遠洋集團
SINO-OCEAN GROUP

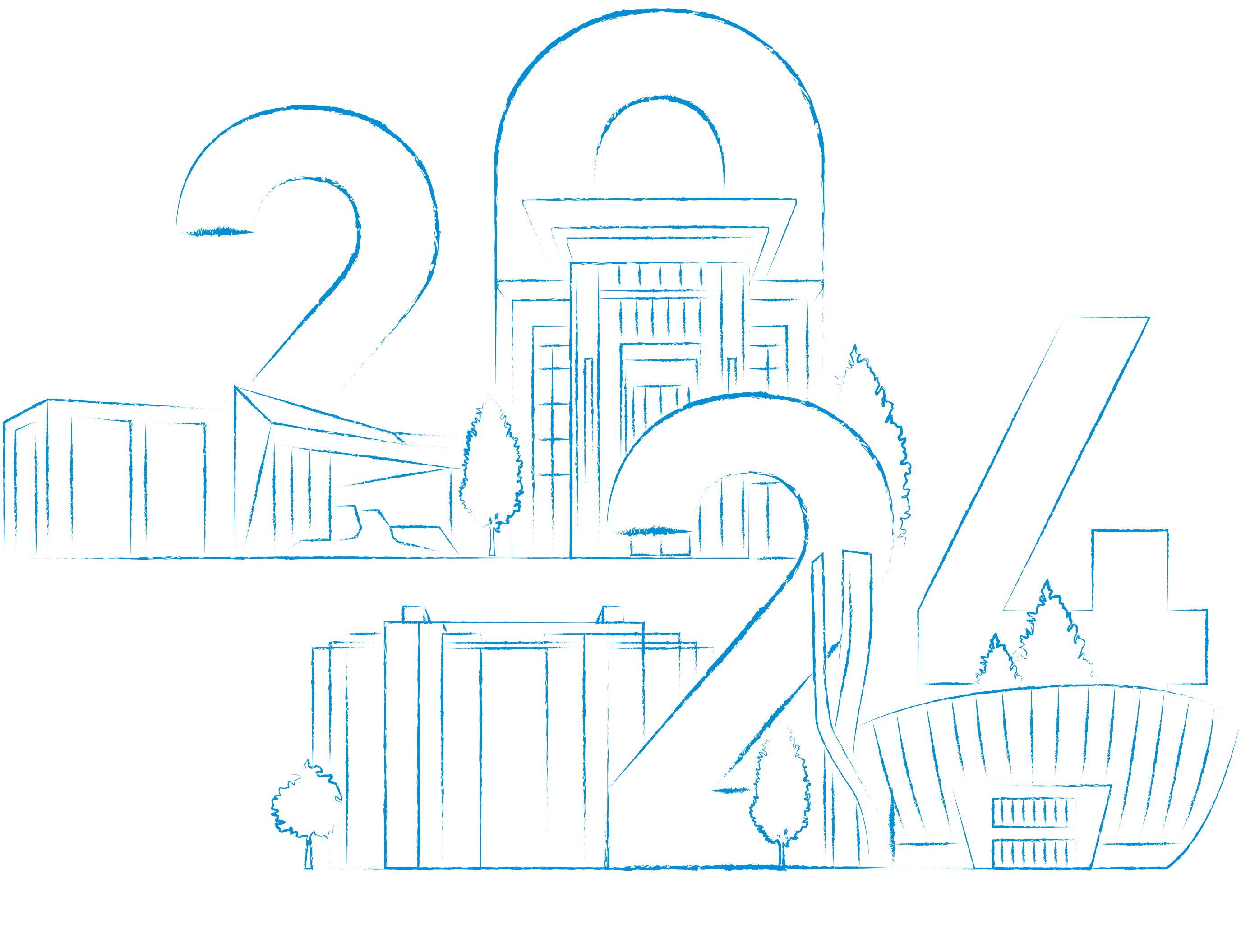
2024
ANNUAL REPORT

SINO-OCEAN

遠洋集團控股有限公司

SINO-OCEAN GROUP HOLDING LIMITED

(Incorporated in Hong Kong with limited liability)
Stock Code: 03377.HK



BREAKTHROUGH ·
REBIRTH

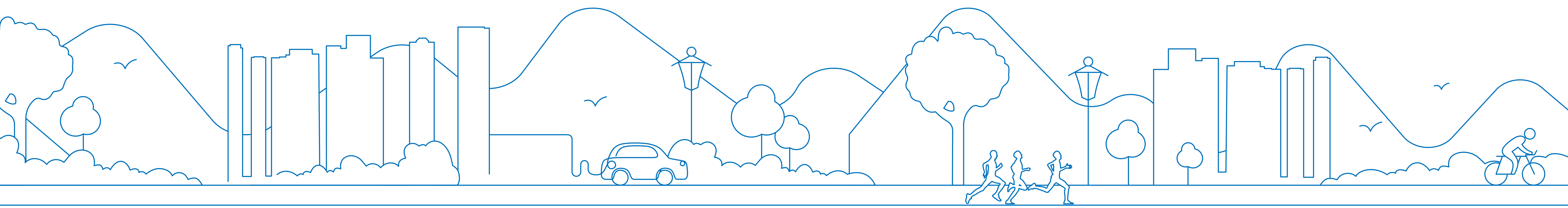
CONTENTS

ABOUT SINO-OCEAN

Sino-Ocean Group Holding Limited has been listed on the Main Board of The Stock Exchange of Hong Kong Limited since 28 September 2007 (Stock Code: 03377.HK), with China Life Insurance Company Limited and Dajia Life Insurance Co., Ltd. as substantial Shareholders.

With a strategic vision of becoming the "Creator of Building Health and Social Value", Sino-Ocean Group is committed to becoming a pragmatic comprehensive corporation focusing on investment and development while exploring related diversified new businesses. The core businesses of the Group include development of residential property, investment property development and operation, property services and whole-industrial chain construction services, with its scope of businesses also covering senior living service, internet data center, logistics real estate and real estate fund, etc., forming a unique advantage in the field of asset-light agent construction. The Group adheres to "Serving Users with Craftsmanship" and puts the concept of "Building·Health" into active practice, striving to create a high-quality healthy life style for users through carefully-crafted products and premium services.

Sino-Ocean Group currently owns over 240 projects in different stages in rapidly growing Chinese cities and our business regions, such as Beijing, Shijiazhuang, Taiyuan and Qinhuangdao in the Beijing Region; Tianjin, Qingdao, Jinan and Dalian in the Bohai Rim Region; Shanghai, Hangzhou, Nanjing and Suzhou in the Eastern Region; Shenzhen, Guangzhou and Fuzhou in the Southern Region; Wuhan, Zhengzhou, Hefei and Changsha in the Central Region; Chengdu, Chongqing, Xi'an and Kunming in the Western Region. As at 31 December 2024, we had a land reserve of around 31 million sq.m.



CORPORATE INFORMATION

The corporate information of Sino-Ocean Group as of the date of this report was as follows:

Directors

Executive Directors

Mr. LI Ming *(Chairman and CEO)*
Mr. WANG Honghui
Mr. CUI Hongjie
Ms. CHAI Juan

Non-executive Directors

Mr. ZHANG Zhongdang
Mr. YU Zhiqiang
Ms. SUN Jianxin
Ms. WANG Manling

Independent Non-executive Directors

Mr. HAN Xiaojing
Mr. LYU Hongbin
Mr. LIU Jingwei
Mr. JIANG Qi
Mr. CHEN Guogang

Audit Committee

Mr. LIU Jingwei *(Chairman of committee)*
Mr. YU Zhiqiang
Ms. SUN Jianxin
Mr. LYU Hongbin
Mr. CHEN Guogang

Nomination Committee

Mr. LI Ming *(Chairman of committee)*
Ms. WANG Manling
Mr. HAN Xiaojing
Mr. JIANG Qi
Mr. CHEN Guogang

Remuneration Committee

Mr. HAN Xiaojing *(Chairman of committee)*
Ms. CHAI Juan
Mr. LYU Hongbin
Mr. JIANG Qi

Strategic and Investment Committee

Mr. LI Ming *(Chairman of committee)*
Mr. WANG Honghui
Mr. CUI Hongjie
Mr. ZHANG Zhongdang
Ms. WANG Manling
Mr. LIU Jingwei
Mr. ZHAO Jianjun

Company Secretary

Mr. SUM Pui Ying

Authorized Representatives

Mr. LI Ming
Mr. SUM Pui Ying

Registered Office

Suite 601, One Pacific Place
88 Queensway
Hong Kong

Principal Place of Business

31–33 Floor, Tower A
Ocean International Center
56 Dongsihuanzhonglu
Chaoyang District, Beijing
PRC

Principal Bankers

(in alphabetical order)
Agricultural Bank of China, Ltd.
Bank of China (Hong Kong) Limited
Bank of China Limited
Bank of Communications Co., Ltd.
Bank of Shanghai Co., Ltd.
China CITIC Bank Corporation Limited
China Everbright Bank Co., Ltd.
China Guangfa Bank Co., Ltd.
China Minsheng Bank Corp., Ltd.
China Zheshang Bank Co., Ltd.
CMB Wing Lung Bank Limited
Hang Seng Bank Limited
Industrial and Commercial Bank of China, Ltd.
Industrial Bank Co., Ltd.
Ping An Bank Co., Ltd.
Postal Savings Bank of China Co., Ltd.
Shanghai Pudong Development Bank Co., Ltd.
The Bank of East Asia, Limited
The Hongkong and Shanghai Banking Corporation Limited
United Overseas Bank Limited

Auditor

BDO Limited
Certified Public Accountants
Registered Public Interest Entity Auditor

Legal Advisor

Paul Hastings

Share Registrar

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

Listing Information

The Stock Exchange of Hong Kong Limited
Stock Code: 03377.HK

Company Website

www.sinooceangroup.com

Investor Relations Contact

ir@sinooceangroup.com

FINANCIAL & OPERATION HIGHLIGHTS

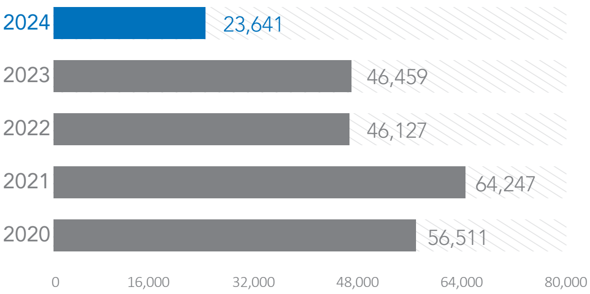
Financial Highlights (RMB million)	2024	2023	Change
Contracted Sales	**35,160**	50,530	-30%
Revenue	**23,641**	46,459	-49%
Gross (loss)/profit	**-398**	1,183	-134%
Loss for the year	**-18,888**	-20,985	-10%
Loss attributable to owners of the Company	**-18,624**	-21,097	-12%
Total assets	**181,405**	206,172	-12%
Equity attributable to owners of the Company	**-12,659**	7,029	-280%
Cash resources[1]	**4,828**	5,022	-4%

Financial Information per share	2024	2023	Change
Loss per share (RMB)			
— Basic	**-2.445**	-2.770	-12%
— Diluted	**-2.445**	-2.770	-12%

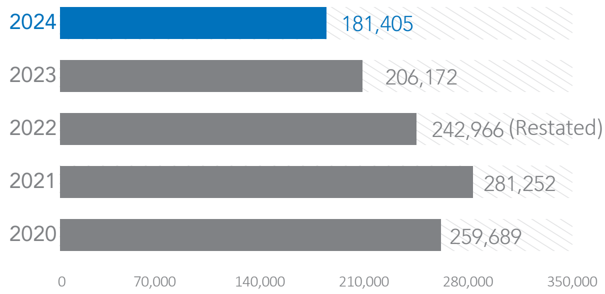
Financial Ratios	2024	2023	Change
Gross (loss)/profit margin (%)	**-2%**	3%	-5 pts
Net loss margin (%)	**-80%**	-45%	35 pts
Current ratio (times)	**0.90**	0.95	-5%
Net gearing ratio (%)[2]	**42,020%**	438%	41,582 pts

Notes:
1 Including the restricted bank deposits
2 Total borrowings minus cash resources divided by total equity

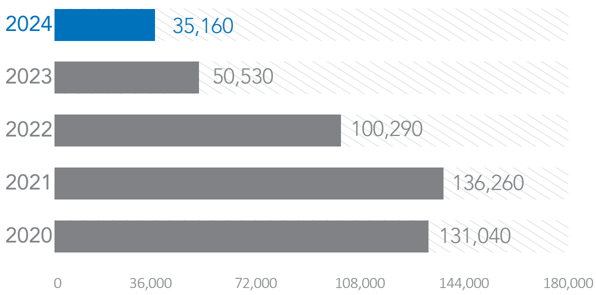
Revenue
(RMB million)



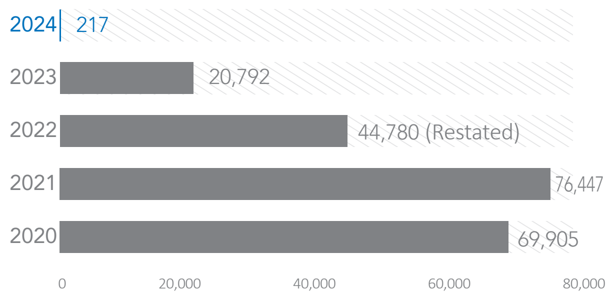
Total Assets
(RMB million)



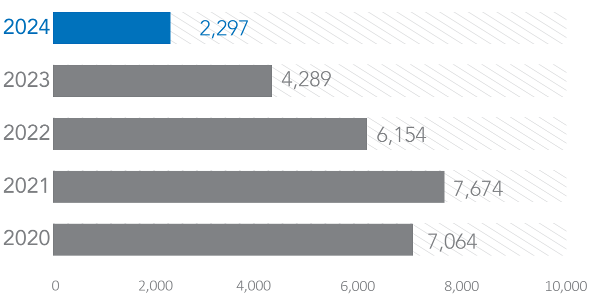
Contracted Sales
(RMB million)



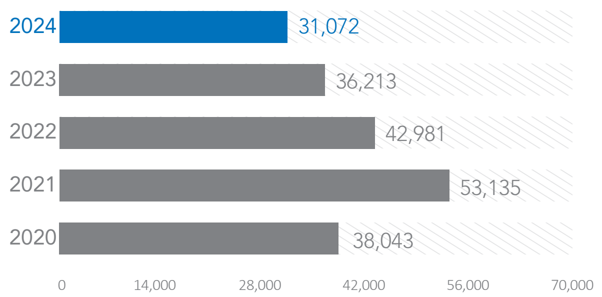
Total Equity
(RMB million)



Saleable GFA Sold
('000 sq.m.)



Landbank
('000 sq.m.)



CHAIRMAN'S STATEMENT

On behalf of the Board, I have the pleasure in presenting the annual results of the Group for the twelve months ended 31 December 2024.

RESULTS OF 2024

Due to the continuous downturn in the overall real estate market in the PRC, for the twelve months ended 31 December 2024, the Group recorded RMB23,641 million in revenue, representing a YoY decrease of approximately 49%; gross loss was RMB398 million (2023: gross profit of RMB1,183 million) and the gross loss margin was 2% (2023: gross profit margin of 3%). Loss attributable to owners of the Company and loss per share (basic and diluted) were RMB18,624 million and RMB2.445, respectively.

MARKET REVIEW AND OUTLOOK

In 2024, the real estate market in China continued to be sluggish. At the end of the third quarter of the year, the Central Political Bureau Conference proposed to "actively halt the decline of the real estate market and bring it back to stability". The Central and local governments continued to roll out a series of policy measures to stabilize the market. These included down payment requirement for the first two residential units and mortgage interest rate were reduced to historic lows; all restrictions on purchase were largely lifted; acquisition of residences and land plots, adjustment on land usage and land return were encouraged. These policies produced positive results, and the market was stabilizing in stages in the fourth quarter. In 2024, GFA of newly-built commodity housing sold was 973.85 million sq.m., a drop of 12.9% YoY, of which GFA of residential housing sold decreased by 14.1%; revenue of newly-built commodity housing was RMB9,675 billion, 17.1% lower YoY, of which revenue of residential housing dropped by 17.6%.

The real estate industry in China has been through three and a half years of deep adjustments. As the balance between supply and demand improves and the continuous implementation of supportive policies, the market is expected to stabilize and halt its decline. However, net assets of property enterprises have suffered grave losses due to fallen prices, the journey of clearing various risks is long and business transformation is inevitable.

PERFORMANCE REVIEW AND STRATEGY

In 2024, despite the enormous pressure from the market conditions and our own operation, the Group still adhered to the principle of 'Serving users with craftsmanship' and persevered with focusing on sustainable operation, committing to high quality delivery, actively solving debt-related risks and exploring asset-light businesses.

Steadfast in high-quality delivery to maintain the Top 10 position

The Group has always regarded guaranteed delivery as the primary goal of operations and attaches significant importance to product delivery. In 2024, the Group overcame massive challenges and put in maximum efforts to complete high quality delivery of approximately 42,000 residential units in some 40 cities including Tianjin, Shanghai, Suzhou, Xiamen, Jinan, Zhengzhou and Guangzhou. At the same time, the Group exercised stringent management on delivery quality. Third party data[1] indicated that the Group ranked Top 10 among major property enterprises in terms of overall delivery quality. Our interior decoration and landscape gardening ranked Top 5 in the industry. The continued leading position in delivery quality won recognition from property owners and the market, confirmed the Group's fulfillment of social responsibilities and demonstrated our corporate commitment.

Note 1: According to statistics provided by Shenzhen Ruijie Technology Co., Ltd

Pushed forward debt management in an orderly manner to resolve debt risks actively

In the past few years, asset prices of the real estate industry persistently fell and turnaround time continually lengthened, causing assets of property enterprises to shrink significantly, resulting in serious damage to their balance sheets. As the industry is still slowly bottoming out and recovery needs time, the continued resolution of risks has become an inevitable trend. Under these circumstances, the Group pushed forward resolutions of various debts through numerous measures and made substantial progress in onshore and offshore debt management.

Thanks to offshore creditors' extensive support and trust, the Group successfully completed all procedures for offshore debt restructuring. The offshore debt restructuring will become effective on 27 March 2025. This restructuring reduced the Group's leverage by approximately USD4 billion, significantly improved its asset-liability structure and greatly alleviating offshore liquidity pressures. During the restructuring, the corporate governance structure and equity structure remained stable, providing a strong assurance for our long-term and stable development. The success of offshore debt restructuring not only created favorable conditions for the stable operation of the Group's offshore entities but also a good foundation for the speedy recovery of our entire business.

At the same time, however, Sino-Ocean Holding still face huge pressure from debts. Sino-Ocean Holding is the primary onshore property development operating entity of Sino-Ocean Group, which is with the largest onshore assets and liabilities, as well as the issuer of onshore open market debts and the guarantor for the majority of onshore debts. In the first half of 2024, Sino-Ocean Holding completed the work for the extension of approximately RMB18 billion onshore corporate bonds, effectively easing the short-term funding pressure of debt repayment. From the first quarter of 2025, the extended onshore corporate bonds have to be repaid both in principal and interest in stages. However, the real estate market is currently bottoming out, Sino-Ocean Holding's operation recovery is not what was expected, refinancing capability is yet to be regained, cash flow is still under enormous pressure and falling short in repaying the principal and interest that are due soon. Therefore, repayment arrangements of the principal and interest of onshore corporate bonds have to be further adjusted. Sino-Ocean Holding will diligently make subsequent repayment arrangements, put in our best efforts to maintain the overall stability of the onshore capital market and gain time for subsequent effective resolution of onshore debt risks.

Operation progressed steadily, asset-light agent construction work gained major breakthrough

In 2024, the Group achieved the contracted sales of approximately RMB35.16 billion. Against the backdrop of the industry's prolonged sluggish situation, the Group's contracted sales ranked 28[2] in the 'China Property Enterprises Sales Ranking', and were in the forefront in Tianjin, Wenzhou and Xi'an. The Group also actively revitalized assets by completing the sale of INDIGO II in Beijing under extremely challenging market conditions. In addition, the Group's high quality investment properties in core first and second-tier cities still maintained stable operating performance, with occupancy rate at relative high level in core projects.

Faced with a changing industry, the Group on the one hand promoted existing businesses steadily, and planned and transformed to asset-light business such as agent construction business on the other. In 2024, the Group's comprehensive capabilities across all businesses and whole industry chain were widely recognized by clients from various segments, including residential, commercial, office, hotel, tourism, healthcare, logistics park and medical industrial park. Asset-light businesses such as agent construction by governments and financial institutions, full-process agent construction, sales agency management, post-investment management, and senior living projects management were blossoming. Third-party data[3] indicated that GFA of the Group's newly signed contracted agent construction in the year ranked TOP 20.

In-depth implementation of sustainable development , ESG performance continued to be in the lead

In 2024, the Group's continued outstanding performance in sustainable development was again recognized by the capital market rating agencies. As at 31 Dec 2024, the Group's ratings by the Global Real Estate Sustainability Benchmark ("GRESB"), S&P Global Corporate Sustainability Assessment ("CSA"), and Carbon Disclosure Project ("CDP") climate change rating were the highest among China's property enterprises. In March 2024, the CBD Plot Z6 project in Beijing successfully passed the 'Net Carbon Building Evaluation System' review. It was China's first super-high office block to be awarded the 'Net Zero Carbon Excellence Certification', filling the void in this area in the country.

Note 2: According to TOP 200 ranking of China Real Estate Developers by Total Sales 2024 (CRIC)
Note 3: According to 2024 China Real Estate Agent Construction Companies Newly Added Scale Ranking (China Index Academy)

At the same time, the Group continued to implement the 'Building・Health' concept, revolve round users' needs, and intensify the application and implementation of the Sino-Ocean's Healthy Building Series 2.0 in development projects. As at the end of 2024, all the new self-developed complete projects in the year implemented the Sino-Ocean Healthy Building Series which has already been applied to 150 projects in 51 cities throughout the country, covering approximately 28 million sq.m.

2025 COMPANY STRATEGIES

2025 is a turning point for the Group's development journey. We will soldier on, persevere in high quality delivery, spare no efforts in sustainable operation, strive to expand new businesses, explore and practice sustainable development in this industry's new stage, to be 'reborn after a long struggle'.

Persevere in high-quality delivery. Adhere to the Group's long-standing concept of 'Serving users with craftsmanship', perfect smooth delivery of all products and services, fulfill commitments to customers, craft high quality products and enhance customer satisfaction.

Strive to succeed in sustainable operation. Steadily work on resolving Sino-Ocean Holding's debt risks to reduce the respective negative impacts and enable the Group's stable operation and sustainable development. Accelerate cash collection, increase efforts in asset disposal, exhaust all means to revitalize projects. Stabilize, expand and increase income, remain steadfast with 'one project one policy', 'one company one policy', maintain the robust operation of underlying assets, raise their quality and prices.

Maximize efforts in new business expansion. Release restrictions on mechanisms, invigorate the team, leverage on our principal business of property development, capitalize on the Group's advantage in multi-business and whole industry chain, actively expand new businesses such as asset-light agent construction, urban renewal and non-performing assets, raise the ratio of new businesses in stages, consolidate and enhance the Group's capabilities in sustainable operation and expansion.

APPRECIATION

On behalf of the Board, I would like to extend my deepest gratitude to all Shareholders, investors, local authorities, business partners and customers who have been most supportive; also to Directors, management and the entire staff for their dedicated hard work. Our sustainable and stable development could not be achieved without their unreserved support.

LI Ming
Chairman

Hong Kong, 26 March 2025

MANAGEMENT DISCUSSION & ANALYSIS

A discussion and analysis of the Group for the year ended 31 December 2024 is set out below:

FINANCIAL REVIEW

Sino-Ocean Group is a pragmatic comprehensive corporation focusing on the principal business of property development while exploring related diversified new businesses. Our business mainly cover the areas of the Beijing Region, the Bohai Rim Region, the Eastern Region, the Southern Region, the Central Region and the Western Region.

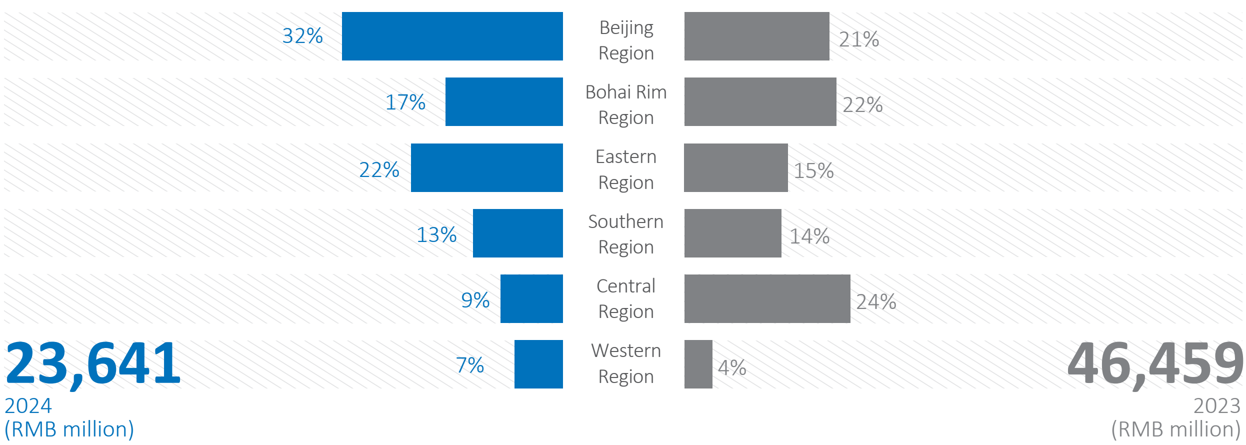
The Group's contracted sales amount for the year 2024 (including its joint ventures and associates) decreased to RMB35,160 million (2023: RMB50,530 million) with total saleable GFA sold of approximately 2,996,800 sq.m. (2023: 4,288,900 sq.m.). We recorded a decrease in revenue of approximately 49%, to RMB23,641 million (2023: RMB46,459 million). The loss attributable to owners of the Company was RMB18,624 million (2023: RMB21,097 million). Basic loss per share was RMB2.445 (2023: RMB2.770).

Revenue

The components of the revenue are analyzed as follows:

(RMB million)	2024	2023	Change
Property development	**17,273**	38,993	-56%
Property investment	**321**	446	-28%
Property management and related services	**2,710**	2,885	-6%
Other real estate related businesses	**3,337**	4,135	-19%
Total	**23,641**	46,459	-49%

Revenue contributions by geographical locations are analyzed below:



The Group's revenue in 2024 decreased by approximately 49% to RMB23,641 million, from RMB46,459 million in 2023. Property development segment remained the largest contributor, which accounted for about 73% of total revenue. During 2024, the revenue from property development contributed by the Beijing, Bohai Rim, Eastern, Southern, Central and Western Regions were 10%, 22%, 29%, 17%, 13% and 9%, respectively. We will persistently maintain a balanced project portfolio for mitigating the risk from single market fluctuations and enabling more effective usage of resources, allowing the Group to stay focused on our future development plan.

Property management and related services include (i) property management services; (ii) community value-added services; and (iii) value-added services to non-property owners.

Due to the downturn trend of the overall real estate market in the PRC, the total revenue of other real estate businesses (including whole-industrial chain construction services, internet data center, senior living services, etc.) decreased accordingly during 2024.

Cost of sales

The Group's total cost for the year decreased by approximately 47% to RMB24,039 million, from RMB45,276 million in 2023, which was in line with the decrease in the revenue.

The Group's total cost of sales was mainly the cost of property development, which mainly consisted of land cost and construction cost.

Excluding carparks, average land cost per sq.m. of property development business in 2024 was approximately RMB6,300 (2023: RMB6,500 per sq.m.). Average construction cost per sq.m. (excluding carparks) for property development business was approximately RMB5,200 for the year (2023: RMB5,700 per sq.m.).

Gross (loss)/profit

Gross loss for the year was RMB398 million (2023: gross profit of RMB1,183 million). Gross loss margin was 2% in 2024 (2023: gross profit margin of 3%). The gross loss recorded for the year was mainly because of the downturn in the overall real estate market in the PRC during 2024, which led to (i) the decreasing industry gross profit margin; and (ii) the provision made by the Group for inventories.

Interest and other income and other losses (net)

Interest and other income decreased by approximately 18% to RMB700 million in 2024, compared to RMB854 million in 2023. The decrease was mainly attributable to the decrease in the interest income during 2024.

The Group recorded other losses (net) of RMB4,651 million in 2024 (2023: RMB672 million). The recorded losses in 2024 were primarily due to the continuous downturn and operational difficulties in the real estate market in the PRC. It was mainly comprised of the impairment losses on interest in a joint venture, fair value losses of financial assets and financial liabilities at fair value through profit or loss and provisions for litigations during the year.

Revaluation of investment properties

Due to the continual slump of the real estate industry in the PRC, the Group recognized fair value losses on its investment properties (before tax and non-controlling interests) of RMB747 million for 2024 (2023: RMB928 million).

Operating expenses

Selling and marketing expenses for 2024 were RMB710 million (2023: RMB1,170 million), which decreased by approximately 39% as compared to 2023. The decrease was mainly because of the negative real estate market sentiment in the PRC during 2024, with the combined effect of (i) the decrease in contracted sales; and (ii) less new projects launched. These costs accounted for approximately 2.0% of the total contracted sales amount for 2024 (2023: 2.3%).

Administrative expenses incurred for 2024 slightly decreased to RMB1,630 million (2023: RMB1,695 million), representing approximately 6.9% of the total revenue for 2024 (2023: 3.6%). The Group will continue to adopt strict cost control measures to maintain these costs at a relatively stable and lower level.

Net impairment losses under expected credit loss model

The Group recorded the net impairment losses under expected credit loss model of RMB7,699 million for the year (2023: RMB11,283 million). The expenses included the provisions made for expected credit losses on the trade and other receivables and financial guarantee by the Group during 2024.

Finance costs

Our weighted average interest rate decreased from 5.63% for the year of 2023 to 5.39% for the year of 2024. The total interest expenses paid or accrued decreased to RMB5,299 million in 2024 (2023: RMB5,358 million), of which RMB3,588 million (2023: RMB3,517 million) was not capitalized and charged through consolidated income statement during the year.

Taxation

The aggregate of enterprise income tax and deferred tax decreased to RMB329 million in 2024 (2023: RMB361 million), the decrease in the expense was mainly attributed to the combined effects of the decrease in revenue and the recorded gross loss during the year. In addition, land appreciation tax credit for 2024 was RMB834 million (2023: tax expense of RMB1,063 million). It was mainly due to the reversal of the previous recognized land appreciation tax expense for several projects during 2024.

Loss attributable to owners of the Company

The loss attributable to owners of the Company was RMB18,624 million for the year of 2024 (2023: RMB21,097 million). The loss recorded for 2024 was mainly attributed to the fact that the overall real estate market in the PRC remained in deep adjustments, which led to (i) the decrease in the industry gross profit margin, and the provision we made for impairment of property projects; and (ii) the losses recognised from the disposal of property projects during the year of 2024.

Financial resources and liquidity

During 2024, the Group continued to refine our funding structure, treasury and credit policies and objectives to strengthen the financial control and minimize its risk exposure under the everchanging financial market and global economic environment. We are committed to managing the borrowings at an appropriate level, the borrowings decreased from RMB96,143 million at the end of 2023 to RMB96,014 million as at the year end of 2024, of which 59% of the borrowings were denominated in RMB. The remaining borrowings were denominated in other currencies, such as USD and HKD. Approximately 63% of the borrowings were made at fixed interest rate.

As at 31 December 2024, the Group had total cash resources (including cash and cash equivalents and restricted bank deposits) of RMB4,828 million, of which approximately 99% (31 December 2023: 99%) of the Group's cash resources were denominated in RMB with the remaining balances denominated in other currencies, such as USD and HKD. The current ratio was 0.90. During the year of 2024, the real estate market in the PRC remained in deep adjustments, the profitability of the overall industry was being eroded, cash collection process remained slow and property enterprises had great liquidity pressure. The Group took the initiative in mitigating liquidity risks, so as to secure the Group will have sufficient cash resources to continue as a going concern and pay its debts.

As at 31 December 2024, the Group's net gearing ratio (i.e. total borrowings less total cash resources divided by total equity) was approximately 42,020% (31 December 2023: 438%). The significant increase in net gearing ratio was caused by the decrease of the total equity due to the recorded losses for 2024. In 2025, following the issue of more easing macro policies in the real estate industry, we would continue to resolve the debt risk and focus on ensuring the delivery of property projects and lowering the net gearing ratio.

The maturities of the Group's total borrowings are set out as follows:

(RMB million)	As at 31 December 2024	As a percentage of total borrowings	As at 31 December 2023	As a percentage of total borrowings
Within 1 year	**63,576**	**66%**	69,751	73%
1 to 2 years	**13,489**	**14%**	11,027	11%
2 to 5 years	**13,285**	**14%**	9,386	10%
Over 5 years	**5,664**	**6%**	5,979	6%
Total	**96,014**	**100%**	96,143	100%

Other investments

As at 31 December 2024, the Group owned a diversified investment portfolio, such as investments in joint ventures and associates for property development projects, investments in property funds and equity financial investments in real estate.

The results of the above investments have been properly reflected in the audited financial information for the year ended 31 December 2024.

Financial guarantees and charge on assets

As at 31 December 2024, the value of the guarantees provided by the Group to banks for mortgages extended to property buyers before completion of their mortgage registration was RMB12,716 million (31 December 2023: RMB16,591 million).

As at 31 December 2024, the Group had pledged some of plant and equipment, land use rights, properties under development, completed properties held for sale, investment properties, equity interests in certain subsidiaries and affiliates and trade and other receivables to secure short-term borrowings (including the current portion of long-term borrowings) of RMB25,565 million (31 December 2023: RMB16,305 million) and long-term borrowings of RMB29,406 million (31 December 2023: RMB16,476 million). As at 31 December 2024, total pledged assets accounted for approximately 40% of the total assets of the Group (31 December 2023: 27%).

Capital commitments

The Group entered into certain agreements in respect of properties under development and property projects. As at 31 December 2024, the Group had a total capital commitment of RMB9,827 million (31 December 2023: RMB17,461 million).

Contingent liabilities

In line with the prevailing commercial practice in the Mainland China, the Group provides guarantees for mortgages extended to property buyers before completion of their mortgage registration. As at 31 December 2024, the total amount of the aforesaid guarantees provided by the Group was RMB12,716 million (31 December 2023: RMB16,591 million). In the past, the Group had not incurred any material loss from providing such guarantees, as the guarantees were given as a transitional arrangement that would be terminated upon the completion of the mortgage registration and were secured by the buyers' properties.

As at 31 December 2024, the Group provided guarantees amounted to approximately RMB68,970 million for borrowings of joint ventures, associates and third parties (31 December 2023: RMB63,030 million). For details of financial guarantees, please refer to note 46 to the consolidated financial statements of this annual report.

Material acquisitions and disposals of subsidiaries, joint ventures and associates

- Disposal of equity interests and creditor's rights in a property development company in the PRC

  On 7 June 2024, the Company, Beijing Yingyu Enterprise Management Consulting Co., Ltd.* (北京穎煜企業管理諮詢有限公司) ("Seller 1"), Tianjin Yigangtong Enterprise Management Co., Ltd.* (天津頤港通企業管理有限公司) (together with Seller 1, the "Sellers") (both being wholly-owned subsidiaries of the Company), China Life Qihang Phase I (Tianjin) Equity Investment Fund Partnership (Limited Partnership) (國壽啟航壹期(天津)股權投資基金合夥企業(有限合夥)) ("Purchaser 1"), Shiny Harbour Limited (緻港有限公司) ("Purchaser 2 (Equity)"), Beijing Sanlitun South Property Management Company Limited* (北京三里屯南區物業管理有限公司) ("Purchaser 2 (Debt)", together with Purchaser 2 (Equity), "Purchaser 2") (Purchaser 1 together with Purchaser 2, the "Purchasers") and Beijing Xingtaitonggang Properties Company Limited* (北京星泰通港置業有限公司) (the "Target Company") entered into a sale and purchase agreement (the "Sale and Purchase Agreement") in relation to the disposal by the Sellers to the Purchasers of (a) an aggregate of 64.79% equity interests in the Target Company and (b) all creditor's rights held by Seller 1 in the Target Company in relation to the loans lent by Seller 1 to the Target Company (in the aggregate amount of RMB124,828,088.64) at the total consideration of RMB4 billion (the "Disposal").

  In accordance with the terms of the Sale and Purchase Agreement, on 7 June 2024, the Company, Seller 1, Purchaser 2 (Equity) and Purchaser 2 (Debt) also entered into an agreement in relation to, among other things, the waiver of the right of first refusal by Purchaser 2 (Equity) (as an existing shareholder of the Target Company) subject to the payment of RMB184 million by Seller 1 to Purchaser 2 (Equity), and the adjustment and payment of the consideration payable by Purchaser 2 (Equity) for the Disposal.

  The Target Company is principally engaged in property development and is mainly responsible for the development and operation of a development site for the proposed development of a project named INDIGO II. Located in Dawangjing Business Circle, Beijing with strong business atmosphere, INDIGO II is intended to be developed into a flagship commercial complex.

  As at the date of the Sale and Purchase Agreement, the Target Company was accounted for as a joint venture of the Company in the consolidated financial statements of the Group. Upon completion of the Disposal, the Company will cease to have any interest in the Target Company. The Disposal has been completed during the year ended 31 December 2024.

  Details of the above transactions have been disclosed in the announcement of the Company dated 7 June 2024 and the circular of the Company dated 25 June 2024.

BUSINESS REVIEW

Property development

Recognized sales

Revenue from property development business decreased by approximately 56% in 2024, amounting to RMB17,273 million (2023: RMB38,993 million). Saleable GFA delivered decreased by 50% from approximately 3,015,000 sq.m. in 2023 to approximately 1,507,000 sq.m. in 2024 accordingly. The decrease was mainly due to less project completion and large scale delivery during the year as compared to 2023. Excluding carparks sales, the average selling price recognized in 2024 decreased to approximately RMB12,600 per sq.m. (2023: RMB14,400 per sq.m.). The decrease was mainly due to less projects in tier-one and core tier-two cities being delivered in 2024.

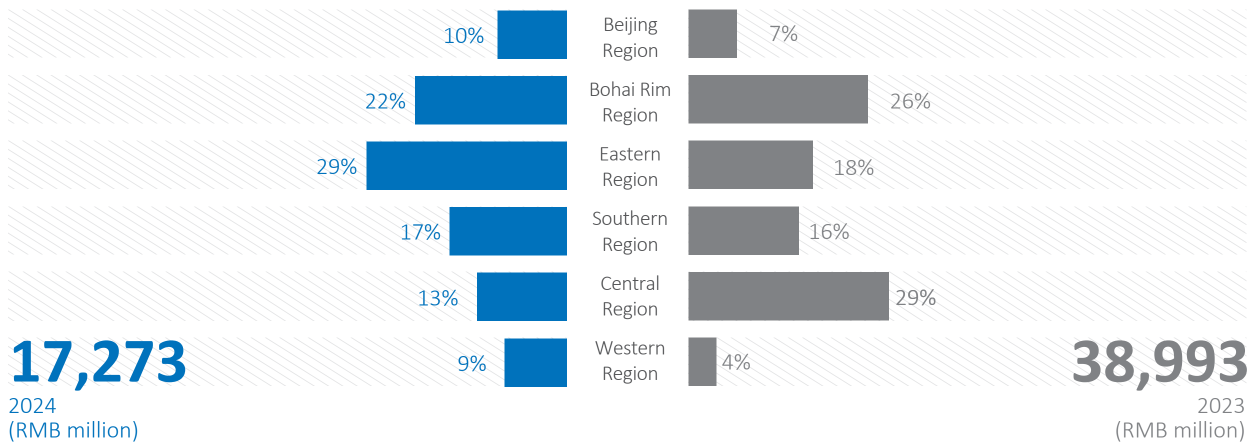
Revenue and saleable GFA delivered by cities during 2024 are set out as follows:

Regions	Cities	Revenue (RMB million)	Saleable GFA delivered (sq.m.)	Approximate average selling price recognized (RMB/sq.m.)
Beijing Region	Beijing	53	1,640	32,300
	Shijiazhuang	20	4,902	4,100
	Taiyuan	249	25,596	9,700
	Qinhuangdao	418	23,853	17,500
	Langfang	868	59,858	14,500
		1,608	**115,849**	**13,900**
Bohai Rim Region	Tianjin	741	42,349	17,500
	Qingdao	131	15,828	8,300
	Jinan	1,234	167,686	7,400
	Dalian	654	61,652	10,600
	Shenyang	883	122,224	7,200
		3,643	**409,739**	**8,900**
Eastern Region	Shanghai	3,129	56,490	55,400
	Hangzhou	5	100	50,000
	Nanjing	88	4,600	19,100
	Suzhou	72	7,636	9,400
	Wenzhou	1,473	79,695	18,500
		4,767	**148,521**	**32,100**

Regions	Cities	Revenue (RMB million)	Saleable GFA delivered (sq.m.)	Approximate average selling price recognized (RMB/sq.m.)
Southern Region	Shenzhen	268	15,382	17,400
	Guangzhou	1,146	64,920	17,700
	Maoming	48	12,235	3,900
	Jiangmen	225	24,835	9,100
	Zhongshan	584	60,120	9,700
	Zhanjiang	445	76,151	5,800
	Sanya	29	762	38,100
	Hong Kong	43	231	186,100
		2,788	**254,636**	**10,900**
Central Region	Wuhan	697	46,271	15,100
	Zhengzhou	7	962	7,300
	Hefei	515	45,760	11,300
	Nanchang	516	59,161	8,700
	Ganzhou	474	62,342	7,600
		2,209	**214,496**	**10,300**
Western Region	Chengdu	724	64,480	11,200
	Xi'an	780	86,310	9,000
	Guiyang	13	2,067	6,300
	Liuzhou	11	1,074	10,200
		1,528	**153,931**	**9,900**
	Other projects	346	38,100	9,100
Subtotal (excluding carparks)		**16,889**	**1,335,272**	**12,600**
Carparks (various projects)		384	171,482	2,200
Total		**17,273**	**1,506,754**	**11,500**

During 2024, the Group developed a balanced mix of contribution from the six regions on its revenue from property development business.

Revenue from property development by geographical locations are analyzed below:



In terms of property types, residential properties (including villas) continued to contribute the largest portion of property development revenue, accounting for approximately 93% in 2024 (2023: 92%). The average selling price recognized for the revenue from residential properties (including villas) in 2024 decreased by 13% to approximately RMB12,600 per sq.m. (2023: RMB14,400 per sq.m.) and corresponding total saleable GFA delivered decreased by approximately 49% from approximately 2,498,000 sq.m. in 2023 to approximately 1,269,000 sq.m. in 2024.

Revenue from property development in terms of property types are analyzed below:

	2024		2023	
	Revenue (RMB million)	GFA delivered ('000 sq.m.)	Revenue (RMB million)	GFA delivered ('000 sq.m.)
Residential and villa	**16,010**	**1,269**	35,863	2,498
Office premise	**265**	**20**	499	38
Retail space	**614**	**47**	1,755	112
Carpark	**384**	**171**	876	367

Contracted sales

Due to the adverse impacts caused by the downturn trend in the overall real estate market in the PRC, the contracted sales of the Group, together with its joint ventures and associates, for the twelve months ended 31 December 2024 decreased to RMB35,160 million, representing approximately 30% decrease compared to RMB50,530 million in 2023. Contracted saleable GFA sold in 2024 decreased by approximately 30% to 2,996,800 sq.m. (2023: 4,288,900 sq.m.). The average selling price (excluding car parks) decreased to approximately RMB12,800 per sq.m. (2023: RMB13,500 per sq.m.).

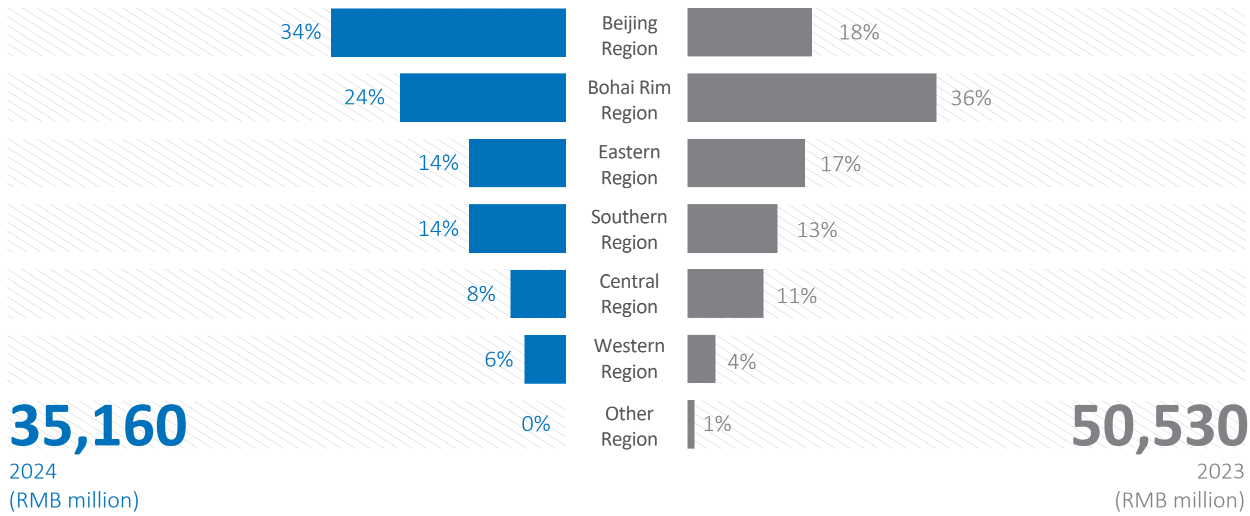
The contracted sales amounts and saleable GFA sold by cities in 2024 are set out below:

Regions	Cities	Contracted sales (RMB million)	Approximate saleable GFA sold (sq.m.)	Approximate average selling price (RMB/sq.m.)
Beijing Region	Beijing	9,745	415,000	23,500
	Shijiazhuang	210	31,600	6,600
	Taiyuan	332	51,700	6,400
	Qinhuangdao	393	23,100	17,000
	Langfang	344	30,400	11,300
	Zhangjiakou	42	6,200	6,800
	Jinzhong	472	83,000	5,700
		11,538	**641,000**	**18,000**
Bohai Rim Region	Tianjin	3,591	256,600	14,000
	Qingdao	315	22,400	14,100
	Jinan	3,508	368,200	9,500
	Dalian	450	49,700	9,100
	Shenyang	72	8,700	8,300
	Changchun	159	21,600	7,400
		8,095	**727,200**	**11,100**
Eastern Region	Shanghai	835	24,200	34,500
	Nanjing	4	900	4,400
	Suzhou	664	89,200	7,400
	Wuxi	751	38,400	19,600
	Wenzhou	921	43,100	21,400
	Jinhua	213	20,700	10,300
	Yangzhou	8	1,200	6,700
	Zhenjiang	338	41,000	8,200
	Suqian	229	43,600	5,300
		3,963	**302,300**	**13,100**

Regions	Cities	Contracted sales (RMB million)	Approximate saleable GFA sold (sq.m.)	Approximate average selling price (RMB/sq.m.)
Southern Region	Shenzhen	2,142	99,500	21,500
	Guangzhou	515	30,000	17,200
	Fuzhou	122	8,800	13,900
	Foshan	259	17,900	14,500
	Quanzhou	1	100	10,000
	Xiamen	705	39,000	18,100
	Maoming	14	3,600	3,900
	Jiangmen	217	29,300	7,400
	Zhongshan	340	43,500	7,800
	Zhanjiang	53	7,100	7,500
	Sanya	28	9,300	3,000
	Hong Kong	48	250	192,000
		4,444	**288,350**	**15,400**
Central Region	Wuhan	845	39,700	21,300
	Zhengzhou	170	19,800	8,600
	Changsha	457	50,000	9,100
	Nanchang	215	67,700	3,200
	Ganzhou	583	123,100	4,700
		2,270	**300,300**	**7,600**
Western Region	Chengdu	200	15,400	13,000
	Chongqing	65	9,400	6,900
	Xi'an	1,264	95,000	13,300
	Kunming	71	18,800	3,800
	Urumqi	254	60,500	4,200
	Xining	104	10,100	10,300
	Xishuangbanna	158	22,300	7,100
		2,116	**231,500**	**9,100**
	Other projects	1,803	176,800	10,200
Subtotal (excluding carparks)		**34,229**	**2,667,450**	**12,800**
Carparks (various projects)		931	329,350	2,800
Total		**35,160**	**2,996,800**	**11,700**

There were over 160 projects available for sale during 2024 (2023: over 180 projects). Contracted sales from tier-one and tier-two cities accounted for approximately 86% (2023: 85%). In terms of distribution, the Group's contracted sales contributed by the Beijing, Bohai Rim, Eastern, Southern, Central and Western were 34%, 24%, 14%, 14%, 8% and 6%, respectively in 2024.

Contracted sales amounts by geographical locations are analyzed below:



In terms of property types, residential properties (including villas) continued to contribute the largest portion of contracted sales amount and accounted for 80% in 2024 (2023: 89%). The average selling price for residential properties (including villas) in 2024 decreased by approximately 13% to RMB11,700 per sq.m. (2023: RMB13,500 per sq.m.) and the saleable GFA sold for residential use decreased by approximately 28% from 3,319,000 sq.m. in 2023 to approximately 2,403,000 sq.m. in 2024.

Contracted sales amount in terms of property types are analyzed below:

	2024		2023	
	Contracted sales amount (RMB million)	Saleable GFA sold ('000 sq.m.)	Contracted sales amount (RMB million)	Saleable GFA sold ('000 sq.m.)
Residential and villa	**28,225**	**2,403**	44,829	3,319
Office premise	**4,761**	**206**	985	58
Retail space	**1,243**	**59**	2,628	209
Carpark	**931**	**329**	2,088	703

Construction Progress and Developing Projects

The Group's total GFA and total saleable GFA (including its joint ventures and associates) completed in 2024 were approximately 5,549,100 sq.m. and 4,192,000 sq.m., respectively, which decreased by 18% and 19%, respectively, as compared to that of 2023. The Group will maintain the current construction scale in order to have enough GFA available for sale and for delivery to support the growth in 2025.

The details of construction progress and development progress are set out below:

Regions	Cities	Projects	Approximate GFA completed in 2024 (sq.m.)	Approximate targeted GFA to be completed in 2025 (sq.m.)
Beijing Region	Beijing	Central Peak	33,900	–
		Hilltime	–	22,900
		Ocean Poetic Dwelling	239,200	9,800
	Taiyuan	Glory Mansion	–	273,700
		Ocean Crown	–	52,900
		Ocean Seasons	99,300	2,900
		Sky Masion	–	184,500
		Sky of Palace	–	683,800
	Qinhuangdao	Seatopia	57,600	–
	Langfang	Ocean Brilliant City	63,300	117,900
	Jinzhong	Sky Masion	276,200	317,700
Bohai Rim Region	Tianjin	Boda Logistics Project	285,000	–
		Happy Light Year	–	19,500
		Neo-metropolis	81,100	493,300
		Ocean Orient	–	68,100
		UPED	141,300	117,700
	Qingdao	Ocean Glory	102,000	–
	Jinan	Minghu Mansion	248,400	306,100
		Ocean Crown	28,400	–
		Ocean Orient	404,800	31,300
		Sino-Ocean Metropolis	94,700	–
		Sky Masion	231,400	31,200
	Dalian	Diamond Bay	70,200	–
		Ocean Tower River Bay	29,300	16,800
	Shenyang	Ocean Elite River Prospect	–	80,900
		Ocean Noble Mansion	–	3,200
	Changchun	Dream Jilin	42,900	–

Regions	Cities	Projects	Approximate GFA completed in 2024 (sq.m.)	Approximate targeted GFA to be completed in 2025 (sq.m.)
Eastern Region	Shanghai	Baoshan Sky Masion	138,300	–
		Lingang Sky Masion	143,800	–
		Moon Mirage	–	50,500
	Suzhou	Shengze Sky Masion	150,400	–
	Wuxi	Life in Park	–	44,000
		One Residence	110,000	–
	Wenzhou	Center Mansion (formerly known as Plot ZX-14a-1, Central District, Leqing)	40,000	–
		Four Seasons Mansion	85,000	–
		Peninsula No. 9	–	265,100
	Yangzhou	Sky Masion	–	121,200
	Jiaxing	Pinghu Logistics Project	72,000	–
	Jinhua	Mountain Courtyard	100,400	32,000
	Zhenjiang	Central Mansion	85,300	55,000
	Suqian	Ocean We-life Plaza	–	109,700
		Shuyang Sky Masion	–	15,100
		Sky Masion	112,400	45,700
Southern Region	Shenzhen	Ocean Filter	–	92,000
		Peace Palace	278,000	–
	Guangzhou	Hibiscus Villa	3,000	10,700
		Natural Mansion	76,000	–
		Ocean Prospect	35,100	45,800
	Fuzhou	Ocean Tianfu	128,000	–
	Foshan	Natural Mansion	53,600	19,300
	Quanzhou	Ocean Prospect	51,000	–
	Xiamen	Ocean Prospect	79,100	119,900
	Jiangmen	Cloud Mansion	–	17,300
		Natural Mansion	45,300	17,900
	Zhongshan	Blossoms Valley	89,800	–
	Zhanjiang	Ocean City	73,300	62,200

Regions	Cities	Projects	Approximate GFA completed in 2024 (sq.m.)	Approximate targeted GFA to be completed in 2025 (sq.m.)
Central Region	Wuhan	Oriental World View	58,500	112,200
		Yangtze Opus	109,100	–
	Zhengzhou	Grand Apartment	–	59,100
		Rong Fu	–	85,100
	Hefei	Ideal Bourn	104,000	–
	Changsha	Sky Masion	112,600	140,200
		Special Mansion	35,400	–
	Nanchang	Cloud View	60,600	17,100
		Aegean Place	124,000	–
	Ganzhou	Sky Masion	63,700	109,500
Western Region	Chengdu	Ocean Ecological Land	86,800	22,800
	Chongqing	Life In Art Dist	27,800	–
	Xi'an	Fontaine Island	56,700	66,100
		Ocean Mansion	116,300	45,200
		Sino-Ocean Royal Landscape	–	38,900
	Guiyang	Sino-Ocean Aristocratic Family	–	61,000
		Sky Masion	110,800	–
	Urumqi	Royal Mansion	–	137,100
		Sky Palace	–	142,400
	Xining	Sky Masion	–	315,800
		Sky Palace	–	100,100
	Xishuangbanna	Rainforest Resorts	–	165,400
Other Region	Singapore	Cairnhill 16	4,000	–
Total			**5,549,100**	**5,575,600**

Landbank

As at 31 December 2024, the landbank of the Group (including its joint ventures and associates) decreased to approximately 31,072,000 sq.m. (31 December 2023: 36,213,000 sq.m.) and landbank with attributable interest decreased to approximately 16,464,000 sq.m. (31 December 2023: 19,073,000 sq.m.) accordingly. In terms of saleable GFA, the average land cost per sq.m. for our landbank as at 31 December 2024 was approximately RMB6,200 (31 December 2023: RMB6,500 per sq.m.).

