
Prepayments, other receivables and other assets		977,935
Prepaid tax		267,911
Cash and cash equivalents		416,015
Trade and bills payables		(369,757)
Other payables and accruals		(5,306,480)
Interest-bearing bank and other borrowings		(1,507,898)
Tax payable		(15)
Lease liabilities	19(b),43	(16,714)
Deferred tax liabilities	36	(84,689)
Total identifiable net assets at fair value		2,497,878
Non-controlling interests		(771,180)
Gain on bargain purchase recognised in other income and gains in the consolidated income statement	5	(2,625)
Goodwill		230,752
		1,954,825
Satisfied by:		
Cash		882,637
Fair value of equity interest previously held as investments in joint ventures		622,083
Capital contribution		450,105
Total purchase consideration		1,954,825

41. BUSINESS COMBINATION (Continued)

(a) 2024 business combination (Continued)

The fair values of its other receivables as at the date of acquisition amounted to RMB933,568,000, which are equal to its gross contractual amounts.

The Group incurred transaction costs of RMB2,370,000 for these acquisitions. These transaction costs have been expensed and are included in administrative expenses in the consolidated statement of profit or loss.

The Group measured the acquired lease liabilities using the present value of the remaining lease payments at the date of acquisition. The right-of-use assets were measured at an amount equal to the lease liabilities and adjusted to reflect the favourable terms of the leases relative to market terms.

The Group recognised a gain on bargain purchase of approximately RMB2,625,000 in the consolidated statement of profit or loss for the year ended 31 December 2024, which was, in the opinion of the directors, primarily attributable to the Group's ability in negotiating the agreed terms of the transaction with the independent third parties, as the Group has good reputation and rich experience in the property development and management of residential properties, commercial buildings and hotel properties, and has sufficient available funds for the ongoing development of the project.

An analysis of the cash flows in respect of the acquisition of the subsidiaries is as follows:

	RMB'000
Cash consideration	(882,637)
Cash and bank balances acquired	416,015
Net inflow of cash and cash equivalents included in cash flows from investing activities	(466,622)
Transaction costs of the acquisition included in cash flows used in operating activities	(2,370)
Total net cash outflow	(468,992)

Since the acquisition, the 2024 Acquirees contributed RMB2,464,982,000 to the Group's revenue and RMB161,388,000 to the consolidated profit for the year ended 31 December 2024 in aggregate.

Had the combination taken place at the beginning of the year ended 31 December 2024, the revenue of the Group and the profit of the Group for the year ended 31 December 2024 would have been RMB59,361,793,000 and RMB2,214,227,000 respectively.

Notes to Financial Statements

Year ended 31 December 2024

41. BUSINESS COMBINATION (Continued)

(b) 2023 business combination

The Group's business combination during the year ended 31 December 2023 mainly included the acquisitions of a number of property development companies and acquisition of additional interests in joint ventures (collectively referred to as the "2023 Acquirees"). The directors of the Company consider that none of the 2023 Acquirees acquired during the year was significant to the Group and thus the individual financial information of the 2023 Acquirees on the acquisition date was not disclosed.

The Group remeasured the fair value of the equity interest previously held as joint ventures at the date of acquisition, and fair value gains of RMB316,063,000 were recognised in other income and gains in the consolidated statement of profit or loss during the year ended 31 December 2023 (note 5).

The Group has elected to measure the non-controlling interest in the 2023 Acquirees at the non-controlling interest's proportionate share of the 2023 Acquirees' identifiable net assets.

The fair values of the identifiable assets and liabilities of the 2023 Acquirees as at the date of acquisition were as follows:

	Notes	RMB'000
Property, plant and equipment	14	1,264
Right-of-use assets	19(a)	1,463
Properties under development		10,702,058
Properties held for sale		845,617
Deferred tax assets	36	36,146
Investment in joint venture		281,467
Prepayments, other receivables and other assets		3,447,273
Prepaid tax		353,260
Cash and cash equivalents		2,122,818
Trade and bills payables		(133,040)
Other payables and accruals		(6,623,912)
Interest-bearing bank and other borrowings		(3,345,300)
Tax payable		(107,369)
Lease liabilities	19(b),43	(1,554)
Deferred tax liabilities	36	(306,616)
Total identifiable net assets at fair value		7,273,575
Non-controlling interests		(3,536,132)
Gain on bargain purchase recognised in other income and gains in the consolidated income statement	5	(1,223)
		3,736,220
Satisfied by:		
Cash*		1,288,216
Fair value of equity interest previously held as investments in joint ventures		2,448,004
Total purchase consideration		3,736,220

* Cash consideration of RMB575,000,000 had been pre-paid by the Group as at 31 December 2022 and the consideration of RMB713,216,000 was paid during the year ended 31 December 2023.

41. BUSINESS COMBINATION (Continued)

(b) 2023 business combination (Continued)

The fair values of its other receivables as at the date of acquisition amounted to RMB3,447,273,000, which are equal to its gross contractual amounts.