The landbank details of the Group and its joint ventures and associates as at 31 December 2024 are set out as follows:

Regions	Cities	Projects	Districts	Approximate total GFA ('000 sq.m.)	Approximate total saleable GFA ('000 sq.m.)	Remaining landbank ('000 sq.m.)	Interest attributable to the Group (%)
Beijing Region	Beijing	Captain House	Fengtai District, Beijing	131	100	6	51.00%
		CBD Plot Z6	Chaoyang District, Beijing	27	21	27	28.57%
		Central Peak	Changping District, Beijing	256	193	188	50.00%
		Gold Mansion	Daxing District, Beijing	118	99	79	25.00%
		Grand Harmony Emerald Residence	Daxing District, Beijing	224	165	88	40.00%
		Hilltime	Mentougou District, Beijing	430	344	430	10.00%
		Jasper Epoch	Daxing District, Beijing	92	78	9	100.00%
		Jialihua Project, Shunyi District	Shunyi District, Beijing	277	206	277	100.00%
		Liangxiang Project	Fangshan District, Beijing	126	102	38	11.10%
		Ocean LA VIE	Chaoyang District, Beijing	318	305	40	85.72%
		Ocean Metropolis	Mentougou District, Beijing	330	276	48	56.88%
		Ocean Poetic Dwelling	Shijingshan District, Beijing	249	187	213	31.00%
		Ocean Wuliepoch	Shijingshan District, Beijing	595	458	103	21.00%
		Our New World	Fangshan District, Beijing	109	91	13	100.00%
		Plot 6002, Mentougou New Town	Mentougou District, Beijing	125	97	75	21.00%
		Polaris Plaza	Chaoyang District, Beijing	46	–	46	17.96%
		Royal River Villa	Chaoyang District, Beijing	132	118	12	20.00%
		Sino-Ocean Apple Garden No.6	Shijingshan District, Beijing	69	50	43	51.00%
		World View	Chaoyang District, Beijing	71	52	71	25.00%
		Xanadu & Ocean Epoch	Chaoyang District, Beijing	230	193	28	50.00%
		Xanadu & Ocean Palace	Daxing District, Beijing	300	207	97	50.00%
		Xiji Plot E, Tongzhou District	Tongzhou District, Beijing	139	136	139	50.00%
		Xinchi Tower	Daxing District, Beijing	67	41	67	70.00%
		Yongjingtaoyuan Project	Chaoyang District, Beijing	692	554	692	52.15%
				5,153	**4,073**	**2,829**	
	Shijiazhuang	Ande Memorial Park	Jingxing County, Shijiazhuang	110	110	109	88.89%
		Gaocheng Logistics Project	Gaocheng District, Shijiazhuang	54	–	54	64.30%
		Harmony Palace	Zhengding New District, Shijiazhuang	152	140	29	38.35%
		Sino-Ocean No. 7	Chang'an District, Shijiazhuang	115	103	110	24.26%
				431	**353**	**302**	

Regions	Cities	Projects	Districts	Approximate total GFA ('000 sq.m.)	Approximate total saleable GFA ('000 sq.m.)	Remaining landbank ('000 sq.m.)	Interest attributable to the Group (%)
	Taiyuan	Glory Mansion	Xinghualing District, Taiyuan	288	198	288	52.15%
		Jiefang Road Aegean Place	Xinghualing District, Taiyuan	125	–	125	52.15%
		Ocean Crown	Xiaodian District, Taiyuan	53	38	53	100.00%
		Ocean Seasons	Wanbailin District, Taiyuan	308	254	83	100.00%
		Sky Masion	Yingze District, Taiyuan	394	286	311	36.21%
		Sky of Palace	Wanbailin District, Taiyuan	897	529	897	26.60%
		Villa Epoch	Yangqu County, Taiyuan	54	34	18	44.00%
		Wangjiafeng Aegean Place	Yingze District, Taiyuan	109	–	109	36.21%
				2,228	**1,339**	**1,884**	
	Qinhuangdao	Seatopia	Funing District, Qinhuangdao	1,438	1,243	1,073	100.00%
	Langfang	Capital Palace	Anci District, Langfang	404	292	18	52.15%
		Jingkai Logistics Project	Jingkai District, Langfang	151	–	151	19.29%
		Ocean Brilliant City	Guangyang District, Langfang	1,897	954	1,256	43.20%
		Plot I, Guangyang Logistics Project	Guangyang District, Langfang	41	–	41	64.30%
		Plot II, Guangyang Logistics Project	Guangyang District, Langfang	144	–	144	19.29%
		Yanjiao Sanhe Internet Data Center	Yanjiao County, Langfang	73	–	73	24.50%
				2,710	**1,246**	**1,683**	
	Zhangjiakou	Centrality Mansion	Qiaodong District, Zhangjiakou	203	163	21	60.00%
	Jinzhong	Sky Masion	Yuci District, Jinzhong	2,067	1,537	1,235	30.85%
				14,230	**9,954**	**9,027**	
Bohai Rim Region	Tianjin	Capital Palace	Jizhou District, Tianjin	346	213	193	52.15%
		Happy Light Year	Wuqing District, Tianjin	504	317	264	49.98%
		Jixian Aegean Place	Jizhou District, Tianjin	87	–	87	52.15%
		Neo-metropolis	Beichen District, Tianjin	3,034	2,615	1,834	51.00%
		Ocean Fantastic Time	Dongli District, Tianjin	151	115	40	100.00%
		Ocean Orient	Binhai New Area, Tianjin	164	126	77	100.00%
		Sky Masion	Binhai New Area, Tianjin	388	231	5	52.15%
		Sky Masion Bay	Binhai New Area, Tianjin	253	182	15	52.15%
		UPED	Binhai New Area, Tianjin	653	445	483	51.00%
		Xanadu	Binhai New Area, Tianjin	185	135	185	30.00%
				5,765	**4,379**	**3,183**	
	Qingdao	Ocean Glory	Shibei District, Qingdao	102	76	1	10.75%
		Sino-Ocean Harmony	Shibei District, Qingdao	377	270	7	43.00%
		Sino-Ocean Landscape	Jimo District, Qingdao	113	86	27	100.00%
				592	**432**	**35**	

Regions	Cities	Projects	Districts	Approximate total GFA ('000 sq.m.)	Approximate total saleable GFA ('000 sq.m.)	Remaining landbank ('000 sq.m.)	Interest attributable to the Group (%)
	Jinan	Fantastic Time	Tianqiao District, Jinan	535	435	535	100.00%
		Minghu Mansion	Tianqiao District, Jinan	555	461	488	100.00%
		Ocean Crown	Huaiyin District, Jinan	103	87	97	70.00%
		Ocean Epoch	Lixia District, Jinan	390	371	147	50.00%
		Ocean Mansion	Huaiyin District, Jinan	228	190	18	79.60%
		Ocean Orient	Licheng District, Jinan	544	422	129	42.00%
		Ocean Precious Land	Licheng District, Jinan	226	172	5	37.90%
		Sino-Ocean Metropolis	Tianqiao District, Jinan	379	255	46	70.00%
		Sky Masion	Shanghe County, Jinan	583	520	298	30.66%
				3,543	**2,913**	**1,763**	
	Dalian	Diamond Bay	Ganjingzi District, Dalian	1,497	1,345	549	100.00%
		Joy of Mountain and Sea	Ganjingzi District, Dalian	189	150	2	51.00%
		Ocean Orient	Jinpu New Area, Dalian	116	113	116	70.00%
		Ocean Tower River Bay	Lvshunkou District, Dalian	234	200	208	100.00%
				2,036	**1,808**	**875**	
	Shenyang	Ocean Elite River Prospect	Shenbei New District, Shenyang	400	313	246	60.00%
		Ocean Noble Mansion	Tiexi District, Shenyang	47	32	18	100.00%
				447	**345**	**264**	
	Changchun	Dream Jilin	Shuangyang District, Changchun	326	255	216	52.15%
	Anshan	International Plaza	Tiedong District, Anshan	350	294	39	52.15%
				13,059	**10,426**	**6,375**	
Eastern Region	Shanghai	Baoshan Sky Masion	Baoshan District, Shanghai	213	115	53	52.15%
		Lingang Aegean Place	Pudong New Area, Shanghai	66	–	66	52.15%
		Moon Mirage	Chongming District, Shanghai	1,072	672	668	41.03%
		Ocean Fortune Center	Pudong New Area, Shanghai	59	45	16	100.00%
		Yuanbo Hotel Project	Putuo District, Shanghai	54	–	54	35.91%
				1,464	**832**	**857**	
	Hangzhou	Neo 1	Gongshu District, Hangzhou	43	40	15	50.00%
		Ocean New Masterpiece	Gongshu District, Hangzhou	44	33	1	51.00%
				87	**73**	**16**	
	Nanjing	Ocean Seasons	Lishui District, Nanjing	234	184	22	100.00%

Regions	Cities	Projects	Districts	Approximate total GFA ('000 sq.m.)	Approximate total saleable GFA ('000 sq.m.)	Remaining landbank ('000 sq.m.)	Interest attributable to the Group (%)
	Suzhou	Mansion Yue	Wujiang District, Suzhou	150	147	48	70.00%
		Rocker Park	Huqiu District, Suzhou	240	198	17	30.00%
		Royal Seasons	Taicang City, Suzhou	105	77	28	34.00%
		Scenert East	Zhangjiagang City,Suzhou	108	77	68	100.00%
		Shengze Sky Masion	Wujiang District, Suzhou	262	211	25	44.27%
		Shihu Project	Wuzhong District, Suzhou	49	–	49	100.00%
				914	**710**	**235**	
	Wuxi	Life in Park	Xinwu District, Wuxi	196	157	103	15.00%
		One Residence	Xinwu District, Wuxi	211	154	38	19.80%
				407	**311**	**141**	
	Changzhou	Aegean Place	Wujin District, Changzhou	197	–	197	52.15%
		International Plaza	Wujin District, Changzhou	508	374	48	52.15%
				705	**374**	**245**	
	Wenzhou	Aegean Place	Longwan District, Wenzhou	82	–	82	100.00%
		Four Seasons Mansion	Longwan District, Wenzhou	85	60	17	100.00%
		Harbor Heart	Ouhai District, Wenzhou	87	66	12	100.00%
		Peninsula No.9	Ouhai District, Wenzhou	276	174	276	41.36%
				530	**300**	**387**	
	Yangzhou	Home Furniture Mall	Hanjiang District, Yangzhou	81	–	81	52.15%
		Sky Masion	Hanjiang District, Yangzhou	467	348	467	52.15%
				548	**348**	**548**	
	Jinhua	Mountain Courtyard	Wucheng District, Jinhua	171	124	171	26.60%
	Zhenjiang	Central Mansion	Danyang City, Zhenjiang	607	502	366	50.00%
	Suqian	Ocean We-life Plaza	Sucheng District, Suqian	117	–	117	14.08%
		Shuyang Sky Masion	Shuyang County, Suqian	545	407	33	100.00%
		Sky Masion	Sucheng District, Suqian	484	411	213	14.08%
				1,146	**818**	**363**	
	Huzhou	Anji Internet Data Center	Anji County, Huzhou	135	–	135	64.30%
				6,948	**4,576**	**3,486**	
Southern Region	Shenzhen	Longhua District De Ai Industrial Park	Longhua District, Shenzhen	533	282	533	80.00%
		Ocean Express	Longgang District, Shenzhen	556	437	78	100.00%
		Ocean Filter	Longgang District, Shenzhen	92	64	92	100.00%
		Ocean No.163 Project	Nanshan District, Shenzhen	141	106	141	48.00%
		Ocean Purity	Longgang District, Shenzhen	152	108	152	39.20%
		Ocean Seafront Towers	Nanshan District, Shenzhen	115	52	59	64.90%
		Peace Palace	Longhua District, Shenzhen	278	201	112	63.01%
		Shanxia Project	Longgang District, Shenzhen	323	303	323	81.00%
				2,190	**1,553**	**1,490**	

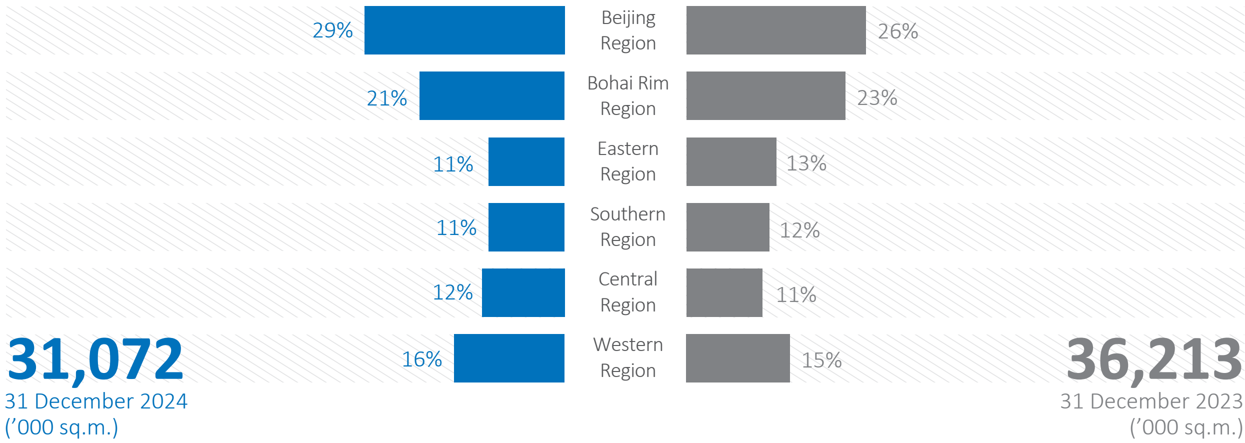
Regions	Cities	Projects	Districts	Approximate total GFA ('000 sq.m.)	Approximate total saleable GFA ('000 sq.m.)	Remaining landbank ('000 sq.m.)	Interest attributable to the Group (%)
	Guangzhou	East Bay	Zengcheng District, Guangzhou	141	96	8	40.00%
		Hibiscus Villa	Huadu District, Guangzhou	179	87	2	51.00%
		Natural Mansion	Zengcheng District, Guangzhou	76	48	15	100.00%
		Ocean Prospect	Zengcheng District, Guangzhou	133	96	32	100.00%
				529	**327**	**57**	
	Fuzhou	Ocean Tianfu	Cangshan District, Fuzhou	128	97	45	63.01%
	Foshan	Delight River	Sanshui District, Foshan	207	192	46	100.00%
		Landscape	Shunde District, Foshan	80	63	39	49.00%
		Natural Mansion	Nanhai District, Foshan	140	107	98	50.00%
				427	**362**	**183**	
	Xiamen	Ocean Prospect	Tong'an District, Xiamen	199	144	125	51.00%
	Maoming	Sino-Ocean Landscape	Maonan District, Maoming	299	249	149	51.00%
	Jiangmen	Cloud Mansion	Pengjiang District, Jiangmen	176	133	50	51.00%
		Top Mansion	Pengjiang District, Jiangmen	131	101	35	100.00%
				307	**234**	**85**	
	Zhongshan	Blossoms Valley	Shenwan Town, Zhongshan	1,172	1,037	843	75.00%
		Ocean Palace	Southern District, Zhongshan	181	134	111	100.00%
				1,353	**1,171**	**954**	
	Zhanjiang	Ocean City	Xiashan District, Zhanjiang	612	493	191	67.50%
	Sanya	Ocean Hill	Jiyang District, Sanya	177	111	74	100.00%
	Hong Kong	Mt. La Vie	Islands District, Hong Kong	3	3	3	100.00%
				6,224	**4,744**	**3,356**	
Central Region	Wuhan	Aegean Place	Xinzhou District, Wuhan	62	–	62	52.15%
		Citylane	Hanyang District, Wuhan	450	–	450	70.00%
		Dongxihu Xingou Logistics Project	Dongxihu District, Wuhan	112	–	112	64.30%
		Huazhong Big Data Industrial Park	Jiangxia District, Wuhan	89	–	89	12.50%
		Oriental World View	Hanyang District, Wuhan	1,917	1,430	136	70.00%
		Oriental Worldview II	Hanyang District, Wuhan	322	229	322	7.75%
		Yangtze Opus	Jiang'an District, Wuhan	178	80	109	70.00%
				3,130	**1,739**	**1,280**	

Regions	Cities	Projects	Districts	Approximate total GFA ('000 sq.m.)	Approximate total saleable GFA ('000 sq.m.)	Remaining landbank ('000 sq.m.)	Interest attributable to the Group (%)
	Zhengzhou	Fontaine Polaris	Zhongmu County, Zhengzhou	176	141	176	24.50%
		Glory Mansion	Xinzheng City, Zhengzhou	135	103	56	28.68%
		Grand Apartment	Jinshui District, Zhengzhou	172	133	172	36.98%
		Ocean Landscape Courtyard	Yingyang District, Zhengzhou	204	150	14	55.00%
		Ocean Melody	Zhongmu County, Zhengzhou	43	38	8	69.30%
		Ocean Prospect	Xinzheng City, Zhengzhou	169	158	34	100.00%
		Rong Fu	Xinzheng City, Zhengzhou	156	101	118	22.72%
		Ruilinchenzhang[1]	Guanchenghuizu District, Zhengzhou	299	198	299	100.00%
		The Collection	Erqi District, Zhengzhou	182	141	182	49.00%
				1,536	**1,163**	**1,059**	
	Hefei	Hefei Logistics Project, Phase IV	Feidong County, Hefei	66	–	66	64.30%
		Ideal Bourn	Feidong County, Hefei	104	83	104	100.00%
		Ocean Landscape	Feidong County, Hefei	200	180	31	70.00%
				370	**263**	**201**	
	Changsha	Aegean Place	Yuhua District, Changsha	69	–	69	41.72%
		Sky Masion	Yuhua District, Changsha	878	616	448	41.72%
		Special Mansion	Wangcheng District, Changsha	482	384	482	24.50%
				1,429	**1,000**	**999**	
	Nanchang	Cloud View	Jingkai District, Nanchang	81	61	6	51.00%
		Ocean Palace	Wanli District, Nanchang	173	122	12	51.00%
		Sky Masion	Wanli District, Nanchang	175	163	31	52.15%
				429	**346**	**49**	
	Ganzhou	Sky Masion	Nankang District, Ganzhou	888	705	75	53.59%
				7,782	**5,216**	**3,663**	
Western Region	Chengdu	Ocean Ecological Land	Xindu District, Chengdu	199	127	98	100.00%
		Ocean Luxury City	Qingyang District, Chengdu	122	106	11	24.50%
		Qingbaijiang Internet Data Center, Zone A	Qingbaijiang District, Chengdu	193	–	193	36.51%
		Wenjiang Internet Data Center	Wenjiang District, Chengdu	54	–	54	24.50%
				568	**233**	**356**	
	Chongqing	Fenghua Melody	Shapingba District, Chongqing	102	71	20	24.50%
		Fontaine Island	Nan'an District, Chongqing	178	132	3	24.50%
		Life In Art Dist	Jiulongpo District, Chongqing	52	37	22	34.00%
		Sino-Ocean Garden	Banan District, Chongqing	592	480	35	56.10%
				924	**720**	**80**	

Note 1: The landbank project was newly included during 2024.

Regions	Cities	Projects	Districts	Approximate total GFA ('000 sq.m.)	Approximate total saleable GFA ('000 sq.m.)	Remaining landbank ('000 sq.m.)	Interest attributable to the Group (%)
	Xi'an	Aegean Place	Xincheng District, Xi'an	104	–	104	26.60%
		Emperor Chic	Weiyang District, Xi'an	321	316	215	24.50%
		Fontaine Island	Chanba Ecological District, Xi'an	147	111	147	24.50%
		Ocean Mansion	Weiyang District, Xi'an	558	416	443	42.33%
		Sino-Ocean Royal Landscape	Chanba Ecological District, Xi'an	292	208	31	80.00%
		Sky Masion	Xincheng District, Xi'an	462	312	462	26.60%
				1,884	**1,363**	**1,402**	
	Kunming	In Galaxy (formerly known as Chenggong Project)	Chenggong District, Kunming	222	218	84	69.80%
		In Galaxy (formerly known as Chenggong Project, Phase II)	Chenggong District, Kunming	99	88	99	69.80%
				321	**306**	**183**	
	Guiyang	Sino-Ocean Aristocratic Family	Shuanglong New District, Guiyang	165	135	108	100.00%
		Sino-Ocean Prospect	Yunyan District, Guiyang	100	75	11	100.00%
		Sky Masion	Guanshanhu District, Guiyang	780	565	780	26.60%
		Sky Masion, Retail	Guanshanhu District, Guiyang	89	–	89	26.60%
				1,134	**775**	**988**	
	Urumqi	Royal Mansion	Saybag District, Urumqi	402	293	302	28.97%
		Sky Masion	Saybag District, Urumqi	148	111	148	52.15%
				550	**404**	**450**	
	Lanzhou	Sky Masion	Yuzhong County, Lanzhou	397	301	264	31.29%
	Liuzhou	Aegean Place	Yufeng District, Liuzhou	85	–	85	76.55%
		Glory Mansion	Yufeng District, Liuzhou	357	251	106	76.55%
				442	**251**	**191**	
	Luzhou	Sky Masion	Jiangyang District, Luzhou	279	207	279	52.15%
	Xining	Aegean Place	Haihu New District, Xining	121	–	121	76.55%
		Sky Masion	Chengzhong District, Xining	1,278	1,018	515	41.72%
		Sky Palace	Chengxi District, Xining	311	254	117	76.55%
				1,710	**1,272**	**753**	
	Xishuangbanna	Rainforest Resorts	Jinghong City, Xishuangbanna	515	429	153	26.07%
				8,724	**6,261**	**5,099**	
Other Region	Jakarta	Auraya	Greater Jakarta, Indonesia	66	57	66	28.00%
				66	**57**	**66**	
Total				**57,033**	**41,234**	**31,072**	

The landbank by geographical locations as at 31 December 2024 and 2023 are analyzed below:



The landbank by stages of development as at 31 December 2024 are set out as follows:

	Approximate total GFA ('000 sq.m.)	Approximate total saleable GFA ('000 sq.m.)	Remaining landbank ('000 sq.m.)
Completed properties held for sales	34,613	25,210	8,652
Properties under development	16,465	11,855	16,465
Properties held for future development	5,955	4,169	5,955
Total	**57,033**	**41,234**	**31,072**

Property investment

In 2024, revenue from property investment decreased by approximately 28% to RMB321 million (2023: RMB446 million). As at 31 December 2024, the Group and its joint ventures and associates held more than 22 operating investment properties. Our investment properties are mainly A-grade office premises, shopping malls, commercial complexes and logistics projects at good locations. The total leasable area amounted to approximately 3,883,000 sq.m. as at 31 December 2024, with office developments about 21%, logistics projects about 51% and others including retail space, car parks and others 28%.

The investment properties of the Group and its joint ventures and associates as at 31 December 2024 are set out as follows:

Projects	Districts	Approximate leasable area (sq.m.)	Office premises (sq.m.)	Retail space (sq.m.)	Logistics projects (sq.m.)	Others (sq.m.)	Occupancy rate (%)	Interest attributable to the Group (%)
E-wing Center (Beijing)	Haidian District, Beijing	12,000	12,000	–	–	–	72%	100%
Grand Canal Place (Beijing)	Tongzhou District, Beijing	111,000	60,000	51,000	–	–	46%	62%
Ocean Incom (Beijing)	Shunyi District, Beijing	49,000	32,000	2,000	–	15,000	71%	100%
Ocean International Center (Beijing)	Chaoyang District, Beijing	103,000	76,000	9,000	–	18,000	85%	100%
Ocean International Center (Tianjin)	Hedong District, Tianjin	53,000	53,000	–	–	–	65%	100%
Shuyang Ocean We-life Plaza (Suqian)	Shuyang County, Suqian	40,000	–	40,000	–	–	71%	100%
San Francisco Project (USA)	Financial District, San Francisco	7,000	7,000	–	–	–	98%	100%
Other projects		146,000	19,000	49,000	–	78,000		
Subtotal		521,000	259,000	151,000	–	111,000		
Other								
INDIGO (Beijing)	Chaoyang District, Beijing	181,000	52,000	48,000	–	81,000	90%	50%
Ocean International Center, Phase II (Beijing)	Chaoyang District, Beijing	70,000	46,000	13,000	–	11,000	86%	35%
Ocean Plaza (Beijing)	Xicheng District, Beijing	30,000	26,000	–	–	4,000	73%	72%
Ocean Office Park (Beijing)	Chaoyang District, Beijing	93,000	81,000	12,000	–	–	84%	29%
Eco-city Aegean Place (Tianjin)	Binhai New Area, Tianjin	42,000	–	42,000	–	–	98%	52%
Hedong Aegean Place (Tianjin)	Hedong District, Tianjin	97,000	–	97,000	–	–	97%	34%
Ocean We-life (Tianjin)	Binhai New District, Tianjin	28,000	–	28,000	–	–	95%	70%
Ocean We-life Plaza (Tianjin)	Hedong District, Tianjin	42,000	–	42,000	–	–	97%	64%
Ocean We-life Plaza (Jinan)	Shanghe County, Jinan	34,000	–	34,000	–	–	75%	31%
H88 Yuehong Plaza (Shanghai)	Xuhui District, Shanghai	56,000	56,000	–	–	–	72%	36%
Haixing Plaza (Shanghai)	Huangpu District, Shanghai	14,000	10,000	–	–	4,000	65%	30%
Sino-Ocean Tower (Shanghai)	Huangpu District, Shanghai	64,000	46,000	4,000	–	14,000	69%	15%
Grand Canal Place (Hangzhou)	Gongshu District, Hangzhou	132,000	–	81,000	–	51,000	97%	60%
Ocean We-life Plaza (Suzhou)	Wujiang District, Suzhou	49,000	–	49,000	–	–	95%	26%
Aegean Place (Fuzhou)	Cangshan District, Fuzhou	93,000	–	93,000	–	–	98%	31%
Other projects		2,237,000	225,000	115,000	1,984,000	13,000		
Subtotal		3,362,000	542,000	658,000	1,984,000	178,000		
Total		**3,883,000**	**801,000**	**809,000**	**1,984,000**	**289,000**		

Commercial properties in progress

The Group has built a sound foundation for office complex operation and management since the development of investment property development and operation. The Group has cultivated strengths in commercial and logistics project positioning, planning and design, development and construction, attracting investment and project operation. To date, the Group has several commercial property projects in progress across China, including grade A offices, high-end shopping centers, five-star hotels and high quality logistics projects. The Group has high-end commercial property and office resources pending for development and operation by stages. It will boost a strong portfolio of cross regional and diversified products.

Property management and related services

Our key subsidiary, Sino-Ocean Service, is a comprehensive service provider for customers and cover the entire property management value chain. We always adhere to the service philosophy of "Being understanding and innovative". Sino-Ocean Service aims to provide premium property management services that make available conveniences in daily life and foster a more valuable living environment and experience for property owners and residents.

For the year ended 31 December 2024, the Group's revenue from property management and related services recorded RMB2,710 million, a decrease of approximately 6% from RMB2,885 million in 2023, maintaining high operation capacity and the synergy with the principal business.

As of 31 December 2024, Sino-Ocean Service's total contracted GFA of property management services reached 122.3 million sq.m.[1], covering 86 cities[1] across 28 provinces, autonomous regions and municipalities[1] in China, total GFA under management reached 92.5 million sq.m.[1] and 518 properties[1] were under our management. Our property management services cover a wide range of property types, including residential communities, commercial properties (such as shopping malls and office buildings) and public and other properties (such as hospitals, schools, government buildings and public service facilities). In addition, we are also dedicated to providing a variety of community value-added services to property owners and residents of the properties under our management, including community asset value-added services, community living services and property brokerage services; we also provided the value-added services to non-property owners including pre-delivery services, consultancy services and property engineering services.

Asset-light agent construction

Our group has accumulated extensive experience in the agent construction business and has a dedicated service platform, Sino-Ocean Management. Our projects span across the country, offering comprehensive and full-chain services in the real estate sector, including consulting, product positioning, construction management, marketing and quality delivery services. These services cover various businesses such as residential, commercial, office, hotel, industrial parks, and senior living. Some of our projects have become landmarks in their respective cities and have received national accolades like the China Construction Engineering Luban Prize and the China Civil Engineering Zhan Tianyou Award. In 2024, Sino-Ocean Management ranked TOP20 in newly added scale among Chinese real estate companies for agent construction[2].

Note 1: Including for those provided to the Group and its affiliates
Note 2: According to 2024 China Real Estate Agent Construction Companies Newly Added Scale Ranking (China Index Academy)

OTHER INFORMATION

Key risk factors and uncertainties

The following lists out the key risks and uncertainties facing the Group. It is a non-exhaustive list and there may be other risks and uncertainties further to the key risk areas outlined below.

Risks pertaining to the property market and operation

The Group's businesses and prospects are largely dependent on the performance of the property market in mainland China. The property market in mainland China is affected by a number of factors, including changes in social, political, economic and legal environment, as well as changes in the government's financial, economic, monetary, industrial and environmental conservation policies. The Group is also susceptible to changes in economic conditions, consumer confidence, consumption spending, and changes in consumption preferences.

The Group's operations are subject to a number of risk factors distinctive to property development, property investment, and property-related businesses. Default on the part of our buyers, tenants and strategic business partners, inadequacies or failures of internal processes, people and systems or other external factors may have various levels of negative impact on the results of operations.

In light of the uncertainties of the economic environment and the changes in the industry, we have adopted a series of measures to stabilize operation and resolve the debt risks. At the same time, the Group continues to monitor the above factors for their impact on our investments and financial performance of the Group in future and works together with those stakeholders to formulate actions to deliver sustainable development of economic, social and environmental values.

Risk of exposure to interest rate fluctuations

Certain of the Group's borrowings are with floating interest rates. The weighted average interest rate of the Group for 2024 was 5.39%, which decreased by 24 basis points as compared with that for 2023. The Group has closely monitored interest rate movements and assessed its impact to the Group's financial performance and operations during the year of 2024.

Risk of exposure to exchange rate fluctuations

As at 31 December 2024, approximately 41% of the Group's total borrowings were denominated in USD and HKD. As a result, the Group had a net currency exposure to fluctuation in foreign exchange rates. As non-RMB currency borrowings are subject to fluctuations of exchange rates, the Group is careful in having borrowings in non-RMB currencies. The Group has never engaged in the dealing of any financial derivative instruments for speculative purpose. Our operation has not been materially affected by the exchange rate fluctuations. The Group will continue to closely monitor the fluctuations of exchange rates and consider appropriate measures to reduce the exchange rate risk.

EMPLOYEES AND HUMAN RESOURCES

As at 31 December 2024, the Group had 12,586 employees (31 December 2023: 13,942 employees). The decrease in the number of employees was mainly due to the continuous optimization of manpower in the property development related businesses taking into account of the industry and company situation. Together with the reduction in amortization from share options granted, the Group's staff cost in 2024 was decreased by approximately 5% to RMB2,326 million (2023: RMB2,441 million). The decrease in staff cost was the net effect of the reduction of staff cost in the property development segment and the increase of one-off cost related to the optimization of manpower during the year.

The Group's remuneration system has been determined by reference to, including but not limited to, the corporate business performance, the efficiency and accomplishments of the staff and the remuneration level of the same industry in the market. The Company offers share options to motivate competitive staff at appropriate times. We continued to implement the cost-reduction and efficiency-enhancement compensation management strategy. On one hand, the Group increased the fixed portion of the compensation to strengthen the salary security of the front-line employees; on the other hand, the core tasks such as ensuring housing delivery and risk mitigation were decomposed into the individual performance indicators for core management employees. With the close progress tracking, we further enhanced the efficiency of human and administrative resources during the year of 2024. Meanwhile, the Group provided different employee learning and training programmes to achieve the effect of attracting, motivating and retaining talented staff, so that these talented staff can ultimately bring in higher return to our investors.

ADDITIONAL INFORMATION ON DISCLAIMER OF OPINION EXPRESSED BY AUDITOR ON THE 2024 CONSOLIDATED FINANCIAL STATEMENTS

Subsequent to the disclaimer of opinion on the consolidated financial statements of the Group for the year ended 31 December 2023 as disclosed in the Independent Auditor's Report in the 2023 annual report of the Company, BDO did not express an opinion (the "Disclaimer of Opinion") on the consolidated financial statements for the year ended 31 December 2024 (the "2024 Consolidated Financial Statements"). Details of the Disclaimer of Opinion are described in the paragraphs headed "BASIS FOR DISCLAIMER OF OPINION — Multiple Uncertainties Relating to Going Concern" in the Independent Auditor's Report in this annual report.

The management of the Group has given careful consideration to the Disclaimer of Opinion and the basis thereof and has had continuous discussions with BDO during the preparation of the 2024 Consolidated Financial Statements.

The management of the Group understands that the Disclaimer of Opinion relates solely to the validity of going concern assumption, on which the 2024 Consolidated Financial Statements have been prepared and which depends upon the successful implementation of certain plans and measures, which are in turn subject to multiple uncertainties.

The management of the Group has carefully considered the Group's cash flow forecast for the next 18 months from 31 December 2024 and has given due consideration to the matters that give rise to material doubt as to its ability to continue as a going concern, and accordingly, has proactively formulated certain plans and measures to ensure the Group will have sufficient cash resources to continue as a going concern and pay its debts when they fall due. Certain plans and measures have been taken or will be taken to enable the Group to have sufficient financial resources to meet its financial commitments as and when they fall due which include, but not limited to, those set out in note 2 to the 2024 Consolidated Financial Statements in this annual report (the "Relevant Plans and Measures"). Further information on the holistic debt management for offshore debts and the extension of onshore open market debts are also set out in the below paragraphs headed "HOLISTIC DEBT MANAGEMENT FOR OFFSHORE DEBTS" and "RELEVANT INFORMATION ON ONSHORE OPEN MARKET DEBTS".

Assuming the success of the Relevant Plans and Measures, the management of the Group considers that the Group will have sufficient working capital to finance its operations and to meet its obligations as and when they fall due for at least 12 months from 31 December 2024. Accordingly, the management of the Group is of the opinion that it is appropriate to prepare the 2024 Consolidated Financial Statements on a going concern basis.

The Audit Committee had discussed with the Board and the management of the Group regarding the going concern issue. With the orderly implementation of the Relevant Plans and Measures, the Audit Committee agreed with the position taken by the Group's management and the Board regarding the accounting treatment adopted by the Company.

The Audit Committee also discussed and understood the concerns of BDO that uncertainties exist as to whether the management of the Group will be able to achieve the Relevant Plans and Measures. There is no disagreement by the Board, the Group's management nor the Audit Committee with the position taken by BDO regarding the going concern issue.

HOLISTIC DEBT MANAGEMENT FOR OFFSHORE DEBTS

References are made to the announcements of the Company dated 18 July 2024, 3 February 2025, 6 February 2025, 19 February 2025, 24 March 2025 and 27 March 2025 in relation to, among others, the proposed holistic offshore debt restructuring of the Group (collectively, the "Offshore Debts Announcements").

As set out in the Offshore Debts Announcements, the scope of the restructuring of the Group's relevant offshore debts (the "Restructuring") covers certain existing offshore debt instruments of the Group, comprising existing syndicated loans, an existing bilateral loan and certain existing offshore USD securities, with an aggregate outstanding principal amount of approximately USD5,636 million (the "Existing Debt Instruments"). The Restructuring involves, in exchange for the discharge and release of all claims of the in-scope creditors under the Existing Debt Instruments (among other things), the distribution to the in-scope creditors of the Restructuring consideration consisting of new debts (the "New Debts") in an aggregate principal amount of USD2,200 million consisting of new loan and new notes, and mandatory convertible bonds and/or new perpetual securities in a combined aggregate principal amount equal to the result of the total Restructuring process claims of all in-scope creditors minus the aggregate principal amount of the New Debts.

The Restructuring is being effectuated via two parallel restructuring processes, being the English restructuring plan and the Hong Kong scheme of arrangement, on an inter-conditional basis. The Group has made significant progress on the Restructuring. The English restructuring plan and the Hong Kong scheme of arrangement have been sanctioned by the relevant court, and the effective date of the English restructuring plan and the Hong Kong scheme of arrangement occurred on 5 February 2025 and 19 February 2025 respectively.

On 27 March 2025, each of the Restructuring conditions has been satisfied and the effective date of the Restructuring occurred on the same date.

For further details of the Restructuring, please refer to the Offshore Debts Announcements.

RELEVANT INFORMATION ON ONSHORE OPEN MARKET DEBTS

References are made to the announcements of the Company dated 28 March 2024, 27 June 2024, 7 August 2024, 24 February 2025 and 19 March 2025 published on the Stock Exchange and the announcements of Sino-Ocean Holding dated 28 March 2024, 26 June 2024, 7 August 2024, 24 February 2025 and 18 March 2025 published on The Shanghai Stock Exchange, in relation to the onshore open market debts of the Group (collectively, the "Onshore Open Market Debts Announcements").

As set out in the Onshore Open Market Debts Announcements, Sino-Ocean Holding successively convened holders' meetings in respect of the seven corporate bonds (abbreviations of which are "H18 Sino-Ocean 1* (H18遠洋1)", "H15 Sino-Ocean 5* (H15遠洋5)", "H15 Sino-Ocean 3* (H15遠洋3)", "H19 Sino-Ocean 1* (H19遠洋1)", "H19 Sino-Ocean 2* (H19遠洋2)", "H21 Sino-Ocean 1* (H21遠洋 1)" and "H21 Sino-Ocean 2* (H21遠洋2)", collectively the "Relevant Bonds") in January 2024 to consider the relevant resolutions in relation to the adjustment of the arrangement for the payment of principal and interest of the corporate bonds and the provision of credit enhancement and safeguard measures, among other things (the "Extension Resolutions"). The Extension Resolutions in respect of the Relevant Bonds were approved by the holders by way of voting, involving a total outstanding principal amount of RMB13.27 billion. As of the Latest Practicable Date, Sino-Ocean Holding is constantly communicating with investors for the corporate bonds and actively negotiating a new repayment plan, striving to properly solve the relevant debt issues.

Please refer to the Onshore Open Market Debts Announcements for details.

IMPORTANT EVENTS AFTER THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Save as disclosed in the above paragraphs headed "HOLISTIC DEBT MANAGEMENT FOR OFFSHORE DEBTS" and "RELEVANT INFORMATION ON ONSHORE OPEN MARKET DEBTS" and note 52 to the audited consolidated financial statements in this annual report, as at the Latest Practicable Date, there was no important event affecting the Group after the financial year ended 31 December 2024.

INVESTOR RELATIONS

The Group adheres to the best practice in information disclosure in terms of accuracy, transparency and consistency. We are committed to maintaining highly honest, sincere and effective communication with the financial community and other stakeholders. Our goals are to deepen investors' understanding and approval of the Company's strategies, to raise the quality of internal management and to maximize the Company's value.

EMPHASIZING TWO-WAY COMMUNICATION TO CONVEY CORPORATE VALUES

Under the main theme of 'halting the decline to restore stability' in 2024, the real estate market saw its policies break through to the most accommodative level in history, following the implementation of multiple rounds of policy packages. Key indicators such as down payment ratio and mortgage interest rate reached historic lows. Although the overall real estate market still faces significant downward pressure, the previous favorable policies gradually began to take effect, with the market showing signs of phased recovery in the fourth quarter of 2024. Against this background, the Group persevered in meticulous service and high-quality delivery, actively promoted asset-light businesses, endeavoured to resolve debt risks and resume normal operation.

In light of the uncertainties of the economic environment and changes in the industry, we were agile in response and maintained truthful communication with our investors. In 2024, while the industry continued to clear out, the Group adopted a series of measures to stabilize operation and resolve the debt risks. However, in the absence of significant improvement in sales and the financing environment, the Group expects our liquidity will still face continuous challenges in the short to medium term. In the process of actively stabilizing operation and resolving debt risks, we timely disclosed important information about the Group through various communication channels and in the form of announcements. We conveyed the Group's numerous measures and deployed strategies in response to the concerns of financial institutions, investors, analysts and relevant parties, enabling the market to have a timely insight of the Company's business development, operation and financing situation.

ENSURING FAIR DISCLOSURE AND MAINTAINING TRANSPARENCY

In 2024, we maintained our high efficiency and standards of information disclosure to ensure the timely dissemination of relevant corporate information. To facilitate investors' better understanding of the Company's business development and performance, we published announcements on the website of the Stock Exchange and shared the Company's latest progress through our official website and other channels, so as to boost transparency and to ensure proper and fair access to relevant data for all parties in the capital market.

LISTENING ATTENTIVELY FROM A WIDE SPECTRUM AND MAKING TIMELY RESPONSE

We listened carefully to our Shareholders' concerns and addressed them efficiently. In May 2024, the Group held the Annual General Meeting. In July 2024, an Extraordinary General Meeting was held for the very substantial disposal of INDIGO II. In November 2024, an Extraordinary General Meeting was held regarding the possible issuance of MCBs and connected transactions in connection with the Company's offshore debt restructuring. As always, after each meeting, management representatives reserved time for individual Shareholders to raise their opinions and concerns, ensuring all parties present were given opportunity to discuss the key issues with our representatives.

We will continue with our efforts to improve communication mechanisms with the capital market and maintain long-term and effective communication with more investors, with the goal of promoting investors' recognition, confidence and loyalty, as well as protecting their interests. We are grateful to all stakeholders for their remarkable support. If you have any questions or comments with regards to our work, please contact us at ir@sinooceangroup.com. We promise to provide answers to the extent permitted by applicable laws, regulations and the Listing Rules.

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

The biographies of Directors and senior management as of the Latest Practicable Date are as follows:

Executive Directors

Mr. LI Ming

Mr. LI Ming, aged 61, is the Chairman of the Board, an Executive Director, chairman of the Nomination Committee, chairman of the Strategic and Investment Committee and the Chief Executive Officer of the Company. Mr. LI joined the Company as a general manager in July 1997 and became the Chief Executive Officer in August 2006 and has been serving as the Chairman of the Board since March 2010. Mr. LI was a member of the 13th National Committee of the Chinese People's Political Consultative Conference, a member of each of the 10th and 11th Beijing Municipal Committees of the Chinese People's Political Consultative Conference, deputy to the 13th, 14th and 15th People's Congress of Chaoyang District of Beijing, a member of the 6th Election Committee in Hong Kong Special Administrative Region. Mr. LI is the honorary vice president of the China Real Estate Association, a Chartered Builder of The Chartered Institute of Building, United Kingdom and also a senior engineer. He was an advisory expert of the Ministry of Housing and Urban-Rural Development at real estate market regulation. He is also a director of certain subsidiaries and associates of the Company. Mr. LI has extensive experience in corporate governance, property development and investment and management of listed companies. Mr. LI graduated from Jilin University of Technology (now known as "Jilin University") and obtained a bachelor's degree of Engineering in 1985, and graduated from China Europe International Business School and obtained a master's degree in Business Administration in 1998.

Mr. WANG Honghui

Mr. WANG Honghui, aged 45, is an Executive Director, a member of the Strategic and Investment Committee and an Executive President of the Company. He is also a director of certain subsidiaries, joint ventures and associates of the Company. Mr. WANG joined the Company in July 2005 and had served as the investment head for the Beijing region, general manager of the secretarial administration department, general manager of the investment department, general manager of the CEO management centre, general manager of capital operation department, assistant to the CEO and vice president of the Company. Mr. WANG has extensive experience in real estate investment, capital operation and company management. Mr. WANG graduated from Renmin University of China and obtained a bachelor's degree in Real Estate Operation and Management in 2002 and graduated from the Chinese Academy of Social Sciences and obtained a master's degree in Regional Economics in 2004. Mr. WANG is the vice president of the China Real Estate Association, the vice president of China Real Estate Chamber of Commerce, a senior economist, specialises in real estate economy, and a registered real estate appraiser in China.

Executive Directors

Mr. CUI Hongjie

Mr. CUI Hongjie, aged 52, is an Executive Director, a member of the Strategic and Investment Committee and an Executive President of the Company. Mr. CUI joined the Company in August 1996 and had served as general manager of costing and engineering department, general manager of technology and cost department, assistant to the CEO and vice president of the Company. Mr. CUI is the joint chairman, a non-executive director and a member of each of the audit committee and the nomination committee of Sino-Ocean Service, a subsidiary of the Company listed on the Stock Exchange. He is also a director of certain subsidiaries of the Company. Mr. CUI has extensive experience in operation and development of real estate, product creation and management. Mr. CUI graduated from Beijing University of Technology and obtained a bachelor's degree in Engineering in 1996, graduated from Beijing University of Technology and obtained a master's degree in Engineering in 2001, and graduated from China Europe International Business School and obtained a master's degree in Business Administration in 2022. Mr. CUI is a member of the Royal Institution of Chartered Surveyors, a national registered first-class constructor and a senior engineer.

Ms. CHAI Juan

Ms. CHAI Juan, aged 54, is an Executive Director, a member of the Remuneration Committee and an Executive President of the Company. Ms. CHAI joined the Board in June 2023. Ms. CHAI has previously served as the senior manager, assistant to the general manager and deputy general manager in individual insurance division, education and training division and electronic commerce division of China Life Insurance, the secretary of the committee for discipline inspection and deputy general manager of China Life Insurance's Anhui branch, the secretary of the Committee for Discipline Inspection of the Shenzhen Audit Center of China Life Insurance. Ms. CHAI graduated from Central University of Finance and Economics and obtained a master's degree in Business Administration in 2007. Ms. CHAI is a senior economist of China Life Group. Ms. CHAI is nominated by China Life Insurance, a substantial Shareholder.

Non-executive Directors

Mr. ZHANG Zhongdang

Mr. ZHANG Zhongdang, aged 52, is a Non-executive Director, a member of the Strategic and Investment Committee of the Company. Mr. ZHANG joined the Board in June 2023. Mr. ZHANG is also a consultant of the Company to provide engineering management consultancy and miscellaneous advice to certain subsidiaries of the Company. Mr. ZHANG had previously served as the senior manager and the manager of the research and development center of China Life Insurance. Mr. ZHANG graduated from Hebei University of Technology and obtained a bachelor's degree in Engineering in 2004. Mr. ZHANG is nominated by China Life Insurance, a substantial Shareholder.

Mr. YU Zhiqiang

Mr. YU Zhiqiang, aged 48, is a Non-executive Director, a member of the Audit Committee of the Company. Mr. YU joined the Board in June 2023. Mr. YU is also a consultant of the Company to provide financial management consultancy and miscellaneous advice to certain subsidiaries of the Company. Mr. YU had previously served as the deputy general manager of China Life Insurance's branch in Jilin City, the general manager of the financial management center of China Life Insurance's branch in Jilin Province, the senior manager of shared services center (financial segment) of China Life Insurance. Mr. YU graduated from Dongbei University of Finance and Economics and obtained a bachelor's degree in Management in 2000. Mr. YU is nominated by China Life Insurance, a substantial Shareholder.

Ms. SUN Jianxin

Ms. SUN Jianxin, aged 48, is a Non-executive Director and the member of the Audit Committee of the Company. Ms. SUN joined the Board in February 2025. Ms. SUN is currently the deputy general manager of the financial and accounting department of Dajia Insurance Group. Ms. SUN had previously served as a senior manager at the Beijing branch of Deloitte Touche Tohmatsu Certified Public Accountants LLP (Special General Partnership). Ms. SUN graduated from Paris 1 Panthéon-Sorbonne University in France and obtained a degree in Master of Business Administration in 2018. Ms. SUN is a certified public accountant of The Chinese Institute of Certified Public Accountants and has extensive experience in finance and auditing. Ms. SUN is nominated by Dajia Life Insurance, a substantial Shareholder.

Ms. WANG Manling

Ms. WANG Manling, aged 48, is a Non-executive Director and the member of each of the Nomination Committee and the Strategic and Investment Committee of the Company. Ms. WANG joined the Board in February 2025. Ms. WANG is currently the deputy general manager of the investment management department of Dajia Insurance Group. Ms. WANG had previously served as a senior account manager of the portfolio management department of China Life Asset Management Company Limited (中國人壽資產管理有限公司), and as the deputy general manager of the research department of China Life Pension Company Limited (中國人壽養老保險股份有限公司). Ms. WANG graduated from Dalian University of Technology and obtained a doctor's degree in Engineering in 2006. Ms. WANG has extensive experience in insurance asset management. Ms. WANG is recommended by Dajia Life Insurance, a substantial Shareholder.

Independent Non-executive Directors

Mr. HAN Xiaojing

Mr. HAN Xiaojing, aged 70, is an Independent Non-executive Director, the chairman of the Remuneration Committee and a member of the Nomination Committee of the Company. Mr. HAN joined the Board in June 2007. Mr. HAN is the founding partner of the Commerce & Finance Law Offices. He has over 30 years' experience in the practice of corporate and securities laws in China, especially in the restructuring of large scale state-owned enterprises and private companies and offshore listing of Chinese companies. Mr. HAN is currently an independent non-executive director of each of Far East Horizon Limited, Vital Innovations Holdings Limited and Angelalign Technology Inc., all being companies listed on the Stock Exchange, and a supervisor of Ping An Bank Co., Ltd. ("Ping An"), a company listed on the Shenzhen Stock Exchange. Mr. HAN was an independent director of Ping An and Beijing Haixin Energy Technology Co., Ltd., both being companies listed on the Shenzhen Stock Exchange. Mr. HAN graduated from China University of Political Science and Law and obtained a master's degree in Laws in 1985.

Mr. LYU Hongbin

Mr. LYU Hongbin, aged 50, is an Independent Non-executive Director and a member of each of the Audit Committee and the Remuneration Committee of the Company. Mr. LYU joined the Board in March 2023. Mr. LYU is currently the chairman of Beijing Tiancheng Ruiming Corporate Management Company Limited* (北京天成睿明企業管理有限公司) and the chairman of Huaying (Beijing) Energy Co., Ltd.* (華盈(北京)能源有限公司). Mr. LYU was a director of China Beijing Equity Exchange and Greatwall Life Insurance Co., Ltd.* (長城人壽保險股份有限公司), the deputy secretary of the Party Committee, the director and the general manager of Financial Street Holdings Co., Ltd. ("Financial Street Holdings"), a company listed on the Shenzhen Stock Exchange, from January 2017 to December 2021. Mr. LYU was also an executive director of Financial Street Guangzhou Real Estate Company Limited* (金融街廣州置業有限公司), the chairman of Financial Street Huizhou Real Estate Company Limited* (金融街惠州置業有限公司), the deputy general manager of Financial Street Holdings, the executive director of Financial Street (Shanghai) Investment Company Limited* (金融街(上海)投資有限公司), the executive director, the general manager and the deputy general manager of Financial Street (Tianjin) Real Estate Company Limited* (金融街(天津)置業有限公司), and the project general manager of Tianjin World Financial Center* (天津環球金融中心). Mr. LYU graduated from Hohai University with a double bachelor's degree major in Hydrogeology and Engineering Geology from College of Civil Engineering and Management Engineering from College of Management. He also graduated from Tsinghua University and obtained a degree in Executive Master of Business Administration (EMBA) in 2019. Mr. LYU is a senior engineer.

Mr. LIU Jingwei

Mr. LIU Jingwei, aged 57, is an Independent Non-executive Director, the chairman of the Audit Committee and a member of the Strategic and Investment Committee of the Company. Mr. LIU joined the Board in June 2023. Mr. LIU is currently a partner of ShineWing Certified Public Accountants (Special General Partnership), the chairman of its executive committee of consulting. Mr. LIU is currently a non-executive director of Shoucheng Holdings Limited, a company listed on the Stock Exchange, an independent director of Beijing Yanjing Brewery Co., Ltd.* (北京燕京啤酒股份有限公司), a company listed on the Shenzhen Stock Exchange, an independent director of Hubei Huaqiang High-Tech Co., Ltd.* (湖北華強科技股份有限公司), a company listed on the Shanghai Stock Exchange. Mr. LIU was an independent non-executive director of China Nonferrous Mining Corporation Limited, a company listed on the Stock Exchange, an independent director of each of Guiyang Longmaster Information & Technology Co., Ltd.* (貴陽朗瑪信息技術股份有限公司) and Beijing StarNeto Technology Co., Ltd.* (北京星網宇達科技股份有限公司), all being companies listed on the Shenzhen Stock Exchange. Mr. LIU is a fellow member of The Chinese Institute of Certified Public Accountants specialized in auditing, mergers and acquisition restructuring, bankruptcy reorganization. Mr. LIU graduated from Shanghai Jiao Tong University and obtained a degree in Executive Master of Business Administration (EMBA) in 2016.

Independent Non-executive Directors

Mr. JIANG Qi

Mr. JIANG Qi, aged 51, is an Independent Non-executive Director and a member of each of the Nomination Committee and the Remuneration Committee of the Company. Mr. JIANG joined the Board in June 2023. Mr. JIANG is currently the chairman of the board of Beijing Hylands Law Firm. Mr. JIANG serves public offices such as an expert advisor of China Beijing Equity Exchange, a compliance expert for the international operations of Shenzhen enterprises, a director of representative assembly of China Academy of Arbitration Law, and also an arbitrator for multiple arbitration institutions worldwide, including China International Economic and Trade Arbitration Commission, China Maritime Arbitration Commission, Shenzhen Court of International Arbitration, Shanghai Arbitration Commission. Mr. JIANG is currently an independent director of Bethel Automotive Safety Systems Co., Ltd.* (蕪湖伯特利汽車安全系統股份有限公司), a company listed on the Shanghai Stock Exchange. From January 2020 to April 2022, Mr. JIANG had served as an independent director of Shandong Hiking International Co., Ltd* (山東新華錦國際股份有限公司), a company listed on the Shanghai Stock Exchange. Mr. JIANG was ranked among the top 100 of “The A-List Legal Elites” by “Commercial Law” in 2020, and was listed in “Chambers Global 2022” and “Chambers Greater China Region Guide” in 2022. Mr. JIANG graduated from University of International Business and Economics and obtained a doctorate’s degree in International Law in 2018.

Mr. CHEN Guogang

Mr. CHEN Guogang, aged 65, is an Independent Non-executive Director and a member of each of the Audit Committee and the Nomination Committee of the Company. Mr. CHEN joined the Board in August 2024. Mr. CHEN is currently the senior advisor of Canopath Company Limited and an independent director of Allinpay Network Services Co., Ltd.* (通聯支付網絡服務股份有限公司). Mr. CHEN has resigned as an independent non-executive director of China Dongxiang (Group) Co., Ltd., a company listed on the Stock Exchange, since October 2024. Mr. CHEN was the chief executive officer of Shenzhen Qianjin Enterprise Management Consulting Co., Ltd.* (深圳前金企業管理諮詢有限公司) (formerly known as Shenzhen Qianhai Financial Assets Exchange Ltd.* (深圳前海金融資產交易所有限公司)), the vice president of China Minsheng Investment Corp., Ltd.* (中國民生投資股份有限公司), the vice president and the chief financial officer of New China Life Insurance Company Ltd., a company listed on the Shanghai Stock Exchange and the Stock Exchange, the chief financial officer, the general manager of the finance department and the deputy chief financial officer of Sinochem Group Co., Ltd.* (中國中化集團有限公司), and the vice president of China International United Petroleum & Chemicals Co., Ltd.* (中國國際石油化工聯合有限責任公司). Mr. CHEN is a senior accountant and a certified public accountant of The Chinese Institute of Certified Public Accountants. Mr. CHEN has extensive working experience in financial management, with unique insights and practices in the fields of international financing, capital operations and corporate risk control. Mr. CHEN graduated from Xiamen University and obtained a doctorate degree in Economics in 1988.

SENIOR MANAGEMENT

Mr. DING Hui

Mr. DING Hui, aged 49, is the Vice President of the Company and also serves as the chairman of Commercial Company. Mr. DING joined the Company in August 2002, and has served as the general manager of Beijing Yuan Hao Company, general manager of the development management department, general manager of the operational management centre, general manager of the commercial property department, general manager of the commercial business department, general manager of the data procedure centre of the Company and assistant to the CEO of the Company, with extensive experience in development and management of real estate and commercial property operation. Mr. DING graduated from Tongji University and obtained a bachelor's degree in Engineering in 1996, and graduated from Tsinghua University and obtained a master's degree in Structural Engineering in 2002.

Mr. ZHAO Jianjun

Mr. ZHAO Jianjun, aged 47, is a member of the Strategic and Investment Committee and the Vice President of the Company and also serves as the general manager of Southern China development division. Mr. ZHAO joined the Company in July 2004 and has served as the financial director of Zhongshan company, deputy general manager of Shenzhen company, deputy general manager, executive deputy general manager and the general manager of Southern China development division. He has rich experience in development and management of real estate project, and comprehensive management of companies. Mr. ZHAO graduated from Beijing Industrial and Commercial University and obtained a master's degree in Management in 2004, and graduated from China Europe International Business School and obtained a degree in EMBA in 2019.

Mr. JIA Pengxiang

Mr. JIA Pengxiang, aged 50, is the Vice President of the Company, and also serves as the chairman of Eastern China Company. Mr. JIA joined the Company in October 2010 and has served as the general manager of Hangzhou Company, general manager of Eastern China development division, and (concurrently) general manager of Central China development division. He has rich experience in development and management of real estate project. Mr. JIA graduated from Nanjing University and obtained a master's degree in Management in 2005, and graduated from Wuhan University and obtained a doctorate's degree in Management in 2009.

Ms. JIANG Nan

Ms. JIANG Nan, aged 47, is the Chief Accountant of the Company. Ms. JIANG joined the Company in February 2009 and has served as the assistant to general manager of finance department, general manager of the accounting management department, deputy finance director, and deputy chief accountant of the Company. Ms. JIANG has extensive experience in, among others, financial management of listed companies, auditing, and investment and financing. Ms. JIANG graduated from Tianjin University of Finance and Economics, majoring in International Trade and obtained a bachelor's degree in Economics in 1999, and graduated from China Europe International Business School and obtained a degree in Executive Master of Business Administration (EMBA) in 2023. Ms. JIANG is a member of The Chinese Institute of Certified Public Accountants.

Mr. SHI Zhiyong

Mr. SHI Zhiyong, aged 51, is the Vice President of the Company, and also serves as the chairman of Western China Company. Mr. SHI joined the Company in December 1998 and has serves as the deputy director of the general office of the Company, the assistant to general manager of Kaichen Plaza project, general manager of Huangshan company, general manager of Nanjing company, general manager of urban development division, the general manager of Western China development division and assistant to the CEO of the Company. He has rich experience in development, investment and management of real estate operation. Mr. SHI graduated from Peking University and obtained a master's degree in Laws in 2003, and graduated from Tsinghua University and obtained a degree in EMBA in 2014.

Mr. ZHOU Chuanzhong

Mr. ZHOU Chuanzhong, aged 50, is the Vice President of the Company, and also the general manager of the strategic operations centre of the Group. Mr. ZHOU joined the Company in July 2006, and has served as the general manager of Wuhan company, general manager of the commercial business department, general manager of the operational management centre and assistant to the CEO of the Company. He has rich experience in real estate project development and management, real estate project development and operation, corporate business management. Mr. ZHOU graduated from Peking University and obtained a master degree in Business Administration in 2006.

Mr. SUM Pui Ying

Mr. SUM Pui Ying, aged 63, is the Company Secretary. Mr. SUM joined the Company in May 2007. Mr. SUM is also the company secretary of Sino-Ocean Service. Mr. SUM is also the chairman of the board, an executive director, the chairman of the investment committee and the chairman of the nomination committee of Gemini Investments (Holdings) Limited, an associate of the Company and listed on the Stock Exchange. Mr. SUM was the chief financial officer of the Company. He is a director of certain subsidiaries of the Company. Mr. SUM has extensive experience in corporate management of listed companies, investment and financing and financial management. Mr. SUM graduated from The Hong Kong Polytechnic University and obtained a professional diploma in Accounting in 1988, graduated from University of Wales and obtained a master's degree in Business Administration in 1991, and graduated from The University of Hong Kong and obtained a diploma in Legal Studies in 1996. Mr. SUM is currently a fellow member of the Hong Kong Institute of Certified Public Accountants and a fellow member of The Institute of Chartered Accountants in England and Wales.

COMPANY SECRETARY

Mr. SUM Pui Ying

Mr. SUM Pui Ying, aged 63, is the Company Secretary. For his biographical details, please refer to the above paragraph headed "SENIOR MANAGEMENT" in this section.

REPORT OF THE DIRECTORS

The Board is pleased to present this report and the audited consolidated financial statements of the Group for the year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The core businesses of the Group include development of residential property, investment property development and operation, property services and whole-industrial chain construction services, with its scope of businesses also covering senior living service, internet data center, logistics real estate and real estate fund, etc., forming a unique advantage in the field of asset-light agent construction. The Group is one of the leading property developers with developments in key economic regions in the PRC.

A list of principal subsidiaries of the Company is set out in note 13 to the consolidated financial statements of this annual report. The analysis of the Group's revenue and operating results in its major operating activities is set out in the section headed "Management Discussion & Analysis" in this annual report and note 6 to the consolidated financial statements of this annual report.

RESULTS AND APPROPRIATIONS

Results of the Group for the year ended 31 December 2024 are set out in the consolidated statement of profit or loss and the consolidated statement of comprehensive income on pages 88 and 89 of this annual report respectively.

The Board did not recommend the payment of final dividend for the year ended 31 December 2024 (2023: Nil).

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 20 May 2025 to Friday, 23 May 2025 (both dates inclusive), during which period no transfer of Shares will be registered. In order to ascertain the right to attend and vote at the forthcoming AGM to be held on Friday, 23 May 2025, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Monday, 19 May 2025.

DIVIDEND POLICY

The Company has adopted a dividend policy which sets out the basic principles and factors for considerations by the Board for the distribution of dividends and shall comply with the Articles and all applicable laws and regulations. The Company strives to maintain a stable dividend payout ratio in order to enhance the Company's long-term investors' confidence in the Company's stock and strengthen the momentum of the Company's future share price. The Company intends to declare dividends twice for the results of a financial year in an aggregate amount of not less than 20% of the annual consolidated profit attributable to the owners of the Company.

On the premise that a stable dividend payout ratio shall be maintained, the Company is required to balance the Group's profit, capital plan, operational development requirements and other relevant factors such as financial position of the Group, the capital requirements of the Company, the financing agreements of the Group and the prevailing economic climate to determine the distribution of dividends to the Shareholders. The Company also determines the final dividend payout ratio with reference to the industry's dividend payout level and stock price performance, as well as the expectations of the capital market and Shareholders on the Company.

RESERVES

Movements in the reserves of the Group and the Company during the year under review are set out in the consolidated statement of changes in equity on pages 92 and 93 and notes 27 and 50 to the consolidated financial statements of this annual report.

DISTRIBUTABLE RESERVES

As at 31 December 2024, the Company had no reserve available for distribution to Shareholders.

SHARE CAPITAL

Movements in the share capital of the Company during the year under review and as at 31 December 2024 are set out in note 25 to the consolidated financial statements of this annual report.

During the year ended (and as at) 31 December 2024 and as at the date of this report, the Company did not hold any treasury shares.

FIXED ASSETS

Movements in the Group's fixed assets are set out in note 7 to the consolidated financial statements of this annual report.

BORROWINGS

Details of borrowings are set out in note 31 to the consolidated financial statements of this annual report. Details of the Group's capitalized interest expenses and other borrowing costs during the year under review are set out in note 41 to the consolidated financial statements of this annual report.

DONATIONS

For the year ended 31 December 2024, the Group's donations to charity and for other purposes amounted to approximately RMB712,100 (2023: RMB350,000).

BUSINESS REVIEW

A review of the business of the Group during the year and a discussion on the Group's future business development are set out in the paragraphs headed "PERFORMANCE REVIEW AND STRATEGY" and "2025 COMPANY STRATEGIES" under the section headed "Chairman's Statement" in this annual report, respectively. The description of principal risks and uncertainties that the Group may be facing are set out in the paragraphs headed "MARKET REVIEW AND OUTLOOK" under the section headed "Chairman's Statement", note 4 to the consolidated financial statements and the paragraphs headed "OTHER INFORMATION" under the section headed "Management Discussion & Analysis" in this annual report. Particulars of important events affecting the Company that have occurred since the end of the year are set out in the paragraph headed "IMPORTANT EVENTS AFTER THE FINANCIAL YEAR ENDED 31 DECEMBER 2024" under the section headed "Management Discussion & Analysis" in this annual report. An analysis of the Group's performance during the year using financial key performance indicators is set out in the section headed "Financial & Operation Highlights" and in the section headed "Management Discussion & Analysis", respectively, in this annual report.

ENVIRONMENTAL POLICIES AND PERFORMANCE

Sino-Ocean Group has been proactively responding to domestic and foreign advocacy while undertaking its environmental responsibilities and placing a strong emphasis on environmental performance. We formulated the "Sino-Ocean Group Policy on Climate Change", "Sino-Ocean Group Energy Policy", "Sino-Ocean Group Policy on Environmental Protection" and "Sino-Ocean Group Policy on Green Procurement", and issued the "Declaration of Sino-Ocean Group on Climate Change" to regulate management requirements related to the environment. Based on its commitment on the long-term goal of "Achieving carbon neutrality by 2050", Sino-Ocean Group formulated a systematic carbon neutrality strategy and pathway planning in 2022, and launched Sino-Ocean "2050 Net Zero" project, dedicating to become an advocate and pioneer in building healthy, green, climate-friendly and sustainable cities and communities.

The Group has a long history of implementing standards for green and healthy buildings. On the business front, we conduct feasibility assessment and environmental impact assessment or registration for new projects in stringent adherence to environmental assessment procedures in accordance with relevant regulations of local governments, and make development arrangements and investment decisions accordingly, and consider environmental factors in the entire life cycle of the building. Sino-Ocean Group has continued to take the lead among industry players in constructing green and healthy buildings, and taken into account the value of health and low-carbon by its self-developed "Sino-Ocean Healthy Building System" as a continuing effort to build a greener and healthier living environment. Simultaneously, Sino-Ocean Group has put into practice the adoption of WELL healthy building standards to build more green and healthy buildings across the nation.

STAKEHOLDER RELATIONS

Based on its review on past efforts in the fulfilment of responsibilities and judgment on the current international and domestic situations, Sino-Ocean Group stays committed to the communication and collaboration with the seven major groups of stakeholders, namely investors, government, employees, customers, environment, business partners and communities, striving to achieve sustainable development in economic, social and environmental values with these stakeholders together.

The Board believes that the support of Shareholders and investors in the Group is essential. The Group adheres to the best practice in information disclosure in terms of accuracy, transparency and consistency. The Group is committed to maintaining highly honest, sincere and effective communication with the financial community and other stakeholders. In addition to publishing announcements in line with the Company's development, the Group also emphasizes the opportunity to regularly interact and exchange views with investors and proactively addresses the concerns of financial institutions, investors, analysts, and stakeholders. After each general meeting, the management reserved time for direct dialogues with individual Shareholders, ensuring all Shareholders were given the opportunity to directly discuss the issues in concern with the management. For further information, please refer to the section headed "Investor Relations" in this annual report.

The basic obligation of corporate responsibility is to respond to the national policies. Over the years, Sino-Ocean Group has not only actively echoed and conscientiously implemented the government's demand for "real estate market's continuous and healthy development", but also closely followed national policies and strictly observed new regulations on real estate financing, while showing a persistent concern and support for people's livelihood. We have never ceased to bring the strengths of our professional skills into full play. While developing projects for our market segments, we adhere to our commitment and social responsibility, and improve people's living standards, convey the concept of healthy living, pay attention to and satisfy their increasingly demanding material and cultural needs, continuously striving to provide more families with a better living space.

The sustainable development of Sino-Ocean Group is dependent upon the diligent work under shared values and mutual progress of all employees.

Sino-Ocean Group treasures its customers as one of the most important groups of stakeholders, adheres to the "serving with ingenuity" principle to work for dedicated projects and produce quality products through artistry, and is committed to promoting healthy living, quality lifestyles, amicable neighborhoods and a civil community atmosphere in Sino-Ocean communities.

On the environmental front, please refer to the paragraphs headed "ENVIRONMENTAL POLICIES AND PERFORMANCE" above and the contents of the "Sustainable Development Report 2024 of Sino-Ocean Group".

Committed to mutual growth and benefit with all its business partners, the Group drives them to develop in a sustainable manner while undertaking social responsibility at the same time. The business partners of Sino-Ocean Group has across the nation. The Group gives priority to local suppliers based on the locations of relevant projects, and engages in regular communication and exchanges with business partners. Strategic procurement suppliers are assessed and classified (based on the results of the assessments) on an annual basis to ensure timely understanding of partners' business, development and environmental performance. The Group also formulated the "Sino-Ocean Group Code of Conduct for Suppliers" and carried out supplier ESG assessments for five consecutive years, ensuring the suppliers of Sino-Ocean upheld and put into practice the Group's views on accountability. In the meantime, Sino-Ocean Group has also shared the philanthropic values of "Micro-philanthropic, inclusiveness and sustainability" with all its partners. Under the proposition of "shared benefits", more and more partners have joined Sino-Ocean as "partners with shared benefits" to create a better world together.

Sino-Ocean Group's responsibility on the social and civic fronts is performed primarily through Sino-Ocean Charity Foundation set up and funded by Sino-Ocean Group, which serves as the hub for a network of charitable resources with special emphasis on education and environmental protection, and support for community health improvement. Its professional charity platform has effectively integrated the resources of Sino-Ocean Group and provided the most professional and effective channel for the charitable donations and joint charity ventures of the Group and its partners.

For the environmental policies and performance of the Group as well as the full content related to stakeholder relations, please refer to the "Sustainable Development Report 2024 of Sino-Ocean Group", which will be published on the websites of the Company and the Stock Exchange at the same time as the publication of this annual report.

COMPLIANCE WITH LAWS AND REGULATIONS

The real estate industry in China is the core industry which PRC laws, regulations and policies pay much attention to. There are laws and regulations of different levels restricting various aspects of the real estate industry, such as the transfer of land use rights, the establishment of property development enterprises, the development and construction of real estate projects, environmental protection and foreign exchange control. The Group recognises the importance of the compliance with the laws and regulations in commercial activities, and the failure to comply with the above could result in serious risk and consequences. The Group has reasonably allocated legal, corporate governance, financial and human resources, in particular, the setting up of the compliance and risk management team, to provide assurance for the Group to comply with applicable laws and regulations. Meanwhile, the Group maintains good relationships with Government regulators through effective communication. The Group abides by the applicable laws and regulations, standards and codes on the environment and green construction in material respects, such as the "Work Safety Law of the People's Republic of China", the "Environmental Protection Law of the People's Republic of China", the "Construction Law of the People's Republic of China", the "Law on Environmental Impact Assessment of the People's Republic of China", the "Regulations on Nature Reserves of the People's Republic of China", etc. During the year under review, to the best of our knowledge, there were no material breaches of or non-compliance with applicable laws and regulations in mainland China and Hong Kong that had a significant impact on the business and operations of the Group.

CORPORATE GOVERNANCE

The Company is committed to maintaining a high standard of corporate governance practices. Corporate governance practices adopted by the Company are set out in the section headed "Corporate Governance Report" of this annual report.

REMUNERATION POLICY AND RETIREMENT BENEFITS OF THE GROUP

The Group's remuneration system has been determined with reference to (including but not limited to) the Company's operating results, the efficiency and accomplishments of its employees, and the remuneration level of its market peers, in order to provide employees with remuneration packages which are in line with the market standards, and also to safeguard the human resources for the Company's sustainable development. The Company has approved the 2018 Option Scheme, details of which are set out in the paragraphs headed "SHARE OPTION SCHEME OF THE COMPANY" in this report.

The employees of the Company's subsidiaries established in the PRC participate in various retirement benefit plans organized by the relevant municipal and provincial government in the PRC. These subsidiaries are required to contribute certain percentage of payroll costs to the retirement benefit scheme. The Group has joined the MPF Scheme for all employees in Hong Kong. The MPF Scheme is a defined contribution retirement scheme administered by independent trustees. Under the MPF Scheme, the employer and its employees are each required to make contributions to the MPF Scheme at rates specified in the rules.

Details of the Group's retirement benefit plans are set out in note 40 to the consolidated financial statements of this annual report.

BASIS OF DETERMINING REMUNERATION TO DIRECTORS

The Group's remuneration policy is also applicable to the Directors. Apart from benchmarking against the market, the Company looks at individual experience, qualification, duties and responsibilities involved in the Company in determining the exact level of remuneration for each Director. Appropriate benefits schemes are in place for the Directors, including the share option scheme of the Company, similar to those offered to other employees of the Group. No Director is involved in deciding his/her own remuneration.

FIVE-YEAR FINANCIAL SUMMARY

A five-year financial summary of the Group is set out on page 217 of this annual report.

SHARE OPTION SCHEME OF THE COMPANY

The 2018 Option Scheme (details of which were set out in the circular of the Company dated 16 July 2018) is valid and effective for a period of 10 years until 5 August 2028, unless it is terminated early in accordance with its provisions. As at the date of this report, the remaining term of the 2018 Option Scheme was approximately 3.3 years.

The scope of the participants applicable to the 2018 Option Scheme shall be determined by the Board. In general, the participants of the 2018 Option Scheme are the formal employees (i.e. who have signed valid employment contracts with the Group for one year or more) of the Group. The Board may decide to grant share options to other persons who, in the opinion of the Board, are critical to the development of the Company. The purposes of the 2018 Option Scheme are to provide an incentive for employees of the Group to work with commitment towards enhancing the value of the Company and its Shares for the benefit of our Shareholders, to enhance the competitiveness of the Company's remuneration structure, to attract and retain talents required to achieve the Company's long-term strategic targets, and to compensate Directors and employees of the Group for their contribution based on their individual performance and the performance of the Company.

The total number of Shares in respect of which share options may be granted under the 2018 Option Scheme is not permitted to exceed 761,528,565 Shares, representing approximately 10% of the total number of issued Shares as at the date of this report. The number of share options available for grant (and the number of Shares issuable under the share options available for grant) under the 2018 Option Scheme was 17,400,000 at the beginning and the end of the financial year ended 31 December 2024, representing approximately 0.23% of the total number of the issued Shares as at the date of this report. As at 31 December 2024, the total number of Shares which may be issued upon exercise of all outstanding share options granted under the 2018 Option Scheme was 600,000 Shares, representing approximately 0.008% of the total number of the issued Shares as at the date of this report. Without prior approval from the Shareholders, the number of Shares in respect of which share options were granted and may be granted to any individual in any 12-month period is not permitted to exceed 1% of the number of Shares in issue. For any grant of options to a substantial Shareholder or an INED, or any of their respective associates, the Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person within any 12-month period shall not exceed 0.1% of the number of issued Shares in aggregate and be with an aggregate value (based on the closing price of the Shares on the date of grant) in excess of HKD5 million.

The share options granted under the 2018 Option Scheme are exercisable within five years period in which 50% of share options become exercisable after 12 months from the grant date and all share options become exercisable after 24 months from the grant date. A consideration of HKD1.00 is payable by each grantee accepting the grant of share options within 21 business days from the date of the notice of the grant of share options issued by the Company. Options are exercisable at a price that is determined by the Board, which will not be less than the higher of the closing price of the Shares on the respective date of grant, and the average closing price of the Shares for the five business days immediately preceding the respective date of grant.

Particulars of share options outstanding under the 2018 Option Scheme at the beginning and at the end of the financial year ended 31 December 2024 and share options granted, exercised, cancelled or lapsed under the 2018 Option Scheme during the year were as follows:

Category of participants	Date of share options granted	Exercise period	Exercise price of share options (HKD)	No. of share options outstanding as at 1 January 2024	No. of share options lapsed during the year	No. of share options outstanding as at 31 December 2024
Directors						
Existing Directors						
Mr. LI Ming	27 Mar 2019	27 Mar 2020 – 26 Mar 2024	3.37	50,000,000	(50,000,000)	–
Mr. HAN Xiaojing	27 Mar 2019	27 Mar 2020 – 26 Mar 2024	3.37	600,000	(600,000)	–
	25 Mar 2020	25 Mar 2021 – 24 Mar 2025	2.106	600,000	–	600,000
Subtotal				**51,200,000**	**(50,600,000)**	**600,000**
Former Director						
Mr. JIN Qingjun (resigned on 29 August 2024)	27 Mar 2019	27 Mar 2020 – 26 Mar 2024	3.37	600,000	(600,000)	–
	25 Mar 2020	25 Mar 2021 – 24 Mar 2025	2.106	600,000	(600,000)	–
Subtotal				**1,200,000**	**(1,200,000)**	**0**
Other employees of the Group (Note iv)	27 Mar 2019	27 Mar 2020 – 26 Mar 2024	3.37	455,528,565	(455,528,565)	–
Total				**507,928,565**	**(507,328,565)**	**600,000**

Notes:

(i) The share options granted under the 2018 Option Scheme are exercisable during a period of five years commencing on the date of grant, where 50% of share options will become exercisable after 12 months from the date of grant and all share options will become exercisable after 24 months from the date of grant.

(ii) During the year ended 31 December 2024, no share option was granted, exercised or cancelled with respect to the 2018 Option Scheme.

(iii) Among the five individuals whose emoluments were the highest in the Group for the year ended 31 December 2024, three of whom were Executive Directors, namely Mr. LI Ming, Mr. WANG Honghui and Mr. CUI Hongjie. For particulars of the share options granted to the Executive Directors (if any), please refer to the category under “Directors”. Save as disclosed above, none of the other persons among the five highest paid individuals of the Group held the share option during the year ended 31 December 2024.

(iv) Other employees of the Group exclude the Directors and the five highest paid individuals of the Group.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Sino-Ocean Land Treasure IV Limited (the "Issuer", a wholly-owned subsidiary of the Company) issued USD200,000,000 3.80% credit enhanced green notes due 2025 (the "2025 Notes") which was guaranteed by the Company. The 2025 Notes had the full coverage of an irrevocable standby letter of credit (the "SBLC"). On 29 October 2024, the Issuer was informed by the trustee of the 2025 Notes that the outstanding amount under the 2025 Notes had been redeemed in full with the SBLC on 28 October 2024. For details of the redemption, please refer to the announcements of the Company dated 15 October 2024 and 29 October 2024.

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities (including sale of treasury shares, if any) of the Company during the year under review.

DIRECTORS

The table below sets out the members of the Board during the year under review and up to the date of this report:

Name of Directors	Position
Mr. LI Ming	Chairman and Executive Director
Mr. WANG Honghui	Executive Director
Mr. CUI Hongjie	Executive Director
Ms. CHAI Juan	Executive Director
Mr. ZHANG Zhongdang	Non-executive Director
Mr. YU Zhiqiang	Non-executive Director
Ms. SUN Jianxin	Non-executive Director (appointed on 3 February 2025)
Ms. WANG Manling	Non-executive Director (appointed on 3 February 2025)
Mr. HAN Xiaojing	Independent Non-executive Director
Mr. LYU Hongbin	Independent Non-executive Director
Mr. LIU Jingwei	Independent Non-executive Director
Mr. JIANG Qi	Independent Non-executive Director
Mr. CHEN Guogang	Independent Non-executive Director (appointed on 29 August 2024)
Mr. ZHAO Peng	Non-executive Director (resigned on 3 February 2025)
Mr. SUN Jinfeng	Non-executive Director (resigned on 3 February 2025)
Mr. JIN Qingjun	Independent Non-executive Director (resigned on 29 August 2024)

Brief biographical details of the Directors as at the date of this report are set out in the section headed "Biographies of Directors and Senior Management" in this annual report.

DIRECTORS OF SUBSIDIARIES

A list of directors of subsidiaries of the Company during the year under review and up to the date of this report is kept at the Company's registered office and available for inspection by Shareholders during office hours.

DIRECTORS' SERVICE CONTRACTS

The term of service as a Director is subject to retirement by rotation and re-election in accordance with the provisions of the Articles. An Executive Director, each of the Non-executive Directors and Independent Non-executive Directors has entered into a letter of appointment with the Company for a term of one year subject to re-election in the forthcoming AGM.

None of the Directors who are proposed for re-election at the forthcoming AGM has a service contract with any member of the Group which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

PERMITTED INDEMNITY

The Articles provides that, subject to the provisions of the Companies Ordinance, each Director or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he or she may sustain or incur in or about the execution of the duties of his or her office or otherwise in relation thereto. In addition, the Company has maintained appropriate directors and officers liability insurance in respect of relevant legal actions against the Directors and officers of the Group. The relevant provisions in the Articles and the directors and officers liability insurance were in force during the financial year ended 31 December 2024 and as at the date of this report.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in the section headed "CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS" in this report, no transaction, arrangement or contract of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which any Director or any entity connected with a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year under review.

DIRECTORS' RIGHTS TO PURCHASE SHARES OR DEBENTURES

Save for the share options granted pursuant to the 2018 Option Scheme, at no time during the year under review was the Company or any of its subsidiaries a party to any arrangement that would enable the Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors or any of their spouses or children under the age of 18, were granted any right to subscribe for the equity or debt securities of the Company or any other body corporate or had exercised any such right.

EQUITY-LINKED AGREEMENTS

Save for the 2018 Option Scheme as disclosed in the section headed "SHARE OPTION SCHEME OF THE COMPANY" of this report, no equity-linked agreements were entered into by the Group during the year or subsisted at the end of the year.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2024, the interests and short positions of each of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Long position in the Shares and the underlying Shares

		As at 31 December 2024			
Name of Directors	Capacity/nature of interest	No. of Shares held	No. of underlying Shares comprised in share options (Note i)	Total	Approximate percentage in the Company's total issued share capital (Note iv)
Mr. LI Ming	Founder of discretionary trust	127,951,178 (Note ii)	–	127,951,178	1.680%
	Beneficiary of trust	14,914,200 (Note iii)	–	14,914,200	0.196%
	Beneficial owner	65,445,000	–	65,445,000	0.859%
Mr. WANG Honghui	Beneficial owner	273,295	–	273,295	0.004%
Mr. CUI Hongjie	Beneficial owner	369,571	–	369,571	0.005%
Ms. CHAI Juan	–	–	–	–	–
Mr. ZHAO Peng	–	–	–	–	–
Mr. ZHANG Zhongdang	–	–	–	–	–
Mr. YU Zhiqiang	–	–	–	–	–
Mr. SUN Jinfeng	–	–	–	–	–
Mr. HAN Xiaojing	Beneficial owner	460,000	600,000	1,060,000	0.014%
Mr. LYU Hongbin	–	–	–	–	–
Mr. LIU Jingwei	–	–	–	–	–
Mr. JIANG Qi	–	–	–	–	–
Mr. CHEN Guogang	–	–	–	–	–

Notes:

(i) The share options were granted pursuant to the 2018 Option Scheme, details of which are set out in the section headed "SHARE OPTION SCHEME OF THE COMPANY" in this report.

(ii) The 127,951,178 Shares are held by a discretionary trust of which Mr. LI Ming is the founder.

(iii) The 14,914,200 Shares are held by a discretionary trust of which Mr. LI Ming, his spouse and his son are the beneficiaries.

(iv) Calculated based on the Company's total number of issued Shares of 7,616,095,657 Shares as at 31 December 2024.

Long position in the shares of the associated corporation

Name of Director	Name of associated corporation	Capacity/ nature of interest	As at 31 December 2024 No. of ordinary shares of associated corporation held	As at 31 December 2024 Approximate percentage of total issued share capital of associated corporation (Note)
Mr. WANG Honghui	Gemini Investments (Holdings) Limited	Beneficial owner	132,000	0.021%

Note: Calculated based on Gemini Investments (Holdings) Limited's total number of issued ordinary shares of 635,570,000 shares as at 31 December 2024.

Save as disclosed above, none of the Directors nor the chief executives of the Company had any interest or short positions in any of the shares, underlying shares or debentures of the Company or any of its associated corporations (with the meaning of Part XV of the SFO) as at 31 December 2024 as recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2024, other persons' interests and short positions in Shares and underlying Shares (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under section 336 of the SFO were as follows:

Name of Shareholders	Capacity/nature of interest	Long/short position	As at 31 December 2024 No. of Shares held	As at 31 December 2024 Approximate percentage in the Company's total issued share capital (Note iii)
China Life Group (Note i)	Interest of controlled corporation	Long	2,253,459,151	29.59%
Dajia Insurance Group (Note ii)	Interest of controlled corporation	Long	2,252,646,115	29.58%

Notes:

(i) The 2,253,459,151 Shares were registered in the name of, and beneficially owned by, China Life Insurance. China Life Group was interested in 68.37% of China Life Insurance. China Life Group was deemed to be interested in these Shares by virtue of the SFO.

(ii) The 2,252,646,115 Shares were registered in the name of, and beneficially owned by, Dajia Life Insurance. Dajia Insurance Group was interested in 99.98% of Dajia Life Insurance. Dajia Insurance Group was deemed to be interested in these Shares by virtue of the SFO.

(iii) Calculated based on the Company's total number of issued Shares of 7,616,095,657 Shares as at 31 December 2024.

Save as disclosed above, the Company had not been notified by any person or corporation who had interests or short positions in the Shares or underlying Shares as at 31 December 2024 as recorded in the register required to be kept by the Company under section 336 of the SFO.

COMPETING INTERESTS

None of the Directors had interest in any business which competed or was likely to compete, either directly or indirectly, with the businesses of the Group that were required to be disclosed pursuant to Rule 8.10 of the Listing Rules.

MANAGEMENT CONTRACTS

No contracts, other than employment contracts, concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

MAJOR SUPPLIERS AND CUSTOMERS

The Group's principal business is property development. During the year under review, purchases from the Group's five largest suppliers (excluding land supply) accounted for less than 30% of the total purchases for the year.

The Group's major products are commodity housings, and its major customers bases are general individual home buyers, involving a relatively large number of customers. During the year under review, sales to the Group's five largest customers accounted for less than 30% of the revenue for the year.

As far as the Directors are aware, neither the Directors, their close associates, nor the Shareholders (which to the knowledge of the Directors own more than 5% of the number of issued Shares) had any interest in the five largest customers and suppliers of the Group.

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

During the year under review, the Group had conducted the following connected transactions and continuing connected transactions that were not fully exempt under Chapter 14A of the Listing Rules, details of which are disclosed below in compliance with the requirements of Chapter 14A of the Listing Rules.

Connected transactions

1. Disposal of equity interests and creditor's rights in a property development company in the PRC

   On 7 June 2024, the Company, Beijing Yingyu Enterprise Management Consulting Co., Ltd.* (北京穎煜企業管理諮詢有限公司) ("Seller 1"), Tianjin Yigangtong Enterprise Management Co., Ltd.* (天津頤港通企業管理有限公司) (together with Seller 1, the "Sellers") (both being wholly-owned subsidiaries of the Company), China Life Qihang Phase I (Tianjin) Equity Investment Fund Partnership (Limited Partnership) (國壽啟航壹期(天津)股權投資基金合夥企業(有限合夥)) ("Purchaser 1"), Shiny Harbour Limited (緻港有限公司) ("Purchaser 2 (Equity)"), Beijing Sanlitun South Property Management Company Limited* (北京三里屯南區物業管理有限公司) ("Purchaser 2 (Debt)", together with Purchaser 2 (Equity), "Purchaser 2") (Purchaser 1 together with Purchaser 2, the "Purchasers") and Beijing Xingtaitonggang Properties Company Limited* (北京星泰通港置業有限公司) (the "Target Company") entered into a sale and purchase agreement (the "Sale and Purchase Agreement") in relation to the disposal by the Sellers to the Purchasers of (a) an aggregate of 64.79% equity interests in the Target Company (the "Target Equity Interests"), in respect of which Purchaser 1 conditionally agreed to acquire an aggregate of 49.895% equity interests at the aggregate consideration of RMB2,984,283,107.22 and Purchaser 2 (Equity) conditionally agreed to acquire 14.895% equity interests at the consideration of RMB890,888,804.14; and (b) all creditor's rights held by Seller 1 in the Target Company in relation to the loans lent by Seller 1 to the Target Company (in the aggregate amount of RMB124,828,088.64, the "Target Creditor's Rights"), in respect of which Purchaser 1 and Purchaser 2 (Debt) conditionally agreed to acquire the Target Creditor's Rights in the amount of RMB96,130,536.85 and RMB28,697,551.79, respectively, which is the proportionate amount of the Target Creditor's Rights corresponding to the percentage of equity interests in the Target Company to be acquired by Purchaser 1 and Purchaser 2 (Equity) under the Sale and Purchase Agreement.

The total consideration for the disposal of the Target Equity Interests and the Target Creditor's Rights (the "Disposal") was RMB4 billion, of which RMB3,080,413,644.07 was the total consideration for the disposal transactions with Purchaser 1 and RMB919,586,355.93 was the total consideration for the disposal transactions with Purchaser 2. The total consideration for the Disposal shall be payable in two instalments subject to satisfaction of the respective conditions precedent in accordance with the Sale and Purchase Agreement, of which the first instalment is in the total amount of RMB3.8 billion and the second instalment is in the total amount of RMB0.2 billion.

The consideration for the Target Creditor's Rights was determined on a dollar-for-dollar basis. The consideration for the Target Equity Interests was determined after arm's length negotiations between the Company, the Sellers and the Purchasers, and was determined with reference to, among others, (i) the unaudited net asset value of the Target Company as at 30 April 2024 prepared in accordance with the Hong Kong Financial Reporting Standards (taking into account the valuation of the development site for the proposed development of a project named INDIGO II (the "Property") as at 30 April 2024) of approximately RMB8.4 billion; (ii) the valuation of the Property as at 30 April 2024 in the amount of approximately RMB12.2 billion carried out by Cushman & Wakefield Limited, an independent property valuer; (iii) a discount of approximately 29% to the above unaudited net asset value of the Target Company attributable to the Target Equity Interests as agreed and based on arm's length negotiations with the Purchasers, taking into account the urgency of the Group to realise its interests in INDIGO II in order to alleviate the Group's current liquidity pressure, which relates to the individual limitations/circumstances of the Group as opposed to a general willing seller in the market not subject to such limitations/circumstances; and (iv) the reasons for and benefits of the Disposal as stated in the circular of the Company dated 25 June 2024.

The Target Company was principally engaged in property development and was mainly responsible for the development and operation of the Property for the proposed development of a project named INDIGO II. Located in Dawangjing Business Circle, Beijing with strong business atmosphere, INDIGO II was intended to be developed into a flagship commercial complex.

To improve its liquidity and to obtain funds to meet its financial needs and commitments, the Group has been proactively formulating various plans and measures, including seeking potential purchasers in respect of its assets on terms which are in the best interests of the Company and its stakeholders taken as a whole. INDIGO II was one of the property assets that was of a meaningful size and was considered suitable for realisation. The Disposal would not only enable the Group to realise its investment in the Target Company and recoup immediate cash resources for the repayment of relevant priority indebtedness and necessary payment obligations, but also release the Group from future funding obligations to the project, which the Group would have a difficulty to in view of its then financial and liquidity position. For details of the reasons for and benefits of the Disposal, please refer to the circular of the Company dated 25 June 2024.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of the Sale and Purchase Agreement, Purchaser 1 was a limited partnership whose limited partnership interest was held as to approximately 99.99% by China Life Insurance, a substantial Shareholder which held approximately 29.59% of the total issued share capital of the Company, and approximately 0.01% by a wholly-owned subsidiary of China Life Group, which was the holding company of China Life Insurance. Purchaser 1 was therefore an associate of China Life Insurance and thus a connected person of the Company. Accordingly, the Disposal constituted a connected transaction of the Company under Chapter 14A of the Listing Rules, and was subject to the reporting, announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Ms. CHAI Juan, Mr. ZHANG Zhongdang and Mr. YU Zhiqiang, all being Directors nominated by China Life Insurance at the relevant time, had abstained from voting on the relevant Board resolution(s) approving the Disposal agreements and the transactions as contemplated thereunder (including the Disposal). In view of the interests in the Disposal agreements and the transactions as contemplated thereunder (including the Disposal) of China Life Insurance and its associates, China Life Insurance was required under the Listing Rules to abstain and had abstained from voting on the relevant proposed ordinary resolution at the extraordinary general meeting of the Company held on 11 July 2024.

The Disposal agreements and the transactions as contemplated thereunder (including the Disposal) were approved at the extraordinary general meeting of the Company held on 11 July 2024. As at the date of the Sale and Purchase Agreement, the Target Company was accounted for as a joint venture of the Company in the consolidated financial statements of the Group. Upon completion of the Disposal during the year ended 31 December 2024, the Company ceased to have any interest in the Target Company.

Details of the above transactions have been disclosed in the announcement of the Company dated 7 June 2024 and the circular of the Company dated 25 June 2024 in compliance with the Listing Rules.

2. Possible issue of new notes and mandatory convertible bonds to connected person in connection with the holistic offshore debt restructuring

The restructuring (the "Restructuring") of the relevant offshore in-scope debts of the Group (the "Existing Debt Instruments", comprising, among others, the six series of English law-governed guaranteed notes and one series of English law-governed perpetual subordinated guaranteed capital securities (collectively, the "Existing Notes"), in each case issued by the relevant subsidiary of the Company and guaranteed by the Company) was implemented through a combination of restructuring processes, the effect of which was that all claims of the in-scope creditors under the Existing Debt Instruments will be discharged and released upon the distribution of the restructuring consideration to the in-scope creditors on the effective date of the Restructuring (the "Restructuring Effective Date") consisting of (a) new debts (the "New Debts") in an aggregate principal amount of USD2,200 million, which consists of new USD denominated term loan facility of the Company and new USD denominated notes of the Company (the "New Notes"); and (b) new zero-coupon, two-year mandatory convertible bonds of the Company (the "MCBs") and/or new interest bearing, perpetual securities of the Company in a combined aggregate principal amount equal to the result of the total restructuring process claims of all in-scope creditors minus the aggregate principal amount of the New Debts.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the latest practicable date prior to the printing of the circular of the Company in relation to possible transactions in connection with the Restructuring dated 1 November 2024 for the purpose of ascertaining certain information contained in the said circular (i.e. 29 October 2024) (the "Circular LPD"), China Life Franklin Asset Management Co., Limited, an affiliate of China Life Insurance (together with its associates, the "China Life Entity(ies)"), held the Existing Notes in principal amount of not more than USD740 million on behalf of China Life Insurance and its affiliates. Therefore, the same as other holders of the Existing Notes, subject to the election and allocation mechanism in relation to the entitlement of in-scope creditors to the restructuring consideration (the "Election and Allocation Mechanism"), the relevant Existing Notes held by China Life Entity(ies) would be exchanged into New Notes and subject to the China Life Entity(ies) electing to receive MCBs and subject to the Election and Allocation Mechanism, China Life Entity(ies) might be issued certain MCBs in the Restructuring.

China Life Insurance was a substantial Shareholder which held approximately 29.59% of the total issued share capital of the Company as at the Circular LPD, and was therefore a connected person of the Company under Chapter 14A of the Listing Rules. As the New Notes would be secured by the assets of the Group, the exemption under Rule 14A.90 of the Listing Rules was not applicable. Furthermore, the MCBs would be convertible into the new Shares to be allotted and issued upon conversion of the MCBs. Therefore, each of the possible issue of the New Notes to China Life Entity(ies) (the "China Life New Notes Issue") and the possible issue of the MCBs to China Life Entity(ies) (the "China Life MCB Issue") in the Restructuring constituted a connected transaction for the Company under Chapter 14A of the Listing Rules, and was subject to the reporting, announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Ms. CHAI Juan, Mr. ZHANG Zhongdang and Mr. YU Zhiqiang, all being Directors nominated by China Life Insurance at the relevant time, had abstained from voting on the relevant Board resolutions in relation to the China Life New Notes Issue, the China Life MCB Issue and the transactions as contemplated thereunder. In view of the material interests in the China Life New Notes Issue, the China Life MCB Issue and the transactions as contemplated thereunder of the China Life Entity(ies), China Life Insurance was required under the Listing Rules to abstain and had abstained from voting on the proposed ordinary resolutions in relation to the China Life New Notes Issue and the China Life MCB Issue at the extraordinary general meeting of the Company held on 18 November 2024.

The China Life New Notes Issue and the China Life MCB Issue were approved at the extraordinary general meeting of the Company held on 18 November 2024, but had not been completed during the financial year ended 31 December 2024 pending the occurrence of the Restructuring Effective Date.

Details of the above transactions have been disclosed in the announcement of the Company dated 29 October 2024 and the circular of the Company dated 1 November 2024 in compliance with the Listing Rules.

Continuing Connected Transactions

(a) Financial products transactions framework agreement dated 16 December 2021

On 16 December 2021, the Company and China Life Insurance entered into a financial products transactions framework agreement (the "Framework Agreement"), pursuant to which China Life Insurance may, based on its investments needs, subscribe for financial products to be issued by the Group.

The Framework Agreement is of a term of three years commencing from 1 January 2022 to 31 December 2024.

Market-based pricing principles shall be applied when determining the pricing for the transactions under the Framework Agreement, which shall be determined based on normal commercial terms at the prevailing market prices or market rates of similar transactions carried out by the Company with independent third parties. In general, the rate of return for financial products that are publicly issued in or outside the PRC would normally be determined based on the yield of the domestic and foreign treasury bonds for the corresponding term, taking into account various factors, including but not limited to the prevailing market conditions and the level of new issuance of comparable companies, and to be determined through book-building process. For financial products that are non-publicly issued in or outside the PRC, the pricing level would normally be determined based on that of publicly issued products and the principles of fairness and compliance with applicable laws, rules and regulations, taking into account various conditions and degree of difficulty in the issuance.

In accordance with the terms of the Framework Agreement, the subscription amount (including transaction amount and any related expenses) by China Life Insurance during the term of the Framework Agreement shall be capped at RMB15,000,000,000 (or its equivalent in other currencies), and the annual cap in respect of the subscription amount by China Life Insurance for transactions as contemplated under the Framework Agreement is RMB5,000,000,000 (or its equivalent in other currencies) per annum for each of the years ended 31 December 2022, 2023 and 2024, of which the subscription amount of:

(1) credit products and unsecured products shall not exceed RMB3,500,000,000 (or its equivalent in other currencies) per annum; and

(2) various types of perpetual loan that are issued in or outside the PRC, whether publicly or non-publicly issued, shall not exceed RMB1,500,000,000 (or its equivalent in other currencies) per annum.

Furthermore, taking into account the types of financial products issued by the Group in the past and the amount involved, the Group expected that the transaction amounts for subscription by China Life Insurance of financial products that were to be secured by assets of the Group under the Framework Agreement should not be more than RMB540,000,000 (or its equivalent in other currencies) per annum for each of the years ended 31 December 2022, 2023 and 2024.

China Life Insurance is the largest Shareholder. Building on the capital relationship between the Company and China Life Insurance, the parties have been cooperating and creating synergies in different areas of business. The entering into of the Framework Agreement continued to provide the parties with flexibility to carry out transactions as contemplated thereunder within the capital market window should both parties consider appropriate. The transactions under the Framework Agreement enhance the synergy between the Company and China Life Insurance in the capital market, allowing China Life Insurance to enrich its investments portfolio with the view of obtaining better investment returns on one hand, and enhancing the debt profile of the Company and thereby improving its capability for sustainable development on the other hand should appropriate opportunities arise. The entering into of the Framework Agreement also represented the continuing financial cooperation with China Life Insurance and further strengthened the synergetic effect between the Company and China Life Insurance.

As at the date of the Framework Agreement, China Life Insurance was a substantial Shareholder and therefore a connected person of the Company. Accordingly, the transactions as contemplated under the Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Subscription by China Life Insurance of financial products of the Group pursuant to the Framework Agreement constitutes financial assistance to be received by the Group from China Life Insurance. Pursuant to Rule 14A.90 of the Listing Rules, subscription of financial products that are not secured by assets of the Group and are conducted on normal commercial terms shall be exempt from the reporting, announcement, annual review and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. On the other hand, as one or more of the applicable percentage ratios calculated in accordance with the Listing Rules in respect of the annual caps for the subscription by China Life Insurance of financial products that are to be secured by assets of the Group pursuant to the Framework Agreement exceeded 0.1% but were all less than 5%, the entering into of the Framework Agreement and the transactions as contemplated thereunder were subject to the reporting and announcement requirements but were exempt from the circular (including independent financial advice) and the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The then Directors nominated by China Life Insurance had abstained from voting on the relevant Board resolution approving the transactions as contemplated under the Framework Agreement.

Details of the continuing connected transactions as contemplated under the Framework Agreement have been disclosed in the announcement of the Company dated 16 December 2021 in compliance with Chapter 14A of the Listing Rules.

No transaction involving the subscription by China Life Insurance of financial products that were secured by assets of the Group was incurred during the year ended 31 December 2024.

(b) Master framework agreement in relation to provision of consultancy services dated 15 April 2022

On 15 April 2022, the Company and Dajia Life Insurance entered into a master agreement (the "Master Agreement"), pursuant to which Dajia Life Insurance Group may, based on their business needs, engage the Group to provide consultancy services in relation to real estate projects, including property management services, parking spaces management, engineering consultancy and engineering services, pre-delivery services, and consultancy with respect to market positioning and preparation for commencement of operations etc.

The Master Agreement is of a term of three years commencing from 1 January 2022 to 31 December 2024.

The fees to be charged for the provision of the consultancy services by the Group shall be determined between the parties through arm's length negotiations with reference to the prevailing market price of similar services offered by independent third parties, as well as the fees to be charged for the provision of similar services by the Group to independent third parties, taking into account (i) the nature, size and location of the relevant projects; (ii) the type and scope of the services to be provided; and (iii) the Group's expected operational costs (including labor costs, material costs and administrative costs) in relation to the provision of the relevant services and will be charged on a lump sum basis.

Payment shall be made on a regular basis by either annually, half-yearly, quarterly or monthly (as the case may be) pursuant to the relevant terms of the individual agreements to be entered into depending on the types of services and with reference to market practice and the arrangements with independent customers of the Group.

The annual caps (excluding tax) for the transactions under the Master Agreement are as follows:

	Annual caps (RMB'000)		
	For the year ended 31 December 2022	For the year ended 31 December 2023	For the year ended 31 December 2024
Transactions under the Master Agreement	75,000	85,000	95,000

Dajia Life Insurance is a substantial Shareholder. The Company and Dajia Life Insurance have been cooperating and creating synergies in different areas of business and have been maintaining a long-term and stable cooperative relationship. Sino-Ocean Service is a non wholly-owned subsidiary of the Company which is a comprehensive property management service provider. The entrusting by Dajia Life Insurance Group with the provision of the consultancy services for its real estate projects to Sino-Ocean Service allowed the Group to make full use of its resource endowments, professional team and ability for the provision of high quality services and further strengthened the cooperation between the Group and Dajia Life Insurance Group. The Master Agreement represented a stable, continuing and trustworthy business relationship between the Group and Dajia Life Insurance Group which the Group could leverage to strengthen the synergetic effect with Dajia Life Insurance Group, thereby further expanding the Group's property management business and related value-added services and exploring new business needs and opportunities to further facilitate the Group's business growth and bring in additional revenue to the Group.

As at the date of the Master Agreement, Dajia Life Insurance was a substantial Shareholder and thus was a connected person of the Company. Accordingly, the transactions as contemplated under the Master Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios calculated in accordance with the Listing Rules in respect of the highest annual cap for the provision of the consultancy services by the Group to Dajia Life Insurance Group pursuant to the Master Agreement exceeded 0.1% but were less than 5%, the entering into of the Master Agreement and the transactions as contemplated thereunder were subject to the reporting, announcement and annual review requirements but were exempt from the circular (including independent financial advice) and the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The then Directors nominated by Dajia Life Insurance had abstained from voting on the relevant Board resolution approving the transactions as contemplated under the Master Agreement.

Details of the continuing connected transactions as contemplated under the Master Agreement have been disclosed in the announcements of the Company dated 18 April 2022 and 29 April 2022 in compliance with Chapter 14A of the Listing Rules.

For the year ended 31 December 2024, the transaction amount under the Master Agreement was approximately RMB3,334,000, which was within its annual cap.

In accordance with Rule 14A.55 of the Listing Rules, the INEDs have reviewed the continuing connected transactions under the Master Agreement which took place during the year and confirmed that the transactions have been entered into:

(1) in the ordinary and usual course of business of the Group;

(2) on normal commercial terms or better; and

(3) according to the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

In accordance with Rule 14A.56 of the Listing Rules, the auditor of the Company has provided a letter to the Board, confirming that nothing has come to its attention that causes it to believe that the continuing connected transactions under the Master Agreement which took place during the year:

(1) have not been approved by the Board;

(2) (for transaction involving the provision of goods or services by the Group) were not, in all material respects, in accordance with the pricing policies of the Group;

(3) were not entered into, in all material respects, in accordance with the relevant agreements governing the transactions; and

(4) have exceeded the annual cap.

RELATED PARTY TRANSACTIONS

A summary of significant related party transactions entered into by the Group during the year under review is set out in note 49 to the consolidated financial statements of this annual report. Save as disclosed above in the section headed "CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS", none of the related party transactions referred to in the aforementioned note falls within the definition of connected transaction or continuing connected transaction under Chapter 14A of the Listing Rules and is subject to reporting requirement during the year under review.

The Company has complied with the requirements in accordance with Chapter 14A of the Listing Rules with respect to the non-exempt connected transactions and continuing connected transactions entered into by the Group during the year under review.

DISCLOSURE PURSUANT TO RULE 13.22 OF THE LISTING RULES

As at 31 December 2024, the aggregate amount of financial assistance to affiliated companies by the Group exceeded 8% under the assets ratio as defined in Rule 14.07(1) of the Listing Rules.

In accordance with the requirements under Rule 13.22 of the Listing Rules, a proforma combined statement of financial position of the affiliated companies as at 31 December 2024 is presented as follows:

	RMB (million)
Non-current assets	39,293
Current assets	59,884
Current liabilities	(65,008)
Non-current liabilities	(32,851)
Net assets	**1,318**

The Group's attributable interest in the affiliated companies as at 31 December 2024 amounted to approximately RMB81 million.

The proforma combined statement of financial position of the affiliated companies has been prepared by combining their statements of financial position, after making adjustments to conform with the Group's significant accounting policies as at 31 December 2024.

CHANGES IN DIRECTORS' INFORMATION

Pursuant to Rule 13.51B(1) of the Listing Rules, changes in the information of the Directors during the period from 2 September 2024 (being the latest practicable date prior to the issue of the interim report of the Company for the period ended 30 June 2024) to the date of this report required to be disclosed are set out below:

- Mr. CHEN Guogang resigned as an independent non-executive director of China Dongxiang (Group) Co., Ltd., a company listed on the Stock Exchange, on 8 October 2024.

- Each of Ms. SUN Jianxin and Ms. WANG Manling was appointed as a NED; and each of Mr. ZHAO Peng and Mr. SUN Jinfeng resigned as a NED with effect from 3 February 2025.

- Ms. SUN Jianxin was appointed as a member of the Audit Committee; and Mr. ZHAO Peng ceased to be a member of the Audit Committee with effect from 3 February 2025.

- Ms. WANG Manling was appointed as a member of each of the Nomination Committee and the Strategic and Investment Committee; and Mr. SUN Jinfeng ceased to be a member of each of the Nomination Committee and the Strategic and Investment Committee with effect from 3 February 2025.

SUFFICIENT PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the Latest Practicable Date, the Company has maintained a sufficient public float of more than 25% of the issued Shares as required under the Listing Rules.

AUDITOR

The consolidated financial statements for the year ended 31 December 2024 have been audited by BDO, Certified Public Accountants, who will retire and, being eligible, offer itself for re-appointment, at the forthcoming AGM.

BDO was appointed as the auditor of the Company on 11 November 2022 to fill the casual vacancy following the resignation of PricewaterhouseCoopers on 9 November 2022.

Save as disclosed above, there were no other changes in auditor of the Company during the past three years.

By order of the Board

LI Ming
Chairman
Hong Kong, 26 March 2025

CORPORATE GOVERNANCE REPORT

The Board is pleased to present the Corporate Governance Report of the Company.

COMMITMENT TO CORPORATE GOVERNANCE

The Board and the management of the Group are committed to achieving and maintaining high standards of corporate governance, which they consider to be critical in safeguarding the integrity of the Company's operations and maintaining investors' trust in the Company. It is of utmost importance to conduct business with accountability, transparency and fairness. The Group's interests as well as those of its Shareholders will be maximized in the long run by adhering to these principles. The management of the Group also actively observes the latest corporate governance developments in Hong Kong and overseas.

Compliance with the corporate governance code

In the opinion of the Board, the Company had applied the principles of the CG Code to its corporate governance structure and practices as described in this report and complied with all the applicable code provisions of the CG Code throughout the year ended 31 December 2024, except for the deviations as disclosed below.

The roles of the Chairman and the CEO are served by Mr. LI Ming and have not been segregated as required under code provision C.2.1 of the CG Code. The Company considers that the combination of the roles of the Chairman and the CEO involves a realignment of power and authority under the existing corporate structure and facilitates the ordinary business activities of the Company. Although the responsibilities of the Chairman and the CEO are vested in one person, all major decisions are made in consultation with the Board and the senior management of the Company. The Board considers that there is sufficient balance of power and that the current arrangement maintains a strong management position and also facilitates efficiency in the ordinary business activities of the Company. The Board will review the current structure from time to time and will make any necessary arrangement as appropriate.

Code provision C.5.7 of the CG Code stipulates that if a substantial shareholder or a director has a conflict of interest in a matter to be considered by the board which the board has determined to be material, the matter should be dealt with by a physical board meeting rather than a written resolution. During the year under review, the Board approved two connected transactions (the "Transactions") by way of passing written resolutions in lieu of the physical board meetings, in respect of which a substantial Shareholder and certain Directors who were nominated by such substantial Shareholder were regarded as having material interests. It is considered that the adoption of written resolutions in lieu of the physical board meetings allowed the Board to make decision in relation to the Transactions in a more efficient manner. Prior to the execution of the written resolutions, Board papers regarding details and information, reasons for and benefits, as well as fairness of the Transactions were provided to all Directors in advance for their review and consideration, and all Directors had declared their interests in the matters (if any) in accordance with the Articles and applicable laws. The Directors who had material interests in the Transactions abstained from passing the written resolutions.