The Group incurred transaction costs of RMB405,000 for these acquisitions. These transaction costs have been expensed and are included in administrative expenses in the consolidated statement of profit or loss.

The Group measured the acquired lease liabilities using the present value of the remaining lease payments at the date of acquisition. The right-of-use assets were measured at an amount equal to the lease liabilities and adjusted to reflect the favourable terms of the leases relative to market terms.

The Group recognised a gain on bargain purchase of approximately RMB1,223,000 in the consolidated statement of profit or loss for the year ended 31 December 2023, which was, in the opinion of the directors, primarily attributable to the Group's ability in negotiating the agreed terms of the transaction with the independent third parties, as the Group has good reputation and rich experience in the property development and management of residential properties, commercial buildings and hotel properties, and has sufficient available funds for the ongoing development of the project.

An analysis of the cash flows in respect of the acquisition of the subsidiaries is as follows:

	RMB'000
Cash consideration	(713,216)
Cash and bank balances acquired	2,122,818
Net outflow of cash and cash equivalents included in cash flows from investing activities	1,409,602
Transaction costs of the acquisition included in cash flows from operating activities	(405)
Total net cash inflow	1,409,197

Since the acquisition, the 2023 Acquirees contributed RMB3,295,551,000 to the Group's revenue and RMB91,715,000 to the consolidated profit for the year ended 31 December 2023 in aggregate.

Had the combination taken place at the beginning of the year ended 31 December 2023, the revenue from continuing operations of the Group and the profit of the Group for the year ended 31 December 2023 would have been RMB72,403,613,000 and RMB4,867,621,000 respectively.

Notes to Financial Statements

Year ended 31 December 2024

42. DISPOSAL OF SUBSIDIARIES

During the years ended 31 December 2024 and 31 December 2023, the Group lost control over certain subsidiaries.

	Notes	2024 RMB'000	2023 RMB'000
Net assets disposed of:			
Property, plant and equipment	14	311,543	967,333
Intangible assets	21	234	164
Right-of-use assets	19(a)	103,065	465,465
Investment properties	18	1,004,000	123,627
Deferred tax assets	36	26,577	38,061
Cash and cash equivalents		1,782,974	150,785
Inventories		387	790
Trade and bill receivables		3,970	–
Properties under development		14,128,727	283,974
Properties held for sale		–	850,982
Prepayments, other receivables and other assets		2,619,782	1,348,014
Prepaid tax		258,385	18,942
Trade and bills payables		(2,329,343)	(287,804)
Other payables and accruals		(14,854,601)	(1,045,369)
Lease liabilities	19(b)	(2,376)	–
Deferred tax liabilities	36	(2,223)	(5,050)
Interest-bearing bank and other borrowings		(2,280,434)	–
		770,667	2,909,914
Non-controlling interests		(194,063)	(655,445)
Subtotal		576,604	2,254,469
Gain on disposal of a subsidiary	5	2,094,092	1,354,717
Total consideration		2,670,696	3,609,186
Satisfied by:			
Cash		1,990,553	3,609,186
Fair value of interests retained by the Group		680,143	–
		2,670,696	3,609,186

An analysis of the net outflow of cash and cash equivalents in respect of the disposal of subsidiaries is as follows:

	2024 RMB'000	2023 RMB'000
Cash consideration	1,990,553	3,609,186
Cash and cash equivalents disposed of	(1,782,974)	(150,785)
Net inflow of cash and cash equivalents in respect of the disposal of subsidiaries	207,579	3,458,401

43. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

During the year, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB139,151,000, including those classified under investment properties of RMB96,124,000 (2023: RMB18,159,000) and RMB139,151,000 (2023: RMB125,407,000), respectively.

(b) Changes in liabilities arising from financing activities:

2024

	Bank and other borrowings RMB'000	Payable to non-controlling shareholders and third parties RMB'000	Lease liabilities RMB'000
At 1 January 2024	127,379,349	10,219,345	1,114,309
Changes from financing cash flows	3,732,611	(769,207)	(155,020)
Foreign exchange movement	870,391	-	-
New leases	-	-	139,151
Interest expense	9,317	-	49,342
Termination	-	-	(36,645)
Dividends to non-controlling shareholders	-	914,898	-
Decrease arising from reclassification to due to related parties	(8,418,217)	-	-
Decrease arising from disposal of subsidiaries (note 42)	(2,280,434)	-	(2,376)
Increase arising from acquisition of subsidiaries (note 41)	1,507,898	-	16,714
At 31 December 2024	122,800,915	10,365,036	1,125,475