THE BOARD

Responsibilities

The Board, led by the Chairman, is responsible for achieving the corporate goals, formulating the development strategy, regularly reviewing the organizational structure, and monitoring the business activities and the performance of management so as to protect and maximize the interests of the Company and its Shareholders as a whole. Matters relating to the daily operations of the Group are delegated to the management. The delegated functions, power and work tasks are periodically reviewed to ensure that they remain appropriate. The Board will give clear directions to the management team as to their powers of management, and circumstances where the management team should report back. Approval has to be obtained from the Board prior to any decision being made or any commitments being entered into on behalf of the Company that are outside the scope of the operational authority delegated by the Board. Matters reserved for the Board are the overall strategy of the Group, major acquisitions and disposals, major capital investments, dividend policy, significant changes in accounting policies, material contracts, appointment of Director(s), remuneration policy and other major operational and financial matters.

The Board is also collectively responsible for performing corporate governance duties including to develop and review the Company's policies and practices on corporate governance, review and monitor the training and continuous professional development of Directors and senior management, review and monitor the Company's policies and practices on compliance with legal and regulatory requirements as well as develop, review and monitor the Code of Conduct applicable to Directors and the relevant employees of the Group, and review the Company's compliance with the CG Code which is amended from time to time, and its disclosure in the corporate governance reports.

During the year under review, the Board has considered and approved, including but not limited to the annual budget, management results and performance update against annual budget, together with business reports from the management, interim results for the six months ended 30 June 2024, the annual results for the year ended 31 December 2023, very substantial disposal and connected transaction, holistic restructuring plan of offshore debts of the Group involving, among others, possible issue of mandatory convertible bonds under specific mandate and possible issue of new notes and mandatory convertible bonds to connected person, extension arrangements of onshore open market debts of the Group, other critical business operations, the Company's ESG strategy and implementation plan, the publication of interim and annual reports (including Corporate Governance Report) and the Company's sustainable development report.

The valuable recommendations contributed by each Board Committee are highly respected by the Board and the Board takes proactive actions to put the recommendations in place.

Board composition

As at the date of this report, the Board comprised thirteen Directors, including four EDs, Mr. LI Ming (Chairman), Mr. WANG Honghui, Mr. CUI Hongjie and Ms. CHAI Juan; four NEDs, Mr. ZHANG Zhongdang, Mr. YU Zhiqiang, Ms. SUN Jianxin and Ms. WANG Manling; and five INEDs, Mr. HAN Xiaojing, Mr. LYU Hongbin, Mr. LIU Jingwei, Mr. JIANG Qi and Mr. CHEN Guogang. An updated list of the Directors and their role and function is published on the websites of the Company and the Stock Exchange. Composition of the Board is also disclosed, and the INEDs are identified, in all corporate communications to the Shareholders.

The members of the Board are of a diversity with a variety of backgrounds, rich industry experience and appropriate professional qualifications. Please refer to the section headed "Biographies of Directors and Senior Management" of this annual report for the profiles of the Directors.

Save as disclosed in the section headed "Biographies of Directors and Senior Management", the Directors have no other financial, business, family or other material or relevant relationships with one another.

(i) Chairman and Chief Executive Officer

As disclosed in the section headed "Compliance with the corporate governance code" in this report, although the responsibilities of the Chairman and the CEO are vested in one person, Mr. LI Ming, all major decisions are made in consultation with the Board and the senior management of the Company. The Board considers that there is sufficient balance of power and that the current arrangement maintains a strong management position and also facilitates efficiency in the ordinary business activities of the Company. The Board will review the current structure from time to time and will make any necessary arrangement as appropriate.

(ii) Non-executive Directors and Independent Non-executive Directors

The functions of NEDs and INEDs should include participating in Board meetings to bring an independent judgement to bear on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conduct; taking the lead where potential conflicts of interests arise; serving on the audit, remuneration, nomination and strategic and investment committees as members, if invited; and scrutinising the Company's performance in achieving agreed corporate goals and objectives, and monitoring performance reporting.

The NEDs (including INEDs) have made a positive contribution to the development of the Company's strategy and policies through independent, constructive and informed comments. They give the Board and the Board Committees on which they serve the benefit of their skills, expertise, varied backgrounds and qualifications through regular attendance at and active participation in meetings.

Each of Mr. ZHAO Peng (resigned on 3 February 2025), Mr. ZHANG Zhongdang, Mr. YU Zhiqiang and Mr. SUN Jinfeng (resigned on 3 February 2025), all being NEDs, has agreed not to receive the Director's fee of HKD460,000, during the year under review.

Appointment and re-election of Directors

The Directors give sufficient time and attention to the affairs of the Company. All Directors are required to disclose to the Company at the time of their appointment, and in a timely manner for any change of, the number and nature of offices held in public companies or organisations and other significant commitments.

Pursuant to the letters of appointment, an ED, all NEDs and INEDs are appointed for an initial term of one year. However, such term is subject to his/her re-election at the AGM in accordance with the Articles.

Every Director, including NEDs and INEDs, is subject to retirement by rotation at least once every three years. One-third of the Directors must retire from office at each AGM and their re-election is subject to the approval of the Shareholders.

Pursuant to the Articles, any Director appointed by the Board to fill a casual vacancy or as an addition to the existing Board shall hold office only until the next following general meeting of the Company, and shall be eligible for re-election.

Directors' Attendance at Meetings and Continuous Professional Development

During the year, the attendance of each Director at the Board, Board Committee (where applicable) meetings and the general meetings of the Company, and his/her training records are set out in the following table:

Directors	Number of meetings attended/eligible to attend							Type of trainings (Note x)
	Board	Audit Committee	Nomination Committee	Remuneration Committee	Strategic and Investment Committee	AGM (Note viii)	EGMs (Note ix)	
Existing Directors								
Mr. LI Ming	6/6	–	1/1	–	1/1	1/1	2/2	A, C
Mr. WANG Honghui	6/6	–	–	–	1/1	1/1	2/2	A, C
Mr. CUI Hongjie (Note i)	6/6	–	–	–	0/0	1/1	2/2	A, C
Ms. CHAI Juan (Note ii)	6/6	–	–	0/0	1/1	1/1	2/2	A, C
Mr. ZHAO Peng	6/6	2/2	–	–	–	1/1	2/2	A, C
Mr. ZHANG Zhongdang (Note iii)	6/6	–	–	–	0/0	1/1	2/2	A, C
Mr. YU Zhiqiang	6/6	2/2	–	–	–	1/1	2/2	A, C
Mr. SUN Jinfeng (Note iv)	6/6	–	0/0	–	1/1	1/1	2/2	A, C
Mr. HAN Xiaojing	6/6	–	1/1	1/1	–	1/1	2/2	A, C
Mr. LYU Hongbin	6/6	2/2	–	1/1	–	1/1	2/2	A, C
Mr. LIU Jingwei	6/6	2/2	–	–	0/1	1/1	2/2	A, C
Mr. JIANG Qi (Note v)	6/6	1/1	0/0	1/1	–	1/1	2/2	A, C
Mr. CHEN Guogang (Note vi)	2/2	0/0	0/0	–	–	–	1/1	A, C
Former Director								
Mr. JIN Qingjun (Note vii)	4/4	1/1	1/1	–	1/1	1/1	1/1	–

Notes:

(i) Mr. CUI Hongjie was appointed as a member of the Strategic and Investment Committee on 29 March 2024.

(ii) Ms. CHAI Juan was appointed as a member of the Remuneration Committee and ceased to be a member of the Strategic and Investment Committee on 29 March 2024.

(iii) Mr. ZHANG Zhongdang was appointed as a member of the Strategic and Investment Committee on 29 March 2024.

(iv) Mr. SUN Jinfeng was appointed as a member of the Nomination Committee on 29 March 2024.

(v) Mr. JIANG Qi was appointed as a member of the Nomination Committee and ceased to be a member of the Audit Committee on 29 March 2024.

(vi) Mr. CHEN Guogang was appointed as a Director and a member of each of the Audit Committee and the Nomination Committee on 29 August 2024.

(vii) Mr. JIN Qingjun was appointed as a member of the Audit Committee and ceased to be a member of the Strategic and Investment Committee on 29 March 2024. Mr. JIN Qingjun subsequently resigned as a Director and ceased to be a member of each of the Audit Committee and the Nomination Committee on 29 August 2024.

(viii) Annual general meeting of the Company held on 24 May 2024 (the "AGM").

(ix) Extraordinary general meetings of the Company held on 11 July 2024 and 18 November 2024, respectively (the "EGMs").

(x) (A) attending seminars, conferences and/or forums; (B) giving speeches at seminar(s) or forum(s); and (C) reading professional journals and updates relating to the economy, general business, real estate or director's duties and responsibilities etc..

Meetings

The Board conducts meetings on a regular basis and at least four times a year. Additional meetings will be arranged if and when required. During the year under review, the Board convened four regular meetings. For the summary of the work during the year, please refer to the sub-section headed “Responsibilities” under the section headed “THE BOARD” of this report.

Notices of regular Board meetings were given to all Directors at least 14 days before the meetings according to the requirements of the Articles. For other Board meetings, reasonable notice is generally given. For regular Board Committee meetings, at least 7-day notice is generally given. For other Board Committee meetings, at least 3-day notice is generally given.

The agenda of Board meetings is set after consultation with the Chairman. All Directors are given an opportunity to include matters in the agenda. The agenda accompanying Board papers, which are prepared in a form and quality sufficient to enable the Board to make informed decisions, are given to all Directors in a timely manner. All Directors are properly briefed on issues arising from any Board meetings by the Chairman.

Minutes of Board meetings and meetings of Board Committees with details of the matters considered and decisions reached are kept by the Company Secretary and are open for inspection with a reasonable notice by any Director. All Directors and members of the Board Committees are urged to attend the Board meetings and Board Committee meetings in person. For the Directors and committee members who are unable to attend the meetings in person, participation through electronic means will be arranged.

All Directors have full and timely access to all relevant information as well as advice and services of the Company Secretary. Upon making request to the Board, all Directors may obtain independent professional advice at the Company’s expense for carrying out their functions.

During the year under review, all Directors attended the AGM held on 24 May 2024 and the EGMs held on 11 July 2024 and 18 November 2024, respectively.

The Chairman promotes a culture of openness and actively encourages Directors with different views to voice their opinion and be fully engaged in the Board’s affairs so as to contribute to the Board’s functions. The Chairman meets with the INEDs at least annually without the presence of other Directors.

Training for Directors

For any newly appointed Director, he/she will be provided with an induction training so as to ensure that he/she has an appropriate understanding of the business and operations of the Company and that he/she is fully aware of his/her responsibilities and obligations as a director under the Listing Rules and the relevant regulatory requirements.

In compliance with Rule 3.09D of the Listing Rules, Mr. CHEN Guogang, who was appointed as INED on 29 August 2024, obtained the legal advice from a firm of solicitors on 26 August 2024 and he confirmed that he understood his obligations as a Director; each of Ms. SUN Jianxin and Ms. WANG Manling, who was appointed as NED on 3 February 2025, obtained the legal advice from a firm of solicitors on 21 January 2025 and she confirmed that she understood her obligations as a Director.

There are also arrangements in place for providing continuing briefing and professional development to Directors, whenever necessary, in order to ensure that they have a proper understanding of the Company's operations and business. To assist their continuous professional development, the Company Secretary recommends relevant seminars and courses for the Directors to attend. All Directors also understand the importance of continuous professional development, and they are committed to participating in suitable training to develop and refresh their knowledge and skills. During the year, the Company has provided the trainings to the Directors related to (1) the connected transactions, (2) the disclosure requirements in respect of notifiable and connected transactions under the Listing Rules, (3) directors' duties of listed companies, (4) deed of non-competition, and (5) introduction to the latest ESG developments of listed companies. All Directors participated in appropriate continuous professional development and provided the Company with their records of training they received for the year ended 31 December 2024. For further details, please refer to the sub-section headed "Directors' Attendance at Meetings and Continuous Professional Development" under the section headed "THE BOARD" of this report.

Directors' and relevant employees' securities transactions

The Company has adopted the Code of Conduct on terms no less exacting than those required standards set out in the Model Code. The Company has made specific enquiries with all the Directors and each of them has confirmed that he/she had complied with all required standards set out in the Model Code and the Code of Conduct throughout the year.

The Company has also set out a guideline regarding securities transactions by the relevant employees (the "Relevant Employees") who, because of their roles and functions in the Company or its subsidiaries, are likely to be in possession of inside information. All the Relevant Employees are reminded of the necessity for compliance with the guideline regularly.

Directors' and officers' liability insurance and indemnity

The Articles provides that every Director or officer of the Company is entitled to be indemnified out of the assets of the Company against any liability, loss or damages which he/she may sustain or incur in or about the execution of duties of his/her office or otherwise in relation thereto provided that such indemnity shall not extend to any matter in respect of fraud or dishonesty which may attach to any Director or officer.

The Company has arranged appropriate liability insurance to indemnify its Directors and officers for their liabilities arising out of corporate activities. During the year under review, no claim was made on the liability insurance for the Directors and the officers of the Company.

BOARD COMMITTEES

The Board has set up four Board Committees, namely, the Audit Committee, the Remuneration Committee, the Nomination Committee and the Strategic and Investment Committee, for overseeing particular aspects of the Company's affairs. The Board Committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances at the Company's expense. All resolutions passed by the Board Committees will be reported to the Board.

For the attendance of each Director at the Board Committee (where applicable) meetings during the year, please refer to the sub-section headed "Directors' Attendance at Meetings and Continuous Professional Development" under the section headed "THE BOARD" of this report.

Audit Committee

After Mr. ZHAO Peng ceased to act as a member of the Audit Committee and Ms. SUN Jianxin was appointed as a member of the Audit Committee with effect from 3 February 2025, the Audit Committee consists of three INEDs, namely Mr. LIU Jingwei, Mr. LYU Hongbin and Mr. CHEN Guogang, and two NEDs, namely Mr. YU Zhiqiang and Ms. SUN Jianxin. Mr. LIU Jingwei is the chairman of the Audit Committee. He has professional qualifications in accountancy. None of the members of the Audit Committee is a member of the former or existing auditors of the Company or has any financial interest in the firm.

The main duties of the Audit Committee are, including but not limited to, to monitor and supervise the financial reporting process, risk management and internal control systems, oversee the audit process and review the financial information of the Group. The Audit Committee is also responsible for considering the appointment, independence and remuneration of the auditor and any matters related to the removal and resignation of the auditor, reviewing and monitoring continuing connected transactions as well as performing other duties and responsibilities as may be assigned by the Board from time to time. The written terms of reference of the Audit Committee are available on the websites of the Company and the Stock Exchange.

The responsibilities and work performed by the Audit Committee during the year under review and up to the date of this report include the following:

(i) Financial reporting

The Audit Committee reviewed the interim and annual consolidated financial statements and reports and accounts, and discussed the financial highlights, explanations and analysis on operational and financial performance given by the management. The Audit Committee gave careful consideration to (among others) the accounting policies and practices adopted, significant accounting judgements applied, compliance with applicable regulatory requirements and accounting standards, as well as adequacy of reporting disclosures. It also reviewed the overall financial position of the Group as well as the adequacy of the provision for material liabilities and impairment of assets.

(ii) External auditor

The Audit Committee considered and approved the terms of engagement and the level of remuneration of the external auditor.

The Audit Committee also assessed the external auditor's independence and objectivity and the effectiveness of the audit process, including the audit plan, the audit approach, the nature and scope of the audit and reporting obligations, as well as the engagement for the provision of non-audit services, in accordance with applicable standards.

The Audit Committee has also met the external auditor in the absence of Executive Directors and senior management to discuss issues regarding audit.

(iii) Internal audit, risk management and internal control

The Audit Committee reviewed the annual audit plan, works and reports by the Group's risk management department on the internal control function and the rectification procedures taken in respect of any deficiencies. The Audit Committee also assessed the adequacy and effectiveness of the risk management (including ESG risk) and internal control systems. For details, please refer to the paragraphs headed "RISK MANAGEMENT AND INTERNAL CONTROL" below.

(iv) Others

The Audit Committee reviewed the continuing connected transactions conducted by the Group during the year. The Audit Committee also reviewed the Whistleblowing Policy and the Anti-fraud and Anti-bribery Policy and considered they remain sound and valid.

The Audit Committee also discussed with the management to ensure that the Company is having adequate resources, staff qualifications and experience, training programmes and budget for the Company's accounting, internal audit, financial reporting function as well as the function relating to the Company's ESG performance and reporting.

Remuneration Committee

The Remuneration Committee comprises four members, being an ED, Ms. CHAI Juan, and three INEDs, namely Mr. HAN Xiaojing, Mr. LYU Hongbin and Mr. JIANG Qi. Mr. HAN Xiaojing is the chairman of the Remuneration Committee.

The main duties of the Remuneration Committee are, including but not limited to, (i) to make recommendations and proposals to the Board for approval on the Company's policy and structure on the remuneration of all Directors and senior management of the Company and on the establishment of a formal and transparent procedure for formulating remuneration policy for the Company; (ii) to review and approve the remunerations of EDs and senior management of the Company which are determined with reference to a number of factors, including but not limited to, their experience, qualifications, duties and responsibilities undertaken in the Company, the results and performance of the Company by making reference to the Company's objectives as approved from time to time by the Board and the prevailing market conditions, in respect of which the Remuneration Committee may consult with the Chairman of the Board about their remuneration proposals for EDs; (iii) to determine, with delegated responsibility from the Board, the remuneration package and incentive payment of EDs and senior management of the Company, including benefits in kind, pension rights and compensation payments; and (iv) to make recommendations to the Board on the remuneration of NEDs. The written terms of reference of the Remuneration Committee are available on the websites of the Company and the Stock Exchange.

During the year under review and up to the date of this report, the Remuneration Committee has reviewed and approved, among others, the report of the labour cost for the years ended 31 December 2023 and 2024, and the budget of the overall labour cost for the year ended 31 December 2024 and for the year ending 31 December 2025, the report of remuneration payment for EDs and senior management of the Company for the years ended 31 December 2023 and 2024, the proposal of remuneration packages for EDs and senior management of the Company for the year ended 31 December 2024 and for the year ending 31 December 2025, and make a recommendation to the Board for the Director's fee of the newly appointed NEDs and INED, and reviewed and approved the service fee for the newly appointed consultants of the Company. In addition, the Remuneration Committee reviewed the movements under the 2018 Option Scheme during the year under review.

Details of emoluments of Directors for the year under review are set out in note 51 to the consolidated financial statements. The emoluments paid to senior management during the year under review were within the following bands:

	Number of senior management
Nil to RMB2 million	1
Above RMB2 million to RMB2.5 million	4
Above RMB2.5 million to RMB3 million	2

Nomination Committee

After Mr. SUN Jinfeng ceased to act as a member of the Nomination Committee and Ms. WANG Manling was appointed as a member of the Nomination Committee with effect from 3 February 2025, the Nomination Committee comprises five members, being an ED, Mr. LI Ming, a NED, Ms. WANG Manling, and three INEDs, namely Mr. HAN Xiaojing, Mr. JIANG Qi and Mr. CHEN Guogang. Mr. LI Ming is the chairman of the Nomination Committee.

The main duties of the Nomination Committee are, including but not limited to, to review the structure, size and composition of the Board, assess the independence of INEDs, identify, consider and nominate candidates for directorship, to approve the appointment of Directors and make recommendations to the Shareholders for the proposed re-election of Directors. If necessary, the Nomination Committee will also convene meetings and submit relevant reports to the Board. The written terms of reference of the Nomination Committee are available on the websites of the Company and the Stock Exchange.

During the year under review and up to the date of this report, the Nomination Committee has reviewed and approved, among others, the structure, size, composition and diversity of the Board and considered the Board consists of a diverse mix of members and provides a balance of skills and experience appropriate to the Group's business needs. It also reviewed the implementation and effectiveness of the mechanisms that ensure independent views and input are available to the Board and considered they remain sound and valid, assessed the independence of INEDs as well as considered all Directors are able to devote sufficient time and effect to perform their duties, despite some of them holding multiple directorships and/or other major appointments. Furthermore, it considered and recommended the appointment of the new Directors and changes in the composition of relevant Board Committees, and reviewed the biographical details (including qualification, capacity, diversity and experience) of the Retiring Directors in accordance with the Nomination Policy and the Board Diversity Policy and then make recommendations to the Shareholders for the proposed re-election of the Retiring Directors at the forthcoming AGM.

Summary of Nomination Policy

The purpose of the Nomination Policy is to set out the selection criteria and procedure for the selection, appointment and re-appointment of Directors. The Nomination Policy provides that, among others, for the nomination and appointment of INEDs, the Nomination Committee shall consider approaching recruitment agencies, obtaining referrals from business acquaintances and peer industry circles, the recruitment advertisement or the personal network in searching for appropriate INED candidates.

In assessing the suitability of a proposed candidate, the factors which would be used as reference by the Nomination Committee include but not limited to the reputation for integrity, the accomplishment and experience in the industry, the commitment in respect of available time and relevant interest, diversity in all aspects, including but not limited to gender, age (18 years or above), nationality, cultural and educational background, professional experience, skills, knowledge, industry or other experience, expertise and independence.

Member(s) of the Nomination Committee may convene a meeting of the Nomination Committee for consideration of nominated candidate(s) and the Board members are welcome to nominate suitable candidates to be a Director from time to time. The Nomination Committee may also put forward candidates who are not nominated by Board members. For filling a casual vacancy or appointing an additional Director, the Nomination Committee shall make recommendations for the Board's consideration and approval. For re-appointment of an existing Director, the Nomination Committee shall review the overall contributions and service of the retiring Director to the Company and determine whether the retiring Director continues to meet the nomination criteria as set out in the Nomination Policy and make recommendations to the Shareholders for the proposed re-election of the Director at the general meeting. A circular containing the names, brief biographies (including qualifications and relevant experience), independence, proposed remuneration and any other information as required pursuant to the applicable laws, rules and regulations of the proposed candidates nominated by the Board to stand for election or re-election at the general meeting will be sent to Shareholders. A candidate is allowed to withdraw his/her candidature at any time before the general meeting by serving a notice in writing to the Company Secretary. The Board shall have the final decision on all matters relating to its recommendation of candidates to stand for election or re-election at any general meeting. If a Shareholder wishes to nominate a person for election as Director in a general meeting, please refer to the "Procedures for Shareholders to propose a person for Election as a Director" made available under the Corporate Governance section of the Company's website.

The Nomination Committee considered that the Retiring Directors shall have the required character, integrity and professional knowledge and experience to continue fulfilling their roles and functions and contributing to the Company.

Independent views and input

The Company has established mechanisms to ensure a strong independent element on, and independent views and inputs are available to, the Board and the implementation and effectiveness of these mechanisms will be reviewed annually by the Nomination Committee. A summary of which is set out below:

(i) Composition of the Board and Board Committees

The Board endeavours to ensure the appointment of at least three INEDs and at least one-third of its members being INEDs (or such higher threshold as may be required by the Listing Rules from time to time). Apart from complying with the requirements prescribed by the Listing Rules as to the composition of certain Board Committees, INEDs will be appointed to other Board Committees as far as practicable to ensure independent views are available.

(ii) Independence assessment

The Nomination Committee must strictly adhere to the Nomination Policy and Board Diversity Policy as well as the independence assessment criteria as set out in the Listing Rules with regard to the nomination, appointment and re-election of INEDs, and is mandated to assess annually the independence of INEDs to ensure that they can continually exercise independent judgement.

(iii) Remuneration

In general, no equity-based remuneration (e.g. share options or grants) with performance-related elements will be granted to INEDs as this may lead to bias in their decision-making and compromise their objectivity and independence.

(iv) Conduct of Board proceedings and supply of and access to information

All Directors (including INEDs) shall be provided with regular updates giving a balanced and understandable assessment of the Group's performance, position and prospects and also supplied with adequate information to enable them to make informed decision. All Directors (including INEDs) are entitled to seek further information and documentation from the management on the matters to be discussed at Board and/or Board Committee meetings, and where necessary, independent advice from external professional advisers at the Company's expense. Directors shall not vote or be counted in the quorum on any board resolution approving any contract, arrangement or any other proposal concerning a matter that is significant to the Company's business in which such Director or any of his/her close associates has a material interest, save as otherwise permitted under the Listing Rules.

The Company has received annual confirmations from all INEDs, namely Mr. HAN Xiaojing, Mr. LYU Hongbin, Mr. LIU Jingwei, Mr. JIANG Qi and Mr. CHEN Guogang, in respect of their independence for the year ended 31 December 2024 pursuant to Rule 3.13 of the Listing Rules. The Nomination Committee reviewed and concluded that all the INEDs are independent parties in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules and free of any relationship that could materially interfere with the exercise of their independent judgements. The Nomination Committee also reviewed and considered that the above-mentioned mechanisms and the governance structure are effective in ensuring that independent views and inputs are provided to the Board.

Summary of Board Diversity Policy

The Company recognizes and embraces the benefits of having a diverse Board to enhance the quality of its performance and hence the Board Diversity Policy aims to build and maintain a Board with a diversity of Directors in terms of, including but not limited to, gender, age, nationality, cultural and education background, professional experience, skills, knowledge, industry or other experience, expertise, independence and length of service. These differences will be taken into account in determining the optimum composition of the Board. The Company will also take into account factors based on its business model and specific needs from time to time. The Nomination Committee will, if considered necessary, discuss the measurable objectives for implementing diversity on the Board from time to time and recommend them to the Board for adoption.

The Nomination Committee will review annually the composition of the Board under diversified perspectives according to the Board Diversity Policy, and monitor the implementation of this policy to ensure its effectiveness. The Board is characterized by significant diversity, whether in terms of gender, age, professional background and skills.

Board diversity

The Nomination Committee has reviewed the current Board composition and the Company appointed two female Directors in February 2025, following which the Board now consists of three female Directors and ten male Directors, with diverse professional background and industry experience, maintaining an appropriate balance of diversity perspectives. Therefore, it is believed that the gender diversity of the Board has been achieved during the year. It is not necessary to set any target or timeline for enhancing gender diversity on the Board. However, the Company is committed to improving gender diversity when identifying suitable candidates.

An analysis of the Board composition as of the date of this report is set out as below:

<table>
<tr><th>No. of Directors</th><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td><td>6</td><td>7</td><td>8</td><td>9</td><td>10</td><td>11</td><td>12</td><td>13</td></tr>
<tr><th>Gender</th><td colspan="3">Female</td><td colspan="10">Male</td></tr>
<tr><th>Category</th><td colspan="4">EDs</td><td colspan="4">NEDs</td><td colspan="5">INEDs</td></tr>
<tr><th>Age Group</th><td colspan="4">Below 50</td><td colspan="6">50 or above and below 60</td><td colspan="3">60 or above</td></tr>
<tr><th>Skill, knowledge and experience</th><td colspan="13">• Expertise in property development, construction management and property management
• Corporate strategies and risk management
• Capital market, investment management and financial management
• Insurance industry experience
• Legal and compliance
• Auditing
• Listed company corporate governance</td></tr>
</table>

Gender diversity of workforce

The Group is well aware of the importance of nurturing talents and supporting the development of employees, and the Group is committed to achieving gender diversity in the workforce level.

As at the date of this report, Nomination Committee reviewed the gender diversity of workforce (including senior management) of the Group for the year ended 31 December 2024. As at 31 December 2024, gender ratio was approximately 6 (male): 4 (female) in workforce of the Group; approximately 6 (male): 1 (female) in senior management (other than Directors); approximately 4 (male): 1 (female) in middle management; and approximately 3 (male): 2 (female) in general staff and technical staff of the Group. Given the nature of business of the Group, we have not set any measurable objectives for gender ratio in senior management or workforce, thus we are focusing on identifying the right person for the right role after considering a number of factors including the educational background, professional experience, skills and knowledge of the candidate. The Company believes that the gender diversity of all employees in the Group is balanced currently and the gender diversity in the workforce level will be maintained. The Company will also ensure that there is gender diversity when recruiting staff at mid to senior level in the future and the Company is committed to providing career development opportunities for female staff with a view to developing a pipeline of potential successors to the Board for maintaining gender diversity.

The Group has implemented a number of measures to promote gender diversity in the workplace, in particular to ensure that female staff are provided with fair job opportunities and treatment at work, and are fully cared for in terms of learning and group activities, so that they could develop their talents to the fullest through work. Further details on the diversity in the Group's workforce are set out in the "Sustainable Development Report 2024 of Sino-Ocean Group".

Strategic and Investment Committee

After Mr. SUN Jinfeng ceased to act as a member of the Strategic and Investment Committee and Ms. WANG Manling was appointed as a member of the Strategic and Investment Committee with effect from 3 February 2025, the Strategic and Investment Committee consists of three EDs namely Mr. LI Ming, Mr. WANG Honghui and Mr. CUI Hongjie, two NEDs namely Mr. ZHANG Zhongdang and Ms. WANG Manling, one INED namely Mr. LIU Jingwei, and one senior management of the Company namely Mr. ZHAO Jianjun. Mr. LI Ming is the chairman of the Strategic and Investment Committee. It will meet at the request of any member of the committee and the head of the strategic and investment department will also participate in discussions. The Strategic and Investment Committee is authorized, at the expense of the Company, to seek advice from external professionals or to arrange them to attend the meetings.

The main duties of the Strategic and Investment Committee are, including but not limited to, to research and make recommendation on the Company's development strategies, to review and approve investments within the authority delegated by the Board, to make recommendations to the Board on major investments which are beyond its authority, to make subsequent assessments of investments and to review and consider the overall investment direction and business development of the Company. The written terms of reference of the Strategic and Investment Committee are available on the websites of the Company and the Stock Exchange.

During the year under review, the Strategic and Investment Committee reviewed the report on the Company's annual investments in 2023, and discussed the investment strategies for the year of 2024.

Corporate Culture

The Board lays emphasis on creating long-term sustainable growth for Shareholders and delivering long-term values to all stakeholders. The Board attaches great importance to the constructive opinions or recommendations on international and industrial trends, national policies, corporate sustainable development, and establishment of corporate culture discussed and put forward by the members of various committees and the Board at meetings from time to time. The Group proactively puts the relevant recommendations into practice.

With a strategic vision of becoming the "Creator of Building Health and Social Value", Sino-Ocean Group is committed to becoming a pragmatic integrated corporation focusing on the principal business of property development while exploring related diversified new businesses. The Company commits to the core value concepts of its corporate culture of "Responsibility, Sharing, Health", gradually inculcating the top-down phased implementation from senior management to the specific work of all levels and businesses across the Group by furthering the connotation and extension of each value concept, making them the employees' standards of action and important ways to promote the development of the Company and establishment of its brand image, in respect of which some remarkable results have been accomplished. Employees are the valuable assets of the Group. After the management regularly collects and listens to the feedback, opinions, and recommendations through various channels from employees at various levels, departments and project companies on the implementation of each strategy, it also regularly reviews or adjusts the operation and management mindset of the Company and timely formulates or adjusts the relevant management mechanisms and systems to conform with the development strategy of the Company.

In 2024, the Group continued to adhere to "Responsibility, Sharing, Health" as its core values, integrating these principles into the hearts of all employees. Amid industry transformations and market challenges, we remain committed to fulfilling our promises and embracing new responsibilities with dedication.

Demonstrating a resolute sense of responsibility, serving users with ingenuity and adhering to high-quality delivery. In 2024, the Group successfully delivered approximately 42,000 high-quality residential units with its partners, ranking among the Top 10 in the industry in terms of overall delivery quality for three consecutive years, with a number of projects receiving letters of commendation from the local government for demonstrating Sino-Ocean's social responsibility and its commitment as a company. A total of 63 projects of the Group were included in the "white list", providing critical support for national efforts to ensure housing delivery. Concurrently, our light-asset business achieved breakthrough growth, emerging as a strategic pillar for sustainable development.

Fostering solidarity, enhancing employee care, and supporting talent development. The Group has intensified frontline staff welfare initiatives through labor union-organized programs including Summer Cooling Initiatives (夏季送清涼), Winter Warmth Campaigns (冬季送溫暖), and the 100-Day Sprint Project (百日衝鋒), effectively strengthening team cohesion. Multiple corporate culture and team-building activities focused on employee physical and mental wellness were conducted to boost morale. Management maintained open dialogues and proactive engagement with employees across all levels to foster organizational communication.

Building health, practicing sustainability and creating healthy products. The Group is committed to creating healthy products and services. As of December 2024, the "Sino-Ocean Healthy Building System" independently developed by the Group has been applied in 51 cities and 150 projects across China, covering an area of approximately 28 million sq.m. As the first enterprise to introduce the WELL standard into China, the Group has always maintained the professionalism, leadership and sustainability of healthy buildings. So far, 30 projects have completed the WELL registration, and 14 projects have officially obtained the WELL final certification. In March 2024, CBD Plot Z6 project (Beijing) successfully passed the 'Net-Zero Carbon Building Evaluation System' review to become China's first super-high office block to be awarded 'Net-Zero Excellence Certification'.

For details, please refer to the "Corporate Culture" paragraphs in the "Company Profile" sub-section of the "About Us" section of the Company's website.

ACCOUNTABILITY AND AUDIT

The Directors acknowledge their responsibility to present a balanced, clear and comprehensive assessment of the Company's performance, position and prospects. The management provides all Board members with monthly updates which give a balanced and understandable assessment of the Company's performance, position and prospects in sufficient details to enable the Board as a whole and each Director to discharge their duties. The Directors are responsible for the preparation of the financial statements for each financial period which gives a true and fair view of the Group's financial results for the relevant period. Such information has been disclosed in the management discussion and analysis and consolidated financial statements of the annual and interim reports, announcements and other financial disclosures as required under the Listing Rules, and reports to regulators.

The statement of the independent auditor of the Company about its reporting responsibilities and opinion on the financial statements of the Company for the year ended 31 December 2024 is set out in the Independent Auditor's Report on pages 85 to 87 of this annual report.

As a result of the matters described in the paragraphs headed "BASIS FOR DISCLAIMER OF OPINION — Multiple Uncertainties Relating to Going Concern" in the Independent Auditor's Report in this annual report, BDO did not express an opinion (the "Disclaimer of Opinion") on the consolidated financial statements of the Group for the year ended 31 December 2024 (the "2024 Financial Statements"). The Directors noted that such Disclaimer of Opinion is related to multiple uncertainties relating to going concern. In view of the circumstances which indicate that multiple material uncertainties exist that may cast significant doubt on the Group's ability to continue as a going concern, the Directors have carefully considered the Group's cash flow forecast for the next eighteen months from 31 December 2024 (the "Cash Flow Forecast") and have given due consideration to the matters that give rise to material doubt as to its ability to continue as a going concern, and accordingly, have proactively formulated certain plans and measures to ensure the Group will have sufficient financial resources to continue as a going concern and pay its debts when they fall due. Certain plans and measures have been taken or will be taken to enable the Group to have sufficient financial resources to meet its financial commitments as and when they fall due which include, but not limited to, those set out in note 2 to the 2024 Financial Statements in this annual report (the "Relevant Plans and Measures"). The Directors consider that, assuming the success of all the Relevant Plans and Measures, the Group will have sufficient working capital to finance its operations and to meet its obligations as and when they fall due for at least twelve months from 31 December 2024. Accordingly, the Directors are of the opinion that it is appropriate to prepare the 2024 Financial Statements on a going concern basis. Please refer to note 2 to the 2024 Financial Statement in this annual report for details. Please also refer to the paragraphs headed "ADDITIONAL INFORMATION ON DISCLAIMER OF OPINION EXPRESSED BY AUDITOR ON THE 2024 FINANCIAL STATEMENTS" under the section headed "Management Discussion & Analysis" in this annual report for further details.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for the risk management and internal control systems of the Group and reviewing their effectiveness. The risk management and internal control systems of the Group are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The risk management and internal control systems of the Group are also designed to help the Group in protecting its assets and information. The presence of risk management and internal controls empowers the Group to implement best business practices in challenging business environments. The Group's risk management and internal control systems cover a number of in-house procedures and policies comprising, among others, the relevant financial, operational and compliance controls, handling and dissemination of inside information and executing other risk management functions.

The Company has incorporated ESG risk (including but not limited to products and services, supply chain management, climate change risks etc.) into the Company's risk pool as its strategic risk consideration. The Audit Committee is responsible for the final review of annual risk issues, including but not limited to ESG risks. In terms of assessing and managing the climate change risks, the Company has referred to the Task Force on Climate-related Financial Disclosures ("TCFD") framework to identify the physical risk and transition risk regularly and evaluate their possible financial and operational risks. The Company has conducted analysis on the scoring results for the "probability" and "degree of impact" of risk occurrence and rank the risks accordingly. For the major climate risks identified, we propose feasible solutions and measures and identify development opportunities. In order to deepen its efforts and better integrate "climate change" risks and opportunities into the strategic planning of the Company's business, the Company has formulated and adopted the strategies and measures, quantified the relevant indicators, and set medium-term and long-term goals to be a net-zero emission real estate enterprise by 2050 which has been ahead of 10 years compared with China's goal of "carbon neutrality by 2060". The Group will monitor its annual carbon emissions, report them appropriately pursuant to the relevant laws and regulations, and promptly assess and reveal how the path is being implemented.

The Board requires the management to maintain sound and effective internal control. The Group has an internal audit function. Evaluation of the Group's risk management and internal control and the internal audit are independently conducted by our risk management department. They report to the Audit Committee at least twice each year on, among others, any significant findings and effectiveness of the internal audit, risk management and internal control systems. The Board and the Audit Committee considered that the risk management and internal control systems are implemented effectively for the year ended 31 December 2024. Furthermore, the Board, through the Audit Committee, at least annually, has conducted the review of the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting, internal audit, financial reporting function as well as those relating to the Group's ESG performance and reporting, and the effectiveness of the Group's risk management and internal control systems that cover all material controls for the year ended 31 December 2024, including financial, operational and compliance controls and risk management function, and considered all the above were adequate.

Risk management strategies have been established to help individual operating divisions manage risks facing the Group and support the Board in discharging its corporate governance responsibilities. Our risk management process emphasizes on a comprehensive analysis of important matters and goes through the identification, analysis, evaluation, mitigation, monitoring and reporting of relevant risks to create a safe, fair, healthy, efficient and environmental friendly environment for employees, tenants, customers and contractors while ensuring the safety and health of the public and minimizing the impacts on environment. Risk management is implemented throughout every aspect of operation and management of the Group. Through risk management process, we identify the potential risks and uncertainties which may affect the Group's strategic goals and business plans, and manage risks within the scope of risk appetite in order to provide reasonable assurance for achieving the strategic goals and business plans of the Group. The descriptions of principal risks and uncertainties that the Group may be facing are set out in the paragraphs headed "MARKET REVIEW AND OUTLOOK" under the section headed "Chairman's Statement", note 4 to the 2024 Financial Statements and the paragraphs headed "OTHER INFORMATION" under the section headed "Management Discussion & Analysis" in this annual report.

Due to the changes in macro policy environment and industry environment, the Group's risk management department has summarized and analyzed the principal risks faced by the Group, and formulated the corresponding measures. The principal risk areas include strategic risks, investment risks, operational risks, financial risks, compliance risks, etc. The Group's risk management department reported to the Audit Committee the implementation of key concerns, major risks and corresponding measures, and the subsequent work plans at the Audit Committee meetings held in March and August 2024, respectively. Response plans for the related risks were submitted to the Audit Committee and confirmed by the Board. The Group's risk management department has presented to the Audit Committee the risk management and internal control report of the Group for 2024 in March 2025.

The Group complies with the requirements of the SFO and the Listing Rules with respect to the handling and dissemination of inside information. The Group will disclose inside information to the public as soon as reasonably practicable unless the information falls within any of the safe harbours provisions and satisfies the conditions under the SFO. Before the information is fully disclosed to the public, the Group will ensure that the information is kept strictly confidential. The Group has strictly prohibited unauthorized use of confidential or inside information and established and implemented procedures for responding to external enquiries about the Group's affairs, so that only the designated persons are authorized to communicate with parties outside the Group.

Internal audit process

The risk management department plays a crucial role in monitoring the internal governance of the Group and functionally reports directly to the Audit Committee. The risk management department has unfettered access to all necessary information, people, records and outsourced operations across the Group aiming to provide an independent assurance service to the Board, the Audit Committee and management, focusing on reviewing the effectiveness of the governance, risk management and control processes that management has put into place.

A risk-based approach has been adopted by the risk management department. Annual audit plan is formalized based on the result of the risk assessment covering business risk evaluation. The risk assessment methodology assists us in prioritizing business risks and determining audit frequencies, which enables the internal audit review to be more efficient and focused on the business needs, ensuring that key concerns and significant risks are considered within the scope of the audit. The annual internal audit plan is reviewed and approved by the Audit Committee at the beginning of each financial year. All findings and rectification on internal control deficiencies are communicated with respective management and/or business units for process improvement, in order to ensure that satisfactory control is maintained. Major audit findings and control deficiencies are reported to the Audit Committee and all rectification plans will be properly followed up by management and/or business units to ensure that they are remediated as intended within a reasonable period; and the status is reported to the Audit Committee.

Sustainable development

The Board also recognizes that it should take leadership for and accountability in promoting a top-down culture to ensure that ESG is a part of the business decision-making process. The Company believes that our comprehensive sustainability governance structure and management systems ensure that the sustainable development is implemented smoothly.

The Board has authorized the Sustainable Development Committee to be responsible for overall supervision of ESG management of the Group. The Sustainable Development Committee is responsible for developing ESG strategy and regularly reviewing its implementation, identifying and evaluating ESG risk and developing response plans. The Board continues to pay attention to the sustainable development trend, strengthen the assessment of ESG material issues, discuss and determine the risks and opportunities of the Group in ESG aspects, and take the key issues as the annual key work of sustainable development.

For further details of sustainability development of the governance structure and management, and sustainable development of the Group, please refer to the "Sustainable Development Report 2024 of Sino-Ocean Group".

Whistleblowing Policy

The Group aims at all times to act ethically and with integrity, and to implant this behavior in all its employees. Through the Whistleblowing Policy, all relevant persons (including Directors, employees and those who deal with the Group) are encouraged to report, in a confidential manner, any concerns about suspected malpractice, fraud, bribery or irregularities relating to the Group. Case(s) can be submitted by way of email (email address: fengxianjc@sinooceangroup.com), telephone or mail correspondence, addressed to the Company's principal place of business in Beijing or our Hong Kong office for the attention of the Group's risk management department. According to the existing Whistleblowing Policy, the Group's risk management department is responsible for investigating and handling reported cases in accordance with relevant systems. The Group's risk management department reports to the Audit Committee the overall situation and results regarding the reported cases twice a year during the reporting period. The Whistleblowing Policy is available on the website of the Company.

Anti-fraud and Anti-bribery Policy

Our Anti-fraud and Anti-bribery Policy provides that all Directors and employees are strictly prohibited from any forms of fraud, bribery, money-laundering and financing of terrorism in all business transactions. They should report any cases in accordance with the Whistleblowing Policy in a timely manner if they become aware or reasonably suspect that individuals or enterprises engaged in business transactions with the Group might be involved in fraud or bribery. The Anti-fraud and Anti-bribery Policy is available on the website of the Company. During the year, the Group's risk management department and the risk management departments of the subsidiaries have provided anti-fraud and anti-bribery training to the staff.

INDEPENDENT AUDITOR

BDO was responsible for auditing and forming an independent opinion on the Group's annual consolidated financial statements for the year ended 31 December 2024.

During the year ended 31 December 2024, details of the total fees paid/payable in respect of the audit and non-audit services provided by the auditor to the Group are set out below:

Services rendered	Fees paid/payable RMB (million)
Audit services	12.67
Non-audit services related to review of interim financial information, very substantial disposal and connected transaction, and continuing connected transactions	5.30

COMPANY SECRETARY

The Company Secretary is responsible for ensuring that Board procedures comply with all applicable laws, rules and regulations and advising the Board on corporate governance and other matters. Moreover, the Company Secretary is responsible for keeping all Directors updated on the Listing Rules, regulatory requirements, as well as internal codes of conduct of the Company, organizing general meetings of the Company and facilitating the induction and professional development of the Directors. The Company Secretary reports to the Board through the Chairman whilst all Directors have access to the advice and services of the Company Secretary.

The Company Secretary possesses professional qualification and extensive experience in discharging his duties as the Company Secretary and he is an employee of the Company. During the year under review, the Company Secretary has taken not less than 15 hours of relevant professional training in compliance with Rule 3.29 of the Listing Rules.

CONSTITUTIONAL DOCUMENTS

There was no change in the Company's constitutional documents during the year ended 31 December 2024.

SHAREHOLDERS' RIGHTS AND COMMUNICATION

As one of the measures to safeguard the interests and rights of the Shareholders, separate resolutions are proposed at Shareholders' meetings on every substantial matter, including the election of individual Directors, for Shareholders' consideration and voting. Furthermore, the Company regards the AGM and general meetings as important events and the Directors (including the Chairman of the Board and chairman of each Board Committee), senior management, external auditors and external advisers (where necessary) make efforts to attend the AGM or general meetings of the Company to address the Shareholders' queries. All resolutions proposed at Shareholders' meetings will be voted by poll. The poll voting results will be posted on the websites of the Company and the Stock Exchange on the same day of the relevant general meetings.

The notices of AGM and general meetings specifying the place, the date and the time of meeting and, in the case of special business, the general nature of such business, shall be sent to Shareholders at least 21 clear days and 14 clear days before the meeting, respectively in accordance with the Articles.

Shareholder(s) representing at least 5% of the total voting rights of all Shareholders can make a requisition to convene a general meeting pursuant to Section 566 of the Companies Ordinance. The requisition must state the objects of the meeting, and must be signed by the relevant shareholder(s) and deposited at the registered office of the Company. Besides, Section 580 and Section 615 of the Companies Ordinance provide that (i) shareholder(s) of the company representing at least 2.5% of the total voting rights of all the shareholders of the company who have a relevant right to vote; or (ii) at least 50 shareholders who have a relevant right to vote can put forward proposals for consideration at a general meeting by sending requests in writing to the company. Shareholders shall send those proposals to be put forward for consideration at the Company's general meetings by post to the registered office of the Company for the attention of the Company Secretary.

Shareholders have the right to put enquiries to the Board. All enquiries shall be in writing and sent by post to the registered office of the Company for the attention of the Company Secretary.

Communication with Shareholders and investors

The Company ensures that appropriate steps are taken to maintain effective communication with the Shareholders and that their views are communicated to the Board as a whole. The Company is committed to carefully listening and evaluating the impact of operations to its stakeholders, including the Shareholders, the employees, the investors and the community, etc. The Shareholders Communication Policy aims at ensuring the Shareholders are provided with ready, equal and timely access to balanced and understandable information about the Company, in order to enable Shareholders to exercise their rights in an informed manner and to enhance communication between the Company and the Shareholders.

The Company adheres to high standards with respect to the disclosure of its financial statements and fosters two-way communication between the Company and the Shareholders and potential investors mainly through the following channels:

(i) Corporate communication

In support of environmental protection and to increase efficiency in communication with the Shareholders, the Company encourages and recommends the Shareholders to access all future corporate communications of the Company (including but not limited to annual and interim reports, annual accounts, results announcements, circulars, proxy forms and notices of general meetings and associated explanatory documents) through the websites of the Company and the Stock Exchange. The corporate communications of the Company were published in a timely manner on the websites of the Company and the Stock Exchange. Corporate communications of the Company will be provided to the Shareholders in plain language and in both English and Chinese versions to facilitate the Shareholders' understanding.

(ii) Shareholders' enquiries and general meetings of the Company

Shareholders can raise any comments on the performance and future directions of the Group to the Directors at general meetings and are welcomed at all times to send their enquiries to and communicate with the Company Secretary and/or our Investor Relations Department by post to the Company's registered office or by email to ir@sinooceangroup.com.

(iii) Results investor briefing

In line with market conditions and usual business practice, the Group will assess the actual requirements to hold physical interim and annual results investor briefing and/or webcast. Invited investors can attend the relevant investor briefing upon presentation of their invitation. Executive Directors and/or senior management can answer questions at the meetings about the Group's operations and financial performance.

(iv) Capital market communications

Meetings with institutional investors and analyst briefings as well as marketing activities for investors and specialist industry forums will be available from time to time in order to facilitate communication between the Company and Shareholders and the investor community.

In 2024, the Group modified its communication strategies and methods with relevant stakeholders in a timely manner according to market conditions and changes in the Company's operation. On one hand, the Group continuously publishes the latest updates on its performance, business operations, and other aspects through announcements on the Stock Exchange's website, the Company's official website and various communication channels, ensuring timely disclosure of significant information to the market. On the other hand, the Group actively communicates with Shareholders and carefully listens to their opinions by holding annual general meetings and extraordinary general meetings. The Board reviewed the communication activities with the Shareholders conducted during the year and was satisfied with the implementation and effectiveness of the Shareholders Communication Policy. Further information about investor relations is set out in the section headed "Investor Relations" of this annual report.

INDEPENDENT AUDITOR'S REPORT

BDO

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To the Members of Sino-Ocean Group Holding Limited
(incorporated in Hong Kong with limited liability)
Report on the Audit of the Consolidated Financial Statements

DISCLAIMER OF OPINION

We were engaged to audit the consolidated financial statements of Sino-Ocean Group Holding Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 88 to 216, which comprise the consolidated statement of financial position as at 31 December 2024, 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.

We do not express an opinion on the consolidated financial statements of the Group due to the potential interaction of the multiple uncertainties relating to going concern and their possible cumulative effects on the consolidated financial statements as described in the "Basis for Disclaimer of Opinion" section of our report. In all other respects, in our opinion, the consolidated financial statements have been properly prepared in compliance with the Hong Kong Companies Ordinance.

BASIS FOR DISCLAIMER OF OPINION

Multiple Uncertainties Relating to Going Concern

As disclosed in Note 2 to the consolidated financial statements, the Group incurred a net loss of approximately RMB18.89 billion for the year ended 31 December 2024 and, as of that date, the Group's current liabilities were in excess of current assets by approximately RMB14.51 billion, total equity of approximately RMB217 million and capital deficiency attributable to the owners of the Company of approximately RMB12.66 billion. As disclosed in Note 31 to the consolidated financial statements, the Group had total borrowings of approximately RMB96.01 billion, of which the current borrowings amounted to approximately RMB63.58 billion, while the Group had cash and cash equivalents of approximately RMB1.91 billion only.

As of 31 December 2024, two of the Group's onshore bonds with total principal and interest amounts of approximately RMB3.57 billion have already matured but was not repaid. As of the approval date of the consolidated financial statements, the Group is still in communication with the bondholders on adjusting the repayment plan.

Subsequent to the year ended 31 December 2024, the Group has suspended trading of another seven of the Group's onshore corporate bonds with a total outstanding principal amount of approximately RMB13.07 billion in order to renegotiate the repayment arrangement of these corporate bonds.

In respect of the offshore debts, in view of the Group's tight liquidity position, on 15 September 2023, the Group announced to commence a holistic restructuring of its offshore debts ("Offshore Debt Restructuring Plan") and to suspend payments of all its offshore debts (except for payments which would facilitate or be incidental to the debt restructuring having regard to the rights and priorities of the relevant creditors) until the Offshore Debt Restructuring Plan and/or extension solutions are implemented. Although the High Court of Justice in England and Wales (the "UK High Court") and the High Court of the Hong Kong Special Administrative Region (the "HK High Court") sanctioned the Offshore Debt Restructuring Plan on 3 February 2025 and 19 February 2025, respectively, as of the approval date of the consolidated financial statement, the Offshore Debt Restructuring Plan has not yet taken effect. These offshore debts include various existing syndicated loans and bilateral loan with carrying amount of approximately RMB13.88 billion, six USD-denominated guaranteed notes with carrying amount of approximately RMB22.28 billion and one USD-denominated perpetual subordinated guaranteed capital securities with carrying amount of approximately RMB4.84 billion as at 31 December 2024, totalling RMB41.00 billion (principal amount of approximately USD5.65 billion) (the "In-Scope Offshore Debts").

In addition, the Group has received demand letters, acceleration notices and other legal letters with respect to certain In-Scope Offshore Debts due to the suspended repayments, and these letters are expected to be withdrawn only when the restructuring plan is successfully implemented.

The Group has also been involved in various litigation cases for unpaid borrowings, outstanding construction and daily operations payables and other matters for which the Group has made provision. Details are disclosed in Note 34 to the consolidated financial statements.

In view of these circumstances, the Directors have carefully considered the Group's cash flow forecast for the next eighteen months from 31 December 2024 and have given due consideration to the matters that give rise to material doubt as to its ability to continue as a going concern, and accordingly, have proactively come up with certain plans and measures to ensure the Group will have sufficient financial resources to continue as a going concern and pay its debts when they fall due. Certain plans and measures have been taken or will be taken to enable the Group to have sufficient financial resources to meet its financial commitments as and when they fall due which include, but not limited to, those set out in the Note 2 to the consolidated financial statements. The consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon the successful implementation of these plans and measures including, but not limited to:

— Successful obtaining approvals on the extension plans from bondholders for the onshore bonds and successful implementation of the Offshore Debt Restructuring Plan;

— Successful negotiation with existing lenders on the renewal of the Group's certain borrowings and not to demand immediate repayment of bank and other borrowings until the Group has successfully completed the project construction projects and generated sufficient cash flows therefrom; the Group's ability to successfully obtain additional new financing as and when needed;

— The Group's ability to reach an amicable solution on the litigations which have not yet reached a definite outcome; and

— The Group's ability to maintain continuing and normal business relationship with major constructors and suppliers; the Group's ability to accelerate the pre-sales and sales of its properties under development and completed properties, and to speed up the collection of outstanding sales proceeds and other receivables; successful implementation of the Group's business strategy plan and cost control measures so as to improve the Group's working capital and cash flow position.

These indicate the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern, and therefore the Group may not be able to realise its assets and discharge its liabilities in the normal course of business.

Should the Group fail to achieve the intended effects resulting from the plans and measures as mentioned in Note 2 to the consolidated financial statements, it may not be able to continue to operate as a going concern basis, and adjustments would have to be made to write down the carrying amounts of the Group's assets to their recoverable amounts, to provide for any further liabilities that may arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the consolidated financial statements.

Directors' Responsibilities for the Consolidated Financial Statements

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards 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 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 either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are also responsible for overseeing the Group's financial reporting process. The Audit Committee assists the directors in discharging their responsibility in this regard.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our responsibility is to conduct an audit of the Group's consolidated financial statements in accordance with Hong Kong Standards on Auditing issued by the HKICPA and to issue an auditor's report. This report is made solely to you, as a body, in accordance with the 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.

However, due to the potential interaction of the multiple uncertainties relating to going concern and their possible cumulative effect on the consolidated financial statements as described in the "Basis for Disclaimer of Opinion" section of our report, it is not possible for us to form an audit opinion on these consolidated financial statements.

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.

BDO Limited
Certified Public Accountants

Chan Wing Fai
Practising Certificate Number P05443
Hong Kong, 26 March 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 DECEMBER 2024

		Year ended 31 December	
	Notes	**2024 RMB'000**	2023 RMB'000
Revenue	6	**23,640,619**	46,459,008
Cost of sales	39	**(24,038,814)**	(45,276,191)
Gross (loss)/profit		**(398,195)**	1,182,817
Interests and other income	37	**699,676**	854,411
Other losses — net	38	**(4,651,287)**	(672,379)
Fair value change on investment properties	12	**(746,505)**	(928,020)
Selling and marketing expense	39	**(710,007)**	(1,169,502)
Impairment losses under expected credit loss model	39	**(7,698,585)**	(11,282,720)
Administrative expense	39	**(1,629,734)**	(1,694,518)
Operating loss		**(15,134,637)**	(13,709,911)
Finance costs	41	**(3,588,425)**	(3,517,124)
Share of results of joint ventures		**(833,635)**	(936,319)
Share of results of associates		**164,647**	(1,397,411)
Loss before income tax		**(19,392,050)**	(19,560,765)
Income tax credit/(expense)	42	**504,425**	(1,424,120)
Loss for the year		**(18,887,625)**	(20,984,885)
Attributable to:			
Owners of the Company		**(18,623,957)**	(21,096,541)
Non-controlling interests		**(263,668)**	111,656
		(18,887,625)	(20,984,885)
Loss per share attributable to owners of the Company during the year (expressed in RMB)			
Basic loss per share	43	**(2.445)**	(2.770)
Diluted loss per share	43	**(2.445)**	(2.770)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

	Year ended 31 December	
	2024 **RMB'000**	2023 RMB'000
Loss for the year	**(18,887,625)**	(20,984,885)
Other comprehensive (loss)/income, net of tax		
Items that will not be reclassified subsequently to profit or loss:		
Fair value change on financial assets at fair value through other comprehensive income, net of tax	**(90,940)**	(190,269)
Items that may be reclassified subsequently to profit or loss:		
Currency translation differences	**(478,136)**	(273,403)
Deferred hedging gains	**–**	56,486
Share of other comprehensive (loss)/income of investments accounted for using the equity method	**(227,739)**	164,174
Other comprehensive loss for the year	**(796,815)**	(243,012)
Total comprehensive loss for the year	**(19,684,440)**	(21,227,897)
Total comprehensive (loss)/income for the year attributable to:		
Owners of the Company	**(19,483,226)**	(21,410,410)
Non-controlling interests	**(201,214)**	182,513
Total comprehensive loss for the year	**(19,684,440)**	(21,227,897)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

		As at 31 December	
		2024	2023
	Notes	**RMB'000**	RMB'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	7	**3,324,732**	3,492,480
Right-of-use assets	8	**1,501,265**	1,745,946
Land use rights	9	**179,062**	212,009
Intangible assets	10	**309,670**	400,164
Goodwill	11	**1,233,053**	1,243,182
Investment properties	12	**13,204,011**	15,857,341
Interests in joint ventures	14	**13,315,357**	18,679,921
Interests in associates	15	**3,951,093**	3,915,886
Financial assets at fair value through other comprehensive income	17	**693,897**	777,280
Financial assets at fair value through profit or loss	18	**3,662,917**	4,748,336
Trade and other receivables and prepayments	21	**6,725,443**	6,878,282
Deferred income tax assets	32	**2,133,907**	2,207,743
Total non-current assets		**50,234,407**	60,158,570
Current assets			
Properties under development	19	**40,901,782**	48,516,015
Inventories, at cost		**1,152,367**	1,379,381
Land development cost recoverable	20	**1,295,282**	1,279,428
Completed properties held for sale	22	**25,098,776**	26,713,610
Financial assets at fair value through profit or loss	18	**53,277**	646,833
Trade and other receivables and prepayments	21	**57,775,129**	62,409,893
Contract assets		**65,674**	46,590
Restricted bank deposits	23	**2,922,791**	3,033,268
Cash and cash equivalents	24	**1,905,661**	1,988,738
Total current assets		**131,170,739**	146,013,756

	Notes	As at 31 December 2024 RMB'000	2023 RMB'000
Current liabilities			
Borrowings	31	**63,576,047**	69,750,588
Lease liabilities	8	**140,186**	150,898
Trade and other payables	33	**50,555,310**	49,096,209
Contract liabilities	35	**14,263,642**	20,872,878
Income tax payable		**12,115,304**	14,560,975
Financial liabilities at fair value through profit or loss	36	**–**	33,764
Provisions	34	**5,028,329**	–
Total current liabilities		**145,678,818**	154,465,312
Net current liabilities		**(14,508,079)**	(8,451,556)
Total assets less current liabilities		**35,726,328**	51,707,014
Non-current liabilities			
Borrowings	31	**32,437,489**	26,392,734
Lease liabilities	8	**1,626,530**	1,822,109
Trade and other payables	33	**47,762**	62,619
Provisions	34	**–**	620,872
Deferred income tax liabilities	32	**1,397,545**	2,016,697
Total non-current liabilities		**35,509,326**	30,915,031
Net assets		**217,002**	20,791,983
EQUITY			
Equity attributable to owners of the Company			
Share capital	25	**27,329,232**	27,329,232
Other reserves	27	**(8,918,260)**	(7,854,369)
Accumulated losses	26	**(31,070,263)**	(12,446,306)
		(12,659,291)	7,028,557
Non-controlling interests		**12,876,293**	13,763,426
Total equity		**217,002**	20,791,983

The consolidated financial statements on pages 88 to 216 were approved and authorised for issue by the board of directors and are signed on its behalf by:

LI Ming
Executive director

WANG Honghui
Executive director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024

		Attributable to owners of the Company					Non-controlling interests			
	Notes	Share capital RMB'000	Shares held for Restricted Share Award Scheme RMB'000	Other reserves RMB'000	Accumulated losses RMB'000	Total RMB'000	Capital instrument RMB'000	Perpetual subordinate guaranteed capital securities RMB'000	Others RMB'000	Total equity RMB'000
At 1 January 2024		27,329,232	–	(7,854,369)	(12,446,306)	7,028,557	2,579,796	4,570,097	6,613,533	20,791,983
Loss for the year		–	–	–	(18,623,957)	(18,623,957)	99,363	303,858	(666,889)	(18,887,625)
Fair value change on financial assets at fair value through other comprehensive income, net of tax		–	–	(90,940)	–	(90,940)	–	–	–	(90,940)
Currency translation differences		–	–	(540,590)	–	(540,590)	–	(36,640)	99,094	(478,136)
Share of other comprehensive loss of investments accounted for using the equity method		–	–	(227,739)	–	(227,739)	–	–	–	(227,739)
Total comprehensive loss for the year		–	–	(859,269)	(18,623,957)	(19,483,226)	99,363	267,218	(567,795)	(19,684,440)
Transaction with owners of the Company										
Distribution relating to non-controlling interests		–	–	–	–	–	–	–	(245,798)	(245,798)
Capital injection from non-controlling interests		–	–	–	–	–	–	–	665	665
Total contributions by and distributions to owners of the Company		–	–	–	–	–	–	–	(245,133)	(245,133)
A subsidiary becomes a joint venture		–	–	–	–	–	–	–	(546,804)	(546,804)
Acquisition and disposal of partial interests in subsidiaries		–	–	(204,622)	–	(204,622)	–	–	106,018	(98,604)
Total transactions with owners of the Company		–	–	(204,622)	–	(204,622)	–	–	(685,919)	(890,541)
At 31 December 2024		27,329,232	–	(8,918,260)	(31,070,263)	(12,659,291)	2,679,159	4,837,315	5,359,819	217,002

		Attributable to owners of the Company					Non-controlling interests			
	Notes	Share capital RMB'000	Shares held for Restricted Share Award Scheme RMB'000	Other reserves RMB'000	(Accumulated losses)/ retained earnings RMB'000	Total RMB'000	Capital instrument RMB'000	Perpetual subordinate guaranteed capital securities RMB'000	Others RMB'000	Total equity RMB'000
At 1 January 2023		27,329,232	(1,062)	(7,337,248)	8,650,235	28,641,157	2,359,000	4,349,689	9,429,815	44,779,661
Loss for the year		–	–	–	(21,096,541)	(21,096,541)	236,737	294,378	(419,459)	(20,984,885)
Fair value change on financial assets at fair value through other comprehensive income, net of tax		–	–	(190,269)	–	(190,269)	–	–	–	(190,269)
Deferred hedging gains		–	–	56,486	–	56,486	–	–	–	56,486
Currency translation differences		–	–	(344,260)	–	(344,260)	–	70,857	–	(273,403)
Share of other comprehensive income of investments accounted for using the equity method		–	–	164,174	–	164,174	–	–	–	164,174
Total comprehensive loss for the year		–	–	(313,869)	(21,096,541)	(21,410,410)	236,737	365,235	(419,459)	(21,227,897)
Transaction with owners of the Company										
Expenses on share-based payment	27	–	–	(1,479)	–	(1,479)	–	–	–	(1,479)
Vesting of shares under Restricted Share Award Scheme	25	–	1,062	(1,062)	–	–	–	–	–	–
Distribution relating to capital instrument		–	–	–	–	–	(15,941)	–	–	(15,941)
Distribution relating to non-controlling interests		–	–	–	–	–	–	–	(721,024)	(721,024)
Distribution relating to capital securities		–	–	–	–	–	–	(144,827)	–	(144,827)
Capital injection from non-controlling interests		–	–	–	–	–	–	–	108,381	108,381
Capital reduction of subsidiaries		–	–	–	–	–	–	–	(1,950,000)	(1,950,000)
Total contributions by and distributions to owners of the Company		–	1,062	(2,541)	–	(1,479)	(15,941)	(144,827)	(2,562,643)	(2,724,890)
Acquisition of subsidiaries		–	–	–	–	–	–	–	1,050,400	1,050,400
Disposal of subsidiaries		–	–	–	–	–	–	–	(508,212)	(508,212)
Acquisition and disposal of partial interests in subsidiaries		–	–	(200,711)	–	(200,711)	–	–	(376,368)	(577,079)
Total transactions with owners of the Company		–	1,062	(203,252)	–	(202,190)	(15,941)	(144,827)	(2,396,823)	(2,759,781)
At 31 December 2023		27,329,232	–	(7,854,369)	(12,446,306)	7,028,557	2,579,796	4,570,097	6,613,533	20,791,983

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

		Year ended 31 December	
	Notes	**2024 RMB'000**	2023 RMB'000
Cash flows from operating activities			
Cash generated from operations	45	**1,081,057**	5,716,955
Interest paid		**(1,578,627)**	(3,548,456)
Income tax paid		**(535,549)**	(538,421)
Net cash (used in)/generated from operating activities		**(1,033,119)**	1,630,078
Cash flows from investing activities			
Purchases of property, plant and equipment		**(136,474)**	(173,265)
Purchases of investment properties		**(105,962)**	(20,799)
Proceeds from sale of property, plant and equipment	45	**18,813**	73,645
Proceeds from sale of investment properties		**35,702**	19,050
Purchases of intangible assets and land use rights		**(14,436)**	(11,088)
Purchases of financial assets at fair value through profit or loss		**–**	(259,100)
Proceeds from disposal of financial assets at fair value through profit or loss		**111,653**	22,607
Dividends received from financial instruments		**2,335**	57,000
Acquisition of subsidiaries, net of cash acquired		**173,452**	(391,940)
Disposal of interests in subsidiaries, net of cash disposed		**(59,739)**	436,028
Capital injection to joint ventures	14	**(354,656)**	(99,777)
Capital reduction of joint ventures	14	**359,824**	10,780
Proceeds from disposal of joint ventures		**3,448,467**	4,556,749
Capital injection to associates	15	**(31,100)**	–
Capital reduction of associates	15	**–**	78,702
Proceeds from disposal of interests in associates		**–**	30,124
Dividends received from joint ventures and associates	14, 15	**227,092**	46,872
Entrusted loans to third parties and related parties		**(857,676)**	(407,757)
Repayment of entrusted loans to third parties and related parties		**456,957**	1,169,961
The amounts advanced to related and third parties		**(5,624,882)**	(7,075,039)
The amounts repaid from related and third parties		**5,799,027**	8,196,796
Interest received		**39,296**	249,408
Net cash generated from investing activities		**3,487,693**	6,508,957

	Notes	Year ended 31 December 2024 RMB'000	 2023 RMB'000
Cash flows from financing activities			
Proceeds from borrowings		**1,418,170**	6,765,318
Repayments of borrowings		**(3,418,689)**	(16,276,280)
Capital injection from non-controlling interests		**665**	108,381
Dividends paid to non-controlling interests		**(245,798)**	(394,221)
Distribution relating to capital securities		**–**	(144,827)
Transaction with non-controlling interests		**(98,604)**	(577,079)
Distribution relating to capital instrument		**–**	(15,941)
Payments of lease liabilities		**(198,036)**	(239,314)
Net cash used in financing activities		**(2,542,292)**	(10,773,963)
Decrease in cash and cash equivalents		**(87,718)**	(2,634,928)
Cash and cash equivalents at the beginning of the year	24	**1,988,738**	4,623,126
Effect of exchange rate changes on cash and cash equivalents		**4,641**	540
Cash and cash equivalents at the end of the year	24	**1,905,661**	1,988,738

The notes on pages 96 to 216 are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

1. GENERAL INFORMATION

Sino-Ocean Group Holding Limited (the "Company") is a limited liability company incorporated in Hong Kong on 12 March 2007. The address of its registered office is Suite 601, One Pacific Place, 88 Queensway, Hong Kong. The Company and its subsidiaries (together the "Group") are principally engaged in investment holding, property development and property investment in the People's Republic of China (the "PRC").

The consolidated financial statements are presented in Renminbi ("RMB"), unless otherwise stated. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited. The consolidated financial statements have been approved for issue by the board of directors of the Company ("the Board") on 26 March 2025.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENT

Basis of measurement and going concern assumption

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") and requirements of the Hong Kong Companies Ordinance (Cap. 622). They have been prepared under the historical cost convention, as modified by the revaluation of investment properties, financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, which are carried at fair values.

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

The Group incurred a net loss of approximately RMB18.89 billion for the year ended 31 December 2024 and, as of that date, the Group's current liabilities were in excess of current assets by approximately RMB14.51 billion, total equity of approximately RMB217 million and capital deficiency attributable to the owners of the Company of approximately RMB12.66 billion. As disclosed in Note 31 to the consolidated financial statements, the Group had total borrowings of approximately RMB96.01 billion, of which the current borrowings amounted to approximately RMB63.58 billion, while the Group had cash and cash equivalents of approximately RMB1.91 billion only.

As of 31 December 2024, two of the Group's onshore bonds with total principal and interest amounts of approximately RMB3.57 billion have already matured but was not repaid. As of the approval date of the consolidated financial statements, the Group is still in communication with the bondholders on adjusting the repayment plan.

Subsequent to the year ended 31 December 2024, the Group has suspended trading of another seven of the Group's onshore corporate bonds with a total outstanding principal amount of approximately RMB13.07 billion in order to renegotiate the repayment arrangement of these corporate bonds.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENT (Continued)

Basis of measurement and going concern assumption (Continued)

In respect of the offshore debts, in view of the Group's tight liquidity position, on 15 September 2023, the Group announced to commence a holistic restructuring of its offshore debts ("Offshore Debt Restructuring Plan") and to suspend payments of all its offshore debts (except for payments which would facilitate or be incidental to the debt restructuring having regard to the rights and priorities of the relevant creditors) until the Offshore Debt Restructuring Plan and/or extension solutions are implemented. Although the High Court of Justice in England and Wales (the "UK High Court") and the High Court of the Hong Kong Special Administrative Region (the "HK High Court") sanctioned the Offshore Debt Restructuring Plan on 3 February 2025 and 19 February 2025, respectively, as of the approval date of the consolidated financial statement, the Offshore Debt Restructuring Plan has not yet taken effect. These offshore debts include various existing syndicated loans and bilateral loan with carrying amount of approximately RMB13.88 billion, six USD-denominated guaranteed notes with carrying amount of approximately RMB22.28 billion and one USD-denominated perpetual subordinated guaranteed capital securities with carrying amount of approximately RMB4.84 billion as at 31 December 2024, totalling RMB41.00 billion (principal amount of approximately USD5.65 billion) (the "In-Scope Offshore Debts").

In addition, the Group has received demand letters, acceleration notices and other legal letters with respect to certain In-Scope Offshore Debts due to the suspended repayments, and these letters are expected to be withdrawn only when the restructuring plan is successfully implemented.

The Group has also been involved in various litigation cases for unpaid borrowings, outstanding construction and daily operations payables and other matters for which the Group has made provision. Details are disclosed in Note 34 to the consolidated financial statements.

During the year ended 31 December 2024, the real estate sector in the PRC continued to be volatile. This mainly includes the continued downturn of the property market and the deteriorating consumer sentiment in the PRC, resulting in the decrease in sales of and greater liquidity pressure on the PRC property developers, including the Group.

The Group's internal funds were shrinking and the Group also experienced difficulty in financing its construction projects due to limited access to external finance. The current macroeconomic conditions and the timing of recovery in real estate industry have brought additional material uncertainties to the Group. It has become more challenging for the Group to generate operating cash inflows or refinance guaranteed notes, corporate bond and bank and other borrowings.

In view of these circumstances, the Directors have carefully considered the Group's cash flow forecast for the next eighteen months from 31 December 2024 and have given due consideration to the matters that give rise to material doubt as to its ability to continue as a going concern, and accordingly, have proactively come up with certain plans and measures to ensure the Group to have sufficient financial resources to continue as a going concern and pay its debts when they fall due. Certain plans and measures have been taken or will be taken to enable the Group to have sufficient financial resources to meet its financial commitments as and when they fall due which include, but not limited to, the following:

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENT (Continued)

Basis of measurement and going concern assumption (Continued)

— The Group has been actively negotiating with bondholders on adjusting the principal and interest repayment arrangements for the onshore corporate bonds.

For one of its onshore bonds with a principal amount of RMB3.00 billion and originally set to mature in January 2024, the Group has launched an offer to exchange their holdings for a new onshore bond bearing an interest rate of 4.6% per annum with repayments scheduled between 2025 and 2026. As of the date of approval of these consolidated financial statements, 91.40% of bondholders, representing approximately RMB2.74 billion of the principal amount, have accepted the offer. The Group is currently in active negotiation with the remaining 8.6% of bondholders, representing approximately RMB0.26 billion of the principle, to extend the repayment period.

For another onshore bond with a principal amount of approximately RMB3.13 billion and originally set to mature in May 2024, the Group is still currently in active negotiation with the bondholders to extend the repayment periods as of the date of the approval of the consolidated financial statements.

Regarding the Group's onshore bonds with a principal amount of approximately RMB2.00 billion and originally scheduled to mature in March 2025, the maturity date has been extended following the approval at the relevant bondholders' meeting. The repayment period has been revised to between one and four years.

Regarding the seven onshore corporate bonds with the trading suspended subsequent to the year ended 31 December 2024, the Group will continue to communicate with the bondholders and plans to arrange a bondholders' meeting subsequent to the reporting date to renegotiate the repayment plan.

— The Group has been actively working with its advisors and negotiating with offshore creditors to formulate and implement a practicable Offshore Debt Restructuring Plan for the Group's existing offshore debts.

On 18 July 2024, the Company has entered into a restructuring support agreement ("RSA") which outlines the terms of the Offshore Debt Restructuring Plan with certain creditors of the In-Scope Offshore Debts (the "Creditors") and the information agent in connection with the Offshore Debt Restructuring Plan.

Under the RSA, Creditors will be classified into four classes, with a portion of their debts being exchanged into new loan or new notes (the "New Debts") based on the specified allocation ratio for each class of Creditors. If the Offshore Debt Restructuring Plan is successfully implemented, New Debts with an aggregate principal amount of USD2.2 billion will be issued to the Creditors. The New Debts will have an extended maturity date of up to 8 years from the effective date of the Offshore Debt Restructuring Plan (the "Restructuring Effective Date"), with repayments commencing on the 3rd year from the Restructuring Effective Date and continuing in varying proportions until the 8th year. There is a deferral mechanism allowing the Group to defer repayments from the 4th year until the 10th year, depending on the return from a particular project and the performance of the Group.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENT (Continued)

Basis of measurement and going concern assumption (Continued)

— The Group has been actively working with its advisors and negotiating with offshore creditors to formulate and implement a practicable Offshore Debt Restructuring Plan for the Group's existing offshore debts. (Continued)

For the residual debts claims after deducting the New Debts, Creditors will have an option to receive either: (a) two-year non-interest bearing mandatory convertible bonds and/or (b) 1% interest-bearing new perpetual securities.

A meeting with the Creditors to consider and approve the Offshore Debt Restructuring Plan was held on 22 November 2024 (the "Restructuring Plan Meeting"). The result has been disclosed in the announcement of the Company dated 25 November 2024. The Offshore Debt Restructuring Plan was subsequently sanctioned by the UK High Court on 3 February 2025 and by the HK High Court on 19 February 2025.

The Offshore Debt Restructuring Plan will take effect once all conditions precedent to the restructuring have been satisfied or waived (as the case may be), including, amongst others, obtaining all necessary approvals or consents, and all outstanding In- Scope Offshore Debts will be cancelled and any associated guarantees and security will be released. As of the date of the approval of these consolidated financial statements, the Group and its advisors are actively working to fulfill all aforementioned conditions to implement the Offshore Debt Restructuring Plan. Having considered that the Offshore Debt Restructuring Plan has been sanctioned by the UK High Court and the HK High Court respectively, the Directors are confident that the Offshore Debt Restructuring Plan will be successfully implemented.

More detailed information on the Offshore Debt Restructuring Plan has been disclosed in the announcements of the Company dated 18 July 2024, 22 August 2024, 10 September 2024, 22 September 2024, 24 September 2024, 15 October 2024, 18 October 2024, 21 October 2024, 22 October 2024, 29 October 2024, 31 October 2024, 1 November 2024, 18 November 2024 , 25 November 2024, 14 January 2025, 20 January 2025, 21 January 2025, 23 January 2025, 3 February 2025, 6 February 2025, 19 February 2025 and 24 March 2025 and the circular of the Group dated 1 November 2024.

— The Group has been proactively seeking ways to resolve the outstanding litigations of the Group. The Group is positive that it can continue to reach an amicable solution on the litigations which have not yet reached a definite outcome;

— The Group is actively in discussions with the other existing lenders to renew the Group's certain borrowings and/or not to demand immediate repayment until the Group has successfully completed the property construction projects and generated sufficient cash flows therefrom. These discussions have been constructive and focused on possible actions in light of current circumstances but do require time to formulate or implement due to ongoing changes in market conditions;

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENT (Continued)

Basis of measurement and going concern assumption (Continued)

— The Group will continue to seek to obtain additional new sources of financing through all possible channels such as assets disposal:

On 7 June 2024, the Group entered into a very substantial disposal arrangement with various parties, conditionally agreed to sell an aggregate of 64.79% equity interests in a joint venture and assign the entire loan owing to the Group by the joint venture at the completion of this disposal. For further details of the very substantial disposal, please refer to Note 49(h) to the consolidated financial statements. The transaction was completed on 5 August 2024 and the 64.79% equity interest in the joint venture was successfully transferred to the related parties. The net cash consideration of approximately RMB3.79 billion is being settled in accordance with the terms specified the sale and purchase agreement.

— The Group will continue to maintain active dialogue to secure a continuing and normal business relationship with major constructors and suppliers, including agreement on the payment arrangements with them and to complete the construction progress by them as scheduled;

— The Group will continue to implement measures to accelerate the pre-sales and sales of its properties under development and completed properties, and to speed up the collection of outstanding sales proceeds and other receivables. Subject to the market sentiment, the Group will actively adjust sales and pre-sale activities to better respond to changing markets to achieve the latest budgeted sales and pre-sales volumes and amounts; and

— The Group will continue to control administrative costs and contain unnecessary capital expenditures to preserve liquidity. The Group will also continue to actively assess additional measures to further reduce discretionary spending.

The directors of the Company consider that, assuming the success of the above-mentioned assumptions, plans and measures, the Group will have sufficient working capital to finance its operations and to meet its obligations as and when they fall due for at least twelve months from 31 December 2024. Accordingly, the directors of the Company are of the opinion that it is appropriate to prepare the consolidated financial statements on a going concern basis.

However, the validity of the going concern assumption depends upon the successful outcome of the Group's plans and measures, including:

— Successful obtaining approvals on the extension plans from bondholders for the onshore bonds and successful implementation of the Offshore Debt Restructuring Plan;

— Successful negotiation with existing lenders on the renewal of the Group's certain borrowings and not to demand immediate repayment of bank and other borrowings until the Group has successfully completed the construction projects and generated sufficient cash flows therefrom; the Group's ability to successfully obtain additional new financing as and when needed;

— The Group's ability to reach an amicable solution on the litigations which have not yet reached a definite outcome;

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENT (Continued)

Basis of measurement and going concern assumption (Continued)

— The Group's ability to maintain continuing and normal business relationship with major constructors and suppliers; the Group's ability to accelerate the pre-sales and sales of its properties under development and completed properties, and to speed up the collection of outstanding sales proceeds and other receivables; successful implementation of the Group's business strategy plan and cost control measures so as to improve the Group's working capital and cash flow position.

These indicate the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern, and therefore the Group may not be able to realise its assets and discharge its liabilities in the normal course of business.

Should the Group fail to achieve the intended effects resulting from the above-mentioned plans and measures on a timely basis, it may not be able to continue to operate as a going concern basis, and adjustments would have to be made to write down the carrying amounts of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the consolidated financial statements.

3. SUMMARY OF ACCOUNTING POLICIES

The accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.1 Changes in accounting policy and disclosures

(a) Amended standards adopted by the Group

The Group has applied the following amendments for the first time for their annual reporting period commencing 1 January 2024:

Amendments to HKAS 1	Non-current Liabilities with Covenants & Classification of Liabilities as Current or Non-current
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HK Int 5 (Revised)	Hong Kong Interpretation 5 (Revised) Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

These amendments listed above did not have any impact on the amounts recognized in prior periods or disclosure are not expected to significantly affect the current or future periods.

3. SUMMARY OF ACCOUNTING POLICIES (Continued)

3.1 Changes in accounting policy and disclosures (Continued)

(b) New standards and interpretations not yet adopted by the Group

There are a number of standards, amendments to standards, and interpretations which have been issued by the HKICPA that are effective in future accounting periods that the Group has decided not to adopt early.

The following amendments are effective for the period beginning on or after 1 January 2025:

- Lack of Exchangeability (Amendments to HKAS 21 and HKFRS 1)

The following amendments are effective for the period beginning on or after 1 January 2026:

- Classification and Measurement of Financial Instruments (Amendments to HKFRS 9 and HKFRS 7)
- Annual Improvements to HKFRS Accounting Standards — Volume 11 (Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7)
- Contracts Referencing Nature-dependent Electricity (Amendments to HKFRS 9 and HKFRS 7)

The following standards and amendments are effective for the period beginning on or after 1 January 2027:

- HKFRS 18 Presentation and Disclosure in Financial Statements
- HKFRS 19 Subsidiaries without Public Accountability: Disclosures
- Amendments to HK Int 5 Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

The effective date of the following amendments is to be determined:

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to HKFRS 10 and HKAS 28)

These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

3. SUMMARY OF ACCOUNTING POLICIES (Continued)

3.2 Subsidiaries

3.2.1 Consolidation

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

(a) Business combinations

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with HKFRS 9 either in profit or loss or as a change to other comprehensive income (OCI). Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the statement of profit or loss.

Intra-group transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

3. SUMMARY OF ACCOUNTING POLICIES (Continued)

3.2 Subsidiaries (Continued)

3.2.1 Consolidation (Continued)

(b) Asset acquisition

Groups of assets acquired and liabilities assumed are assessed to determine if they are business or asset acquisitions. On an acquisition-by-acquisition basis, the group chooses to apply a simplified assessment of whether an acquired set of activities and assets is an asset rather than business acquisition, when substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

When a group of assets acquired and liabilities assumed do not constitute a business, the overall acquisition cost is allocated to the individual identifiable assets and liabilities based on their relative fair values at the date of acquisition. An exception is when the sum of the individual fair values of the identifiable assets and liabilities differs from the overall acquisition cost. In such case, any identifiable assets and liabilities that are initially measured at an amount other than cost in accordance with the group's policies are measured accordingly, and the residual acquisition cost is allocated to the remaining identifiable assets and liabilities based on their relative fair values at the date of acquisition.

(c) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions — that is, as transactions with the owners of the subsidiary in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying amount of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(d) Disposal of interests in subsidiaries

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

3.2.2 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

3. SUMMARY OF ACCOUNTING POLICIES (Continued)

3.3 Joint arrangements

Under HKFRS 11 interests in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealized gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where necessary, amounts reported by joint ventures have been adjusted to ensure consistency with the policies adopted by the Group.

3.4 Associates

An associate is an entity over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Interests in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profits or losses is recognised in the consolidated statement of profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit of investments accounted for using equity method' in the consolidated statement of profit or loss.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealized losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where necessary, amounts reported by associates have been adjusted to ensure consistency with the policies adopted by the Group.

3. SUMMARY OF ACCOUNTING POLICIES (Continued)

3.4 Associates (Continued)

Gains or losses on dilution of equity interest in associates are recognised in the consolidated statement of profit or loss.

When the Group begins to have significant influence but not control over another entity as a result of increasing its stake or having representation on the board, an existing investment becomes an associate for the first time, the investment in the associate is initially recognised at the cost of each purchase plus a share of investee's profits or losses which is recognised in the consolidated statement of profit or loss and other comprehensive income which is recognised in other comprehensive income, and acquisition-related costs are deemed as part of the cost of investment. Any existing gains or losses recognised in respect of the previously held investment are reversed to restate the investment to cost.

3.5 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors of the Company that makes strategic decisions.

3.6 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in RMB, which is the functional currency of the Company and its subsidiaries and the presentation currency of the Group.

The Group identifies the functional currency of each subsidiary for the purpose of defining that entity's foreign currency exposure. Different entities within the Group may have different functional currencies. Judgement is required in determining an entity's functional currency based on individual facts and circumstances.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of profit or loss. All the foreign exchange gains and losses are presented in the statement of profit or loss within "other losses — net".

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value change. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value change and translation differences on non-monetary assets such as equities classified as fair value through other comprehensive income are recognised in other comprehensive income.

3. SUMMARY OF ACCOUNTING POLICIES (Continued)

3.6 Foreign currency translation (Continued)

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

(ii) income and expenses for each statement of profit or loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

(iii) all resulting exchange differences are recognised in statement of comprehensive income.

3.7 Properties

(a) Investment properties

Investment properties, principally comprising leasehold land and buildings, are held for long-term rental yields or for capital appreciation or both, and that are not occupied by the Group. It also includes properties that are being constructed or developed for future use as investment properties. Land held under leases are classified and accounted for as investment property when the rest of the definition of investment property is met. Investment property is initially measured at cost, including related transaction costs and where applicable borrowing costs.

After initial recognition, investment property is carried at fair value, assessed annually by a professional independent valuer. Fair value is based on active market prices, adjusted, if necessary, for any differences in the nature, location or condition of the specific asset. If such information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. Investment property that is being redeveloped for continuing use as investment property, or for which the market has become less active, continues to be measured at fair value.

Property that is being constructed or developed as investment property is carried at fair value. Where fair value is not reliably determinable, such investment property under construction is measured at cost until either its fair value becomes reliably determinable or construction is completed (whichever is earlier).

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in light of current market condition.

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed in the consolidated statement of profit or loss during the financial period in which they are incurred.

3. SUMMARY OF ACCOUNTING POLICIES (Continued)

3.7 Properties (Continued)

(a) Investment properties (Continued)

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its fair value at the date of reclassification becomes its cost for accounting purposes.

If an item of property, plant and equipment becomes an investment property because its use has changed, any differences resulting between the carrying amount and the fair value of this item at the date of transfer is recognised in equity as a revaluation of property, plant and equipment under HKAS 16. However, if a fair value change reverses a previous impairment loss, the gain is recognised in the consolidated statement of profit or loss.

(b) Land use rights

Land in China mainland is state-owned and no individual land ownership right exists. The Group acquired the rights to certain land, and the premiums paid for such rights are recorded as land use rights. Land use rights are classified and accounted for in accordance to the intended use of respective properties as erected on the land.

For properties that are held for own use, corresponding land use rights are separately stated in the statement of financial position, and are stated at cost and amortized over the use terms of 40 to 70 years using the straight-line method.

For properties that are held for development and subsequent sale, corresponding land use rights are accounted for as part of the development costs, and are accounted for under Note 3.13.

3.8 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the consolidated statement of profit or loss during the financial period in which they are incurred.

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives, as follows:

Buildings and leasehold improvements	5–50 years
Machinery	5–15 years
Vehicles	4–10 years
Office equipment	3–5 years
Electronic equipment	3–20 years

3. SUMMARY OF ACCOUNTING POLICIES (Continued)

3.8 Property, plant and equipment (Continued)

Leasehold improvements' estimated useful life is shorter of remaining lease term of or useful life. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 3.10).

Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are recognized within "other losses — net", in the consolidated statement of profit or loss.

Construction-in-progress represents buildings, machinery under construction and is stated at cost. Cost includes the costs of construction of buildings, the cost of plant and machinery, installation, testing and other direct costs incurred during the development period. No provision for depreciation is made on construction-in-progress until such time as the relevant assets are completed and ready for intended use. The carrying amount of a construction-in-progress is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 3.10). When the assets concerned get ready for their intended use, the costs are depreciated in accordance with the policy as stated above.

3.9 Goodwill

Goodwill arises on the acquisition of subsidiaries, associates and joint ventures and represents the excess of the consideration transferred over the Group's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interests in the acquiree.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generated units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately in the consolidated statement of profit or loss and is not subsequently reversed.

3.10 Impairment of non-financial assets

Assets that have an indefinite useful life or are not yet available for use are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generated units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

3. SUMMARY OF ACCOUNTING POLICIES (Continued)

3.11 Financial assets

3.11.1 Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI, or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

3.11.2 Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

3.11.3 Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

3. SUMMARY OF ACCOUNTING POLICIES (Continued)

3.11 Financial assets (Continued)

3.11.3 Measurement (Continued)

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses), together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.

- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value change on equity investments in OCI, there is no subsequent reclassification of fair value change to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable.

3. SUMMARY OF ACCOUNTING POLICIES (Continued)

3.11 Financial assets (Continued)

3.11.4 Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI.

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see Note 5(h) for further details.

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position where the Group currently has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The Group has also entered into arrangements that do not meet the criteria for offsetting but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy or the termination of a contract.

3.12 Derivatives and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges)
- hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges), or
- hedges of a net investment in a foreign operation (net investment hedges).

At the inception of the hedging, the Group documents the economic relationship between hedging instruments and hedged items, including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedges items. The Group documents its risk management objective and strategy for undertaking its hedge transactions.

3. SUMMARY OF ACCOUNTING POLICIES (Continued)

3.12 Derivatives and hedging activities (Continued)

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

(i) Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in cash flow hedge reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within other gains/(losses).

Where option contracts are used to hedge forecast transactions, the Group designates only the intrinsic value of the options as the hedging instrument.

Gains or losses relating to the effective portion of the change in intrinsic value of the options are recognised in the cash flow hedge reserve within equity. The changes in the time value of the options that relate to the hedged item ('aligned time value') are recognised within other comprehensive income in the costs of hedging reserve within equity.

When forward contracts are used to hedge forecast transactions, the Group generally designates only the change in fair value of the forward contract related to the spot component as the hedging instrument. Gains or losses relating to the effective portion of the change in the spot component of the forward contracts are recognised in the cash flow hedge reserve within equity. The change in the forward element of the contract that relates to the hedged item ('aligned forward element') is recognised within other comprehensive income in the costs of hedging reserve within equity. In some cases, the entity may designate the full change in fair value of the forward contract (including forward points) as the hedging instrument. In such cases, the gains or losses relating to the effective portion of the change in fair value of the entire forward contract are recognised in the cash flow hedge reserve within equity.

Amounts accumulated in equity are reclassified in the periods when the hedged item affects profit or loss, as follows:

- Where the hedged item subsequently results in the recognition of a non-financial asset (such as inventory), both the deferred hedging gains and losses and the deferred time value of the option contracts or deferred forward points, if any, are included within the initial cost of the asset. The deferred amounts are ultimately recognised in profit or loss as the hedged item affects profit or loss (for example through cost of sales).

- The gain or loss relating to the effective portion of the interest rate swaps hedging variable rate borrowings is recognised in profit or loss within finance cost at the same time as the interest expense on the hedged borrowings.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs, resulting in the recognition of a non-financial asset such as inventory. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss.

3. SUMMARY OF ACCOUNTING POLICIES (Continued)

3.12 Derivatives and hedging activities (Continued)

(ii) Net investment hedges

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges.

Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income and accumulated in reserves in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within other gains/(losses).

Gains and losses accumulated in equity are reclassified to profit or loss when the foreign operation is partially disposed of or sold.

(iii) Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in profit or loss and are included in other gains/(losses).

3.13 Inventories

(a) Properties under development

Properties under development are stated at the lower of cost and net realizable value. Net realizable value is determined by reference to estimated sales proceeds of the properties sold in the ordinary course of business less costs to complete development and estimated selling expenses.

Development costs of properties comprise land use rights, construction costs, borrowing costs and professional fees as incurred during the development period. On completion, all development costs of the properties are transferred to completed properties held for sale.

Costs to fulfill a contract comprise the development cost and land use right cost directly related to an existing contract that will be used to satisfy performance obligations in the future. The costs to fulfill a contract are recorded in properties under development if they are expected to be recovered. The amount is amortised on a systematic basis, consistent with the pattern of revenue recognition of the contract to which the asset relates.

(b) Completed properties held for sale

Completed properties held for sale are completed properties remaining unsold or undelivered at the statement of financial position date and are stated at the lower of cost and net realizable values. Cost comprises development costs attributable to the unsold or undelivered properties. Net realizable values is determined by reference to the sale proceeds of properties sold in the ordinary course of business, less estimated selling expenses, or by management estimates based on prevailing marketing conditions.

3. SUMMARY OF ACCOUNTING POLICIES (Continued)

3.13 Inventories (Continued)

(c) Other inventories

Other inventories mainly comprise raw materials for construction. Goods are valued at the lower of cost and net realizable value. Cost, calculated on the weighted average basis, comprises invoiced price, delivery and other direct costs relating to purchases. Net realizable value is determined on the basis of anticipated sales proceeds less estimated selling expenses.

3.14 Trade receivables

Trade receivables are amounts due from customers for properties sold or services performed in the ordinary course of business. If collection of trade receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See Note 3.11 for further information about the Group's accounting policies.

3.15 Contract assets and contract liabilities

Upon entering into a contract with a customer, the Group obtains rights to receive consideration from the customer and assumes performance obligations to transfer goods or provide services to the customer.

The combination of those rights and performance obligations gives rise to a net asset or a net liability depending on the relationship between the remaining rights and the performance obligations. The contract is an asset and recognised as contract assets if the measure of the remaining rights exceeds the measure of the remaining performance obligations. Conversely, the contract is a liability and recognised as contract liabilities if the measure of the remaining performance obligations exceeds the measure of the remaining rights.

3.16 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

3. SUMMARY OF ACCOUNTING POLICIES (Continued)

3.17 Share capital

Ordinary shares are classified as equity. Incremental cost directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

3.18 Capital securities and capital instrument

Capital securities and capital instrument with no contracted obligation to repay its principal nor to pay any distribution are classified as part of equity.

3.19 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortized cost using the effective interest method.

3.20 Borrowings and borrowing costs

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the statement of profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3. SUMMARY OF ACCOUNTING POLICIES (Continued)

3.21 Current and deferred income tax

The tax expense for the year comprises current and deferred income tax. Tax is recognised in the statement of profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

3.21.1 Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries/territories where the Company and its subsidiaries, joint ventures and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

3.21.2 Deferred income tax

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax liabilities are not recognised if they arise from the initial recognition of goodwill, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, joint ventures and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the Group is unable to control the reversal of the temporary difference for associates. Only where there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference not recognised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilized.

3. SUMMARY OF ACCOUNTING POLICIES (Continued)

3.21 Current and deferred income tax (Continued)

3.21.3 Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

3.22 Employee benefits

(a) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employee up to the statement of financial position date. Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(b) Bonus entitlements

Expected costs of bonus payments are recognised as liabilities when constructive obligations are present, as a result of services rendered by employees and reliable estimations of the obligations can be made.

(c) Retirement benefits

In accordance with the rules and regulations in the PRC, the PRC based employees of the Group participate in various defined contribution retirement plans organized by the relevant municipal and provincial governments in the PRC under which the Group and the PRC based employees are required to make monthly contributions to these plans calculated as a percentage of the employees' salaries.

The municipal and provincial governments undertake to assume the retirement benefit obligations of all existing and future retired PRC based employees payable under the plans described above. Other than the monthly contributions, the Group has no further obligation for the payment of retirement and other post retirement benefits of its employees. The assets of these plans are held separately from those of the Group in independently administrated funds managed by the PRC government.

The Group also participates in a pension scheme under the rules and regulations of the Mandatory provident Fund Scheme Ordinance ("MPF Scheme") for all employees in Hong Kong. The contributions to the MPF Scheme are based on minimum statutory contribution requirement of the lower of 5% of eligible employees' relevant aggregate income and HKD1,500. The assets of this pension scheme are held separately from those of the Group in independently administered funds.

The Group's contributions to the defined contribution plans are expensed as incurred and not reduced by contributions forfeited by those employees who leave the plans prior to vesting fully in the contributions.

3. SUMMARY OF ACCOUNTING POLICIES (Continued)

3.23 Share-based payments

The Group operates a number of equity-settled, share-based compensation plans, including "share option scheme" and Restricted Share Award Scheme, under which the entity receives services from employees as consideration for equity instruments (options and shares) of the Group.

- Share option scheme

  The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

  - including any market performance conditions (e.g. the entity's share price)
  - excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
  - including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holdings shares for a specific period of time).

  The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-marketing vesting conditions. The impact of the revision to original estimates, if any, is recognised in the consolidated statement of profit or loss, with a corresponding adjustment to equity.

  The cash subscribed for the shares issued when the options are exercised is credited to share capital, net of any directly attributable transaction costs.

- Restricted Shares Award Scheme

  The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the shares awarded at the grant date.

  When Trustee purchases the Company's shares from the open market, the consideration paid, including any directly attributable incremental costs, is presented as "Shares held for Restricted Share Award Scheme" in the consolidated statement of changes in equity and deducted from total equity. When the Trustee transfers the Company's shares to grantees upon vesting, the related costs of the awarded shares are credited to "Shares held for Restricted Share Award Scheme".

  At the end of each reporting period, the Group revises its estimates of the number of these share-based awards that are expected to become vested. The impact of the revision to original estimates, if any, is recognised in the consolidated statement of profit or loss, with a corresponding adjustment to equity.

3. SUMMARY OF ACCOUNTING POLICIES (Continued)

3.24 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to banks, financial institutions and other bodies on behalf of subsidiaries or associates to secure loans, overdrafts and other banking facilities.

Financial guarantees are initially recognised in the financial statements at fair value on the date the guarantee was given. The fair value of a financial guarantee at the time of signature is zero because all guarantees are agreed on arm's length terms, and the value of the premium agreed corresponds to the value of the guarantee obligation. No receivable for the future premiums is recognised. Subsequent to initial recognition, the Group's liabilities under such guarantees are measured at the higher of the amount determined in accordance with the expected credit loss model under HKFRS 9 Financial Instruments and the amount initially recognised loss, where appropriate, the cumulative amount of income recognised in accordance with the principles of HKFRS 15 Revenue from Contracts with Customers. Any increase in the liability relating to guarantees is reported in the statement of profit or loss.

3.25 Revenue recognition

Revenue is measured at the consideration received or receivable for the sales of properties and services in the ordinary course of the Group's activities. Revenue is shown, net of discounts and after eliminating sales with the Group companies. The Group recognises revenue when specific criteria have been met for each of the Group's activities, as described below.

(a) Sales of properties and construction services

Revenues are recognised when or as the control of the asset is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer; or
- creates and enhances an asset that the customer controls as the Group performs; or
- do not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

3. SUMMARY OF ACCOUNTING POLICIES (Continued)

3.25 Revenue recognition (Continued)

(a) Sales of properties and construction services (Continued)

If control of the asset transfers over time, revenue is recognised over time of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

The progress towards complete satisfaction of the performance obligation is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation, by reference to the contract costs incurred up to the end of reporting period as a percentage of total estimated costs for each contract.

For property development and sales contract for which the control of the property is transferred at a point in time, revenue is recognised when the customer obtains the physical possession or the legal title of the completed property and the Group has present right to payment and the collection of the consideration is probable.

In determining the transaction price, the Group adjusts the promised amount of consideration for the effect of a financing component if it is significant.

For construction services, the Group's performance creates or enhances an asset or work in progress that the customer controls as the asset is created or enhanced, thus the Group satisfies a performance obligation and recognises revenue over time, by reference to completion of the specific transaction assessed on the basis of the actual costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract.

(b) Property management and agency fee income

Property management and agency fee income is recognised in the accounting period in which the services are rendered.

(c) Dividend income

Dividend income is recognised when the right to receive payment is established.

3.26 Interest income

Interest income on financial assets at amortised cost calculated using the effective interest method is recognised in the statement of profit or loss as part of other income. Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

3. SUMMARY OF ACCOUNTING POLICIES (Continued)

3.27 Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

3. SUMMARY OF ACCOUNTING POLICIES (Continued)

3.27 Leases (Continued)

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option. Low-value assets comprise IT equipment and small items of office furniture.

Lease income from operating leases where the Group is a lessor is recognized in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognized as expense over the lease term on the same basis as lease income. The respective leased assets are included in the statement of financial position based on their nature.

4. FINANCIAL RISK MANAGEMENT

4.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow interest rate risk and fair value interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The Board of directors reviews and approves policies for managing each of these risks and they are summarized below.

(a) Market risk

(i) Foreign exchange risk

The Group is exposed to foreign exchange risk arising from future commercial transactions and recognised assets and liabilities which are not denominated in the Group's functional currency. Majority of the Group's foreign currency transactions and balances are denominated in Hong Kong dollars ("HKD") and United States dollars ("USD"). The Group currently does not have a foreign currency hedging policy. However, management of the Group monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arises.

Conversion of RMB into foreign currency is subject to the rules and regulations of the foreign exchange control, as promulgated by the PRC government.

As at 31 December 2024, if RMB had weakened/strengthened by 5% against HKD and USD with all other variable held constant, post-tax loss or other comprehensive income for the year of the Group would have been approximately RMB1,265,369,000 higher/lower (2023: RMB1,248,859,000 higher/lower), mainly as the result of the foreign exchange losses/gains on translation of HKD/USD dominated borrowings, net of foreign exchange gains/losses on translation of HKD/USD dominated cash and cash equivalents.

(ii) Cash flow and fair value interest rate risk

The Group's interest rate risk arises from long-term borrowings with prevailing market interest rates. Such risk is partly offset by cash held at prevailing market interest rates. During 2024 and 2023, the Group's borrowings at prevailing market interest rates were denominated in RMB, HKD and USD.

The Group's fair value interest rate risk relates primarily to its fixed rate borrowing and other payables. The Group currently does not utilize any derivative contracts to hedge its exposure to interest rate risk. However, management will consider hedging significant interest rate exposure should the need arise.

As at 31 December 2024, if interest rates have increased/decreased by 50 basis points with all other variables held constant, the Group's post-tax loss, after taking into account the impact of interest capitalization, would increase/decrease by approximately RMB16,755,000 (2023: RMB22,931,000).

(iii) Price risk

The Group's exposure to equity securities price risk arises from investments held by the Group and classified as financial assets at FVOCI and FVPL. The Group monitors the pricing change of these equity securities during each reporting period to manage the price risk.

4. FINANCIAL RISK MANAGEMENT (Continued)

4.1 Financial risk factors (Continued)

(b) Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge the obligation under the terms of financial instrument and cause a financial loss to the Group. The Group considered the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an on-going basis throughout each reporting period. To assess whether there's a significant increase in credit risk, the Group compares the risk of a default occurring on the asset at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information.

Especially the following indicators are incorporated:

- internal credit rating
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- actual or expected significant changes in the operating results of the debtor
- significant increases in credit risk on other financial instruments of the same debtor
- significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors and changes in the operating results of the debtor.

(i) Cash in banks

The Group expects that there is no significant credit risk associated with cash deposits at banks since they are substantially deposited with state-owned banks and other medium or large size listed banks. Management does not expect that there will be any significant losses from non-performance by these counterparties.

(ii) Trade receivables and contract assets

The Group applies the simplified approach to providing for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for trade receivables and contract assets. To measure the expected credit losses ("ECL"), trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The expected credit loss also incorporates forward-looking information.

4. FINANCIAL RISK MANAGEMENT (Continued)

4.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Trade receivables and contract assets (Continued)

As at 31 December 2024, the loss allowance was determined as follows for trade receivables and contract assets:

	Within 6 months RMB'000	Between 6 months to 1 year RMB'000	Between 1 year to 2 years RMB'000	Between 2 years to 3 years RMB'000	Over 3 years RMB'000	Total RMB'000
Expected loss rate	**4.4%**	**17.1%**	**13.2%**	**32.1%**	**100%**	**18.0%**
Gross carrying amount						
— trade receivables	**2,415,321**	**1,303,311**	**775,069**	**566,693**	**374,923**	**5,435,317**
— contract assets	**65,674**	**–**	**–**	**–**	**–**	**65,674**
Loss allowance						
— trade receivables and contract assets	**109,456**	**222,997**	**102,122**	**182,109**	**374,923**	**991,607**

As at 31 December 2023, the loss allowance was determined as follows for trade receivables and contract assets:

	Within 6 months RMB'000	Between 6 months to 1 year RMB'000	Between 1 year to 2 years RMB'000	Between 2 years to 3 years RMB'000	Over 3 years RMB'000	Total RMB'000
Expected loss rate	2.8%	12.5%	7.7%	30.4%	100.0%	13.0%
Gross carrying amount						
— trade receivables	1,590,839	2,332,846	1,467,025	308,612	235,885	5,935,207
— contract assets	46,590	–	–	–	–	46,590
Loss allowance						
— trade receivables and contract assets	45,692	292,013	112,548	93,813	235,885	779,951

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. The derecognition of ECL from disposal of subsidiaries was RMB21,372,000 (2023: RMB248,000) for trade receivables and contract assets during the year ended 31 December 2024.

4. FINANCIAL RISK MANAGEMENT (Continued)

4.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(iii) Other receivables

The Group uses three categories for other receivables which reflect their credit risk and how the loss provision is determined for each of those categories.

A summary of the assumptions underpinning the Group's expected credit loss model is as follows:

Category	Company definition of category	Basis for recognition of expected credit loss provision
Stage one	Customers have a low risk of default and a strong capacity to meet contractual cash flows.	12 months expected losses. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime.
Stage two	Receivables for which there is a significant increase in credit risk since initial recognition.	Lifetime expected losses.
Stage three	Receivables for which there is a credit loss since initial recognition.	Lifetime expected losses.

The Group accounts for its credit risk by appropriately providing for expected losses on a timely basis. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of receivables and adjusts for forward looking macroeconomic data.

As at 31 December 2024, the loss allowance was determined as follows for other receivables:

	Entrusted loans to and amount due from third parties, joint ventures, associates and non-controlling interests RMB'000	Receivables from other third parties excluding prepayments RMB'000	Total RMB'000
Gross carrying amount of other receivables	**61,297,335**	**8,589,705**	**69,887,040**
Expected credit loss rate	**32.44%**	**14.59%**	**30.25%**
Loss allowance	**19,884,454**	**1,253,493**	**21,137,947**
Other receivables, net	**41,412,881**	**7,336,212**	**48,749,093**

4. FINANCIAL RISK MANAGEMENT (Continued)

4.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(iii) Other receivables (Continued)

As at 31 December 2023, the loss allowance was determined as follows for other receivables:

	Entrusted loans to and amount due from third parties, joint ventures, associates and non-controlling interests RMB'000	Receivables from other third parties excluding prepayments RMB'000	Total RMB'000
Gross carrying amount of other receivables	62,097,017	7,488,702	69,585,719
Expected credit loss rate	26.57%	12.73%	25.08%
Loss allowance	16,496,229	953,379	17,449,608
Other receivables, net	45,600,788	6,535,323	52,136,111

Other receivables are written off when there is no reasonable expectation of recovery. The derecognition of ECL from disposal of subsidiaries and the written-off of ECL totally was RMB1,171,000 (2023: RMB1,391,772,000) for other receivables during the year ended 31 December 2024.

(iv) Financial guarantee

The Group has policies in place to ensure that sales are made to purchasers with an appropriate financial strength and appropriate percentage of down payments. The Group has arranged bank financing for certain purchasers of the Group's property units and provided guarantees to secure obligations of such purchasers for repayments. If a purchaser defaults on the payment of its mortgage loan during the guarantee period, the bank holding the guarantee may demand the Group to repay the outstanding principal of the loan and any interest accrued thereon. Under such circumstances, the Group can forfeit the customer's deposit and resell the property to recover any amounts paid by the Group to the bank. In this regard, the directors consider that the Group's credit risk is significantly reduced.

The Group also provides guarantees to certain related parties and third parties of the Group to obtain borrowings after assessing the credit history of these parties. The Group closely monitors the repayment progress of the relevant borrowings by these parties. In the opinion of the directors of the Company, the transactions were carried out in the normal course of business and at terms mutually negotiated between the Group and the respective parties. After considering industry historical loss rates for financial guarantee and adjusting for forward looking macroeconomic data, the Group calculate the corresponding expected credit loss rates. The provision for financial guarantee provided to related parties and third parties increased from RMBNil as at 31 December 2023 to approximately RMB3,776,047,000 as at 31 December 2024, please refer to Note 34.

4. FINANCIAL RISK MANAGEMENT (Continued)

4.1 Financial risk factors (Continued)

(c) Liquidity risk

Cash flow forecasting is performed in the operating entities of the Group and aggregated by the finance department of the Group. The finance department of the Group monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting process takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal statement of financial position ratio targets.

The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amount disclosed in the table is the contractual undiscounted cash flows.

	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
At 31 December 2024					
Borrowings	**67,874,256**	**14,673,401**	**14,308,218**	**6,577,802**	**103,433,677**
Lease liabilities	**264,621**	**234,469**	**653,929**	**1,592,593**	**2,745,612**
Trade and other payables excluding statutory liabilities	**46,184,023**	**4,700**	**43,062**	**–**	**46,231,785**
Provision for financial guarantee provided to related parties and third parties (Note 34)	**3,776,047**	**–**	**–**	**–**	**3,776,047**
	118,098,947	**14,912,570**	**15,005,209**	**8,170,395**	**156,187,121**

	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
At 31 December 2023					
Borrowings	73,545,908	12,083,464	10,763,350	7,416,563	103,809,285
Lease liabilities	259,891	182,975	633,428	1,739,109	2,815,403
Trade and other payables excluding statutory liabilities	45,394,229	627,315	56,176	–	46,077,720
	119,200,028	12,893,754	11,452,954	9,155,672	152,702,408

4. FINANCIAL RISK MANAGEMENT (Continued)

4.1 Financial risk factors (Continued)

(c) Liquidity risk (Continued)

The Group could be required to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee for loans procured by the purchasers of the Group's properties (Note 46(a)). Such guarantees terminate upon the earlier of (i) issuance of the real estate ownership certificate which will generally be available within an average period of two to three years upon the completion of guarantee registration; or (ii) the satisfaction of mortgaged loan by the purchasers of properties.