2023

	Bank and other borrowings RMB'000	Payable to non-controlling shareholders and third parties RMB'000	Lease liabilities RMB'000
At 1 January 2023	122,665,090	12,550,764	1,126,102
Changes from financing cash flows	(333,656)	(3,683,052)	(190,138)
Foreign exchange movement	833,638	–	–
New leases	–	–	125,407
Interest expense	868,977	–	51,384
Dividends to non-controlling shareholders	–	1,351,633	–
Increase arising from acquisition of subsidiaries (note 41)	3,345,300	–	1,554
At 31 December 2023	127,379,349	10,219,345	1,114,309

Notes to Financial Statements

Year ended 31 December 2024

43. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(c) Total cash outflow for leases:

The total cash outflow for leases included in the statement of cash flows is as follows:

	2024 RMB'000	2023 RMB'000
Within operating activities	31,510	22,393
Within financing activities	155,020	190,138
Total	186,530	212,531

44. FINANCIAL GUARANTEES

At the end of the reporting period, the Group has provided guarantees amounting to approximately RMB6,739,504,000 (2023: RMB11,357,331,000) in respect of mortgage facilities for certain purchasers of the Group's properties.

Besides, as at 31 December 2024, the Group provided guarantees of RMB1,364,269,000 (2023: RMB2,022,260,000) and RMB632,190,000 (2023: RMB936,530,000) to certain joint ventures and associates of the Group related to their bank loans, respectively. At 31 December 2024, certain of the Group's investments in joint ventures and associates, which had an aggregate net carrying amount of RMB1,064,484,000 (2023: RMB1,084,708,000) were also pledged to secure the same bank loans aforementioned.

The Group assessed that the fair value at initial recognition of the financial guarantees and the ECL allowance during the year were not significant.

45. COMMITMENTS

(a) The Group had the following contractual commitments at the end of the reporting period:

	2024 RMB'000	2023 RMB'000
Properties under development	56,648,289	62,505,066
Land under development	5,339,259	5,108,636
Property, plant and equipment	304,232	180,683
Capital contributions to joint ventures and associates	4,031,872	7,898,039
Total	66,323,652	75,692,424

(b) The Group has various lease contracts that have not yet commenced as at 31 December 2024. The future lease payments for these non-cancellable lease contracts are RMB10,635,000 (2023: RMB22,954,000) due within one year.

46. RELATED PARTY TRANSACTIONS

(a) In addition to the transactions detailed in notes 28 to the financial statements, the Group had the following material transactions with related parties during the year:

	Notes	2024 RMB'000	2023 RMB'000
Fellow subsidiaries:			
Rental income*	(i)	**219,218**	222,302
Property management fee income*	(i)	**51,533**	59,093
Interest expense*	(ii)	**124,729**	283,918
Interest income*	(iii)	**76,439**	148,147
Building decoration service income	(i)	**7,144**	2,727
Consulting fee income	(i)	**314**	–
The immediate holding company:			
Rental expense	(i)	**797**	3,473
Interest expense	(ii)	**440,661**	667,947
An intermediate holding company:			
Rental income*	(i)	**108,229**	108,662
Property management fee income*	(i)	**10,171**	10,008
Interest expense	(ii)	**292,712**	341,768
Building decoration service income	(i)	**138**	2,239
The ultimate holding company:			
Rental income*	(i)	**442**	7,910
Property management fee income*	(i)	**426**	701
Joint ventures:			
Interest income	(iii)	**360,496**	504,003
Interest expense	(ii)	**246**	81,773
Rental income	(i)	**8,565**	5,560
Property management fee income	(i)	**60,391**	191,811
Building decoration service income	(i)	**299,023**	464,721
Consulting fee income	(i)	**57,969**	106,665
Other service income	(i)	**9,952**	39,433
Associates:			
Interest income	(iii)	**67,868**	322,974
Interest expense	(ii)	**124,461**	115,540
Property management fee income	(i)	**27,772**	107,452
Building decoration service income	(i)	**206,527**	308,930
Consulting fee income	(i)	**48,970**	138,712
Rental income	(i)	**525**	2,880
Other service income	(i)	**9,104**	7,560
Associates of the Group's ultimate holding company:			
Rental income*	(i)	**26,874**	27,491
Property management fee income*	(i)	**–**	4,204
The substantial shareholder:			
Interest income*	(iii)	**13,910**	54,721
Interest expense*	(ii)	**75,251**	102,119

Notes to Financial Statements

Year ended 31 December 2024

46. RELATED PARTY TRANSACTIONS (Continued)

(a) (Continued)

Notes:

(i) These transactions were carried out in accordance with the terms and conditions mutually agreed by the parties involved.

(ii) The interest expense was charged at rates ranging from 2.18% to 5.80% (2023: 2.18% to 5.80%) per annum.

(iii) The interest income was determined at rates ranging from 2.18% to 10.00% (2023: 2.18% to 10.00%) per annum.

* A certain portion of these related party transactions also constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules.