4.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Total capital is calculated as "equity" as shown in the consolidated statement of financial position plus net debt.

The gearing ratios at 31 December 2024 and 2023 were as follows.

	As at 31 December	
	2024 **RMB'000**	2023 RMB'000
Total borrowings (Note 31)	**96,013,536**	96,143,322
Less: cash and cash equivalents (Note 24)	**(1,905,661)**	(1,988,738)
Net debt	**94,107,875**	94,154,584
Total equity	**217,002**	20,791,983
Total capital	**94,324,877**	114,946,567
Gearing ratio	**100%**	82%

The increase in gearing ratio in 2024 is primarily due to decrease in total equity which is mainly attributed to the increase of accumulated losses.

4. FINANCIAL RISK MANAGEMENT (Continued)

4.3 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

(a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).

(b) Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).

(c) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following table presents the Group's assets or liabilities that are measured at fair value at 31 December 2024 and 2023. See Note 12 for disclosures of the investment properties that are measured at fair value.

	Level 1 RMB'000	**Level 2 RMB'000**	**Level 3 RMB'000**	**Total RMB'000**
At 31 December 2024				
Assets				
Financial assets at fair value through profit or loss (Note 18)	**6,281**	**80,566**	**3,629,347**	**3,716,194**
Financial assets at fair value through other comprehensive income (Note 17)	**26,329**	**–**	**667,568**	**693,897**
	32,610	**80,566**	**4,296,915**	**4,410,091**

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
At 31 December 2023				
Assets				
Financial assets at fair value through profit or loss (Note 18)	166,023	89,423	5,139,723	5,395,169
Financial assets at fair value through other comprehensive income (Note 17)	15,856	–	761,424	777,280
	181,879	89,423	5,901,147	6,172,449
Liabilities				
Financial liabilities at fair value through profit or loss (Note 36)	–	(33,764)	–	(33,764)

4. FINANCIAL RISK MANAGEMENT (Continued)

4.3 Fair value estimation (Continued)

During the period, there were no significant changes in the business or economic circumstances that may affect the fair value of the Group's financial assets and financial liabilities.

(a) Financial instruments in Level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1. Instruments included in Level 1 comprise primarily the listed United States and HKSE equity investments classified as financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income.

(b) Financial instruments in Level 2

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2. Instruments included in Level 2 comprise primarily equity fund, the underlying portfolio invested by equity fund are all listed equity shares, the valuation of equity fund is determined based on the quoted market price of listed equity shares.

(c) Financial instruments in Level 3

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

4. FINANCIAL RISK MANAGEMENT (Continued)

4.3 Fair value estimation (Continued)

(c) Financial instruments in Level 3 (Continued)

The following table presents the changes in Level 3 instruments for the year ended 31 December 2024 and 2023.

	Financial assets at fair value through other comprehensive income and through profit or loss 2024 RMB'000	Financial assets at fair value through other comprehensive income and through profit or loss 2023 RMB'000
Financial assets in Level 3		
Opening balance	**5,901,147**	5,696,195
Addition	**–**	259,100
Increase due to acquisition of a subsidiary	**–**	580,860
Fair value change	**(1,566,145)**	(659,334)
Currency translation difference	**34,791**	27,761
Disposal	**(72,878)**	(3,435)
Closing balance	**4,296,915**	5,901,147

(d) Information about Level 3 fair value measurements

The following tables summarise the quantitative information about the significant unobservable inputs used in Level 3 fair value measurement of equity fund investments and unlisted equity investments.

As at 31 December 2024 and 2023, the underlying portfolio invested by equity fund are all properties located in Mainland China, United States and Hong Kong, the valuation of equity fund investment is determined based on the valuation of properties.

4. FINANCIAL RISK MANAGEMENT (Continued)

4.3 Fair value estimation (Continued)

(d) Information about Level 3 fair value measurements (Continued)

Description	Valuation technique	Significant unobservable inputs	Range/value	Relationship of unobservable inputs to fair value
Unlisted fund investments which principally invests in residential and commercial real estate	Comparative method	Prevailing market transaction price	RMB28,000 to RMB58,094 per square meter	The higher transaction price, the higher fair value
	Income capitalization	Prevailing market rents	RMB82 to RMB606 per month per square meter	The higher rents, the higher fair value
		Capitalization rates	3.00% to 6.50%	The higher capitalization rate, the lower fair value
Unlisted fund investments which principally invests in logistics real estate, medical industry, and other industries	Comparative method	Evaluation/Sales ratio	1.00 to 11.80	The higher evaluation/sales ratio, the higher fair value
		Evaluation/EBIT ratio	6.50 to 40.29	The higher evaluation/EBIT ratio, the higher fair value
		Evaluation/EBITDA ratio	17.03	The higher evaluation/EBITDA ratio, the higher fair value
		Liquidity discount rate	11.00% to 26.00%	The higher liquidity discount rate, the lower fair value
	Income capitalization	Capitalization rates	9.11%	The higher capitalization rate, the lower fair value

As at 31 December 2024 and 2023, the significant unlisted equity investments mainly include perpetual and preferred equity instruments issued by associates of the Group.

Description	Valuation technique	Significant unobservable inputs	Range/value	Relationship of unobservable inputs to fair value
Unlisted equity investments	Income Approach	Discount rate	7.83% to 53.38%	The higher discount rate, the lower fair value
	Binominal pricing model	Risk-free interest rate	3.75% to 4.09%	The higher interest rate, the lower fair value
		Volatility	53.85% to 54.23%	The higher volatility level, the higher fair value
	Black-Scholes Option Pricing Model	Risk-free interest rate	4.01% to 4.27%	The higher interest rate, the lower fair value
		Volatility	37.25% to 40.67%	The higher volatility level, the higher fair value

4. FINANCIAL RISK MANAGEMENT (Continued)

4.3 Fair value estimation (Continued)

(e) Valuation process

The finance department of the Group includes a team that performs the valuations of Level 3 financial instruments required for financial reporting purposes. The finance department of the Group reviews the valuations performed by the independent valuers for financial reporting purposes and reports directly to the senior management. Discussions of valuation processes and results are held between the management and valuers after each valuation by the independent qualified valuers, which is normally done once every six months, in line with the Group's interim and annual reporting dates.

The components of the Level 3 instruments mainly include investments in private investment funds and unlisted companies. As these instruments are not traded in an active market, their fair values have been determined using various applicable valuation techniques, including discounted cash flows and comparable transactions approaches. Major assumptions used in the valuation include historical financial results, assumptions about future growth rates, estimate of discount rate and recent market transactions etc. The fair values of these instruments determined by the Group requires significant judgement, including the financial performance of the investee company, market value of comparable properties as well as discount rate, etc.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Estimate of fair value of investment properties

The fair value of investment properties is determined by using valuation technique. Details of the judgment and assumptions have been disclosed in Note 12.

(b) Income taxes and land appreciation tax ("LAT")

The Group is primarily subject to various PRC taxes, as it is principally engaged in property development in the PRC. Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made.

The implementation and settlement of LAT varies among various tax jurisdictions in cities of the PRC. LAT is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sales of properties less deductible expenditures including land use rights, borrowing costs, business taxes, property development and other related expenditures. These taxes are incurred upon transfer of property ownership.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(b) Income taxes and land appreciation tax ("LAT") (Continued)

Significant judgment is required in determining the extent of land appreciation and its related taxes. The Group recognised LAT based on management's best estimates according to the understanding of the tax rules. The final tax outcome could be different from the amounts that were initially recorded, and these differences will impact the consolidated statement of profit or loss in the periods in which such taxes are finalized with local tax authorities.

(c) Deferred income tax

Deferred income tax assets relating to certain temporary differences and tax losses are recognised when management considers it probable that future taxable profit will be available against which the temporary differences or tax losses can be utilized. The outcome of their actual utilization may be different.

(d) Estimations for total properties construction cost

The Group estimates properties construction cost upon recognition of respective costs of sales. Such estimates are substantiated by detailed budgetary information as developed by the management, and will be assessed periodically, as the constructions progress. Should these estimates depart from their actual finalized costs, such differences would affect the accuracy of costs of sales recognised.

(e) Revenue recognition

Revenue from sales of properties is recognised over time when the Group's performance do not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date; otherwise, revenue is recognised at a point in time when the buyer obtains control of the completed property. The Group may not change or substitute the property unit or redirect the property unit for another use due to the contractual restrictions with the customer and thus the property unit does not have an alternative use to the Group. However, whether there is an enforceable right to payment depends on the terms of sales contract and the interpretation of the applicable laws that apply to the contract. Such determination requires significant judgments. The Group has obtained legal counsel opinion regarding the enforceability of the right to payment for sales contracts. Management uses judgments, based on legal counsel opinion, to classify sales contracts into those with right to payment and those without the right.

(f) Estimated impairment of non-financial assets

Non-financial assets are reviewed for impairment, whenever events or changes in circumstances that may cause the carrying amounts of the assets to exceed their recoverable amounts. The recoverable amount of an asset or a cash generating unit is determined as the higher of their unit's fair value less cost of disposal and its value-in-use which requires the use of assumptions and estimates.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(g) Estimate impairment of properties under development and completed properties held for sale

Properties under development and completed properties held for sale are reviewed by management for impairment, to ensure that the carrying amount would not be higher than net realisable value. The net realisable value is the higher of estimated selling price of the properties in the ordinary course of business, less estimated costs to complete the development of properties (applicable to properties under development) and selling expenses and carrying amount of the properties under development and completed properties held for sale. Management makes judgments on whether such events or changes in circumstances have occurred, and makes estimates mainly for selling price and cost to complete the development of the properties (applicable to properties under development) and cost to sell in determining the net realisable value.

(h) Impairment of financial assets

The loss allowances for financial assets at amortised cost are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in the tables in Note 4.1(b).

(i) Going concern

The assessment of the going concern assumption involves making a judgement by the Board, at the end of the reporting period, about the future outcome of events or conditions, which are inherently uncertain. The Board considers that the Group have the capabilities to continue as going concerns and the major events and conditions, which may give rise to business risks, that individually or collectively may cast doubt upon the going concern assumption and related mitigating measures taken by management are set out in Note 2.

6. SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the executive directors of the Company who make strategic decisions.

The executive directors of the Company consider the business from both a geographic and product perspective. From the product perspective, the management considers the performance of property development, property management and property investment. Property development businesses are further segregated geographically.

Other operations as carried out by the Group mainly are property sales agency services and upfitting services. These are not included within the reportable operating segments, as they are not included in the reports provided to the executive directors of the Company. The results of these operations are included in the "All other segments" column.

The executive directors of the Company assess the performance of the operating segments based on a measure of operating profit. This measurement basis excludes the effects of other gains/losses from the operating segments. Finance costs and corporate finance income are not included in the result for each operating segment that is reviewed by the executive directors of the Company, as they are driven by activities of the central treasury function, which manages the cash position of the Group. The measure also excludes the effects of any share of profits/losses from interests in joint ventures and associates as well as fair value change from investment properties, corporate overheads, finance cost and other losses-net. Other information provided to the executive directors of the Company, except as noted below, is measured in a manner consistent with that in the financial statements.

6. SEGMENT INFORMATION (Continued)

Total segment assets exclude corporate cash and cash equivalents, interests in joint ventures and associates, financial assets at fair value through other comprehensive income, financial assets at fair value through profit or loss and deferred income tax assets, all of which are managed on a central basis. Total segment liabilities exclude borrowings, deferred income tax liabilities and financial liabilities at fair value through profit or loss, all of which are managed on a central basis as well. These are part of the reconciliation to total statement of financial position assets and liabilities.

The segment information provided to the executive directors of the Company for the reportable segments for the years ended 31 December 2024 and 2023 is as follows:

	Property development									
	Beijing Region RMB'000	Bohai Rim Region RMB'000	Eastern China Region RMB'000	Southern China Region RMB'000	Central China Region RMB'000	Western China Region RMB'000	Property investment RMB'000	Property management RMB'000	All other segments RMB'000	Total RMB'000
Year ended 31 December 2024										
Total revenue	**1,681,408**	**3,720,102**	**5,098,645**	**2,945,443**	**2,304,919**	**1,536,642**	**327,033**	**2,840,029**	**5,449,825**	**25,904,046**
Inter-segment revenue	**(4,734)**	**(3,823)**	**(5,625)**	**(55)**	**–**	**–**	**(5,852)**	**(130,142)**	**(2,113,196)**	**(2,263,427)**
Revenue (from external customers)	**1,676,674**	**3,716,279**	**5,093,020**	**2,945,388**	**2,304,919**	**1,536,642**	**321,181**	**2,709,887**	**3,336,629**	**23,640,619**
Segment operating profit/(loss)	**(230,597)**	**(946,153)**	**(159,464)**	**(383,902)**	**(551,737)**	**(437,113)**	**149,237**	**(104,724)**	**(6,942,914)**	**(9,607,367)**
Depreciation and amortization (Note 39)	**(18,228)**	**(273)**	**(106)**	**(718)**	**(671)**	**(431)**	**(64)**	**(57,907)**	**(383,121)**	**(461,519)**
Year ended 31 December 2023										
Total revenue	2,818,710	10,093,280	7,186,772	6,343,071	11,298,589	1,801,161	453,829	3,133,209	6,635,718	49,764,339
Inter-segment revenue	(39,610)	(118,271)	(306,673)	–	–	(84,119)	(7,900)	(248,172)	(2,500,586)	(3,305,331)
Revenue (from external customers)	2,779,100	9,975,009	6,880,099	6,343,071	11,298,589	1,717,042	445,929	2,885,037	4,135,132	46,459,008
Segment operating profit/(loss)	(103,427)	(169,802)	(173,793)	(67,505)	(241,597)	(559,371)	280,732	(119,487)	(10,706,295)	(11,860,545)
Depreciation and amortization (Note 39)	(18,316)	(1,716)	(1,283)	(1,673)	(2,020)	(1,400)	(2,296)	(58,921)	(313,434)	(401,059)

6. SEGMENT INFORMATION (Continued)

	Property development									
	Beijing Region RMB'000	Bohai Rim Region RMB'000	Eastern China Region RMB'000	Southern China Region RMB'000	Central China Region RMB'000	Western China Region RMB'000	Property investment RMB'000	Property management RMB'000	All other segments RMB'000	Total RMB'000
As at 31 December 2024										
Total segment assets	**17,610,657**	**15,111,517**	**10,060,120**	**19,054,276**	**13,487,318**	**7,225,222**	**13,176,745**	**3,752,185**	**58,054,798**	**157,532,838**
Additions to non-current assets (other than financial instruments and deferred income tax assets)	**1,149**	**4,104**	**–**	**11,883**	**–**	**17**	**106,049**	**67,214**	**14,304**	**204,720**
Total segment liabilities	**7,431,003**	**11,263,040**	**6,094,619**	**10,931,467**	**6,166,325**	**3,902,851**	**796,670**	**1,801,798**	**35,389,290**	**83,777,063**
As at 31 December 2023										
Total segment assets	18,956,191	15,850,019	14,392,027	19,716,285	14,895,793	7,542,554	15,709,032	3,794,514	64,310,813	175,167,228
Additions to non-current assets (other than financial instruments and deferred income tax assets)	1,627	104	3,492	97	18	12	2,372	24,833	789,730	822,285
Total segment liabilities	8,165,428	12,409,641	11,417,437	12,036,938	7,754,430	4,600,007	1,049,603	1,822,321	27,930,755	87,186,560

A reconciliation of segment operating loss to loss before income tax is provided as follows:

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
Segment operating loss	**(9,607,367)**	(11,860,545)
Corporate finance income	**61**	165
Corporate overheads	**(129,539)**	(249,132)
Fair value change on investment properties (Note 12)	**(746,505)**	(928,020)
Other losses — net (Note 38)	**(4,651,287)**	(672,379)
Finance costs (Note 41)	**(3,588,425)**	(3,517,124)
Share of results of joint ventures	**(833,635)**	(936,319)
Share of results of associates	**164,647**	(1,397,411)
Loss before income tax	**(19,392,050)**	(19,560,765)

6. SEGMENT INFORMATION (Continued)

Reportable and other segments' assets and liabilities are reconciled to total assets and liabilities as follows:

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Total segment assets	**157,532,838**	175,167,228
Corporate cash and cash equivalents	**61,860**	29,099
Interests in joint ventures (Note 14)	**13,315,357**	18,679,921
Interests in associates (Note 15)	**3,951,093**	3,915,886
Financial assets at fair value through other comprehensive income (Note 17)	**693,897**	777,280
Financial assets at fair value through profit or loss (Note 18)	**3,716,194**	5,395,169
Deferred income tax assets (Note 32)	**2,133,907**	2,207,743
Total assets per consolidated statement of financial position	**181,405,146**	206,172,326
Total segment liabilities	**83,777,063**	87,186,560
Current borrowings (Note 31)	**63,576,047**	69,750,588
Non-current borrowings (Note 31)	**32,437,489**	26,392,734
Deferred income tax liabilities (Note 32)	**1,397,545**	2,016,697
Financial liabilities at fair value through profit or loss (Note 36)	**–**	33,764
Total liabilities per consolidated statement of financial position	**181,188,144**	185,380,343

The Company was incorporated in Hong Kong, with most of its major subsidiaries domiciled in the PRC. Revenues from external customers of the Group are mainly derived in the PRC for the years ended 31 December 2024 and 2023.

As at 31 December 2024, total non-current assets (other than financial instruments and deferred income tax assets) located in the PRC amounted to approximately RMB36,981,430,000 (2023: RMB45,479,399,000), total non-current assets located in Hong Kong and in the United States amounted to approximately RMB872,000 (2023: RMB1,307,000) and approximately RMB35,941,000 (2023: RMB66,223,000), respectively.

For the years ended 31 December 2024 and 2023, the Group does not have any single customer with the transaction value over 10% of the total external sales.

7. PROPERTY, PLANT AND EQUIPMENT

	Buildings and leasehold improvements RMB'000	Machinery RMB'000	Vehicles RMB'000	Office equipment RMB'000	Electronic equipment RMB'000	Construction in progress RMB'000	Total RMB'000
As at 31 December 2024							
Opening net book amount	**1,902,550**	**88,726**	**8,376**	**37,457**	**425,857**	**1,029,514**	**3,492,480**
Additions	**15,854**	**151**	**277**	**4,895**	**5,664**	**109,633**	**136,474**
Acquisition of subsidiaries	**–**	**–**	**468**	**11**	**–**	**–**	**479**
Transfer	**4,224**	**–**	**–**	**–**	**–**	**(4,224)**	**–**
Transfer to properties under development (Note 19)	**–**	**–**	**–**	**–**	**–**	**(48,810)**	**(48,810)**
Transfer to investment properties (Note 12)	**(67,214)**	**–**	**–**	**–**	**–**	**–**	**(67,214)**
Disposals	**(4,603)**	**(8)**	**(456)**	**(138)**	**(1,678)**	**(396)**	**(7,279)**
Depreciation charge (Note 39)	**(101,520)**	**(8,509)**	**(3,559)**	**(12,629)**	**(55,106)**	**–**	**(181,323)**
A subsidiary becomes a joint venture	**–**	**(36)**	**(37)**	**–**	**(2)**	**–**	**(75)**
Closing net book amount	**1,749,291**	**80,324**	**5,069**	**29,596**	**374,735**	**1,085,717**	**3,324,732**
At 31 December 2024							
Cost	**1,903,359**	**112,435**	**48,711**	**164,229**	**768,820**	**1,085,717**	**4,083,271**
Accumulated depreciation	**(154,068)**	**(32,111)**	**(43,642)**	**(134,633)**	**(394,085)**	**–**	**(758,539)**
Net book amount	**1,749,291**	**80,324**	**5,069**	**29,596**	**374,735**	**1,085,717**	**3,324,732**
As at 31 December 2023							
Opening net book amount	2,034,648	76,592	11,414	32,433	435,446	946,104	3,536,637
Additions	7,309	16,756	445	18,327	24,568	105,860	173,265
Acquisition of subsidiaries	–	958	327	16,312	21,798	–	39,395
Transfer	–	8,174	–	–	–	(8,174)	–
Disposals	(68,068)	(959)	(140)	(260)	(5,454)	(5,629)	(80,510)
Depreciation charge (Note 39)	(32,542)	(12,795)	(3,389)	(28,301)	(50,289)	–	(127,316)
Disposal of interests in subsidiaries	(38,797)	–	(281)	(1,054)	(212)	(8,647)	(48,991)
Closing net book amount	1,902,550	88,726	8,376	37,457	425,857	1,029,514	3,492,480
At 31 December 2023							
Cost	1,963,043	112,917	52,376	162,830	771,885	1,029,514	4,092,565
Accumulated depreciation	(60,493)	(24,191)	(44,000)	(125,373)	(346,028)	–	(600,085)
Net book amount	1,902,550	88,726	8,376	37,457	425,857	1,029,514	3,492,480

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

Depreciation expenses of approximately RMB167,879,000 (2023: RMB107,876,000) and approximately RMB13,444,000 (2023: RMB19,440,000) have been charged in cost of sales and in administrative expenses respectively.

Construction in progress as at 31 December 2024 and 31 December 2023 represents buildings and data centers under construction mainly in Beijing, Suzhou, Dalian and Guangzhou with intended use for senior living or health care related services and operation of data centers.

As at 31 December 2024, property, plant and equipment of the Group with carrying amount of approximately RMB1,022,975,000 (2023: RMB1,034,600,000), which were classified as restricted assets due to reasons such as being pledged as collateral for the Group's borrowings.

8. LEASES

(a) Amounts recognised in the statement of financial position

The statement of financial position shows the following amounts relating to leases:

	2024 RMB'000	2023 RMB'000
Right-of-use assets		
Leased buildings	**1,497,892**	1,743,582
Other	**3,373**	2,364
Total right-of-use assets per consolidated statement of financial position	**1,501,265**	1,745,946
Lease liabilities		
Current	**140,186**	150,898
Non-current	**1,626,530**	1,822,109
Total lease liabilities per consolidated statement of financial position	**1,766,716**	1,973,007

(b) Amounts recognised in the statement of profit or loss

The statement of profit or loss shows the following amounts relating to leases:

	2024 RMB'000	2023 RMB'000
Depreciation charge of right-of-use assets		
Leased buildings	**(161,162)**	(185,500)
Other	**(1,794)**	(1,623)
Total (Note 39)	**(162,956)**	(187,123)
Interest expense (Note 41)	**(111,472)**	(117,672)

8. LEASES (Continued)

(c) The Group's leasing activities and how these are accounted for

The Group mainly leases various offices and properties used for senior living service. Rental contracts are typically made for fixed periods of 15 months to 20 years.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

9. LAND USE RIGHTS

The Group's interests in land use rights represent prepaid operating lease payments in the PRC which are held on leases of less than 50 years (including 50 years). The movements are as follows:

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
At the beginning of the year	**212,009**	275,873
Amortization charge (Note 39)	**(12,310)**	(15,889)
Disposal	**(20,637)**	–
Disposal of subsidiaries	**–**	(47,975)
At the end of the year	**179,062**	212,009

As at 31 December 2024, the land use rights of the Group with carrying amounts of approximately RMB61,789,000 (2023: RMB24,230,000) were pledged as collateral for the Group's borrowings.

10. INTANGIBLE ASSETS

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
At the beginning of the year	**400,164**	459,807
Additions	**14,436**	11,088
Amortization charge (Note 39)	**(104,930)**	(70,731)
At the end of the year	**309,670**	400,164

11. GOODWILL

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
At the beginning of the year	**1,243,182**	888,654
Acquisition of subsidiaries	**–**	355,473
Derecognition of goodwill (Note 39)	**(10,129)**	(945)
At the end of the year	**1,233,053**	1,243,182

Goodwill was generated from business combination and allocated to a cash generating unit or a group of cash generating units, from the acquisition date, that is expected to benefit from the synergies of the combination. Derecognition of goodwill allocated to a cash generating unit or a group of cash generating units was recognised due to disposal of the relevant properties.

Goodwill is allocated to the Group's cash generating units identified which is not larger than an operating segment. A summary of the goodwill allocation is presented below:

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Internet digital center related business (i)	**213,948**	213,948
Property management (ii)	**446,545**	455,757
Property development (iii)	**3,517**	4,431
Senior living service (iv)	**393,632**	393,632
Other (v)	**175,411**	175,414
	1,233,053	1,243,182

(i) Goodwill relating to internet digital center related business arose from the acquisition of internet digital center service companies.

(ii) Goodwill relating to property management arose from the acquisition of property management companies. Impairment of such goodwill is considered together with the impairment of other non-financial assets of the Group.

(iii) Goodwill relating to property development arose from the acquisition of properties development companies, the impairment of such goodwill is considered together with the impairment of the properties under development and completed properties held for sales of the Group.

(iv) Goodwill relating to senior living service arose from the acquisition of senior living service companies. Impairment of such goodwill is considered together with the impairment of other non-financial assets of the Group.

(v) Such goodwill arose from the acquisition of companies engaged in other fields, including landscaping and other construction companies. Impairment of such goodwill is considered together with the impairment of other non-financial assets of the Group.

11. GOODWILL (Continued)

As of 31 December 2024 and 2023, management performed impairment assessment on goodwill. The recoverable amount of goodwill is determined based on value-in-use calculations. These calculations use cash flow projections based on management's financial budgets covering periods of no more than 5 years. The Group expects cash flows beyond such periods will be similar to that of the respective final forecast years on existing scale.

Key assumptions applied in the impairment test for the goodwill include the expected growth in revenue, terminal growth rate and pre-tax discount rate and so on. Management determined these key assumptions based on past performance and its expectation on market development. Management believes that any reasonably possible change in any of these key assumption on which recoverable amounts are based may not cause the carrying amounts of goodwill to exceed their recoverable amounts. As at 31 December 2024, the range of revenue growth rate, terminal growth rate and pre-tax discount rate used for the analysis of each of the CGUs are from -42% to 58%, 0% to 2% and 9% to 13%, respectively.

12. INVESTMENT PROPERTIES

	Completed investment properties RMB'000	**Investment properties under development** RMB'000	**Total** RMB'000
At fair value			
Year ended 31 December 2024			
At the beginning of the year	**12,069,341**	**3,788,000**	**15,857,341**
Additions	**–**	**105,962**	**105,962**
Disposal	**(36,759)**	**–**	**(36,759)**
A subsidiary becomes a joint venture	**(2,044,000)**	**–**	**(2,044,000)**
Transfer from property, plant and equipment (Note 7)	**67,214**	**–**	**67,214**
Currency translation differences	**758**	**–**	**758**
Fair value change recognised in profit or loss	**(640,243)**	**(106,262)**	**(746,505)**
At the end of the year	**9,416,311**	**3,787,700**	**13,204,011**
At fair value			
Year ended 31 December 2023			
At the beginning of the year	7,734,474	–	7,734,474
Additions	20,799	–	20,799
Disposal	(19,050)	–	(19,050)
Acquisition of subsidiaries	4,185,500	3,788,000	7,973,500
Transfer from completed properties held for sales	1,073,395	–	1,073,395
Currency translation differences	2,243	–	2,243
Fair value change recognised in profit or loss	(928,020)	–	(928,020)
At the end of the year	12,069,341	3,788,000	15,857,341

12. INVESTMENT PROPERTIES (Continued)

(a) Amounts recognised in profit or loss for investment properties

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
Rental income	**321,181**	445,929
Direct operating expenses arising from investment properties that generate rental income	**(78,584)**	(101,635)
Direct operating expenses arising from investment properties that did not generate rental income	**(44,273)**	(19,910)
	198,324	324,384

(b) Valuation basis

Fair value measurements using significant unobservable inputs

	31 December 2024								
	Completed investment properties							Investment properties under development	
	Beijing RMB'000	Tianjin RMB'000	Shuyang RMB'000	Ganzhou RMB'000	Shenzhen RMB'000	United States RMB'000	Sub total RMB'000	Beijing RMB'000	Total RMB'000
Opening balance as at 1 January	10,501,628	638,000	352,660	510,830	–	66,223	12,069,341	3,788,000	15,857,341
Additions	–	–	–	–	–	–	–	105,962	105,962
Disposal	(36,759)	–	–	–	–	–	(36,759)	–	(36,759)
A subsidiary becomes a joint venture	(2,044,000)	–	–	–	–	–	(2,044,000)	–	(2,044,000)
Transfer from property, plant and equipment	41,838	–	–	–	25,376	–	67,214	–	67,214
Currency translation differences	–	–	–	–	–	758	758	–	758
Fair value change recognised in profit or loss	(473,936)	(109,000)	(44,184)	23,216	(5,299)	(31,040)	(640,243)	(106,262)	(746,505)
Closing balance as at 31 December	7,988,771	529,000	308,476	534,046	20,077	35,941	9,416,311	3,787,700	13,204,011

12. INVESTMENT PROPERTIES (Continued)

(b) Valuation basis (Continued)

Fair value measurements using significant unobservable inputs

	31 December 2023								
	Completed investment properties							Investment properties under development	
	Beijing RMB'000	Tianjin RMB'000	Dalian RMB'000	Shuyang RMB'000	Ganzhou RMB'000	United States RMB'000	Sub total RMB'000	Beijing RMB'000	Total RMB'000
Opening balance as at 1 January	6,784,020	732,000	19,050	–	–	199,404	7,734,474	–	7,734,474
Additions	20,799	–	–	–	–	–	20,799	–	20,799
Disposal	–	–	(19,050)	–	–	–	(19,050)	–	(19,050)
Acquisition of subsidiaries	4,185,500	–	–	–	–	–	4,185,500	3,788,000	7,973,500
Transfer from completed properties held for sales	–	–	–	506,227	567,168	–	1,073,395	–	1,073,395
Currency translation differences	–	–	–	–	–	2,243	2,243	–	2,243
Fair value change recognised in profit or loss	(488,691)	(94,000)	–	(153,567)	(56,338)	(135,424)	(928,020)	–	(928,020)
Closing balance as at 31 December	10,501,628	638,000	–	352,660	510,830	66,223	12,069,341	3,788,000	15,857,341

Valuation processes of the Group

The Group measures its investment properties at fair value. The investment properties were mainly revalued by Cushman & Wakefield Limited, Shenzhen World Union Appraisal Co.,Ltd., Zhongdinghua (Beijing) Asset Appraisal Co., Ltd., the independent qualified valuers not related to the Group, who hold recognised relevant professional qualifications and have recent experiences in the location and segments of the investment properties valued. For all investment properties, their current use equates to the highest and best use.

The finance department of the Group reviews the valuations performed by the independent valuers for financial reporting purposes and reports directly to the senior management. Discussions of valuation processes and results are held between the management and valuers after each valuation by the independent qualified valuers, which is normally done once every six months, in line with the Group's interim and annual reporting dates.

At each financial year end the finance department of the Group:

- Verifies all major inputs to the independent valuation report;
- Assess property valuations movements when compared to the prior year valuation report;
- Holds discussions with the independent qualified valuers.

Valuation techniques

Fair values of completed properties in Beijing, Tianjin, Shuyang and Ganzhou are generally derived using the income capitalization method. These valuation methods are based on the capitalization of the net income and reversionary income potential by adopting appropriate capitalization rates, which are derived from analysis of sale transactions and valuers' interpretation of prevailing investor requirements or expectations. The prevailing market rents adopted in the valuation have reference to recent lettings, within the subject properties and other comparable properties.

12. INVESTMENT PROPERTIES (Continued)

(b) Valuation basis (Continued)

Valuation techniques (Continued)

Fair values of completed properties in Shenzhen and the United States is generally derived using the comparative method.

Fair values of investment properties under development in Beijing are generally derived using the hypothetical development method and cost method.

There were no changes to the valuation techniques during the year, except for completed properties situated in Ganzhou and United States changed its valuation technique to/from capitalization method from/to comparative method due to changes in market conditions, and there were no transfers between fair value hierarchy during the year.

Significant unobservable inputs used to determine fair value

- Completed investment properties

Description	Fair value at 31 December 2024 (RMB'000)	Valuation technique(s)	Range of significant unobservable inputs Prevailing market rents	Prevailing market transaction price	Capitalization rates (%)
Completed investment properties — Beijing	**7,988,771**	Income capitalization	RMB18 to RMB239 per month per square meter	Not applicable	4.5-8.0
Completed investment properties — Tianjin	**529,000**	Income capitalization	RMB55 to RMB65 per month per square meter	Not applicable	6.5
Completed investment properties — Shuyang	**308,476**	Income capitalization	RMB37 to RMB57 per month per square meter	Not applicable	7.0
Completed investment properties — Ganzhou	**534,046**	Income capitalization	RMB39 to RMB78 per month per square meter	Not applicable	7.0
Completed investment properties — United States	**35,941**	Comparative method	Not applicable	USD50-113 per square feet	Not applicable
Completed investment properties — Shenzhen	**20,077**	Comparative method	Not applicable	RMB13,139 per square meter	Not applicable

- Investment properties under development

Description	Fair value at 31 December 2024 (RMB'000)	Valuation technique(s)	Range of significant unobservable inputs Profit rate of Cost (%)	Development costs to completion
Investment properties under development — Beijing	**3,787,700**	Cost method	27.0	Not applicable
		Hypothetical development method	Not applicable	Approximately RMB582 per square meter

12. INVESTMENT PROPERTIES (Continued)

(b) Valuation basis (Continued)

Significant unobservable inputs used to determine fair value (Continued)

- Completed investment properties

Description	Fair value at 31 December 2023 (RMB'000)	Valuation technique(s)	Range of significant unobservable inputs		
			Prevailing market rents	Prevailing market transaction price	Capitalization rates (%)
Completed investment properties — Beijing	10,501,628	Income capitalization	RMB30 to RMB593 per month per square meter	Not applicable	4.5-7.0
Completed investment properties — Tianjin	638,000	Income capitalization	RMB64 to RMB111 per month per square meter	Not applicable	6.5
Completed investment properties — Shuyang	352,660	Income capitalization	RMB33.28 per month per square meter	Not applicable	6.0-6.5
Completed investment properties — Ganzhou	510,830	Comparative method	Not applicable	RMB7,979.8 to RMB11,000 per square meter	Not applicable
Completed investment properties — United States	66,223	Income capitalization	USD5 per month per square feet	Not applicable	7.0

- Investment properties under development

Description	Fair value at 31 December 2023 (RMB'000)	Valuation technique(s)	Range of significant unobservable inputs	
			Profit rate of Cost (%)	Development costs to completion
Investment properties under development — Beijing	3,788,000	Cost method	25.0	Not applicable
		Hypothetical development method	Not applicable	Approximately RMB624 per square meter

Prevailing market rents are estimated based on valuers' view of recent lettings, within the subject properties and other comparable properties. The lower the rents, the lower the fair value.

Capitalization rates are estimated by valuers based on the risk profile of the properties being valued. The higher the rates, the lower the fair value.

(c) Restricted non-current assets

As at 31 December 2024 and 2023, investment properties of the Group with carrying amount of approximately RMB12,806,515,000 and RMB13,372,271,000, respectively, which were classified as restricted assets due to reasons such as being pledged as collateral for the Group's borrowings.

13. SUBSIDIARIES

The following is a list of the subsidiaries as at 31 December 2024 which, in the opinion of the directors, materially affect the results or assets of the Group:

	Name	Place of incorporation and kind of legal entity	Principal activities and place of operation	Issued/paid in capital (In thousand)	Ownership interest held by the Group		Ownership interest held by non-controlling interest	
					2024	2023	**2024**	2023
(1)	Sino-Ocean Holding Group (China) Limited 遠洋控股集團（中國）有限公司	PRC, Limited liability company	Investment holding in PRC	RMB7,064,870	**100%**	100%	**–**	–
(2)	遠洋國際建設有限公司	PRC, Limited liability company	Renovation service in PRC	RMB600,000	**100%**	100%	**–**	–
(3)	北京遠盛置業有限公司	PRC, Limited liability company	Property development in PRC	RMB100,000	**100%**	100%	**–**	–
(4)	Beijing Yuankun Real Estate Development Company, Limited 北京遠坤房地產開發有限公司	PRC, Limited liability company	Investment holding in PRC	RMB500,000	**100%**	100%	**–**	–
(5)	北京碧城創業投資管理有限公司	PRC, Limited liability company	Investment holding in PRC	RMB336,000	**100%**	100%	**–**	–
(6)	Beijing Qianyuan Property Co., Ltd. 北京乾遠置業有限公司	PRC, Limited liability company	Investment holding in PRC	RMB300,000	**100%**	100%	**–**	–
(7)	Beijing Wuhe Real Estate Development Company, Limited 北京五河房地產開發有限公司	PRC, Limited liability company	Land development in PRC	RMB100,000	**75%**	75%	**25%**	25%
(8)	Beijing Jun De Land Development Company Limited 北京駿德置業有限公司	PRC, Limited liability company	Investment holding in PRC	RMB90,000	**100%**	100%	**–**	–
(9)	Beijing Dong long Real Estate Development Co., Ltd. 北京東隆房地產開發有限公司	PRC, Sino-foreign equity joint venture	Property development in PRC	USD12,370	**85.72%**	85.72%	**14.28%**	14.28%
(10)	Beijing Jin He Wan Sheng Real Estate Development Company Limited 北京金和萬盛房地產開發有限公司	PRC, Limited liability company	Land development in PRC	RMB225,000	**100%**	100%	**–**	–
(11)	Beijing Yuan Hao Land Development Company, Limited 北京遠豪置業有限公司	PRC, Limited liability company	Property development in PRC	RMB60,000	**100%**	100%	**–**	–
(12)	Beijing Tianlin Real Estate Development Company, Limited 北京市天麟房地產開發有限公司	PRC, Limited liability company	Investment holding in PRC	RMB30,000	**100%**	100%	**–**	–
(13)	北京遠東新地置業有限公司	PRC, Limited liability company	Investment holding in PRC	RMB200,000	**100%**	100%	**–**	–
(14)	Beijing Yin Gang Real Estate Development Company Limited 北京銀港房地產開發有限公司	PRC, Limited liability company	Investment holding in PRC	RMB10,000	**100%**	100%	**–**	–

13. SUBSIDIARIES (Continued)

	Name	Place of incorporation and kind of legal entity	Principal activities and place of operation	Issued/paid in capital (In thousand)	Ownership interest held by the Group		Ownership interest held by non-controlling interest	
					2024	2023	**2024**	2023
(15)	Beijing Yuan-lian Real Estate Development Company, Limited 北京遠聯置地房地產開發有限公司	PRC, Limited liability company	Property development in PRC	RMB10,000	**100%**	100%	**–**	–
(16)	天津宇華房地產開發有限公司	PRC, Limited liability company	Property development in PRC	RMB10,010	**100%**	100%	**–**	–
(17)	Tianjin Yuanying Real Estate Development Company, Limited 天津市遠贏置業有限公司	PRC, Limited liability company	Property development in PRC	RMB30,030	**100%**	100%	**–**	–
(18)	大連新悅置業有限公司	PRC, Sino-foreign equity joint venture	Property development in PRC	USD60,250	**100%**	100%	**–**	–
(19)	大連滙洋置業有限公司	PRC, Wholly foreign owned enterprise	Property development in PRC	USD15,142	**100%**	100%	**–**	–
(20)	大連廣宇置業有限公司	PRC, Sino-foreign equity joint venture	Property development in PRC	USD10,900	**100%**	100%	**–**	–
(21)	大連世甲置業有限公司	PRC, Sino-foreign equity joint venture	Property development in PRC	USD16,785	**100%**	100%	**–**	–
(22)	Dalian Sunny-Ocean Property Limited 大連明遠置業有限公司	PRC, Sino-foreign equity joint venture	Property development in PRC	USD20,000	**100%**	100%	**–**	–
(23)	Dalian Sky-upright Property Limited 大連正乾置業有限公司	PRC, Limited liability company	Property development in PRC	RMB106,931	**100%**	100%	**–**	–
(24)	大連源豐置業有限公司	PRC, Sino-foreign equity joint venture	Property development in PRC	USD50,700	**100%**	100%	**–**	–
(25)	遠洋環渤海（大連）置地有限公司	PRC, Wholly foreign owned enterprise	Property development in PRC	USD15,000	**100%**	100%	**–**	–
(26)	遠洋地產（遼寧）有限公司	PRC, Limited liability company	Property development in PRC	RMB70,000	**100%**	100%	**–**	–
(27)	長春東方聯合置業有限公司	PRC, Limited liability company	Property development in PRC	RMB200,000	**100%**	100%	**–**	–
(28)	遠洋地產（上海）有限公司	PRC, Limited liability company	Investment holding in PRC	RMB20,000	**100%**	100%	**–**	–
(29)	大連鑫融置業有限公司	PRC, Wholly foreign owned enterprise	Property development in PRC	USD120,000	**100%**	100%	**–**	–
(30)	天基房地產開發（深圳）有限公司	PRC, Wholly foreign owned enterprise	Property development in PRC	HKD160,000	**100%**	100%	**–**	–
(31)	三亞南國奧林匹克花園有限公司	PRC, Limited liability company	Property development in PRC	RMB64,100	**100%**	100%	**–**	–
(32)	天津遠頤房地產開發有限公司	PRC, Limited liability company	Property development in PRC	RMB50,050	**100%**	100%	**–**	–

13. SUBSIDIARIES (Continued)

	Name	Place of incorporation and kind of legal entity	Principal activities and place of operation	Issued/paid in capital (In thousand)	Ownership interest held by the Group		Ownership interest held by non-controlling interest	
					2024	2023	**2024**	2023
(33)	大連利遠置業有限公司	PRC, Sino-foreign equity joint venture	Property development in PRC	USD2,870	**100%**	100%	**–**	–
(34)	北京四陽山水企業管理有限公司	PRC, Limited liability company	Senior living service in PRC	RMB500,000	**100%**	100%	**–**	–
(35)	Tianjin Yuan-bin Real Estate Development Company, Limited 天津市遠濱房地產開發有限公司	PRC, Sino-foreign equity joint venture	Property development in PRC	RMB20,000	**100%**	100%	**–**	–
(36)	大連宏宇置業有限公司	PRC, Limited liability company	Property development in PRC	RMB50,000	**100%**	100%	**–**	–
(37)	北京遠山置業有限公司	PRC, Limited liability company	Property development in PRC	RMB100,000	**100%**	100%	**–**	–
(38)	盈創再生資源有限公司	PRC, Limited liability company	Investment property in PRC	RMB361,670	**100%**	100%	**–**	–
(39)	上海銳盈置業有限公司	PRC, wholly foreign owned enterprises	Property development in PRC	RMB145,000	**100%**	100%	**–**	–
(40)	遠洋地產(深圳)有限公司	PRC, Limited liability company	Property development in PRC	RMB50,000	**100%**	100%	**–**	–
(41)	北京遠新資產管理有限公司	PRC, Limited liability company	Investment property in PRC	RMB20,000	**100%**	100%	**–**	–
(42)	北京市佳利華經濟開發有限責任公司	PRC, Limited liability company	Senior living service in PRC	RMB30,000	**100%**	100%	**–**	–
(43)	Sino-Ocean Service Holding Limited 遠洋服務控股有限公司	Cayman Islands, Limited liability company	Property management in PRC	RMB99,829	**63.82%**	67.48%	**36.18%**	32.52%
(44)	上海遠滙置業有限公司	PRC, Wholly foreign owned enterprise	Property development in PRC	RMB2,200,000	**100%**	100%	**–**	–
(45)	深圳市金楓房地產開發有限公司	PRC, Limited liability company	Property development in PRC	RMB50,000	**60%**	60%	**40%**	40%
(46)	深圳市高誠達投資發展有限公司	PRC, Limited liability company	Property development in PRC	RMB50,000	**80%**	80%	**20%**	20%
(47)	三亞德商房地產開發有限公司	PRC, Sino-foreign equity joint venture	Property development in PRC	USD30,000	**100%**	100%	**–**	–
(48)	南京金遠置業有限公司	PRC, Limited liability company	Property development in PRC	RMB33,330	**70%**	70%	**30%**	30%
(49)	上海椿萱茂養老服務有限公司	PRC, Limited liability company	Senior living service in PRC	RMB10,000	**100%**	100%	**–**	–
(50)	湖北福星惠譽常青置業有限公司 ("Hubei Fuxing")	PRC, Limited liability company	Property development in PRC	RMB10,000	**51%**	51%	**49%**	49%

13. SUBSIDIARIES (Continued)

	Name	Place of incorporation and kind of legal entity	Principal activities and place of operation	Issued/paid in capital (In thousand)	Ownership interest held by the Group		Ownership interest held by non-controlling interest	
					2024	2023	**2024**	2023
(51)	成都嘉昱房地產有限責任公司	PRC, Limited liability company	Property development in PRC	RMB10,000	**60%**	60%	**40%**	40%
(52)	北京遠奧置業有限公司	PRC, Limited liability company	Property development in PRC	RMB50,000	**100%**	100%	**–**	–
(53)	天津濱海房地產經營有限公司	PRC, Limited liability company	Property development in PRC	RMB100,000	**60%**	60%	**40%**	40%
(54)	遠洋地產鎮江有限公司	PRC, Limited liability company	Property development in PRC	RMB50,000	**55%**	55%	**45%**	45%
(55)	西安遠洋中央公園置業有限責任公司	PRC, Wholly foreign owned enterprise	Property development in PRC	USD200	**100%**	100%	**–**	–
(56)	宜興遠博置業有限公司	PRC, Limited liability company	Property development in PRC	RMB20,020	**100%**	100%	**–**	–
(57)	廣州市遠翔房地產開發有限公司	PRC, Sino-foreign equity joint venture	Property development in PRC	RMB1,800,000	**100%**	100%	**–**	–
(58)	成都恒茂置地有限公司	PRC, Limited liability company	Property development in PRC	RMB50,000	**100%**	100%	**–**	–
(59)	溫州宸遠置業有限公司	PRC, Limited liability company	Property development in PRC	RMB20,020	**100%**	100%	**–**	–
(60)	南京遠乾置業有限公司	PRC, Limited liability company	Property development in PRC	RMB20,000	**100%**	100%	**–**	–
(61)	天津城投濱海房地產經營有限公司	PRC, Limited liability company	Property development in PRC	RMB200,000	**100%**	100%	**–**	–
(62)	中山市遠昇房地產開發有限公司	PRC, Limited liability company	Property development in PRC	RMB1	**100%**	100%	**–**	–
(63)	大連宏澤置業有限公司	PRC, Sino-foreign equity joint venture	Property development in PRC	USD3,020	**100%**	100%	**–**	–
(64)	山西明遠房地產開發有限公司	PRC, Limited liability company	Property development in PRC	RMB10,000	**80%**	80%	**20%**	20%
(65)	貴州築宸府置業有限公司	PRC, Limited liability company	Property development in PRC	RMB12,500	**100%**	100%	**–**	–
(66)	秦皇島潤海房地產開發有限公司	PRC, Limited liability company	Property development in PRC	RMB766,000	**100%**	100%	**–**	–
(67)	秦皇島潤濱房地產開發有限公司	PRC, Limited liability company	Property development in PRC	RMB212,000	**100%**	100%	**–**	–
(68)	秦皇島潤鴻房地產開發有限公司	PRC, Limited liability company	Property development in PRC	RMB61,200	**100%**	100%	**–**	–
(69)	秦皇島潤澤房地產開發有限公司	PRC, Limited liability company	Property development in PRC	RMB21,200	**100%**	100%	**–**	–

13. SUBSIDIARIES (Continued)

	Name	Place of incorporation and kind of legal entity	Principal activities and place of operation	Issued/paid in capital (In thousand)	Ownership interest held by the Group		Ownership interest held by non-controlling interest	
					2024	2023	**2024**	2023
(70)	秦皇島潤港房地產開發有限公司	PRC, Limited liability company	Property development in PRC	RMB21,200	**100%**	100%	**–**	–
(71)	秦皇島潤鑫房地產開發有限公司	PRC, Limited liability company	Property development in PRC	RMB21,200	**100%**	100%	**–**	–
(72)	濟南全眾信息科技有限公司 ("Jinan Quanzhong") (i)	PRC, Limited liability company	Property development in PRC	RMB50,000	**50%**	50%	**50%**	50%
(73)	大連峰景美墅地產發展有限公司	PRC, Limited liability company	Property development in PRC	RMB9,080	**100%**	100%	**–**	–
(74)	上海崇遠企業管理諮詢有限公司	PRC, Limited liability company	Investment holding in PRC	RMB10,000	**100%**	100%	**–**	–
(75)	茂名市錦繡河山房地產開發有限公司	PRC, Limited liability company	Property development in PRC	RMB20,000	**51%**	51%	**49%**	49%
(76)	煙台遠景置業有限公司	PRC, Limited liability company	Property development in PRC	RMB20,000	**100%**	100%	**–**	–
(77)	上海雋品置業有限公司	PRC, Limited liability company	Property development in PRC	RMB50,000	**100%**	100%	**–**	–
(78)	杭州雋遠置業有限公司	PRC, Limited liability company	Property development in PRC	RMB50,000	**100%**	100%	**–**	–
(79)	湖南樂住置業投資有限公司	PRC, Limited liability company	Property development in PRC	RMB30,000	**95%**	95%	**5%**	5%
(80)	貴陽遠滙房地產開發有限公司	PRC, Limited liability company	Property development in PRC	RMB450,000	**100%**	100%	**–**	–
(81)	佛山昱辰房地產開發有限公司	PRC, Limited liability company	Property development in PRC	RMB174,148	**100%**	100%	**–**	–
(82)	Zhejiang Guoheng Xixi Real Estate Co., Ltd 浙江國恆西溪置業有限公司	PRC, Limited liability company	Property development in PRC	RMB50,000	**100%**	100%	**–**	–
(83)	Wuhan Yuanhui Real Estate Co., Ltd 武漢元慧置業有限公司	PRC, Limited liability company	Property development in PRC	RMB50,000	**70%**	70%	**30%**	30%
(84)	Shenzhen Tianheng Chuangxing Industrial Co., Ltd 深圳市天恆創興實業有限公司	PRC, Limited liability company	Property development in PRC	RMB100,000	**63.25%**	63.25%	**36.75%**	36.75%
(85)	江西軍邦房地產開發有限公司	PRC, Limited liability company	Property development in PRC	RMB30,000	**51%**	51%	**49%**	49%
(86)	深圳市恆裕國宏房地產開發有限公司	PRC, Limited liability company	Property development in PRC	RMB101,000	**100%**	100%	**–**	–

13. SUBSIDIARIES (Continued)

	Name	Place of incorporation and kind of legal entity	Principal activities and place of operation	Issued/paid in capital (In thousand)	Ownership interest held by the Group		Ownership interest held by non-controlling interest	
					2024	2023	**2024**	2023
(87)	中山市駿盈房產開發有限公司	PRC, Limited liability company	Property development in PRC	RMB50,000	**51%**	51%	**49%**	49%
(88)	Beijing UNIQloud Technology Co. Ltd. 北京雲泰數通互聯網科技有限公司	PRC, Limited liability company	Colocation services in PRC	RMB588,580	**50.92%**	50.92%	**49.08%**	49.08%
(89)	北京遠創興城置業有限公司 (i)	PRC, Limited liability company	Property development in PRC	RMB100,000	**50%**	50%	**50%**	50%
(90)	武漢弘盛永泰置業有限公司	PRC, Limited liability company	Property development in PRC	RMB50,000	**70%**	70%	**30%**	30%
(91)	上海熙序企業管理有限公司	PRC, Limited liability company	Investment holding in PRC	RMB5,000	**51%**	51%	**49%**	49%
(92)	西寧遠鐸房地產開發有限公司	PRC, Limited liability company	Property development in PRC	RMB50,000	**51%**	51%	**49%**	49%
(93)	柳州星遠房地產有限公司	PRC, Limited liability company	Property development in PRC	RMB50,000	**51%**	51%	**49%**	49%
(94)	溫州星龍房地產開發有限責任公司	PRC, Limited liability company	Property development in PRC	RMB50,000	**100%**	100%	**–**	–
(95)	沭陽星龍房地產開發有限公司	PRC, Limited liability company	Property development in PRC	RMB20,000	**100%**	100%	**–**	–
(96)	成都遠實房地產開發有限責任公司	PRC, Limited liability company	Property development in PRC	RMB10,000	**100%**	100%	**–**	–
(97)	溫州遠康置業有限公司	PRC, Limited liability company	Property development in PRC	RMB20,000	**100%**	100%	**–**	–
(98)	蘇州遠祺房地產開發有限公司	PRC, Sino-foreign equity joint venture	Property development in PRC	RMB332,500	**100%**	100%	**–**	–
(99)	溫州遠溪置業有限公司	PRC, Limited liability company	Property development in PRC	RMB100,000	**100%**	100%	**–**	–
(100)	廣州市遠昊房地產開發有限公司	PRC, Limited liability company	Property development in PRC	RMB50,000	**100%**	100%	**–**	–
(101)	Sino-Ocean land (Hong Kong) Limited 遠洋地產 (香港) 有限公司	Hong Kong, Limited company	Investment holding in Hong Kong	HKD10	**100%**	100%	**–**	–
(102)	Shine Wind Development Limited 耀勝發展有限公司	BVI, Limited company	Investment holding in BVI	USD10	**100%**	100%	**–**	–
(103)	Mission Success Limited 穎博有限公司	Hong Kong, Limited company	Investment holding in Hong Kong	HKD–	**100%**	100%	**–**	–
(104)	Dynamic Class Limited 昇能有限公司	Hong Kong, Limited company	Investment holding in Hong Kong	HKD–	**100%**	100%	**–**	–
(105)	Mega Precise Profits Limited	BVI, Limited company	Investment holding in BVI	USD–	**100%**	100%	**–**	–

13. SUBSIDIARIES (Continued)

	Name	Place of incorporation and kind of legal entity	Principal activities and place of operation	Issued/paid in capital (In thousand)	Ownership interest held by the Group		Ownership interest held by non-controlling interest	
					2024	2023	**2024**	2023
(106)	Smart State Properties Limited	BVI, Limited company	Investment holding in BVI	USD–	**100%**	100%	**–**	–
(107)	Faith Ocean International Limited 信洋國際有限公司	BVI, Limited company	Investment holding in BVI	USD–	**100%**	100%	**–**	–
(108)	World luck Corporation Limited 寰福有限公司	Hong Kong, Limited company	Investment holding in Hong Kong	HKD–	**100%**	100%	**–**	–
(109)	Fame Gain Holdings Limited 名得控股有限公司	BVI, Limited company	Investment holding in BVI	USD–	**100%**	100%	**–**	–
(110)	Sino-Ocean Land Property Development Limited 遠洋地產國際發展有限公司	Hong Kong, Limited company	Investment holding in Hong Kong	HKD20	**100%**	100%	**–**	–
(111)	Fast Fame Capital Investment Limited 迅榮創富有限公司	Hong Kong, Limited company	Investment holding in Hong Kong	HKD–	**100%**	100%	**–**	–
(112)	Sino-Ocean Land Treasure Finance I Limited	BVI, Limited company	Investment holding in BVI	USD–	**100%**	100%	**–**	–
(113)	Sino-Ocean Land Treasure Finance II Limited	BVI, Limited company	Investment holding in BVI	USD–	**100%**	100%	**–**	–
(114)	Sino-Ocean Land Treasure III Limited	BVI, Limited company	Investment holding in BVI	USD–	**100%**	100%	**–**	–
(115)	Sino-Ocean Land Treasure IV Limited	BVI, Limited company	Investment holding in BVI	USD–	**100%**	100%	**–**	–
(116)	New Advance Limited	Hong Kong, Limited company	Property development in Hong Kong	HKD1,000	**100%**	100%	**–**	–
(117)	南昌靖淞置業有限公司	PRC, Limited liability company	Property development in PRC	RMB10,000	**51%**	51%	**49%**	49%
(118)	深圳市華興展房地產開發有限公司 (ii)	PRC, Limited liability company	Property development in PRC	RMB101,960	**49%**	49%	**51%**	51%
(119)	杭州遠宸建祥置業有限公司	PRC, Limited liability company	Property development in PRC	RMB100,000	**51%**	51%	**49%**	49%
(120)	山東泰洋置業有有限公司	PRC, Limited liability company	Property development in PRC	RMB25,000	**60%**	60%	**40%**	40%
(121)	廊坊市裕豐房地產開發有限公司(iii)	PRC, Limited liability company	Property development in PRC	RMB50,000	**35.7%**	35.7%	**64.3%**	64.3%
(122)	山東遠泉置業有限公司	PRC, Limited liability company	Property development in PRC	RMB20,000	**70%**	70%	**30%**	30%
(123)	大連遠熠企業管理諮詢有限公司	PRC, Limited liability company	Investment holding in PRC	RMB194,520	**87.5%**	87.5%	**12.5%**	12.5%
(124)	北京中聯置地房地產開發有限公司	PRC, Limited liability company	Property development in PRC	RMB560,000	**100%**	90%	**–**	10%

13. SUBSIDIARIES (Continued)

	Name	Place of incorporation and kind of legal entity	Principal activities and place of operation	Issued/paid in capital (In thousand)	Ownership interest held by the Group		Ownership interest held by non-controlling interest	
					2024	2023	**2024**	2023
(125)	深圳市遠盛業投資有限公司	PRC, Limited liability company	Property development in PRC	RMB200,000	**81%**	81%	**19%**	19%
(126)	山東遠赫房地產開發有限公司	PRC, Limited liability company	Property development in PRC	RMB10,000	**100%**	100%	**–**	–
(127)	北京遠新房地產開發有限公司(i)	PRC, Limited liability company	Property development in PRC	RMB100,000	**50%**	50%	**50%**	50%
(128)	太原吉飛通房地產開發有限公司	PRC, Limited liability company	Property development in PRC	RMB10,000	**100%**	100%	**–**	–
(129)	北京禦海天朝文化發展有限公司	PRC, Limited liability company	Property development in PRC	RMB29,900	**85.3%**	85.3%	**14.7%**	14.7%
(130)	上海遠鑫置業有限公司	PRC, Limited liability company	Property development in PRC	RMB20,000	**100%**	100%	**–**	–
(131)	中山市長豐創展有限公司	PRC, Limited liability company	Property development in PRC	RMB50,000	**100%**	100%	**–**	–
(132)	山東遠宏投資置業有限公司	PRC, Limited liability company	Property development in PRC	RMB10,000	**100%**	60%	**–**	40%
(133)	廈門東悅地產有限公司	PRC, Limited liability company	Property development in PRC	RMB100,000	**100%**	50%	**–**	50%

(i) Although the Group only owns 50% equity interests in these companies, the Group has the power to control and direct the key operating and financing activities of these companies as the majority of the board of directors of these companies are appointed by the Group. Consequently, these companies are considered as subsidiaries of the Group.

(ii) Although the Group only owns 49% equity interests in this company, the Group is entitled to appoint 3 out of 5 directors and 51% voting right in the Shareholder Board. The Group has the power to control and direct its key operating and financing activities. The company is considered as a subsidiary of the Group.

(iii) As at 31 December 2024, although the Group only owns 35.7% interests in this company, the Group has the power to control and direct its key operating and financing activities through entering into an acting in concert agreement with other shareholders. By executing the acting in concert agreement, other shareholders agreed to follow all decisions made by the Group. Consequently, the company is considered as a subsidiary of the Group.

13. SUBSIDIARIES (Continued)

(a) Material non-controlling interests

The total non-controlling interests as at 31 December 2024 is approximately RMB12,876,293,000, which mainly consists of non-controlling interests of approximately RMB504,959,000 and non-controlling interests of approximately RMB159,387,000 deriving from Hubei Fuxing and Jinan Quanzhong, being 51% and 50% owned subsidiaries, respectively. The non-controlling interests in respect of other subsidiaries is not individually material.

Cash and short-term deposits held by Hubei Fuxing and Jinan Quanzhong as at 31 December 2024 was amounted to approximately RMB1,767,000 in aggregate are held in China and are subject to local exchange control regulations. These local exchange control regulations provide for restrictions on exporting capital from the country, other than through normal dividends.

Set out below are the summarized financial information for each subsidiary that has non-controlling interests that are material to the Group.

Summarized statement of financial position

	Hubei Fuxing		Jinan Quanzhong	
	2024 RMB'000	2023 RMB'000	**2024 RMB'000**	2023 RMB'000
Current				
Assets	**1,791,364**	1,834,713	**569,175**	655,946
Liabilities	**(780,413)**	(712,063)	**(258,699)**	(364,017)
Total current net assets	**1,010,951**	1,122,650	**310,476**	291,929
Non-current				
Assets	**19,575**	19,609	**8,299**	8,588
Liabilities	**–**	–	**–**	–
Total non-current net assets	**19,575**	19,609	**8,299**	8,588
Net assets	**1,030,526**	1,142,259	**318,775**	300,517
Accumulated non-controlling interests	**504,959**	559,708	**159,387**	150,258

13. SUBSIDIARIES (Continued)

(a) Material non-controlling interests (Continued)

Summarized statement of profit or loss

	Hubei Fuxing		Jinan Quanzhong	
	2024 RMB'000	2023 RMB'000	**2024 RMB'000**	2023 RMB'000
Revenue	**683**	4,528	**60,136**	151,552
(Loss)/profit before income tax	**(111,733)**	(1,361)	**23,414**	5,609
Income tax expense	**–**	–	**(5,156)**	(1,450)
Post-tax (loss)/profit	**(111,733)**	(1,361)	**18,258**	4,159
Total comprehensive (loss)/income	**(111,733)**	(1,361)	**18,258**	4,159
Total comprehensive (loss)/income allocated to non-controlling interests	**(54,749)**	(667)	**9,129**	–
Dividend paid to non-controlling Interests	**–**	–	**–**	–

Summarized statement of cash flows

	Hubei Fuxing		Jinan Quanzhong	
	2024 RMB'000	2023 RMB'000	**2024 RMB'000**	2023 RMB'000
Cash flows from operating activities				
Cash generated from/(used in) operations	**343**	(1,358)	**(36,770)**	3,044
Interest paid	**–**	–	**–**	–
Income tax paid	**(340)**	(1,242)	**(3,847)**	(2,273)
Net cash generated from/(used in) operating activities	**3**	(2,600)	**(40,617)**	771
Net cash used in investing activities	**–**	–	**–**	–
Net cash used in financing activities	**–**	–	**–**	–
Net increase/(decrease) in cash and cash equivalents	**3**	(2,600)	**(40,617)**	771
Cash and cash equivalents at beginning of the year	**5**	2,605	**42,384**	41,613
Cash and cash equivalents at end of the year	**8**	5	**1,767**	42,384

The information above is the amount before inter-company eliminations.

14. INTERESTS IN JOINT VENTURES

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
At the beginning of the year	**18,679,921**	20,463,935
Capital injection	**354,656**	99,777
Dividend	**(164,592)**	(26,530)
Capital reduction	**(359,824)**	(10,780)
Disposal	**(3,950,502)**	(170,720)
Provision for impairment	**(1,706,630)**	–
Deemed disposal of joint ventures	**–**	(788,854)
A subsidiary becomes a joint venture	**1,406,067**	–
Share of results and other comprehensive income of joint ventures — after adjustment for unrealized profit or loss from transactions between the Group and the joint ventures	**(1,027,072)**	(901,648)
Currency translation difference	**83,333**	14,741
At the end of the year	**13,315,357**	18,679,921

14. INTERESTS IN JOINT VENTURES (Continued)

(a) Following are the details of part of the joint ventures held by the Group as at 31 December 2024, all of which are unlisted:

	Name	Place of incorporation and operation	Legal status	Issued/paid in capital (In thousand)	Effective interest held as at 31 December 2024	Effective interest held as at 31 December 2023	Nature of relationship	Principal activities
(1)	Beijing Linlian Property Company Limited 北京麟聯置業有限公司	PRC	Limited liability company	RMB400,000	**50%**	50%	(iii)	Investment property development
(2)	北京遠騰置業有限公司	PRC	Limited liability company	RMB1,820,000	**50%**	50%	(iii)	Land and property development
(3)	北京遠洋新揚子資產管理有限公司	PRC	Limited liability company	RMB2,000	**50%**	50%	(iv)	Investment management
(4)	鴻基偉業(北京)房地產開發有限公司	PRC	Limited liability company	RMB20,000	**50%**	50%	(iii)	Land and property development
(5)	Tianjin Yijiahe Real Estate Company Limited 天津市億嘉合置業有限公司	PRC	Limited liability company	RMB80,000	**51%**	51%	(i), (iii)	Land and property development
(6)	SOL Investment Fund LP	Cayman Islands	Limited partnership	HKD2,679,000	**50%**	50%	(iv)	Investment management
(7)	天津市富士房地產開發有限公司	PRC	Limited liability company	RMB30,000	**51%**	51%	(i), (iii)	Land and property development
(8)	北京房地天銳鑫洋房地產開發有限公司	PRC	Limited liability company	RMB41,180	**30%**	30%	(ii), (iii)	Land and property development
(9)	上海新證財經信息諮詢有限公司	PRC	Limited liability company	RMB142,500	**45%**	45%	(ii), (v)	Investment management
(10)	北京卓信瑞通投資有限公司	PRC	Limited liability company	RMB1,000	**33%**	33%	(ii), (iv)	Investment management
(11)	天津旭浩房地產開發有限公司	PRC	Limited liability company	RMB120,000	**25%**	25%	(ii), (iii)	Land and property development
(12)	北京新揚子投資基金管理中心(有限合夥)	PRC	Limited partnership	RMB1,000,000	**50%**	50%	(iv)	Investment management
(13)	北京房地銘洋房地產開發有限公司	PRC	Limited liability company	RMB8,000	**49%**	49%	(ii), (iii)	Land and property development
(14)	張家口富利嘉房地產開發有限公司	PRC	Limited liability company	RMB30,000	**60%**	60%	(i), (iii)	Land and property development
(15)	河北川滙房地產開發有限公司	PRC	Limited liability company	RMB5,000	**51%**	51%	(i), (iii)	Land and property development
(16)	深圳市遠康置地投資有限公司	PRC	Limited liability company	RMB50,000	**65%**	65%	(i), (iv)	Investment management

14. INTERESTS IN JOINT VENTURES (Continued)

(a) Following are the details of part of the joint ventures held by the Group as at 31 December 2024, all of which are unlisted: (Continued)

	Name	Place of incorporation and operation	Legal status	Issued/paid in capital (In thousand)	Effective interest held as at 31 December 2024	Effective interest held as at 31 December 2023	Nature of relationship	Principal activities
(17)	長春王府井遠洋商業投資有限公司	PRC	Limited liability company	RMB210,000	**40%**	40%	(ii), (iv)	Investment management
(18)	合肥永拓置業發展有限公司	PRC	Limited liability company	RMB50,000	**25%**	25%	(ii), (iii)	Land and property development
(19)	深圳市國通厚德房地產開發有限公司	PRC	Limited liability company	RMB10,000	**70%**	70%	(i), (iii)	Land and property development
(20)	鄭州建業十八城置業有限公司	PRC	Limited liability company	RMB200,000	**50%**	50%	(iii)	Land and property development
(21)	北京遠創興茂置業有限公司	PRC	Limited liability company	RMB100,000	**40%**	40%	(ii), (iii)	Land and property development
(22)	愛車(天津)房地產開發有限公司	PRC	Limited liability company	RMB150,000	**49.98%**	49.98%	(ii), (iii)	Land and property development
(23)	贏家(天津)房地產開發有限公司	PRC	Limited liability company	RMB850,000	**49.98%**	49.98%	(ii), (iii)	Land and property development
(24)	北京創遠亦程置業有限公司	PRC	Limited liability company	RMB100,000	**50%**	50%	(iii)	Land and property development
(25)	太倉遠滙置業有限公司	PRC	Limited liability company	RMB200,000	**34%**	34%	(ii), (iii)	Land and property development
(26)	北京遠和置業有限公司	PRC	Limited liability company	RMB810,000	**25%**	25%	(ii), (iii)	Land and property development
(27)	上海遠緒置業有限公司	PRC	Limited liability company	RMB10,000	**50%**	50%	(iii)	Land and property development
(28)	天津吉慶置業有限公司	PRC	Limited liability company	RMB30,000	**50%**	50%	(iii)	Land and property development
(29)	鄭州遠啟博奧企業管理諮詢有限公司	PRC	Limited liability company	RMB10,000	**70%**	70%	(i), (iv)	Investment management
(30)	西安恆正隆房地產有限公司	PRC	Limited liability company	USD132,274	**34%**	34%	(ii), (iii)	Land and property development
(31)	長沙遠曜投資管理合夥企業(有限合夥)	PRC	Limited partnership	RMB1,267,000	**49.92%**	49.92%	(ii), (iv)	Investment management
(32)	北京樂優富拓投資有限公司	PRC	Limited liability company	RMB1,000	**25%**	25%	(ii), (iv)	Investment management
(33)	嘉興金久房地產開發有限公司	PRC	Limited liability company	RMB100,000	**33%**	33%	(ii), (iii)	Land and property development

14. INTERESTS IN JOINT VENTURES (Continued)

(a) Following are the details of part of the joint ventures held by the Group as at 31 December 2024, all of which are unlisted: (Continued)

	Name	Place of incorporation and operation	Legal status	Issued/paid in capital (In thousand)	Effective interest held as at 31 December 2024	Effective interest held as at 31 December 2023	Nature of relationship	Principal activities
(34)	龍洋生命（開曼）有限公司	Cayman Islands	Limited liability company	USD68,000	**50%**	50%	(iii)	Land and property development
(35)	SO CTCO Investments, L.P.	Cayman Islands	Limited partnership	USD100,000	**50%**	50%	(iv)	Investment management
(36)	石家莊新聯遠鴻房地產開發有限公司	PRC	Limited liability company	RMB100,000	**31%**	31%	(ii), (iii)	Land and property development
(37)	西安遠瑞置業有限公司	PRC	Limited liability company	RMB10,000	**60%**	60%	(i), (iii)	Land and property development
(38)	天津市遠馳房地產開發有限公司	PRC	Limited liability company	RMB400,000	**30%**	30%	(ii), (iii)	Investment property development
(39)	北京睿暉商業管理有限公司	PRC	Limited liability company	RMB1,000	**30%**	30%	(ii), (iii)	Investment property development
(40)	Sino-Ocean Meridian Holding, LLC	USA	Limited liability company	USD11,659	**40%**	40%	(ii), (v)	Elderly care
(41)	TSKY Carirnhill Pte. Ltd	SG	Limited liability company	USD20,000	**30%**	30%	(ii), (iii)	Land and property development
(42)	杭州遠洋新河酒店置業有限公司	PRC	Limited liability company	USD132,590	**60%**	60%	(i), (iii)	Investment property development
(43)	杭州遠洋運河商務區開發有限公司	PRC	Limited liability company	USD143,210	**60%**	60%	(i), (iii)	Land and property development
(44)	杭州遠洋天祺置業有限公司	PRC	Limited liability company	USD147,760	**60%**	60%	(i), (iii)	Land and property development
(45)	北京建遠萬譽房地產開發有限公司	PRC	Limited liability company	RMB100,000	**51%**	51%	(i), (iii)	Land and property development
(46)	北京商務中心區開發建設有限責任公司	PRC	Limited liability company	RMB80,850	**47%**	47%	(ii), (iii)	Land and property development
(47)	武漢設計之心建設發展有限公司	PRC	Limited liability company	RMB50,000	**70%**	70%	(i), (iii)	Land and property development
(48)	來安縣遠錦房地產開發有限公司	PRC	Limited liability company	RMB12,000	**30%**	30%	(ii), (iii)	Land and property development
(49)	北京遠盛泰房地產開發有限公司	PRC	Limited liability company	RMB10,000	**60%**	60%	(i), (iii)	Land and property development
(50)	山東遠舜置業有限公司	PRC	Limited liability company	RMB90,909	**32.35%**	32.35%	(ii), (iii)	Land and property development

14. INTERESTS IN JOINT VENTURES (Continued)

(a) Following are the details of part of the joint ventures held by the Group as at 31 December 2024, all of which are unlisted: (Continued)

	Name	Place of incorporation and operation	Legal status	Issued/paid in capital (In thousand)	Effective interest held as at 31 December 2024	Effective interest held as at 31 December 2023	Nature of relationship	Principal activities
(51)	北京遠景中安置業有限公司	PRC	Limited liability company	RMB2,100,000	**31%**	31%	(ii), (iii)	Land and property development
(52)	濟南滙遠產業園開發有限公司	PRC	Limited liability company	RMB30,000	**42%**	42%	(ii), (iii)	Land and property development
(53)	福州遠榕興置業有限公司	PRC	Limited liability company	RMB30,000	**51%**	51%	(i), (iii)	Land and property development
(54)	PT MAKNA AlAM SEJAHTERA	Indonesia	Limited liability company	Rupiah 10,000,000	**28%**	28%	(ii), (iii)	Land and property development
(55)	Sunrise River Ventures Limited	BVI	Limited company	USD—	**49%**	49%	(ii), (v)	Landscaping services
(56)	丹陽愛家房地產有限公司	PRC	Limited liability company	RMB20,000	**50%**	50%	(iii)	Land and property development
(57)	鄭州鑫沃置業有限公司	PRC	Limited liability company	RMB20,000	**49%**	49%	(ii), (iv)	Investment management
(58)	深圳市遠璽置業有限公司	PRC	Limited liability company	RMB50,000	**51%**	51%	(i), (iv)	Investment management
(59)	中山市遠維房地產開發有限公司	PRC	Limited liability company	RMB1,000	**60%**	60%	(i), (iv)	Investment management
(60)	天津普利達房地產建設開發有限公司	PRC	Limited liability company	RMB600,000	**70%**	70%	(i), (iii)	Land and property development
(61)	合肥啟迪厚德置業有限公司	PRC	Limited liability company	RMB50,000	**30%**	30%	(ii), (iii)	Land and property development
(62)	遠洋裝飾工程股份有限公司	PRC	Limited liability company	RMB725,847	**51%**	51%	(i), (v)	Renovation service
(63)	佛山市展翰房地產開發有限公司	PRC	Limited liability company	RMB100,000	**50%**	50%	(iii)	Land and property development
(64)	Active Growth Ventures Limited	BVI	Limited liability company	USD—	**50%**	50%	(iv)	Investment management
(65)	Sino-Ocean Logistics Property Holding Limited	Cayman Islands	Limited liability company	HKD10	**30%**	30%	(ii), (iii)	Land and property development
(66)	Sino-Ocean Prime Office Partners I LP	Cayman Islands	Limited partnership	USD1,400,000	**28.57%**	28.57%	(ii), (iii)	Investment property development

14. INTERESTS IN JOINT VENTURES (Continued)

(a) Following are the details of part of the joint ventures held by the Group as at 31 December 2024, all of which are unlisted: (Continued)

	Name	Place of incorporation and operation	Legal status	Issued/paid in capital (In thousand)	Effective interest held as at 31 December 2024	Effective interest held as at 31 December 2023	Nature of relationship	Principal activities
(67)	廈門遠宏安房地產開發有限公司	PRC	Limited liability company	RMB50,000	**51%**	51%	(i), (iii)	Land and property development
(68)	青島海駿置業有限公司	PRC	Limited liability company	RMB14,884	**43%**	43%	(ii), (iii)	Land and property development
(69)	石家莊遠乾房地產開發有限公司	PRC	Limited liability company	RMB100,000	**51%**	51%	(i), (iii)	Land and property development
(70)	廣州潤嘉置業有限公司	PRC	Limited liability company	RMB50,000	**40%**	40%	(ii), (iii)	Land and property development
(71)	西安雅荷名城房地產開發有限公司	PRC	Limited liability company	RMB20,000	**70%**	70%	(i), (iii)	Land and property development
(72)	福滿有限公司	Cayman Islands	Limited liability company	HKD—	**30%**	30%	(ii), (iv)	Investment management
(73)	北京椿萱茂凱健養老服務有限公司	PRC	Limited liability company	RMB20,000	**50%**	50%	(v)	Elderly care
(74)	辰瑞企業管理(深圳)有限公司	PRC	Limited liability company	RMB5,000	**51%**	51%	(i), (iv)	Investment management
(75)	北京遠洋大廈有限公司	PRC	Limited liability company	USD30,000	**72%**	72%	(i), (iii)	Investment property development

(i) Although the Group holds more than 50% of the equity shares of these entities, the Group exercises joint control under the contractual agreements in the strategic financial and operating policy decisions of these entities. Accordingly, these entities are considered as joint ventures of the Group by the directors.

(ii) Although the Group holds less than 50% of the equity shares of these entities, the Group exercises joint control under the contractual agreements in the strategic financial and operating policy decisions of these entities. Accordingly, these entities are considered as joint ventures of the Group by the directors.

(iii) Interests in these joint ventures provide more business opportunities in property development and investment properties.

(iv) Interests in these joint ventures provide more business opportunities in real estate investment activities.

(v) Interests in these joint ventures provide more business opportunities for the Group in other business activities.

(vi) As at 31 December 2024, the Group has the outstanding capital commitment to joint ventures amounting to approximately RMB2,232,660,000 (2023: RMB2,304,167,000).

14. INTERESTS IN JOINT VENTURES (Continued)

(b) Individually immaterial joint venture

The directors considered that none of the joint ventures individually are material to the Group. The Group's interests in individually immaterial joint ventures that are accounted for using the equity method:

	2024 RMB'000	2023 RMB'000
Aggregate carrying amount of individually immaterial joint ventures	**13,315,357**	18,679,921
Aggregate amounts of the Group's share of:		
Loss from continuing operations	**(833,635)**	(936,319)
Total comprehensive income	**(924,999)**	(873,463)

(c) Restricted non-current assets

As at 31 December 2024 and 2023, interests in joint ventures with carrying amount of approximately RMB5,219,933,000 and RMB2,433,385,000 respectively, which were classified as restricted assets due to reasons such as being pledged as collateral for the Group's borrowings.

15. INTERESTS IN ASSOCIATES

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
At the beginning of the year	**3,915,886**	4,436,805
Capital injection	**31,100**	–
Capital reduction	**–**	(78,702)
Disposal	**–**	(30,069)
Dividend	**(62,500)**	(20,342)
Increase due to partial disposal of interests in a subsidiary, net	**–**	868,688
Share of results and other comprehensive income of associates		
— after adjustment for unrealized profit or loss from transactions between the Group and the associates	**27,064**	(1,296,789)
Currency translation difference	**39,543**	36,295
At the end of the year	**3,951,093**	3,915,886

15. INTERESTS IN ASSOCIATES (Continued)

(a) Following are the details of part of the associates of the Group at 31 December 2024:

	Name	Place of incorporation and operation	Legal status	Issued/paid in capital (In thousand)	Effective interest held as at 31 December 2024	Effective interest held as at 31 December 2023	Nature of relationship	Principal activities
(1)	Beijing Shengyong property Development and Investment Company Limited 北京盛永置業投資有限公司	PRC	Limited liability company	RMB500,000	**35%**	35%	(ii)	Investment property development
(2)	CIGIS (China) Company limited 建設綜合勘察研究設計院有限公司	PRC	Limited liability company	RMB50,000	**35%**	35%	(iii)	Survey and design
(3)	北京興佰君泰房地產開發有限公司	PRC	Limited liability company	RMB90,000	**21%**	21%	(ii)	Land and property development
(4)	北京達成光遠置業有限公司	PRC	Limited liability company	RMB100,000	**23%**	23%	(ii)	Land and property development
(5)	廣州宏嘉房地產開發有限公司	PRC	Limited liability company	RMB300,000	**16.66%**	16.66%	(i), (ii)	Land and property development
(6)	Beijing Capital Grand limited. 首創鉅大有限公司	Cayman Islands	Limited liability company	HKD20,345	**9.90%**	9.90%	(i), (ii)	Land and property development
(7)	杭州北晨房地產開發有限公司	PRC	Limited liability company	RMB100,000	**50%**	50%	(ii), (vii)	Land and property development
(8)	天津中建致恒地產有限公司	PRC	Limited liability company	RMB70,000	**42.86%**	42.86%	(ii)	Land and property development
(9)	成都青銅滙股權投資基金合夥企業(有限合夥)	PRC	Limited partnership	RMB515,611	**51.06%**	51.06%	(iv), (vi)	Investment management
(10)	北京瑞成永創科技有限公司	PRC	Limited liability company	RMB50,000	**22.2%**	22.2%	(iv)	Investment management
(11)	南昌國遠盈潤置業有限公司	PRC	Limited liability company	RMB98,000	**49%**	49%	(ii)	Land and property development
(12)	Gemini Investments (Holdings) Limited 盛洋投資(控股)有限公司	Hong Kong	Limited company	HKD22,550	**25%**	25%	(iv)	Investment management
(13)	武漢遠悅置業有限公司	PRC	Sino-foreign equity joint venture	RMB2,144,436	**7.75%**	7.75%	(i), (ii)	Land and property development
(14)	Coldwest Fund I LP	Cayman Islands	Limited partnership	USD105,000	**47.62%**	47.62%	(iv)	Investment management
(15)	Delos China (HK) Limited	Hong Kong	Limited company	USD16,000	**25%**	25%	(v)	Healthy renovation service
(16)	Fortune Joy Ventures Limited	BVI	Limited liability company	USD580,000	**49%**	49%	(iv)	Investment management

15. INTERESTS IN ASSOCIATES (Continued)

(a) Following are the details of part of the associates of the Group at 31 December 2024: (Continued)

	Name	Place of incorporation and operation	Legal status	Issued/paid in capital (In thousand)	Effective interest held as at 31 December 2024	Effective interest held as at 31 December 2023	Nature of relationship	Principal activities
(17)	北京誼誠置業有限公司	PRC	Limited liability company	RMB10,000	**21%**	21%	(ii)	Land and property development
(18)	上饒市棕遠生態環境有限公司	PRC	Limited liability company	RMB320,000	**28.98%**	28.98%	(v)	Environmental governance
(19)	北京遠創置業有限公司	PRC	Limited liability company	RMB300,000	**51%**	51%	(ii), (vi)	Land and property development
(20)	北京金開旭泰房地產開發有限公司	PRC	Limited liability company	RMB1,360,000	**25%**	25%	(ii)	Land and property development
(21)	納什空間創業科技(北京)有限公司	PRC	Limited liability company	RMB72,760	**20%**	20%	(v)	Office services
(22)	石家莊遠福房地產開發有限公司	PRC	Limited liability company	RMB10,000	**40%**	40%	(ii)	Land and property development
(23)	佛山市遠凱房地產開發有限公司	PRC	Limited liability company	RMB50,000	**49%**	49%	(ii)	Land and property development
(24)	寧波梅山保稅港區融科嘉和投資管理合夥企業(有限合夥)	PRC	Limited partnership	RMB183,100	**16.99%**	–	(i), (iv)	Investment management

Among the associates mentioned above, Beijing Capital Grand Limited and Gemini Investments (Holdings) Limited are listed on Stock Exchange of Hong Kong Limited, the quoted fair value and carrying amount of these associates are presented as below:

	Name	Place of incorporation and operation	Legal status	Quoted market value		Carrying amount	
				2024 RMB'000	2023 RMB'000	**2024 RMB'000**	2023 RMB'000
(1)	Beijing Capital Grand Limited	Cayman Islands and PRC	Limited liability company	**73,166**	60,386	**113,549**	66,339
(2)	Gemini Investments (Holdings) Limited	Hong Kong	Limited company	**59,082**	38,656	**–**	–

15. INTERESTS IN ASSOCIATES (Continued)

(a) Following are the details of part of the associates of the Group at 31 December 2024: (Continued)

Even though quoted market values of equity investments mentioned above are less and higher than carrying amounts respectively, the recoverable amounts, which are determined by the value-in-use of net assets of these companies attributable to the Group, are higher than the carrying amounts respectively, no impairment charge is recognised for the investments.

(i) Although the Group holds less than 20% of the equity shares of these entities, the Group exercises significant influence in the strategic financial and operating policy decisions through the Group's presence in the Board of Directors of these companies.

(ii) Interests in these associates provide more business opportunities in property development.

(iii) Interests in these associates provide more opportunities to involve in related services to support property development, such as architectural design and property management.

(iv) Interests in these associates provide more business opportunities in real estate investment activities.

(v) Interests in these associates provide more business opportunities in other activities.

(vi) Although the Group holds more than 50% of the equity shares of these companies, the Group has no control over the financial and operating policies of these companies but has significant influence over them. Accordingly, the company is considered as an associate of the Group by the directors.

(vii) Although the Group holds 50% of the equity shares of this company, the Group has no control nor joint control over the financial and operating policies of this company but has significant influence over it. Accordingly, the company is considered as an associate of the Group by the directors.

(viii) As at 31 December 2024, the Group has the outstanding capital commitment to associates amounting to approximately RMB716,650,000 (2023: RMB181,500,000).

(b) Individually immaterial associates

The directors considered that none of the associates individually are material to the Group. The Group's interests in individually immaterial associates that are accounted for using the equity method:

	2024 **RMB'000**	2023 RMB'000
Aggregate carrying amount of individually immaterial associates	**3,951,093**	3,915,886
Aggregate amounts of the Group's share of:		
Profit/(loss) from continuing operations	**164,647**	(1,397,411)
Total comprehensive income	**28,272**	(1,296,093)

(c) Restricted non-current assets

As at 31 December 2024, interests in associates with carrying amount of approximately RMB1,137,498,000 (2023: RMB861,866,000), which were classified as restricted assets due to reasons such as being pledged as collateral for the Group's borrowings.

16. FINANCIAL INSTRUMENTS BY CATEGORY

	As at 31 December	
	2024 **RMB'000**	2023 RMB'000
Financial assets		
Financial assets at amortised cost:		
Trade and other receivables and prepayments (Note 21)	**64,500,572**	69,288,175
Less: prepayments	**(11,307,769)**	(11,996,808)
— Trade and other receivables and prepayments excluding prepayments	**53,192,803**	57,291,367
— Restricted bank deposits	**2,922,791**	3,033,268
— Cash and cash equivalents (Note 24)	**1,905,661**	1,988,738
Financial assets at fair value through other comprehensive income (Note 17)	**693,897**	777,280
Financial assets at fair value through profit or loss (Note 18)	**3,716,194**	5,395,169
	62,431,346	68,485,822
Financial liabilities		
Liabilities at amortised cost:		
— Borrowings (Note 31)	**96,013,536**	96,143,322
— Lease liabilities (Note 8)	**1,766,716**	1,973,007
— Trade and other payables excluding other tax payables (Note 33)	**46,556,761**	45,135,806
— Provisions for financial guarantee provided to related parties and third parties (Note 34)	**3,776,047**	–
Financial liabilities at fair value through profit or loss (Note 36)	**–**	33,764
	148,113,060	143,285,899

17. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

(i) Classification of financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income (FVOCI) comprise:

- Equity securities which are not held for trading, and which the Group has irrevocably elected at initial recognition to recognise in this category. These are strategic investments and the Group considers this classification to be more relevant.

17. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Continued)

(ii) Equity investments at fair value through other comprehensive income

	As at 31 December	
	2024 **RMB'000**	2023 RMB'000
Listed securities (a)	**26,329**	15,856
Unlisted securities (b)	**667,568**	761,424
	693,897	777,280
Less: Non-current portion	**(693,897)**	(777,280)
Current portion	**–**	–

(a) Investment in listed equity securities is stated at fair value based on the quoted price of the equity securities.

(b) Investment in unlisted equity securities are denominated in HKD and RMB. For the valuation of unlisted equity securities, please refer to Note 4.3.

The following table presents the changes in equity investments at fair value through other comprehensive income:

	2024 **RMB'000**	2023 RMB'000
At 1 January	**777,280**	971,614
Fair value change	**(86,330)**	(196,699)
Currency translation difference	**2,947**	2,365
At 31 December	**693,897**	777,280

18. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

(i) Classification of financial assets at fair value through profit or loss

The Group classifies the following financial assets at fair value through profit or loss (FVPL):

- debt investments that do not qualify for measurement at either amortised cost or FVOCI, and
- equity investments that are held for trading, and
- equity investments for which the entity has not elected to recognise fair value change through other comprehensive income.

Financial assets mandatorily measured at FVPL include the following:

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Investment in fund and bond investments	**3,118,436**	4,702,136
Investment in other unlisted equity securities	**328,220**	335,558
Investment in listed equity securities	**543**	481
Derivative financial instruments	**268,995**	356,994
	3,716,194	5,395,169
Less: Non-current portion	**(3,662,917)**	(4,748,336)
Current portion	**53,277**	646,833

Changes in fair values of financial assets at fair value through profit or loss are recorded in "other losses — net" in the statement of profit or loss.

(ii) Amounts recognised in profit or loss

During the year, the following losses were recognised in profit or loss:

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Fair value loss recognised in other losses — net	**(1,601,714)**	(893,490)

(iii) Risk exposure and fair value measurements

Information about the Group's exposure to price risk is disclosed in Note 4.1. Information about the methods and assumptions used in determining fair value is disclosed in Note 4.3.

(iv) Non-current assets pledged as collateral

As at 31 December 2024, financial assets at fair value through profit or loss with fair value of approximately RMB377,332,000 (2023: RMB592,992,000) were pledged as collateral for the Group's borrowings.

19. PROPERTIES UNDER DEVELOPMENT

	Year ended 31 December	
	2024 **RMB'000**	2023 RMB'000
At the beginning of the year	**48,516,015**	73,299,924
Additions	**3,341,034**	15,498,935
Acquisition of subsidiaries	**2,113,604**	4,545,028
Disposal of interests in subsidiaries	**–**	(2,503,154)
Provision for impairment (Note 39)	**(1,109,682)**	(1,935,580)
Transfer from construction in progress (Note 7)	**48,810**	–
Transfer to completed properties held for sale	**(12,007,999)**	(40,389,138)
At the end of the year	**40,901,782**	48,516,015
Properties under development comprises:		
Land use rights	**18,710,406**	22,568,177
Construction costs and capitalized expenditure	**15,664,972**	18,198,279
Interest capitalized	**6,526,404**	7,749,559
	40,901,782	48,516,015

Properties under development are mainly located in the PRC. As at 31 December 2024, properties under development of approximately RMB30,656,782,000 (2023: RMB24,192,376,000), which were classified as restricted assets due to reasons such as being pledged as collateral for the Group's borrowings.

All properties under development are expected to be completed within the normal operating cycle of the Group, in which approximately RMB23,130,137,000 (2023: RMB29,981,825,000) is expected to be completed and available for sale in more than twelve months after the statement of financial position date.

20. LAND DEVELOPMENT COST RECOVERABLE

Land development cost recoverable refers to capitalised costs on primary land development projects. The land use right certificates belong to the government for these projects. Main activities for primary land development projects included house dismantlement and land leveling works, in order to make sure the land is connected to water, gas, and electric power supplies.

21. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	As at 31 December	
	2024 **RMB'000**	2023 RMB'000
Trade receivables (a)	**4,443,710**	5,155,256
Other receivables and prepayments (b)	**60,056,862**	64,132,919
	64,500,572	69,288,175
Less: non-current portion	**(6,725,443)**	(6,878,282)
Current portion	**57,775,129**	62,409,893

21. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (Continued)

(a) Trade receivables

	As at 31 December	
	2024 **RMB'000**	2023 RMB'000
Trade receivables	**5,435,317**	5,935,207
Less: provision for impairment of trade receivables	**(991,607)**	(779,951)
	4,443,710	5,155,256
Less: non-current portion	**–**	–
Current portion	**4,443,710**	5,155,256

Proceeds from services and sales rendered are to be received in accordance with the term of respective agreement, and the credit term is very short. An ageing analysis of gross trade receivables mainly based on invoice or bills issuance date at the respective statement of financial position dates is as follows:

	As at 31 December	
	2024 **RMB'000**	2023 RMB'000
Within 6 months	**2,415,321**	1,590,839
Between 6 months to 1 year	**1,303,311**	2,332,846
Between 1 year to 2 years	**775,069**	1,467,025
Between 2 years to 3 years	**566,693**	308,612
Over 3 years	**374,923**	235,885
	5,435,317	5,935,207

As at 31 December 2024, trade receivables with carrying amount of approximately RMB349,192,000 (2023: RMB67,105,000) were pledged for the Group's borrowings.

Movements on the provision for impairment of trade receivables are as follows:

	Year ended 31 December	
	2024 **RMB'000**	2023 RMB'000
At 1 January	**(779,951)**	(510,632)
Provision for receivable impairment (Note 39)	**(233,028)**	(269,567)
Derecognition from disposal of subsidiaries	**21,372**	248
At 31 December	**(991,607)**	(779,951)

21. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (Continued)

(b) Other receivables and prepayments

	As at 31 December					
	2024			2023		
	Current	Non-current	Total	Current	Non-current	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Entrusted loans due from joint ventures (i)	**2,350,583**	**58,592**	**2,409,175**	3,425,068	223,476	3,648,544
Entrusted loans due from associates (ii)	**–**	**24,510**	**24,510**	–	636,206	636,206
Entrusted loans due from third parties (iii)	**1,533,356**	**397,600**	**1,930,956**	771,151	391,946	1,163,097
Amounts due from joint ventures (v)	**23,221,078**	**1,910,522**	**25,131,600**	22,865,146	1,906,179	24,771,325
Amounts due from non-controlling interests (iv)	**5,132,363**	**–**	**5,132,363**	5,469,140	–	5,469,140
Amounts due from associates (v)	**9,743,545**	**611,696**	**10,355,241**	10,038,587	–	10,038,587
Amounts due from third parties (iii)	**16,313,490**	**–**	**16,313,490**	16,370,118	–	16,370,118
	58,294,415	**3,002,920**	**61,297,335**	58,939,210	3,157,807	62,097,017
Less: provision for impairment	**(19,821,390)**	**(63,064)**	**(19,884,454)**	(16,419,776)	(76,453)	(16,496,229)
	38,473,025	**2,939,856**	**41,412,881**	42,519,434	3,081,354	45,600,788
Receivables from government (vi)	**670,058**	**–**	**670,058**	788,173	–	788,173
Payment for the cooperation of potential properties development projects (vii)	**1,447,812**	**–**	**1,447,812**	1,447,819	–	1,447,819
Receivables from disposal of interest in subsidiaries	**79,102**	**2,993,960**	**3,073,062**	79,102	2,851,390	2,930,492
Receivables from disposal of interest in a joint venture	**337,706**	**–**	**337,706**	–	–	–
Other receivables	**3,061,067**	**–**	**3,061,067**	2,322,218	–	2,322,218
	5,595,745	**2,993,960**	**8,589,705**	4,637,312	2,851,390	7,488,702
Less: provision for impairment	**(1,184,736)**	**(68,757)**	**(1,253,493)**	(949,379)	(4,000)	(953,379)
	4,411,009	**2,925,203**	**7,336,212**	3,687,933	2,847,390	6,535,323
Tax prepayments	**5,916,156**	**2,061**	**5,918,217**	6,772,228	2,165	6,774,393
Other prepayments (viii)	**4,531,229**	**858,323**	**5,389,552**	4,275,042	947,373	5,222,415
	10,447,385	**860,384**	**11,307,769**	11,047,270	949,538	11,996,808
Total other receivables and prepayments	**53,331,419**	**6,725,443**	**60,056,862**	57,254,637	6,878,282	64,132,919

21. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (Continued)

(b) Other receivables and prepayments (Continued)

(i) Entrusted loans due from joint ventures are unsecured, interest bearing from 2% to 12% (2023: from 0% to 13%) per annum. Balances of approximately RMB2,350,583,000 (2023: RMB3,425,068,000) are repayable within one year. The remaining balances of approximately RMB58,592,000 (2023: RMB223,476,000) are repayable after one year and included in the non-current portion.

(ii) Entrusted loans due from associates are unsecured, interest bearing 7% (2023: 7%) per annum. Balances of approximately RMB24,510,000 (2023: RMB636,206,000) are repayable after one year and hence included in the non-current portion.

As at 31 December 2024, entrusted loans due from associates of the Group with carrying amount of approximately RMBnil (2023: RMB591,696,000) were pledged for the Group's borrowings.

(iii) Entrusted loans and amounts due from third parties represent amounts paid to joint ventures and associates of the Group's joint ventures, associates and cooperation parties to support the development of their real estate projects. As the Group has no direct equity interests in these companies to which the amounts paid are classified as entrusted loans and amounts due from third parties.

Entrusted loans due from a third party with balance of approximately RMB745,013,000 (31 December 2023: nil) are secured interest bearing 4% (2023: nil) per annum. Unsecured entrusted loans bear interest from 4% to 10.0% (2023: from 8.5% to 15.0%) per annum.

Amounts due from a third party with balances of approximately RMB5,230,936,000 (31 December 2023: RMB5,498,014,000) are secured, interest free and repayable on demand. The remaining amounts due from third parties are unsecured, interest free, and repayable on demand.

As at 31 December 2024, amounts due from third parties with carrying amount of approximately RMB3,200,232,000 (31 December 2023: nil) were pledged for the Group's borrowing.

(iv) Amounts due from non-controlling interests are unsecured and interest free. Balances of approximately RMB5,132,363,000 (2023: RMB5,469,140,000) are repayable within one year.

(v) Amounts due from joint ventures and associates are unsecured and interest free.

As at 31 December 2024, amounts due from joint ventures and associates of the Group with carrying amounts of approximately RMB2,090,178,000 (31 December 2023: nil) and RMB1,253,226,000 (31 December 2023: nil) were pledged for the Group's borrowings, respectively.

(vi) Receivables from government mainly represent payments made for land development cost, deposits paid to government in the activities of land purchasing, and funds to government for cooperation intention in real estate project development, which will be subsequently reimbursed by the government.

(vii) Amounts mainly represent the payment for cooperation of potential properties development projects. As at 31 December 2024, such cooperation is still in negotiation stage. Balances of approximately RMB150,000,000 (2023: RMB150,000,000) are unsecured, interest bearing 8.8% (2023: 8.8%) per annum. The remaining balances of approximately RMB1,297,812,000 (2023: RMB1,297,819,000) are unsecured and interest free. Balances of approximately RMB1,447,812,000 (2023: RMB1,447,819,000) are repayable on demand.

(viii) As at 31 December 2024, included in prepayments of approximately RMB2,203,190,000 (2023: RMB2,198,564,000) represented an amount paid for redevelopment project of certain land parcels in the PRC designated to a subsidiary of the Company by the local PRC government. The demolition work of redevelopment project has been completed.

21. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (Continued)

(b) Other receivables and prepayments (Continued)

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivable mentioned above. The carrying amounts of the Group's trade and other receivables and prepayments are mainly denominated in RMB.

The carrying amounts of trade and other receivables and prepayments approximate their respective fair values as at 31 December 2024 and 2023.

Movements on the provision for impairment of other receivables are as follows:

	Year ended 31 December	
	2024 **RMB'000**	2023 RMB'000
At 1 January	**(17,449,608)**	(7,828,227)
Provision for receivable impairment (Note 39)	**(3,689,510)**	(11,013,153)
Write-off	**886**	1,390,045
Derecognition from disposal of subsidiaries	**285**	1,727
At 31 December	**(21,137,947)**	(17,449,608)

22. COMPLETED PROPERTIES HELD FOR SALE

All completed properties held for sale are located in the PRC on leasehold lands with lease terms between 40 to 70 years (2023: 40 to 70 years).

	As at 31 December	
	2024 **RMB'000**	2023 RMB'000
Completed properties held for sale comprised:		
Land use rights	**7,685,419**	8,000,215
Construction costs and capitalised expenditure	**14,370,181**	15,637,248
Interest capitalised	**3,043,176**	3,076,147
	25,098,776	26,713,610

22. COMPLETED PROPERTIES HELD FOR SALE (Continued)

Movements on the provision for impairment of completed properties held for sale are as follows:

	As at 31 December	
	2024 **RMB'000**	2023 RMB'000
At the beginning of the year	**992,313**	201,548
Addition (Note 39)	**449,852**	336,153
Transfer from properties under development	**445,355**	795,929
Write-off upon sales of completed properties held for sale	**(621,565)**	(341,317)
At the end of the year	**1,265,955**	992,313

As at 31 December 2024, completed properties held for sale of approximately RMB17,284,245,000 (2023: RMB12,257,699,000), which were classified as restricted assets due to reasons such as being pledged as collateral for the Group's borrowings..

23. RESTRICTED BANK DEPOSITS

Restricted bank deposits are mainly denominated in RMB, which are guaranteed deposits for the mortgage loan facilities granted by the banks to the purchasers of the Group's properties, as well as for projects co-developed with third parties. The balances also include guaranteed deposits placed in the banks, as guaranteed funds of construction projects to meet certain local authorities' requirements. The effective interest rate on restricted bank deposits ranging from 0.10% to 0.20% (2023: from 0.20% to 0.35%) per annum for the year ended 31 December 2024.

24. CASH AND CASH EQUIVALENTS

	As at 31 December	
	2024 **RMB'000**	2023 RMB'000
Cash at bank and in hand	**1,905,661**	1,988,738
Denominated in:		
— RMB	**1,855,408**	1,956,189
— HKD	**7,824**	1,308
— USD	**42,429**	31,241
	1,905,661	1,988,738

The Group's cash and cash equivalents denominated are deposited with banks in the Mainland China and Hong Kong, respectively. The conversion of the RMB denominated balances into foreign currencies, which are placed within the PRC, is subject to the rules and regulations of foreign exchange control promulgated by the PRC Government.

25. CAPITAL

	Number of ordinary shares	Share capital HKD'000	Equivalent share capital RMB'000	Shares held for Restricted Share Award Scheme RMB'000	Total RMB'000
Opening balance 1 January 2023	7,616,095,657	30,413,634	27,329,232	–	27,329,232
Restricted Share Award Scheme (a)					
Opening balance 1 January 2023	(4,887,245)	–	–	(1,062)	(1,062)
Shares purchased during the year	(2)	–	–	–	–
Vesting of shares under Restricted Share Award Scheme	4,887,247	–	–	1,062	1,062
	–	–	–	–	–
At 31 December 2023, 1 January 2024 and 31 December 2024	**7,616,095,657**	**30,413,634**	**27,329,232**	**–**	**27,329,232**

25. CAPITAL (Continued)

(a) On 22 March 2010, the Board of the Company resolved to adopt a Restricted Share Award Scheme, the purpose of the Scheme is to recognise and motivate the contribution of certain employees and to provide incentives and help the Group in retaining its existing employees and recruiting additional employees and to provide them with a direct economic interest in attaining the long-term business objectives of the Company.

Restricted Share Award Scheme was administered by an independent trustee appointed by the Group, the trustee shall purchase from the market such number of shares awarded as specified by the Board of the Company and shall hold such shares until they are vested in accordance with the Restricted Share Award Scheme Rules. When the selected employee has satisfied all vesting conditions specified by the Board of the Company at the time of making the award and become entitled to the shares forming the subject of the award, the trustee shall transfer the relevant vested shares to that employee. The scheme is expired during the year ended 31 December 2024.

Movements in the number of awarded shares for the years ended 31 December 2024 and 2023 are as follows:

	Shares (thousands)
At 1 January 2024 and At 31 December 2024	–
At 1 January 2023	4,887
Vested	(4,887)
At 31 December 2023	–

The fair value of the awarded shares was calculated based on the market price of the Company's shares at the respective grant date. The expected dividends during the vesting period have been taken into account when assessing the fair value of these awarded shares.

26. ACCUMULATED LOSS

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
At 1 January	**(12,446,306)**	8,650,235
Loss for the year	**(18,623,957)**	(21,096,541)
At 31 December	**(31,070,263)**	(12,446,306)

27. RESERVES

	Merger reserve RMB'000	Statutory reserve RMB'000	Translation reserve RMB'000	Investment revaluation reserve RMB'000	Employee share option RMB'000	Restricted Share Award Scheme RMB'000	Other reserve RMB'000	Total RMB'000
At 1 January 2024	**(763,427)**	**1,596,937**	**(1,459,042)**	**(6,297,045)**	**615,364**	**(66,988)**	**(1,480,168)**	**(7,854,369)**
Fair value change on financial assets at fair value through other comprehensive income, net of tax	**–**	**–**	**–**	**(90,940)**	**–**	**–**	**–**	**(90,940)**
Currency translation differences	**–**	**–**	**(540,590)**	**–**	**–**	**–**	**–**	**(540,590)**
Share of other comprehensive loss of investments accounted for using the equity method	**–**	**–**	**–**	**–**	**–**	**–**	**(227,739)**	**(227,739)**
Acquisition and disposal of partial interests in subsidiaries	**–**	**–**	**–**	**–**	**–**	**–**	**(204,622)**	**(204,622)**
At 31 December 2024	**(763,427)**	**1,596,937**	**(1,999,632)**	**(6,387,985)**	**615,364**	**(66,988)**	**(1,912,529)**	**(8,918,260)**

	Merger reserve RMB'000	Statutory reserve RMB'000	Translation reserve RMB'000	Investment revaluation reserve RMB'000	Employee share option RMB'000	Restricted Share Award Scheme RMB'000	Other reserve RMB'000	Total RMB'000
At 1 January 2023	(763,427)	1,596,937	(1,114,782)	(6,106,776)	615,364	(64,447)	(1,500,117)	(7,337,248)
Fair value change on financial assets at fair value through other comprehensive income, net of tax	–	–	–	(190,269)	–	–	–	(190,269)
Deferred hedging gains	–	–	–	–	–	–	56,486	56,486
Currency translation differences	–	–	(344,260)	–	–	–	–	(344,260)
Expense on share-based payment (Note 40)	–	–	–	–	–	(1,479)	–	(1,479)
Vesting of shares under Restricted Share Award Scheme	–	–	–	–	–	(1,062)	–	(1,062)
Share of other comprehensive income of investments accounted for using the equity method	–	–	–	–	–	–	164,174	164,174
Acquisition and disposal of partial interests in subsidiaries	–	–	–	–	–	–	(200,711)	(200,711)
At 31 December 2023	(763,427)	1,596,937	(1,459,042)	(6,297,045)	615,364	(66,988)	(1,480,168)	(7,854,369)

Statutory reserves represent reserves of the PRC incorporated companies which are set aside for future development purposes in accordance with the regulations in the PRC. The allocation is based on certain percentages of the companies' profit of the year, which is allocated on an annual basis.

28. SHARE OPTIONS

The establishment of the Group's shares schemes plan was approved on 3 September 2007 and 6 August 2018, respectively, by the shareholders. The share option plan is designed to provide long-term incentives for senior managers and above to deliver long-term shareholder returns. Under the schemes, participants are granted options which only vest if certain performance standards are met. Participation in the plan is at the Board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

Share options granted from 2015 to 2017 are granted to several directors and to selected employees, in which 40% of the options are exercisable after 1 year from the grant date; additional 30% of the options are exercisable after 2 years from the grant date, and remaining 30% of the options are exercisable after 3 years from the grant date.

Share options granted from 2018 to 2019 are granted to several directors and to selected employees, in which 50% of the options are exercisable after 1 year from the grant date, and remaining 50% of the options are exercisable after 2 years from the grant date.

Share options granted in 2020 are granted to several directors and to selected employees, in which 50% of the options are exercisable after 1 year from the grant date, and remaining 50% of the options are exercisable after 2 years from the grant date.

The options have a contractual option term of 5 years. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	Average exercise price per share (HKD)	**Shares (thousands)**
At 1 January 2024	**3.37**	**507,929**
Lapsed during the year	**3.37**	**(507,329)**
At 31 December 2024	**2.11**	**600**

	Average exercise price per share (HKD)	Shares (thousands)
At 1 January 2023	3.55	744,129
Lapsed during the year	3.94	(236,200)
At 31 December 2023	3.37	507,929

Out of the 600,000 outstanding options (2023: 507,929,000), 600,000 (2023: 507,929,000) were exercisable as at 31 December 2024.

As a result of no options being exercised during the year ended 31 December 2024, nil ordinary shares (2023: Nil) were issued by the Company. The weighted average price of the shares at 2024 was HK$2.11 per share (2023: HK$3.37).

28. SHARE OPTIONS (Continued)

Share options outstanding as at 31 December 2023 have the following expiry dates and exercise prices:

Expiry date	Exercise price per share (HKD)	Shares (thousands)
27-Mar-2024	3.370	506,729
25-Mar-2025	2.106	1,200
		507,929

Share options outstanding as at 31 December 2024 have the following expiry dates and exercise prices:

Expiry date	Exercise price per share (HKD)	Shares (thousands)
25-Mar-2025	2.106	600

29. CAPITAL SECURITIES

On 21 September 2017, Sino-Ocean Land Treasure III Limited ("Sino-Ocean Land III"), a wholly owned subsidiary, issued perpetual subordinated guaranteed capital securities ("capital securities"), which are redeemable only at the issuer's discretion, with initial aggregate principal amount of approximately USD600,000,000.

The capital securities have no maturity date, and the payments of distribution of such capital securities can be deferred at the discretion of Sino-Ocean Land III. When Sino-Ocean Land III and the Company elects to declare dividends to their shareholders, Sino-Ocean Land III should make a distribution at an initial rate of 4.900% till 21 September 2023, and then at a fixed rate per annum equal to the sum of (i) the then-prevailing U.S. Treasury rate and (ii) the spread till 21 September 2027. Such capital securities are guaranteed by the Company.

30. CAPITAL INSTRUMENT

(a) On 18 and 25 February 2020, Sino-Ocean Holding Group (China) limited ("Sino-Ocean Holding"), a wholly owned subsidiary, issued capital instruments of principal amount of RMB3,378,000,000, which are callable only at the Company's discretion. As at 31 December 2024, the principal amount from the capital instrument amounted to approximately RMB1,378,000,000. The capital instrument has no maturity date, and the payments of distribution of such capital instrument can be deferred at the discretion of Sino-Ocean Holding. When Sino-Ocean Holding and the Company elect to declare dividends to their shareholders, Sino-Ocean Holding should make a distribution to the holders of the capital instrument at the distribution rate as defined in the subscription agreement.

(b) On 26 June 2019, Sino-Ocean Holding issued a capital instrument, which is callable only at the Company's discretion. As at 31 December 2023, the principal amount from the capital instrument amounted to approximately RMB981,000,000. The capital instrument has no maturity date, and the payments of distribution of such capital instrument can be deferred at the discretion of Sino-Ocean Holding. When Sino-Ocean Holding and the Company elect to declare dividends to their shareholders, Sino-Ocean Holding should make a distribution to the holders of the capital instrument at the distribution rate as defined in the subscription agreement.