(b) Compensation of key management personnel of the Group

	2024 RMB'000	2023 RMB'000
Short term employee benefits	13,022	14,296
Post-employment benefits	1,598	1,878
Equity-settled share option expense	–	281
Total compensation paid to key management personnel	14,620	16,455

Further details of directors' and the chief executive's emoluments are included in note 9 to the financial statements.

(c) Transactions and balances with other state-owned entities

The Group is indirectly controlled by the PRC government and operates in an economic environment predominated by entities directly or indirectly owned or controlled by the government through its agencies, affiliates or other organisations (collectively "State-owned Entities" ("SOEs")). During the year, the Group had transactions with other SOEs including, but not limited to, borrowings, deposits, the sale of properties developed, the provision of property lease and management services and the provision of sub-contracting services. The directors of the Company consider that these transactions with other SOEs are activities conducted in the ordinary course of business and that the dealings of the Group have not been significantly or unduly affected by the fact that the Group and the other SOEs are ultimately controlled or owned by the PRC government. The Group has also established pricing policies for its products and services and such pricing policies do not depend on whether or not the customers are SOEs.

(d) Provision of guarantees to certain joint ventures and associates related to their borrowings

As at 31 December 2024, the Group provided guarantees of RMB1,364,269,000 (2023: RMB2,022,260,000) and RMB632,190,000 (2023: RMB936,530,000) to certain joint ventures and associates of the Group related to their borrowings, respectively.

The Group assessed that the fair value at initial recognition of the financial guarantees and the ECL allowance during the year were not significant.

47. 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:

	2024			2023		
	Financial assets at fair value through profit or loss			Financial assets at fair value through profit or loss		
	Designated as such upon initial recognition RMB'000	Financial assets at amortised cost RMB'000	Total RMB'000	Designated as such upon initial recognition RMB'000	Financial assets at amortised cost RMB'000	Total RMB'000
Financial assets						
Trade and bills receivables	2,602,150	2,196,095	4,798,245	2,448,330	1,963,383	4,411,713
Financial assets included in prepayments, other receivables and other assets	–	34,222,386	34,222,386	–	27,489,812	27,489,812
Due from related parties	–	27,502,014	27,502,014	–	27,027,881	27,027,881
Due from non-controlling shareholders	–	1,488,749	1,488,749	–	2,106,504	2,106,504
Other financial assets	5,685,142	–	5,685,142	5,847,409	–	5,847,409
Restricted bank balances	–	4,050,695	4,050,695	–	6,915,984	6,915,984
Cash and cash equivalents	–	30,805,085	30,805,085	–	30,919,968	30,919,968
	8,287,292	100,265,024	108,552,316	8,295,739	96,423,532	104,719,271

	2024 Financial liabilities at amortised cost RMB'000	2023 Financial liabilities at amortised cost RMB'000
Financial liabilities		
Trade and bills payables	22,858,047	31,292,804
Financial liabilities included in other payables and accruals	18,679,735	17,507,310
Due to related parties	67,478,756	49,746,858
Interest-bearing bank and other borrowings	122,800,915	127,379,349
Lease liabilities	1,125,475	1,114,309
Total	232,942,928	227,040,630

Notes to Financial Statements

Year ended 31 December 2024

48. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amounts		Fair values	
	2024 **RMB'000**	2023 RMB'000	**2024** **RMB'000**	2023 RMB'000
Financial assets				
Other financial assets	**5,685,142**	5,847,409	**5,685,142**	5,847,409
Trade receivables, non-current portion	**2,602,150**	2,448,330	**2,602,150**	2,448,330
	8,287,292	8,295,739	**8,287,292**	8,295,739
Financial liabilities				
Interest-bearing bank and other borrowings	**122,800,915**	127,379,349	**126,195,313**	134,277,572
	122,800,915	127,379,349	**126,195,313**	134,277,572

Management has assessed that the fair values of cash and cash equivalents, restricted bank balances, trade and bills receivables-current portion, financial assets included in prepayments, other receivables and other assets, trade and bills payables, financial liabilities included in other payables and accruals and amounts due from/to related parties approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Group's finance department is responsible for determining the policies and procedures for the fair value measurement of financial instruments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of non-current portion of trade receivables, interest-bearing bank and other borrowings except for notes and domestic corporate bonds have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The fair values of notes and domestic corporate bonds are based on quoted market prices. The changes in fair value as a result of the Group's own non-performance risk for interest-bearing bank and other borrowings as at 31 December 2024 were assessed to be insignificant.

The Group invests in unlisted investments, which represent wealth management products issued by banks in Mainland China. The Group has estimated the fair value of these unlisted investments by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

48. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 31 December 2024

	Fair value measurement using		
	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Other financial assets	201,140	5,484,002	5,685,142
Trade receivables, non-current portion	–	2,602,150	2,602,150

As at 31 December 2023

	Fair value measurement using		
	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Other financial assets	201,117	5,646,292	5,847,409
Trade receivables, non-current portion	–	2,448,330	2,448,330

The Group's assets were not categorised in Level 1 as at 31 December 2024 (2023: Nil).