31. BORROWINGS

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Non-current		
Bank borrowings (a)	**13,728,783**	13,928,040
Other borrowings (b)	**18,708,706**	12,464,694
Total non-current borrowings	**32,437,489**	26,392,734
Current		
Current portion of long-term bank borrowings (a)	**23,607,599**	23,374,543
Current portion of long-term other borrowings (b)	**38,889,610**	44,952,445
Short-term bank borrowings (a)	**534,951**	1,088,600
Short-term other borrowings (b)	**543,887**	335,000
Total current borrowings	**63,576,047**	69,750,588
Total borrowings	**96,013,536**	96,143,322

(a) As at 31 December 2024, bank borrowings amounted to approximately RMB23,308,994,000 (2023: RMB19,895,829,000) were secured by the pledge of investment properties, property, plant and equipment, land use rights, properties under development, completed properties held for sales and trade receivables and equity interest in certain subsidiaries.

(b) Other borrowings

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Bonds issuance (i)	**18,067,168**	18,256,992
Guaranteed notes (ii)	**22,276,804**	23,250,577
Borrowings from trust companies (iii)	**3,425,406**	3,213,916
Asset-backed securitisation (iv)	**4,109,000**	4,107,196
Borrowings from non-controlling interests (v)	**1,052,248**	1,113,789
Borrowings from associates and joint ventures (vi)	**4,080,805**	4,152,646
Borrowings from third parties (vii)	**5,130,772**	3,657,023
	58,142,203	57,752,139
Less: non-current portion	**(18,708,706)**	(12,464,694)
Current portion	**39,433,497**	45,287,445

31. BORROWINGS (Continued)

(b) Other borrowings (Continued)

(i) In 2022, Sino-Ocean Holding, a wholly owned subsidiary, issued a corporate bond with total principal amount of RMB2,000,000,000 with coupon rate of 5.32% per year of a term of three years. As at 31 December 2024, the total unpaid principal amount is RMB1,999,711,000, which has been extended on June 5, 2024. Under the adjusted arrangements, the repayment of the corporate bonds has been extended to pay in accordance with repayment schedules from 2026 to 2027.

In 2021, Sino-Ocean Holding, a wholly owned subsidiary, issued a corporate bond with total principal amount of RMB1,950,000,000 with coupon rate of 4.06% per year of a term of five years. As at 31 December 2024, the total unpaid principal amount is RMB1,950,000,000, which was announced to have been extended on January 26, 2024. Under the adjusted arrangements, the repayment of the corporate bonds has been extended to pay in accordance with repayment schedules from 2025 to 2027.

In 2021, Sino-Ocean Holding, a wholly owned subsidiary, issued a corporate bond with total principal amount of RMB2,600,000,000 with coupon rate of 4.20% per year of a term of five years. As at 31 December 2024, the total unpaid principal amount is RMB2,600,000,000, which was announced to have been extended on January 26, 2024. Under the adjusted arrangements, the repayment of the corporate bonds has been extended to pay in accordance with repayment schedules from 2025 to 2026.

In 2021, Sino-Ocean Holding, a wholly owned subsidiary, issued a corporate bond with total principal amount of RMB3,000,000,000 with coupon rate of 4.60% per year of a term of three years. The onshore bond had an exchange offer initiated by the Group, 91.40% of bondholders, representing principal amount of approximately RMB2,742,000,000 in total, agreed to exchange for a new onshore bond at an interest rate of 4.6% with repayment scheduled from 2025 to 2026. The Group is in communications with the remaining bondholders, representing the principal amount of approximately RMB258,000,000 in total, on the extension plans.

In 2019, Sino-Ocean Holding, a wholly owned subsidiary, issued a corporate bond in an aggregate amount of RMB2,900,000,000 in two series: (i) RMB1,700,000,000 with coupon rate of 4.06% per year of a term of five years; In March 2022, Sino-Ocean Holding raised its coupon rate from 4.06% to 5.50%, redeemed RMB1,330,000,000 of the corporate bond and re-issued RMB950,000,000 of the redeemed corporate bond; (ii) RMB1,200,000,000 with coupon rate of 4.59% per year of a term of seven years. As at 31 December 2024, the total unpaid principal amount is RMB2,519,095,000, which was announced to have been extended on January 26, 2024. Under the adjusted arrangements, the repayment of the corporate bonds has been extended to pay in accordance with repayment schedules from 2025 to 2026.

In 2018, Sino-Ocean Holding, a wholly owned subsidiary, issued a corporate bond with a total principal amount of RMB2,000,000,000 with coupon rate of 4.00% per year of a term of five years. The Group has repaid the principal amount of RMB300,000,000 in 2023 and RMB200,000,000 in 2024. As at 31 December 2024, the remaining unpaid principal amount is RMB1,500,000,000, which was announced to have been extended on January 26, 2024. Under the adjusted arrangements, the repayment of the corporate bonds has been extended to pay in accordance with repayment schedules from 2025 to 2026.

In August 2015, Sino-Ocean Holding, a wholly owned subsidiary, issued a corporate bond with total principal amount of RMB1,500,000,000, with a coupon rate of 5.00% per year of a term of ten years. In October 2015, another corporate bond with total principal amount of RMB3,000,000,000 was issued, with a coupon rate of 4.76% per year for ten years. As at 31 December 2024, the total unpaid principal amount is RMB4,498,362,000, which was announced to have been extended on January 26, 2024. Under the adjusted arrangements, the repayment of the corporate bonds has been extended to pay in accordance with repayment schedules from 2026 to 2028.

31. BORROWINGS (Continued)

(b) Other borrowings (Continued)

(ii) In April 2022, Sino-Ocean Land Treasure IV Limited, a wholly-owned subsidiary, issued a guaranteed note with total principal amount of USD200,000,000 with a maturity period of three years and annual interest rate of 3.80% which was redeemed in 2024.

In February 2022, Sino-Ocean Land Treasure IV Limited, a wholly-owned subsidiary, issued a guaranteed note with a total principal amount of USD200,000,000 with a maturity period of three years and annual interest rate of 2.70%.

In July 2021, Sino-Ocean Land Treasure IV Limited, a wholly-owned subsidiary, issued a guaranteed note with a total principal amount of USD320,000,000 with a maturity period of three and half years and annual interest rate of 2.70%.

In May 2021, Sino-Ocean Land Treasure IV Limited, a wholly-owned subsidiary, issued a guaranteed note with a total principal amount of USD400,000,000 with a maturity period of five years and annual interest rate of 3.25%.

In January 2020, Sino-Ocean Land Treasure IV Limited, a wholly-owned subsidiary, issued a guaranteed note with a total principal amount of USD400,000,000 with a maturity period of ten years and annual interest rate of 4.75%.

In August 2019, Sino-Ocean Land Treasure IV Limited, a wholly-owned subsidiary, issued a guaranteed note with a total principal amount of USD600,000,000 with a maturity period of ten years and annual interest rate of 4.75%.

In January 2015, Sino-Ocean Land Treasure Finance II Limited, a wholly-owned subsidiary, issued a guaranteed note with principal amount of USD500,000,000 with a maturity period of twelve years and annual interest rate of 5.95%.

In July 2014, Sino-Ocean Land Treasure Finance I Limited, a wholly-owned subsidiary, issued a guaranteed note with principal amount of USD700,000,000 with a maturity period of ten years and annual interest rate of 6.00%.

(iii) Borrowings from trust companies bear interest rate from 5.40% to 8.50% (2023: from 5.75% to 7.40%) per annum, and borrowings of RMB599,500,000 (2023:nil) are repayable after one year and included in non-current portion.

As at 31 December 2024, such borrowings amounted to approximately RMB3,425,406,000, were secured by the pledge of interests in a joint venture, properties under development and completed properties held for sale (2023: RMB3,213,916,000). The equity of certain subsidiaries was also pledged.

31. BORROWINGS (Continued)

(b) Other borrowings (Continued)

(iv) In July 2021, Sino-Ocean Holding entered into asset-backed special agreement with a third-party financing company in the form of asset securitisation with total principal amount of RMB3,200,000,000. Such borrowings were secured by the pledge of property, plant and equipment, land use rights and investment properties and trade receivables of the Group. As at 31 December 2024, the borrowing with principal amount of approximately RMB3,134,000,000 (2023: RMB3,132,196,000) has already matured but was not repaid.

In December 2022, Sino-Ocean Holding entered into a special asset-backed agreement with a third-party financing company in the form of a real estate trust investment fund with total principal amount of RMB975,000,000. Such a borrowing was secured by investment properties and trade receivables of the Group.

(v) Borrowings from non-controlling interest bear interest rate from 10.00% to 14.80% (2023: from 8.00% to 10.00%) per annum, and borrowings of approximately nil (2023: RMB71,541,000) are repayable after one year and are included in non-current portion.

As at 31 December 2024, such borrowings amounted to approximately RMB662,248,000 (2023: RMB662,248,000) were secured by the pledge of property under development.

(vi) Borrowings from associates and joint ventures bear interest rate from 2.55% to 8.00% (2023: from 8.00% to 10.00%) per annum, and borrowings of approximately RMB3,157,432,000 (2023: RMB2,637,000,000) are repayable after one year and are included in non-current portion.

As at 31 December 2024, such borrowings amounted to approximately RMB2,637,000,000 (2023: RMB2,637,000,000) were secured by the pledge of the equity interest in a joint venture.

(vii) Borrowings from third parties bear interest rate from 2.80% to 24.00% (2023: from 2.80% to 24.00%) per annum, and borrowings of approximately RMB807,435,000 (2023: RMB888,004,000) are repayable after one year and are included in non-current portion.

As at 31 December 2024, such borrowings from third parties amounted to approximately RMB4,989,317,000 (2023: RMB2,926,524,000) were secured by the pledge of investment properties, property, plant and equipment, financial assets, properties under development, completed properties held for sale, trade and other receivables and equity interest in certain subsidiaries and an associate.

(c) The maturities of the Group's total borrowings at respective statement of financial position dates are set out as follows:

	As at 31 December	
	2024 **RMB'000**	2023 RMB'000
Total borrowings		
— Within 1 year	**63,576,047**	69,750,588
— Between 1 and 2 years	**13,489,020**	11,027,040
— Between 2 and 5 years	**13,284,523**	9,386,622
— Over 5 years	**5,663,946**	5,979,072
	96,013,536	96,143,322

31. BORROWINGS (Continued)

(d) The Group's borrowings denominated in RMB, HKD and USD respectively are set out as follows:

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Denominated in:		
— RMB	**56,483,728**	57,415,547
— HKD	**13,635,272**	13,343,437
— USD	**25,894,536**	25,384,338
	96,013,536	96,143,322

(e) The weighted average effective annual interest rates at the respective statement of financial position dates are set out as follows:

	As at 31 December	
	2024	2023
	Interest rate (per annum)	Interest rate (per annum)
Bank borrowings	**5.66%**	5.89%
Other borrowings	**5.22%**	5.47%

(f) The exposure of the Group's borrowings to interest-rate changes and the contractual repricing dates are as follows:

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Within 6 months	**46,510,769**	41,643,266
Between 6 and 12 months	**30,823,265**	41,333,366
Between 1 and 5 years	**18,089,769**	12,581,949
Over 5 years	**589,733**	584,741
	96,013,536	96,143,322

(g) The fair value of non-current borrowings approximates their carrying amount, as the impact of discounting is not significant. The fair values are based on cash flows discounted using a rate based on the borrowing rate of 5.66% (2023: 5.89%) and are within level 2 of the fair value hierarchy.

31. BORROWINGS (Continued)

(h) As at 31 December 2024, borrowings amounting to approximately RMB54,233,456,000 (2023: RMB42,106,336,000) have potential repayment on demand due to the terms in relevant loan agreements and are classified as current liabilities.

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Current portion of long-term borrowings	**53,613,518**	41,307,736
Short-term borrowings	**619,938**	798,600
	54,233,456	42,106,336

32. DEFERRED INCOME TAX

The analysis of deferred income tax assets and deferred income tax liabilities is as follows:

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Deferred income tax assets:		
— to be recovered after more than 12 months	**2,039,470**	2,203,406
— to be recovered within 12 months	**121,186**	106,230
	2,160,656	2,309,636
Set-off of deferred tax assets pursuant to set-off provisions	**(26,749)**	(101,893)
Net deferred income tax assets	**2,133,907**	2,207,743
Deferred income tax liabilities:		
— to be settled after more than 12 months	**(1,384,931)**	(2,048,575)
— to be settled within 12 months	**(39,363)**	(70,015)
	(1,424,294)	(2,118,590)
Set-off of deferred tax liabilities pursuant to set-off provisions	**26,749**	101,893
Net deferred income tax liabilities	**(1,397,545)**	(2,016,697)
Deferred income tax assets, net	**736,362**	191,046

32. DEFERRED INCOME TAX (Continued)

The movement on the deferred income tax account is as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
At the beginning of the year	**(191,046)**	(44,413)
Recognised in profit or loss (Note 42)	**(75,658)**	(600,094)
Charged/(credited) to other comprehensive income	**4,609**	(6,429)
Acquisition of subsidiaries, net	**–**	553,973
Disposal of interests in subsidiaries	**(474,267)**	(94,083)
At the end of the year	**(736,362)**	(191,046)

The movement in deferred income tax assets and liabilities during the years ended 31 December 2024 and 2023, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred income tax assets

	Future tax deduction on LAT and other accrued expenses	**Unrealised gains**	**Tax losses**	**Others**	**Total**
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024	**1,179,288**	**739,565**	**390,783**	**–**	**2,309,636**
(Charged)/credited to profit or loss	**(293,254)**	**88,907**	**55,367**	**–**	**(148,980)**
At 31 December 2024	**886,034**	**828,472**	**446,150**	**–**	**2,160,656**
At 1 January 2023	1,208,346	612,488	297,105	5,088	2,123,027
(Charged)/credited to profit or loss	(29,058)	127,077	84,978	(5,088)	177,909
Acquisition of subsidiaries	–	–	8,700	–	8,700
At 31 December 2023	1,179,288	739,565	390,783	–	2,309,636

32. DEFERRED INCOME TAX (Continued)

Deferred income tax liabilities

	Depreciation difference RMB'000	Investment properties revaluation RMB'000	Assets revaluation RMB'000	Recognition of revenue over time RMB'000	Withholding taxes RMB'000	Others RMB'000	Total RMB'000
At 1 January 2024	**(65,129)**	**(1,492,070)**	**(190,412)**	**(174,944)**	**(196,035)**	**–**	**(2,118,590)**
Credited to profit or loss	**241**	**167,740**	**18,758**	**37,899**	**–**	**–**	**224,638**
Disposal of interests in subsidiaries	**–**	**474,267**	**–**	**–**	**–**	**–**	**474,267**
Charged to other comprehensive income	**–**	**–**	**(4,609)**	**–**	**–**	**–**	**(4,609)**
At 31 December 2024	**(64,888)**	**(850,063)**	**(176,263)**	**(137,045)**	**(196,035)**	**–**	**(1,424,294)**
At 1 January 2023	(65,853)	(1,155,480)	(279,815)	(443,572)	(196,035)	62,141	(2,078,614)
Credited/(charged) to profit or loss	724	171,623	43,351	268,628	–	(62,141)	422,185
Acquisition of subsidiaries	–	(508,213)	(54,460)	–	–	–	(562,673)
Disposal of interests in subsidiaries	–	–	94,083	–	–	–	94,083
Credited to other comprehensive income	–	–	6,429	–	–	–	6,429
At 31 December 2023	(65,129)	(1,492,070)	(190,412)	(174,944)	(196,035)	–	(2,118,590)

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realization of the related benefit through the future profits is probable. These tax losses are going to expire within five years. The Group did not recognise deferred income tax assets of approximately RMB2,437,268,000 (2023: RMB1,585,454,000) in respect of losses amounting to approximately RMB9,749,070,000 (2023: RMB6,341,817,000) that can be carried forward against future taxable income.

At 31 December 2024, the Group recognised deferred income tax liabilities of approximately RMB196,035,000 (2023: RMB196,035,000) 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 Board, it is not probable that the remaining available unremitted earnings of the Group's subsidiaries will be distributed in the foreseeable future according to the distribution and reinvestment plans of the Group. The aggregate amount of temporary differences associated with investments in subsidiaries in Mainland China for which deferred tax liabilities have not been recognised totalled approximately RMB3,310,818,000 at 31 December 2024 (2023: RMB6,619,251,000).

33. TRADE AND OTHER PAYABLES

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Trade payables (i)	**13,340,695**	13,908,768
Accrued expenses	**7,542,128**	9,080,971
Amounts due to joint ventures (ii)	**7,950,594**	7,038,388
Amounts due to associates (ii)	**1,009,299**	1,040,195
Amounts due to non-controlling interests (ii)	**926,122**	2,180,839
Amounts due to government	**504,528**	527,052
Other taxes payable	**4,046,311**	4,023,022
Deposits received	**1,617,461**	1,928,202
Other payables	**13,665,934**	9,431,391
	50,603,072	49,158,828
Less: non-current portion	**(47,762)**	(62,619)
Current portion	**50,555,310**	49,096,209

Provisions for litigations as at 31 December 2023 which were previously included as "other payable" were reclassified to "Provisions".

The carrying amounts of trade payables and other payables approximate their fair values.

(i) An ageing analysis of the trade payables (including amounts due to related parties of trading in nature) mainly based on the date of invoice is as follows:

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Within 6 months	**4,581,262**	4,543,671
Between 6 months to 1 year	**899,873**	1,902,685
Between 1 year to 2 years	**2,542,196**	3,682,485
Between 2 years to 3 years	**2,501,237**	1,273,307
Over 3 years	**2,816,127**	2,506,620
	13,340,695	13,908,768

(ii) Amounts due to joint ventures, associates and non-controlling interests are unsecured, interest free, and repayable on demand.

34. PROVISIONS

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Provisions for litigations (i)	**1,252,282**	620,872
Provisions for financial guarantee provided to related parties and third parties	**3,776,047**	–
	5,028,329	620,872
Less: non-current portion	**–**	(620,872)
Current portion	**5,028,329**	–

The movement on the provisions account is as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
At the beginning of the year	**620,872**	2,159
Addition — provisions for litigations (Note 38)	**631,410**	618,713
— provisions for financial guarantee provided to related parties and third parties (Note 39)	**3,776,047**	–
At the end of the year	**5,028,329**	620,872

(i) Up to the date of this report, various parties have filed litigation against the Group for the settlement of unpaid borrowings, outstanding construction and daily operations payables and other matters. The Directors have assessed the impact of the above litigation matters on the consolidated financial statements for the year ended 31 December 2024 and provision for litigations amounted to approximately RMB1.25 billion was recognised. The Group is also actively communicating with relevant creditors and seeking various ways to resolve these litigations. The Directors consider that such litigations, individually or jointly, will not have significant adverse effects on the operating performance, cash flow and financial condition of the Group at the current stage.

35. CONTRACT LIABILITIES

	2024	2023
	RMB'000	RMB'000
Receipts in advance of pre-sale proceeds directly from property purchasers	**14,263,642**	20,872,878

36. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Derivatives-held for trading		
— Forward foreign exchange contracts	**–**	33,764

During the year, the following gains were recognised in profit or loss:

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Fair value gain recognised in other losses — net	**33,279**	157,361

37. INTEREST AND OTHER INCOME

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Interest income from:		
— Bank deposits	**22,050**	47,651
— Entrusted loans	**448,685**	542,066
— Others	**142,570**	151,394
Dividend income	**2,335**	–
Others	**84,036**	113,300
	699,676	854,411

38. OTHER LOSSES — NET

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
(Losses)/gains on disposal of interests in subsidiaries	**(101,514)**	85,945
Fair value change of financial assets and financial liabilities at fair value through profit or loss	**(1,568,435)**	(736,129)
Impairment loss on interest in a joint venture (Note 49(h))	**(1,706,630)**	–
(Losses)/gains on disposal of joint ventures and associates	**(543,639)**	1,132,219
Gains/(losses) on deemed disposal of joint ventures and associates, net	**116,710**	(206,078)
Payment for the settlement of contracted obligations	**(122,095)**	(96,030)
Gains/(losses) on disposal of property, plant and equipment	**11,534**	(6,865)
Losses on disposal of investment properties	**(1,057)**	–
Losses on disposal of land use rights	**(20,637)**	–
Provision for litigations (Note 34)	**(631,410)**	(618,713)
Exchange losses	**(70,161)**	(220,110)
Other losses	**(13,953)**	(6,618)
	(4,651,287)	(672,379)

39. EXPENSES BY NATURE

Expenses by nature comprised cost of sales, selling and marketing expense, impairment losses under expected credit loss model and administrative expense as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Cost of properties and land use rights sold:		
— Land use rights	**7,948,708**	11,978,508
— Capitalised interest	**879,662**	4,232,640
— Construction related cost	**8,530,938**	21,063,798
Cost of upfitting services rendered	**1,732,719**	2,296,064
Direct investment property expenses (Note 12)	**122,857**	121,545
Employee benefit expense (Note 40)	**1,904,815**	1,893,308
Consultancy fee	**334,755**	425,700
Auditor's remuneration	**17,970**	16,530
— Audit services	**12,670**	12,930
— Non-audit services	**5,300**	3,600
Depreciation of property, plant and equipment (Note 7)	**181,323**	127,316
Depreciation of right-of-use assets (Note 8)	**162,956**	187,123
Amortization of land use rights and intangible asset (Notes 9 and 10)	**117,240**	86,620
Advertising and marketing	**631,029**	1,150,589
Business taxes and other levies	**166,795**	290,045
Impairment losses under expected credit loss model	**7,698,585**	11,282,720
— Impairment loss on trade and other receivables	**3,922,538**	11,282,720
— Provisions for financial guarantee provided to related parties and third parties (Note 34)	**3,776,047**	–
Impairment loss on properties under development (Note 19)	**1,109,682**	1,935,580
Impairment loss on completed properties held for sale (Note 22)	**449,852**	336,153
Derecognition of goodwill (Note 11)	**10,129**	945
Office expenditure	**82,418**	79,854
Properties maintenance expenses	**1,102,948**	1,105,222
Energy expenses	**315,427**	332,527
Others	**576,332**	480,144
	34,077,140	59,422,931

40. EMPLOYEE BENEFITS EXPENSE

The employee benefits expense of the Group, including its directors' emoluments is as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Salaries, wages and bonuses	**1,944,915**	1,995,327
Retirement benefits contribution	**213,468**	233,653
Restricted Share Award Scheme (Note 27)	**–**	(1,479)
Other allowances and benefits	**167,947**	213,291
	2,326,330	2,440,792
Less: capitalised in properties under development	**(421,515)**	(547,484)
	1,904,815	1,893,308

The Group's employees participate in various retirement benefit plans organized by the relevant municipal and provincial government in the PRC under which the Group was required to make monthly contributions at rates ranging from 10% to 20%, depending on the applicable local regulations, of the employees' salary for the years ended 31 December 2024 and 2023.

In addition, the Group participates in a pension scheme under the rules and regulations of the Mandatory provident Fund Scheme for all employees in Hong Kong. The contributions to the Mandatory provident Fund Scheme are based on minimum statutory contribution requirement of 5% of eligible employees' relevant aggregate income (with a cap of HKD30,000).

There were no forfeited contributions (by employers on behalf of employees who leave the scheme prior to vesting fully in such contributions) to offset existing contributions under the defined contribution schemes.

40 EMPLOYEE BENEFITS EXPENSE (Continued)

(a) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include three (2023: three) directors whose emoluments are reflected in the analysis shown in Note 51. The emoluments payable to the remaining two (2023: two) highest paid individuals during the year are as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Basic salaries	**4,914**	4,725
Discretionary bonuses	**–**	–
Retirement scheme contributions	**382**	375
	5,296	5,100

The emoluments fell within the following bands:

	Year ended 31 December	
	2024	2023
RMB2,315,101 (equivalent to HKD2,500,001) to RMB2,778,120 (equivalent to HKD3,000,000)	**2**	2
RMB2,778,121 (equivalent to HKD3,000,001) to RMB3,241,140 (equivalent to HKD3,500,000)	**–**	–
	2	2

(b) During the years ended 31 December 2024 and 2023, no emoluments were paid by the Group to any of the above directors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for losses of office.

41. FINANCE COSTS

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Interest expense:		
— Bank borrowings	**2,113,936**	2,040,253
— Other borrowings	**3,073,379**	3,200,175
— Lease liabilities (Note 8)	**111,472**	117,672
	5,298,787	5,358,100
Less: interest capitalised at a capitalisation rate of 5.39% (2023: 5.63%) per annum	**(1,710,362)**	(1,840,976)
	3,588,425	3,517,124

42. INCOME TAX (CREDIT)/EXPENSE

Majority of the Group entities are subjected to PRC enterprise income tax, which has been provided based on the statutory income tax rate of 25% of the assessable income of each of these Group entities for the years ended 31 December 2024 and 2023. Other Group entities are mainly subject to Hong Kong profits tax.

The amount of income tax (credit)/expense charged to the statement of profit or loss represents:

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Current income tax:		
— PRC enterprise income tax	**405,099**	961,544
— PRC land appreciation tax	**(833,866)**	1,062,670
Deferred income tax (Note 32)	**(75,658)**	(600,094)
	(504,425)	1,424,120

Taxation on the Group's loss before tax differs from the theoretical amount that would arise using the enacted tax rate of the home country of the Group as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Loss before income tax	**(19,392,050)**	(19,560,765)
Adjust for: Share of results of joint ventures	**833,635**	936,319
Share of results of associates	**(164,647)**	1,397,411
	(18,723,062)	(17,227,035)
Tax calculated at a tax rate of 25%	**(4,680,766)**	(4,306,759)
Effect of higher tax rate for the appreciation of land in the PRC and over provision of PRC land appreciation tax in respect of prior year (i)	**(625,400)**	797,003
Income not subject to tax	**(583)**	(1,232)
Expenses not deductible for tax purposes	**989,547**	1,832,532
Tax losses not recognised	**1,779,279**	1,381,937
Utilisation of previously unrecognised tax losses and expenses	**(461,368)**	(335,276)
Reversal of previously recognised deferred income tax assets	**31,552**	119,106
Deductible temporary differences not recognised	**2,463,314**	1,936,809
Income tax (credit)/expense	**(504,425)**	1,424,120

(i) This is refund of PRC land appreciation tax ("LAT") approved by the Group during the year. Pursuant to the notice regarding policies relating to LAT, related refund is recognised as reversal of LAT upon the tax refund from the tax bureau.

43. LOSS PER SHARE

(a) Basic

Basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year excluding ordinary shares purchased by the Company and held as share held for Restricted Share Award Scheme (Note 25).

	Year ended 31 December	
	2024	2023
Loss attributable to owners of the Company (RMB'000)	**(18,623,957)**	(21,096,541)
Loss used to determine basic loss per share (RMB'000)	**(18,623,957)**	(21,096,541)
Weighted average number of ordinary shares in issue (thousands)	**7,616,096**	7,616,096
Basic loss per share (RMB per share)	**(2.445)**	(2.770)

(b) Diluted

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to, assume conversion of all dilutive potential ordinary shares. The Company has two categories of dilutive potential ordinary shares: share options and shares held for the Restricted Share Award Scheme. For the share options and shares held for the Restricted Share Award Scheme, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average market share price of the Company's shares during the year) based on the monetary value of the subscription rights attached to outstanding share options and awarded shares. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options and vesting of awarded shares.

	Year ended 31 December	
	2024	2023
Loss attributable to owners of the Company (RMB'000)	**(18,623,957)**	(21,096,541)
Loss used to determine diluted loss per share (RMB'000)	**(18,623,957)**	(21,096,541)
Weighted average number of ordinary shares in issue (thousands)	**7,616,096**	7,616,096
Weighted average number of ordinary shares for diluted loss per share (thousands)	**7,616,096**	7,616,096
Diluted loss per share (RMB per share)	**(2.445)**	(2.770)

44. DIVIDENDS

The Board did not recommend the payment of final dividend for the year ended 31 December 2024 and 2023.

45. CASH FLOW INFORMATION

(a) Cash flows from operating activities

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Loss for the year	**(18,887,625)**	(20,984,885)
Adjustments for:		
— Income tax (credit)/expense (Note 42)	**(504,425)**	1,424,120
— Depreciation of property, plant and equipment (Note 7)	**181,323**	127,316
— Amortization of land use rights (Note 9)	**12,310**	15,889
— Amortization of intangible assets (Note 10)	**104,930**	70,731
— Amortization of right-of-use assets (Note 8)	**162,956**	187,123
— Fair value change on investment properties (Note 12)	**746,505**	928,020
— Share of results of joint ventures	**935,708**	964,504
— Share of results of associates	**(163,439)**	1,398,107
— Losses/(gains) on disposal of joint ventures and associates (Note 38)	**543,639**	(1,132,219)
— (Gains)/losses on deemed disposal of joint ventures and associates, net (Note 38)	**(116,710)**	206,078
— Dividend income	**(2,335)**	–
— Interest income	**(613,305)**	(693,460)
— Losses/(gains) on disposal of interests in subsidiaries (Note 38)	**101,514**	(85,945)
— (Gain)/losses on disposal of property, plant and equipment (Note 38)	**(11,534)**	6,865
— Losses on disposal of investment properties (Note 38)	**1,057**	–
— Losses on disposal of land use right (Note 38)	**20,637**	–
— Fair value change on financial assets and financial liabilities at fair value through profit or loss (Note 38)	**1,568,435**	736,129
— Impairment charges (Note 39)	**9,258,119**	13,554,453
— Impairment loss on interest in a joint venture (Note 38)	**1,706,630**	–
— Derecognition of goodwill (Note 39)	**10,129**	945
— Finance costs (Note 41)	**3,588,425**	3,517,124
— Exchange losses (Note 38)	**70,161**	220,110
— Share-based payments (Note 40)	**–**	(1,479)
— Provision for litigations (Note 38)	**631,410**	618,713
	(655,485)	1,078,239

45. CASH FLOW INFORMATION (Continued)

(a) Cash flows from operating activities (Continued)

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
— Properties under development	**(1,742,041)**	(13,657,959)
— Inventories, at cost	**227,014**	(155,960)
— Land development cost recoverable	**(15,854)**	(21,153)
— Completed properties held for sale	**13,127,885**	37,729,558
— Trade and other receivables and prepayments	**(3,337,857)**	6,898,517
— Contract assets	**(19,084)**	470,752
— Restricted bank deposits	**110,477**	1,730,092
— Trade and other payables	**2,462,461**	(8,202,018)
— Receipts in advance of pre-sale proceeds directly from property purchasers and lessees	**(9,076,459)**	(20,153,113)
Cash generated from operations	**1,081,057**	5,716,955

(b) In the consolidated statement of cash flow, proceeds from sale of property, plant and equipment comprise:

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Net book amount (Note 7)	**7,279**	80,510
Gains/(losses) on disposal of property, plant and equipment (Note 38)	**11,534**	(6,865)
Proceeds from disposal of property, plant and equipment	**18,813**	73,645

45. CASH FLOW INFORMATION (Continued)

(c) The reconciliation of liabilities from financing activities

This section sets out an analysis of liabilities from financing activities and the movements in liabilities from financing activities for each of the periods presented.

	2024 RMB'000	2023 RMB'000
Borrowings-repayable within one year (Note 31)	**(63,576,047)**	(69,750,588)
Borrowings-repayable after one year (Note 31)	**(32,437,489)**	(26,392,734)
Lease liabilities (Note 8)	**(1,766,716)**	(1,973,007)
Liabilities from financing activities	**(97,780,252)**	(98,116,329)
Gross debt — fixed interest rates	**(62,227,385)**	(62,804,960)
Gross debt — variable interest rates	**(35,552,867)**	(35,311,369)
Liabilities from financing activities	**(97,780,252)**	(98,116,329)

	Liabilities from financing activities			
	Borrowing due within 1 year RMB'000	**Borrowing due after 1 year** RMB'000	**Lease liabilities** RMB'000	**Total** RMB'000
Liabilities at 31 December 2022	(38,091,736)	(58,931,713)	(398,398)	(97,421,847)
Cash flows	9,013,281	497,681	239,314	9,750,276
Increase due to business combination	(1,708,250)	(7,252,232)	(1,672,575)	(10,633,057)
Decrease due to disposal of interests in subsidiaries	–	825,154	22,895	848,049
Foreign exchange adjustments	(598,550)	(23,210)	–	(621,760)
Increase due to other acquisitions	(120,377)	(16,452)	–	(136,829)
Transfer to other payables	263,082	–	–	263,082
Other non-cash movements	(38,508,038)	38,508,038	(164,243)	(164,243)
Liabilities at 31 December 2023	(69,750,588)	(26,392,734)	(1,973,007)	(98,116,329)
Cash flows	**2,375,506**	**(374,987)**	**198,036**	**2,198,555**
Increase due to business combination	**(140,070)**	**–**	**–**	**(140,070)**
Increase due to disposal of interests in subsidiaries	**–**	**(520,432)**	**–**	**(520,432)**
Foreign exchange adjustments	**(678,039)**	**–**	**–**	**(678,039)**
Transfer to other payables	**8,500**	**71,541**	**–**	**80,041**
Transfer from other payables	**(261,307)**	**(229,000)**	**–**	**(490,307)**
Other non-cash movements	**4,869,951**	**(4,991,877)**	**8,255**	**(113,671)**
Liabilities at 31 December 2024	**(63,576,047)**	**(32,437,489)**	**(1,766,716)**	**(97,780,252)**

Other non-cash movement is mainly the reclassification of long-term borrowing and borrowing within 1 year.

46. FINANCIAL GUARANTEES

(a) The Group had the following financial guarantees as 31 December 2024 and 2023:

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Guarantees in respect of mortgage facilities for certain purchasers	**12,716,015**	16,590,788

As at 31 December 2024 and 31 December 2023, the Group provided guarantees in respect of mortgage facilities granted by certain banks relating to the mortgage loans arranged for certain purchasers of the Group's properties. Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage principals together with accrued interest and penalty owed by the defaulted purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties. The Group's guarantee period starts from the dates of grant of the relevant mortgage loans and ends when the property purchasers obtain the property title certificate which is then pledged with the banks.

The Group has not recognised any liabilities in connection with the aforesaid financial guarantee contracts as the directors of the Company are of the view that it is remote for the Group to suffer from any significant losses on these financial guarantee contracts.

(b) As at 31 December 2024, the Group provided guarantees amounted to approximately RMB68,970,402,000 for borrowings of related parties and third parties (2023: RMB63,029,830,000). Properties under development and other assets owned by these parties are the primary collateral of such borrowings. The provision for financial guarantee provided to related parties and third parties amounted to approximately RMB3,776,047,000 (2023: nil).

47. COMMITMENTS

(a) Capital commitments

Capital commitments at the statement of financial position date but not yet incurred are as follows:

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Properties under development	**6,877,930**	6,333,204
Commitment of investments	**2,949,310**	2,485,667
Contracted but not provided for	**9,827,240**	8,818,871

47. COMMITMENTS (Continued)

(b) Commitments to a joint venture

	As at 31 December	
	2024 **RMB'000**	2023 RMB'000
Commitments to provide funding to a joint venture for its investment properties development	**–**	8,641,747

(c) Operating lease rental receivables

The future aggregate minimum lease rental receivables under non-cancellable operating leases in respect of land and buildings are as follows:

	As at 31 December	
	2024 **RMB'000**	2023 RMB'000
Within 1 year	**156,970**	343,243
Between 1 to 5 years	**165,434**	544,515
Over 5 years	**1,344**	–
	323,748	887,758

48. SETTLEMENT WITH NON-CONTROLLING INTERESTS WITHOUT CHANGE OF CONTROL

During the year ended 31 December 2024, the Group has purchased or subscribed additional equity interests of its non-wholly owned subsidiaries and disposed of certain equity interests to its non-controlling shareholders through certain transactions with non-controlling interests which resulted in the total increase in non-controlling interests of approximately RMB337,683,000 and total decrease in net assets attributable to the owners of the Company of approximately RMB204,622,000.

During the year ended 31 December 2023, the Group has purchased or subscribed additional equity interests of its non-wholly owned subsidiaries and disposed of certain equity interests to its non-controlling shareholders through certain transactions with non-controlling interests which resulted in the total decrease in non-controlling interests of approximately RMB376,368,000 and total decrease in net assets attributable to the owners of the Company of approximately RMB200,711,000.

49. RELATED PARTY TRANSACTIONS

Save as disclosed in elsewhere, the following is a summary of significant related party balances and transactions entered in the ordinary course of business between the Group and its related parties during the years ended 31 December 2024 and 2023:

(a) Provision of services to:

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
— A shareholder	**3,334**	6,901
— Joint ventures	**1,774,514**	2,216,132
— Associates	**142,084**	105,081
	1,919,932	2,328,114

Provision of services mainly represent construction service, the terms of which are entered into with related parties in accordance with the terms of agreement.

(b) Purchase of services from:

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Joint ventures	**600,199**	1,193,565
Associates	**71,403**	9,229
	671,602	1,202,794

(c) Key management compensation:

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Salaries and other short-term employee benefits	**36,712**	32,911
Post-employment benefits	**2,472**	3,026
Other long-term welfare	**624**	1,119
	39,808	37,056

49. RELATED PARTY TRANSACTIONS (Continued)

(d) Year-end balances arising from sales and purchases of properties and services:

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Receivables from related parties:		
— A shareholder	**1,181**	1,008
— Joint ventures	**2,092,384**	2,527,308
— Associates	**334,495**	211,397
	2,428,060	2,739,713
Advance to related parties:		
— A shareholder	**1,095**	54
— Joint ventures	**319,581**	95,582
— Associates	**101,020**	102,007
	421,696	197,643
Trade payables due to related parties:		
— A shareholder	**23**	–
— A joint venture	**649,568**	837,524
— An associate	**19,166**	41,897
	668,757	879,421

(e) Interest income

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
— Joint ventures	**394,804**	396,117
— Associates	**1,739**	1,241
	396,543	397,358

49. RELATED PARTY TRANSACTIONS (Continued)

(f) Entrusted loans to related parties

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Joint ventures:		
At 1 January	**3,648,544**	4,281,355
Loans advanced during year	**106,054**	291,002
Loans repayments received	**(448,324)**	(917,119)
Decrease due to deemed disposal of joint ventures	**(421,091)**	(6,694)
Interest income	**394,804**	396,117
Interest received	**(6,297)**	(248,167)
Reclass to amounts due from joint ventures	**(864,515)**	(147,950)
At 31 December (Note 21(b)(i))	**2,409,175**	3,648,544
Associates:		
At 1 January	**636,206**	–
Loans advanced during year	**–**	24,510
Increase due to disposal of interests in subsidiaries	**–**	611,696
Interest income	**1,739**	1,241
Interest received	**–**	(1,241)
Reclass to amounts due from associates	**(613,435)**	–
At 31 December (Note 21(b)(ii))	**24,510**	636,206

(g) Acquisition of a subsidiary from a joint venture

During the year ended 31 December 2024, the consideration paid to acquire of 100% equity interest of 廈門東悅地產有限公司 from 南昌同築地產有限公司, a joint venture of the Company, amounted to RMB21,545,000.

49. RELATED PARTY TRANSACTIONS (Continued)

(h) Disposal of a joint venture to related parties

On 7 June 2024, Beijing Yingyu Enterprise Management Consulting Co., Ltd. * (北京穎煜企業管理諮詢有限公司) and Tianjin Yigangtong Enterprise Management Co., Ltd. * (天津頤港通企業管理有限公司), (together, the "Sellers") both being wholly-owned subsidiaries of the Group entered into the equity and debt transfer agreement with the related party of China Life Qihang Phase I (Tianjin) Equity Investment Fund Partnership (Limited Partnership) * (國壽啟航壹期(天津)股權投資基金合夥企業(有限合夥)), the third parties of Beijing Sanlitun South Property Management Company Limited* (北京三里屯南區物業管理有限公司) and Shiny Harbour Limited (together, the "Purchasers") under which the Sellers conditionally agree to sell an aggregate of 64.79% equity interests in the Beijing Xingtaitonggang Properties Company Limited* (北京星泰通港置業有限公司) (the "Target Company") and assign the entire loan owing to the Sellers by the Target Company to the Purchasers as at the completion of this disposal. The net cash consideration of approximately RMB3.79 billion is being settled in accordance with the terms under the sale and purchase agreement. By reassessing the recoverable amount of the interest in the Target Company, the impairment loss of approximately RMB1.71 billion was recorded during the year.

The movement of disposal of the interests in the Target Company and entrusted loans due from the Target Company as at 31 December 2024 were as follows:

	As at 31 December 2024 RMB'000
Interest in the Target Company	**5,397,802**
Entrusted loans due from the Target Company	**124,152**
	5,521,954
Impairment loss on interest in a joint venture	**(1,706,630)**
Net amount disposed	**3,815,324**
Cash consideration received during the year	**3,448,467**
Receivables from disposal of interest in a joint venture (note 21(b))	**337,706**
Net cash consideration	**3,786,173**
Loss on disposal of a joint venture	**(29,151)**

* The English names are for identification purpose only and the official names of the entities are in Chinese.

49. RELATED PARTY TRANSACTIONS (Continued)

(i) Amount due from related parties

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Joint ventures:		
At 1 January	**24,771,325**	26,402,974
Amounts advanced during year	**1,294,852**	4,800,014
Reclass from entrusted loans to related parties	**864,515**	147,950
Repayments during year	**(1,650,387)**	(4,774,514)
(Decrease)/increase due to acquisition of joint ventures	**(107,693)**	266,252
Decrease due to deemed disposal of joint ventures	**–**	(1,968,798)
Increase due to acquisition of subsidiaries	**–**	8,409
Decrease due to disposal of joint ventures	**(41,012)**	(110,962)
At 31 December (Note 21(b)(v))	**25,131,600**	24,771,325
Associates:		
At 1 January	**10,038,587**	10,265,224
Amounts advanced during year	**180,590**	375,461
Reclass from entrusted loans to related parties	**613,435**	–
Repayments during year	**(188,316)**	(673,575)
Increase due to acquisition of associates	**–**	18,180
Decrease due to deemed disposal of associates	**–**	(263,482)
(Decrease)/increase due to disposal of subsidiaries	**(269,233)**	632,728
Decrease due to disposal of associates	**(19,822)**	(315,949)
At 31 December (Note 21(b)(v))	**10,355,241**	10,038,587

49. RELATED PARTY TRANSACTIONS (Continued)

(j) Amounts due to related parties

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Joint ventures:		
At 1 January	**7,038,388**	7,708,753
Amounts advanced during year	**2,184,022**	3,530,431
Repayments during year	**(1,142,758)**	(3,992,632)
Decrease due to deemed disposal of joint ventures	**(72,559)**	–
Increase due to acquisition of subsidiaries	**–**	426
Decrease due to disposal of interests in joint ventures	**(56,499)**	(208,590)
At 31 December (Note 33(ii))	**7,950,594**	7,038,388
Associates:		
At 1 January	**1,040,195**	915,288
Amounts advanced during year	**172,649**	86,161
Repayments during year	**(203,545)**	(53,179)
Increase due to disposal of interest in associates	**–**	91,925
At 31 December (Note 33(ii))	**1,009,299**	1,040,195

49. RELATED PARTY TRANSACTIONS (Continued)

(k) Borrowing from related parties

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Joint ventures	**3,845,421**	3,917,262
Associates	**235,384**	235,384
	4,080,805	4,152,646

(l) Investment in limited partners' share issued by an associate

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Fair value of investment in limited partners' share issued by an associate	**1,460,246**	1,969,861

(m) Investment in capital instrument issued by associates

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Fair value of interests in capital instruments issued by associates	**428,163**	440,833

(n) Consultancy service fees to non-executive directors

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Provision of the consultancy services	**1,673**	–

The company has made provision for the consultancy service fees to two non-executive directors for their respective consultancy services for financial management, engineering management and miscellaneous advice to certain subsidiaries of the Company.

50. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

Statement of financial position of the Company

	Notes	As at 31 December 2024 RMB'000	2023 RMB'000
ASSETS			
Non-current assets			
Investments in subsidiaries		**3,407,371**	3,407,371
Current assets			
Amounts due from subsidiaries		**3,880,263**	16,047,049
Financial assets at fair value through profit or loss		**66,024**	128,169
Other receivables		**2,684**	2,458
Cash and cash equivalents		**3,979**	62
		3,952,950	16,177,738
Total assets		**7,360,321**	19,585,109
EQUITY			
Capital	(a)	**27,329,232**	27,329,232
Reserves	(b)	**944,363**	944,363
Accumulated loss	(c)	**(20,964,211)**	(8,738,971)
Total equity		**7,309,384**	19,534,624
LIABILITY			
Current liabilities			
Other payables		**50,937**	50,485
Total liabilities		**50,937**	50,485
Total equity and liabilities		**7,360,321**	19,585,109

Approved by the Board on 26 March 2025 and signed on its behalf by:

LI Ming	**WANG Honghui**
Executive Director	*Executive Director*

50. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (Continued)

(a) Capital movement of the Company

	RMB'000
At 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	27,329,232

(b) Reserve movement of the Company

	RMB'000
At 1 January 2023	945,842
Share based payment	(1,479)
Purchase of shares for Restricted Share Award Scheme	–
At 31 December 2023, 1 January 2024 and 31 December 2024	**944,363**

(c) Accumulated loss

	RMB'000
At 1 January 2024	**(8,738,971)**
Loss for the year	**(12,215,603)**
Currency translation difference	**(9,637)**
At 31 December 2024	**(20,964,211)**
At 1 January 2023	60,938
Loss for the year	(8,794,360)
Currency translation difference	(5,549)
At 31 December 2023	(8,738,971)

51. BENEFITS AND INTERESTS OF DIRECTORS

(a) Directors' emoluments

The remuneration of every director for the years is set out below:

	Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking													
	Year ended 31 December													
	2024							2023						
	Director's fee RMB'000	Salary RMB'000	Discretionary bonus RMB'000	Employer's contribution to retirement benefit scheme RMB'000	Other benefit RMB'000	Subtotal RMB'000	Share-based payments RMB'000	Director's fee RMB'000	Salary RMB'000	Discretionary bonus RMB'000	Employer's contribution to retirement benefit scheme RMB'000	Other benefit RMB'000	Subtotal RMB'000	Share-based payments RMB'000
Executive directors														
Mr. Li Ming (Chairman)	–	6,292	–	517	624	7,433	–	–	5,828	–	1,159	1,119	8,106	–
Mr. Wang Honghui	–	3,428	–	95	–	3,523	–	–	2,588	–	96	–	2,684	–
Mr. Cui Hongjie	–	2,621	–	95	–	2,716	–	–	2,382	–	96	–	2,478	–
Ms. Chai Juan	–	1,463	–	109	–	1,572	–	–	–	–	–	–	–	–
Non-executive directors														
Mr. Zhao Peng	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Mr. Zhang Zhongdang	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Mr. Yu Zhiqiang	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Mr. Sun Jinfeng	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Independent non-executive directors														
Mr. Han Xiaojing	426	–	–	–	–	426	–	417	–	–	–	–	417	–
Mr. Lyu Hongbin	426	–	–	–	–	426	–	314	–	–	–	–	314	–
Mr. Liu Jingwei	426	–	–	–	–	426	–	216	–	–	–	–	216	–
Mr. Jiang Qi	426	–	–	–	–	426	–	216	–	–	–	–	216	–
Mr. Chen Guogang (i)	145	–	–	–	–	145	–	–	–	–	–	–	–	–
Mr. Jin Qingjun (ii)	281	–	–	–	–	281	–	417	–	–	–	–	417	–
Mr. Suen Man Tak (ii)	–	–	–	–	–	–	–	201	–	–	–	–	201	–
Mr. Wang Zhifeng (ii)	–	–	–	–	–	–	–	103	–	–	–	–	103	–
Ms. Lam Sin Lai Judy (ii)	–	–	–	–	–	–	–	201	–	–	–	–	201	–
	2,130	13,804	–	816	624	17,374	–	2,085	10,798	–	1,351	1,119	15,353	–

(i) On 29 August 2024, Mr. Chen Guogang, was appointed as an independent non-executive director.

(ii) On 29 August 2024, Mr. Jin Qingjun, an independent non-executive director, has resigned.

On 26 June 2023, Mr. Suen Man Tak, an independent non-executive director, has resigned.

On 26 June 2023, Ms. Lam Sin Lai Judy, an independent non-executive director, has resigned.

On 31 March 2023, Mr. Wang Zhifeng, an independent non-executive director, has resigned.

51. BENEFITS AND INTERESTS OF DIRECTORS (Continued)

(b) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

(c) During the years ended 31 December 2024 and 2023, no emoluments were paid by the Group to any of the above directors as an inducement to join or upon joining the Group or as compensation for losses of office.

52. EVENTS AFTER THE END OF THE REPORTING PERIOD

Offshore Debt Restructuring Arrangement

The Offshore Debt Restructuring Plan was subsequently sanctioned by the UK High Court on 3 February 2025 and by the HK High Court on 19 February 2025.

For details of the arrangement on the offshore debt restructuring, please refer to the announcements of the Group on the website of the Stock Exchange.

FIVE-YEAR FINANCIAL SUMMARY

	2024 (RMB million)	2023 (RMB million)	2022 (RMB million) (Restated)	2021 (RMB million)	2020 (RMB million)
Revenue	**23,641**	46,459	46,127	64,247	56,511
Gross (loss)/profit	**(398)**	1,183	2,377	11,258	10,457
(Loss)/profit attributable to owners of the Company	**(18,624)**	(21,097)	(19,037)	2,729	2,866
Total assets	**181,405**	206,172	242,966	281,252	259,689
Total liabilities	**181,188**	199,143	198,186	204,805	189,784
Shareholders' equity	**(12,659)**	7,029	28,641	55,074	53,649
Total equity	**217**	20,792	44,780	76,447	69,905

GLOSSARY

In this annual report, unless the context otherwise requires, the following expressions shall have the following meanings:

"2018 Option Scheme"	the share option scheme approved and adopted by the shareholders of the Company on 6 August 2018
"AGM"	annual general meeting of the Company
"Anti-fraud and Anti-bribery Policy"	the anti-fraud and anti-bribery policy of the Company
"Articles"	the articles of association of the Company
"Audit Committee"	the audit committee of the Company
"BDO"	BDO Limited
"Board"	the board of directors of the Company
"Board Committees"	collectively, the Audit Committee, the Remuneration Committee, the Nomination Committee and the Strategic and Investment Committee and each a "Board Committee"
"Board Diversity Policy"	the board diversity policy of the Company
"CEO"	the chief executive officer of the Company
"CG Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"Chairman"	the chairman of the Board
"China" or "PRC"	the People's Republic of China
"China Life Group"	China Life Insurance (Group) Company (中國人壽保險(集團)公司), a company established under the laws of the PRC, being the controlling shareholder of China Life Insurance, which in turn is a substantial shareholder of the Company
"China Life Insurance"	China Life Insurance Company Limited (中國人壽保險股份有限公司), a joint stock limited liability company incorporated under the laws of the PRC and listed on the Stock Exchange (Stock Code: 02628.HK) and the Shanghai Stock Exchange (Stock Code: 601628.SE) respectively, being a substantial shareholder of the Company
"Code of Conduct"	the code of conduct regarding Director's securities transactions adopted by the Company
"Commercial Company"	Beijing Sino-Ocean Future Commercial Management Co., Ltd.* (北京遠洋未來商業管理有限公司), a company established under the laws of the PRC with limited liability and a wholly-owned subsidiary of the Company
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
"Company" or "Sino-Ocean Group"	Sino-Ocean Group Holding Limited (遠洋集團控股有限公司), a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 03377.HK)

"Company Secretary"	the company secretary of the Company
"Dajia Insurance Group"	Dajia Insurance Group Co., Ltd.* (大家保險集團有限責任公司), a company established under the laws of the PRC, being the controlling shareholder of Dajia Life Insurance, which in turn is a substantial shareholder of the Company
"Dajia Life Insurance"	Dajia Life Insurance Co., Ltd.* (大家人壽保險股份有限公司), a company established under the laws of the PRC, being a substantial shareholder of the Company
"Dajia Life Insurance Group"	Dajia Life Insurance and its subsidiaries and associates
"Director(s)"	director(s) of the Company
"Eastern China Company"	Shanghai Sino-Ocean Huadong Land Co., Ltd.* (上海遠洋華東置業有限公司), a company established under the laws of the PRC with limited liability and a wholly-owned subsidiary of the Company
"ED(s)" or "Executive Director(s)"	executive director(s) of the Company
"ESG"	environment, social and governance
"GFA"	gross floor area
"Group" or "we"	the Company and its subsidiaries
"HKD"	Hong Kong dollars, the lawful currency of Hong Kong
"HKSAR" or "Hong Kong"	Hong Kong Special Administrative Region of the PRC
"INED(s)" or "Independent Non-executive Director(s)"	independent non-executive director(s) of the Company
"Latest Practicable Date"	2 April 2025, being the latest practicable date prior to the issue of this annual report
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
"MPF Scheme"	the mandatory provident fund scheme registered with the Mandatory Provident Fund Schemes Authority under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong)
"NED(s)" or "Non-executive Director(s)"	non-executive director(s) of the Company
"net gearing ratio"	total borrowings less total cash resources divided by total equity
"Nomination Committee"	the nomination committee of the Company
"Nomination Policy"	the nomination policy of the Company
"Remuneration Committee"	the remuneration committee of the Company

"Retiring Directors"	the Directors to be retired and stand for re-election at the forthcoming AGM
"RMB"	Renminbi, the lawful currency of the PRC
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Shanghai Stock Exchange"	The Shanghai Stock Exchange
"Share(s)"	ordinary share(s) of the Company with no nominal value
"Shareholder(s)"	shareholder(s) of the Company
"Shareholders Communication Policy"	the shareholders communication policy of the Company
"Shenzhen Stock Exchange"	The Shenzhen Stock Exchange
"Sino-Ocean Holding"	Beijing Sino-Ocean Group Holding Limited (北京遠洋控股集團有限公司) (formerly known as Sino-Ocean Holding Group (China) Limited (遠洋控股集團(中國)有限公司)), a company established under the laws of the PRC with limited liability and a wholly-owned subsidiary of the Company
"Sino-Ocean Service"	Sino-Ocean Service Holding Limited (遠洋服務控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 06677.HK), being a non-wholly owned subsidiary of the Company
"Sino-Ocean Service Group"	Sino-Ocean Service and its subsidiaries
"sq.m."	square metres
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Strategic and Investment Committee"	the strategic and investment committee of the Company
"Sustainable Development Committee"	the sustainable development management committee of the Company
"USD"	United States dollars, the lawful currency of the United States
"Western China Company"	Sino-Ocean Huaxi (Chongqing) Land Co., Ltd.* (遠洋華西(重慶)置地有限公司), a company established under the laws of the PRC with limited liability and a wholly-owned subsidiary of the Company
"Whistleblowing Policy"	the whistleblowing policy of the Company
"Xishuangbanna"	Xishuangbanna Dai Autonomous Prefecture
"YoY"	year-on-year
"%"	per cent

Note:
In this annual report, the English names of the entities marked with "*" are translations of their Chinese names, and are included herein for identification purposes only. If there is any inconsistency between the Chinese names and their English translations, the Chinese names shall prevail.

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