Notes to Financial Statements

Year ended 31 December 2024

48. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Fair value hierarchy (Continued)

Assets measured at fair value: (Continued)

The movements in fair value measurements within Level 3 during the year are as follows:

	2024 RMB'000	2023 RMB'000
At 1 January	**8,094,622**	8,099,875
Additions	**9,142**	233,650
Revenue recognised in the statement of profit or loss	**119,104**	–
Received	**(179,360)**	(205,558)
Fair value gains on trade receivables (note 5)	**94,076**	96,349
Total losses recognised in the statement of profit or loss included in other losses	**(51,432)**	(129,694)
At 31 December	**8,086,152**	8,094,622

Liabilities measured at fair value:

The Group did not have any financial liabilities measured at fair value as at 31 December 2024 (2023: Nil).

Assets for which fair values are disclosed:

The carrying amounts of the Group's financial assets were either measured at fair value in the statement of financial positions or approximate to fair values as at 31 December 2024 and 2023.

48. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Fair value hierarchy (Continued)

Liabilities for which fair values are disclosed:

As at 31 December 2024

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Interest-bearing bank and other borrowings	35,396,378	90,798,935	–	126,195,313

As at 31 December 2023

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Interest-bearing bank and other borrowings	42,941,899	91,335,673	–	134,277,572

49. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise bank and other borrowings and cash and short term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade and bills receivables and trade and bills payables, which arise directly from its operations.

It is, and has been throughout the year under review, the Group's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Notes to Financial Statements

Year ended 31 December 2024

49. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long term debt obligations with floating interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit/(loss) before tax (through the impact on floating rate borrowings).

	Increase/ (decrease) in basis points	Increase/ (decrease) in profit before tax RMB'000
31 December 2024		
RMB	25	(87,075)
US$	25	–
HK$	25	(46,387)
RMB	(25)	87,075
US$	(25)	–
HK$	(25)	46,387

	Increase/ (decrease) in basis points	Increase/ (decrease) in loss before tax RMB'000
31 December 2023		
RMB	25	95,160
US$	25	331
HK$	25	42,495
RMB	(25)	(95,160)
US$	(25)	(331)
HK$	(25)	(42,495)

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the end of the year and has applied the exposure to interest rate risk to those bank and other borrowings in existence at that date. The estimated percentage increase or decrease represents management's assessment of a reasonably possible change in interest rates over the year until the end of the next reporting period.

49. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Foreign currency risk

All of the Group's revenue and substantially all of the Group's operating expenses are denominated in RMB, which is currently not a freely convertible currency. The PRC Government imposes controls on the convertibility of RMB into foreign currencies and, in certain cases, the remittance of currencies out of Mainland China. Shortages in the availability of foreign currencies may restrict the ability of the Group's PRC subsidiaries to remit sufficient foreign currencies to pay dividends or other amounts to the Group.

Under existing PRC foreign exchange regulations, payments of current account items, including dividends, trade and service-related foreign exchange transactions, can be made in foreign currencies without the prior approval from the State Administration of Foreign Exchange by complying with certain procedural requirements. However, the approval from the appropriate PRC Governmental authorities is required where RMB is to be converted into foreign currencies and remitted out of Mainland China to pay capital account items, such as the repayment of bank loans denominated in foreign currencies.

Currently, the Group's PRC subsidiaries may purchase foreign currencies for settlement of current account transactions, including the payment of dividends to the Company, without the prior approval of the State Administration of Foreign Exchange. The Group's PRC subsidiaries may also retain foreign currencies in their current accounts to satisfy foreign currency liabilities or to pay dividends. Since foreign currency transactions on the capital account are still subject to limitations and require the approval from the State Administration of Foreign Exchange, this could affect the ability of the Group's subsidiaries to obtain the required foreign currencies through debt or equity financing, including by means of loans or capital contributions.

The Group's financial assets and liabilities are not subject to foreign currency risk, except for certain short term deposits and interest-bearing borrowings denominated in United States dollars and Hong Kong dollars. The fluctuation s in the exchange rates of RMB against foreign currencies could affect the Group's results of operations.

There are limited hedging instruments available in Mainland China to reduce the Group's exposure to exchange rate fluctuations between the RMB and other currencies. The Group has refrained from utilizing derivative financial instruments in respect of the cash flow hedges to minimise the foreign currency exposures. The Group may decide to enter into hedging transactions in the future in an effort to reduce the Group's exposure to foreign currency exchange risk, the availability and effectiveness of these hedges may be limited, and the Group may not be able to hedge the Group's exposure successfully, or at all.

Notes to Financial Statements

Year ended 31 December 2024

49. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Foreign currency risk (Continued)

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the exchange rate between HK$ and US$ of the Group's profits for the years ended 31 December 2024 and 2023.

Increase/(decrease) in US$ rate	Increase/ (decrease) in profit for the year 2024 RMB'000	Decrease/ (increase) in loss for the year 2023 RMB'000
1%	(102,158)	(124,401)
(1%)	102,158	124,401

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the exchange rate between RMB and US$ of the Group's profits for the years ended 31 December 2024 and 2023.

Increase/(decrease) in US$ rate	Increase/ (decrease) in profit for the year 2024 RMB'000	Decrease/ (increase) in loss for the year 2023 RMB'000
5%	696	384
(5%)	(696)	(384)

49. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk

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 and the exposure to credit risk for the financial guarantee contracts.

As at 31 December 2024

	12-month ECLs	Lifetime ECLs			
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	Total RMB'000
Contract assets*	–	–	–	1,341,452	1,341,452
Trade and bills receivables at amortised cost*	–	–	–	2,263,695	2,263,695
Financial assets included in prepayments, other receivables and other assets – Normal**	34,222,386	–	–	–	34,222,386
Due from non-controlling shareholders	1,488,749	–	–	–	1,488,749
Due from related parties	21,417,225	9,433,848	–	–	30,851,073
Restricted bank balances – Not yet past due	4,050,695	–	–	–	4,050,695
Cash and cash equivalents – Not yet past due	30,805,085	–	–	–	30,805,085
Guarantee given to banks for mortgage facilities	6,739,504	–	–	–	6,739,504
Guarantees given to banks in connection with borrowings granted to joint ventures and associates	1,996,459	–	–	–	1,996,459
Total	100,720,103	9,433,848	–	3,537,947	113,759,098

Notes to Financial Statements

Year ended 31 December 2024

49. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk (Continued)

Maximum exposure and year-end staging (Continued)

As at 31 December 2023

	12-month ECLs	Lifetime ECLs			
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	Total RMB'000
Contract assets*	–	–	–	423,149	423,149
Trade and bills receivables at amortised cost*	–	–	–	2,010,876	2,010,876
Financial assets included in prepayments, other receivables and other assets – Normal**	27,489,812	–	–	–	27,489,812
Due from non-controlling shareholders	2,106,504	–	–	–	2,106,504
Due from related parties	19,836,032	10,540,908	–	–	30,376,940
Restricted bank balances					
– Not yet past due	6,915,984	–	–	–	6,915,984
Cash and cash equivalents					
– Not yet past due	30,919,968	–	–	–	30,919,968
Guarantee given to banks for mortgage facilities	11,357,331	–	–	–	11,357,331
Guarantees given to banks in connection with borrowings granted to joint ventures and associates	2,958,790	–	–	–	2,958,790
	101,584,421	10,540,908	–	2,434,025	114,559,354

* For trade and bills receivables and contract assets to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in notes 25 and 27 to the financial statements, respectively.

** The credit quality of the financial assets included in prepayments, other receivables and other assets 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".

Further quantitative data in respect of the Group's exposure to credit risk arising from trade and bills receivables and contract assets are disclosed in notes 25 and 27 to the financial statements.

49. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Liquidity risk

Due to the capital intensive nature of the Group's business, the Group ensures that it maintains sufficient cash and credit facilities to meet its liquidity requirements. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans, lease liabilities and other interest-bearing loans. In the opinion of the directors, most of the borrowings that mature within one year are able to be renewed and the Group is expected to have adequate source of funding to finance and manage its liquidity position.

Due to the Group's supplier finance arrangements, the relevant trade payables are due to a single counterparty rather than individual suppliers. This results in the Group being required to settle a significant amount with a single counterparty, rather than less significant amounts with a number of suppliers. However, the Group's payment terms for trade payables covered by the arrangements are either identical to the payment terms for other trade payables or extended to not more than 180 days. Management does not consider the supplier finance arrangements to result in excessive concentrations of liquidity risk given the payment terms are not significantly extended. Details of the arrangements are disclosed in note 32 to the financial statements.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

	2024				
	Within 1 year or on demand RMB'000	More than 1 year but less than 2 years RMB'000	More than 2 years but less than 5 years RMB'000	More than 5 years RMB'000	Total RMB'000
Interest-bearing bank and other borrowings	25,538,424	41,252,437	46,013,056	22,094,465	134,898,382
Lease liabilities	1,237,429	148,291	326,692	599,520	2,311,932
Trade and bills payables	22,858,047	–	–	–	22,858,047
Other payables	16,392,439	242,250	2,529,546	242,250	19,406,485
Due to related parties	54,685,703	499,994	14,162,990	203,755	69,552,442
Guarantee given to banks for mortgage facilities	6,739,504	–	–	–	6,739,504
Guarantees given to banks in connection with borrowings granted to joint ventures and associates	1,996,459	–	–	–	1,996,459
	129,448,005	42,142,972	63,032,284	23,139,990	257,763,251

Notes to Financial Statements

Year ended 31 December 2024

49. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Liquidity risk (Continued)

	2023				
	On demand RMB'000	Less than 3 months RMB'000	3 to less than 12 months RMB'000	1 to 5 years RMB'000	Total RMB'000
Interest-bearing bank and other borrowings	26,397,204	22,874,665	56,312,242	31,624,893	137,209,004
Lease liabilities	206,650	150,329	357,226	728,247	1,442,452
Trade and bills payables	31,292,804	–	–	–	31,292,804
Other payables	15,568,506	–	1,938,804	–	17,507,310
Due to related parties	44,295,464	–	5,451,394	–	49,746,858
Guarantee given to banks for mortgage facilities	11,357,331	–	–	–	11,357,331
Guarantees given to banks in connection with borrowings granted to joint ventures and associates	2,958,790	–	–	–	2,958,790
	132,076,749	23,024,994	64,059,666	32,353,140	251,514,549

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Group manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, issue new shares or sell assets to reduce debt. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2024 and 31 December 2023.

49. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Capital management (Continued)

The Group has established supplier finance arrangements to manage its working capital, details of which are included in note 29 to the financial statements.

The Group monitors capital on the basis of the net debt-to-adjusted-capital ratio. This ratio is calculated as net debt divided by adjusted capital. Net debt is calculated as total interest-bearing bank and other borrowings (as shown in the statement of financial position) less cash and cash equivalents, restricted bank balances and certain financial assets at fair value through profit or loss. Adjusted capital comprises all components of equity (including non-controlling interests) and the Group's amounts due to the holding companies. The Group aims to maintain the net debt-to-adjusted-capital ratio at a reasonable level. The net debt-to-adjusted-capital ratios as at the end of the reporting periods were as follows:

	Note	2024 RMB'000	2023 RMB'000
Interest-bearing bank and other borrowings	34	122,800,915	127,379,349
Less: Cash and cash equivalents, restricted bank balances and certain other financial assets		(34,855,820)	(37,835,992)
Net debt		87,945,095	89,543,357
Total equity		108,278,602	109,837,117
Add: the Group's amounts due to the holding companies*		22,694,300	12,142,483
Adjusted capital		130,972,902	121,979,600
Net debt-to-adjusted-capital ratio		67.15%	73.40%

* the Group's amounts due to the holding companies include the amounts due to Sinochem Hong Kong Capital Management Co., Ltd., a wholly-owned subsidiary of Sinochem Hong Kong (Group) Company Limited.

50. EVENTS AFTER THE REPORTING PERIOD

On 21 February 2025, Shanghai Jinmao, a wholly-owned subsidiary of the Company, completed the issuance of the corporate bonds with a principal amount of RMB1,700,000,000. The corporate bonds are unsecured and have a term of 4 years with a fixed rate of 2.79% per annum. The issuer shall be entitled to adjust the coupon rate and the investors shall be entitled to sell back the corporate bonds at the end of the second year.

Notes to Financial Statements

Year ended 31 December 2024

51. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	2024 RMB'000	2023 RMB'000
NON-CURRENT ASSETS		
Property, plant and equipment	148	57
Right-of-use assets	667	5,238
Investments in subsidiaries	35,232,788	33,971,878
Total non-current assets	35,233,603	33,977,173
CURRENT ASSETS		
Due from subsidiaries	47,714,986	52,343,848
Prepayments, other receivables and other assets	249	357,642
Due from related parties	461	571
Other financial assets	–	–
Cash and cash equivalents	400,211	387,714
Total current assets	48,115,907	53,089,775
CURRENT LIABILITIES		
Other payables and accruals	802,197	776,913
Due to related parties	4,118,146	13,216,332
Interest-bearing bank and other borrowings	8,310,601	9,317,510
Lease liabilities	1,073	3,353
Total current liabilities	13,232,017	23,314,108
NET CURRENT ASSETS	34,883,890	29,775,667
TOTAL ASSETS LESS CURRENT LIABILITIES	70,117,493	63,752,840
NON-CURRENT LIABILITIES		
Due to subsidiaries	11,107,610	20,650,494
Interest-bearing bank and other borrowings	15,189,626	15,262,711
Total non-current liabilities	26,297,236	35,913,205
Net assets	43,820,257	27,839,635
EQUITY		
Share capital	26,925,023	26,917,815
Perpetual capital instrument	15,195,750	–
Reserves (note)	1,699,484	921,820
Total equity	43,820,257	27,839,635

TAO Tianhai
Director

QIAO Xiaojie
Director

51. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Note:

A summary of the Company's reserves is as follows:

	Exchange fluctuation reserve RMB'000	Hedging reserve RMB'000	Share option reserve RMB'000	Retained profits RMB'000	Total RMB'000
At 1 January 2023	300,160	(28,072)	157,847	517,731	947,666
2022 final dividend settled by scrip dividends	–	–	–	(96,798)	(96,798)
2022 final dividend settled by cash	–	–	–	(147,808)	(147,808)
2023 interim dividend settled by scrip dividends	–	–	–	(82,991)	(82,991)
2023 interim dividend settled by cash	–	–	–	(101,321)	(101,321)
Total comprehensive income for the year	373,171	28,072	–	3,519	404,762
Equity-settled share option arrangements	–	–	(1,690)	–	(1,690)
At 31 December 2023 and 1 January 2024	673,331	–	156,157	92,332	921,820
2024 interim dividend settled by scrip dividend	–	–	–	(7,208)	(7,208)
2024 interim dividend settled by cash	–	–	–	(369,997)	(369,997)
Total comprehensive income for the year	858,756	–	–	296,113	1,154,869
At 31 December 2024	1,532,087	–	156,157	11,240	1,699,484

The share option reserve comprises the fair value of share options granted which are yet to be exercised, as further explained in the accounting policy for share-based payments in note 2.4 to the financial statements. The amount will either be transferred to share capital when the related options are exercised, or be transferred to retained profits should the related options expire or be forfeited.

52. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 25 March 2025.

Five-Year Financial Information

Year ended 31 December 2024

I. MAJOR INFORMATION OF STATEMENTS OF PROFIT OR LOSS

	Year ended 31 December				
	2020 RMB'000	2021 RMB'000	2022 RMB'000	2023 RMB'000	2024 RMB'000
RESULTS					
REVENUE	60,053,878	90,059,934	82,991,372	72,403,613	59,052,954
Cost of sales	(47,939,514)	(73,302,309)	(69,845,752)	(63,382,132)	(50,456,068)
Gross profit	12,114,364	16,757,625	13,145,620	9,021,481	8,596,886
Other income and gains	8,698,685	7,028,274	11,690,608	4,354,472	4,306,787
Selling and marketing expenses	(1,600,582)	(2,378,428)	(2,616,703)	(2,962,631)	(2,287,492)
Administrative expenses	(3,529,395)	(4,675,358)	(4,294,548)	(3,868,557)	(2,916,978)
Other expenses and losses, net	(4,381,312)	(2,806,638)	(5,954,108)	(5,423,991)	(2,033,897)
Finance costs	(2,726,978)	(2,787,670)	(2,711,121)	(3,013,873)	(2,534,525)
Share of profits and losses of:					
Joint ventures	371,098	996,077	73,467	(1,051,173)	988,412
Associates	698,297	580,388	423,965	131,739	318,778
PROFIT BEFORE TAX	9,644,177	12,714,270	9,757,180	(2,812,533)	4,437,971
Income tax expense	(3,449,056)	(5,009,439)	(4,536,286)	(2,045,816)	(2,238,274)
PROFIT FOR THE YEAR	6,195,121	7,704,831	5,220,894	(4,858,349)	2,199,697
Attributable to:					
Owners of the parent	3,880,986	4,689,944	1,984,083	(6,896,644)	1,064,809
Non-controlling interests	2,314,135	3,014,887	3,236,811	2,038,295	1,134,888
	6,195,121	7,704,831	5,220,894	(4,858,349)	2,199,697

II. MAJOR INFORMATION OF FINANCIAL POSITION

	As at 31 December				
	2020 RMB'000	2021 RMB'000	2022 RMB'000	2023 RMB'000	2024 RMB'000
Total non-current assets	162,530,406	206,091,016	230,423,143	219,967,817	216,200,744
Total current assets	225,225,768	205,911,288	191,472,496	187,151,384	193,055,674
Total assets	387,756,174	412,002,304	421,895,639	407,119,201	409,256,418
Total current liabilities	197,079,975	201,244,879	188,458,816	176,090,404	173,329,044
Total non-current liabilities	88,849,117	103,963,797	120,750,083	121,191,680	127,648,772
Total liabilities	285,929,092	305,208,676	309,208,899	297,282,084	300,977,816
Equity attributable to:					
Owners of the parent	46,762,064	49,961,349	47,445,427	39,291,296	53,575,131
Non-controlling interests	55,065,018	56,832,279	65,241,313	70,545,821	54,703,471
Total equity	101,827,082	106,793,628	112,686,740	109,837,117	108,278,602

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express our sincere gratitude to all our customers, business partners, shareholders and various local governments for their long-term support and trust, and to all the employees for their assiduous efforts.

By order of the Board
China Jinmao Holdings Group Limited
TAO Tianhai
Chairman

Hong Kong, 25 March 2025

As at the date of this announcement, the Directors of the Company are Mr. TAO Tianhai (Chairman), Mr. ZHANG Hui and Ms. QIAO Xiaojie as Executive Directors; Mr. CHENG Yong, Ms. CHEN Aihua, Mr. CHEN Yijiang and Ms. WANG Wei as Non-executive Directors; and Mr. SU Xijia, Mr. SUEN Man Tak, Mr. GAO Shibin and Mr. ZHONG Wei as Independent Non-executive Directors.