中國海外宏洋集團有限公司
CHINA OVERSEAS GRAND OCEANS GROUP LTD.

Stock Code: 00081

Together We Advance

2024 ANNUAL REPORT

領潮

精築幸福 創領潮流

The photos of cover, contents and dividers: Jiang Su Nantong Center Mansion

Contents

Safe



Green

Smart

Comfortable

Corporate and Shareholders' Information

CORPORATE INFORMATION

REGISTERED OFFICE
Suites 701-702, 7/F., Three Pacific Place
1 Queen's Road East, Hong Kong

Telephone	:	(852) 2988 0600
Facsimile	:	(852) 2988 0606
Website	:	www.cogogl.com.hk

COMPANY SECRETARY
Anita Wong

SHARE REGISTRAR
Tricor Investor Services Limited
17/F., Far East Finance Centre
16 Harcourt Road, Hong Kong

Telephone	:	(852) 2980 1333
Facsimile	:	(852) 2810 8185
E-mail	:	is-enquiries@vistra.com

AUDITOR
PricewaterhouseCoopers
Certified Public Accountants and
Registered Public Interest Entity Auditor

PRINCIPAL BANKERS
(In Alphabetical Order)
Agriculture Bank of China Limited
Bank of China (Hong Kong) Limited
Bank of China Limited
Bank of Communications Co., Ltd.
Bank of Communications Co., Ltd., Hong Kong Branch
Bank of Shanghai Co., Ltd.
China CITIC Bank Corporation Limited
China Construction Bank (Asia) Corporation Limited
China Construction Bank Corporation
China Merchants Bank Co., Ltd.
China Minsheng Banking Corp., Ltd.
Chong Hing Bank Limited
CMB Wing Lung Bank Limited
DBS Bank Ltd., Hong Kong Branch
Hang Seng Bank Limited
The Hongkong and Shanghai Banking Corporation Limited
Industrial and Commercial Bank of China (Asia) Limited
Industrial and Commercial Bank of China Limited
Industrial Bank Co., Ltd.
Nanyang Commercial Bank, Limited
Postal Savings Bank of China Co., Ltd.
Shanghai Pudong Development Bank Limited

SHAREHOLDERS' INFORMATION

SHARE LISTING
The Company's shares are listed on the Stock Exchange.

ORDINARY SHARES (AS AT 31 DECEMBER 2024)

Shares outstanding	3,559,374,732 shares

STOCK CODE

SHARES

Stock Exchange	:	00081
Bloomberg	:	81:HK
Reuters	:	0081.HK

INVESTOR RELATIONS

Telephone	:	(852) 2988 0600
Facsimile	:	(852) 2988 0606
E-mail	:	cogo.ir@cohl.com

MEDIA ENQUIRY

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E-mail	:	cogo.pr@cohl.com

FINANCIAL CALENDAR

2024 annual results announcement	26 March 2025
Book closure period for annual general meeting	18 June 2025 to 23 June 2025 (both days inclusive)
Record date for annual general meeting	23 June 2025
Annual general meeting	23 June 2025
Book closure period and record date for final dividend	27 June 2025
Despatch date of final dividend warrants	On or around 15 July 2025

Board of Directors and Committees

EXECUTIVE DIRECTORS

Zhuang Yong	*Chairman*
Yang Lin	*Chief Executive Officer*
Zhou Hancheng	*Vice President, Chief Compliance Officer and General Counsel*

NON-EXECUTIVE DIRECTORS

Yung Kwok Kee, Billy	*Vice Chairman*
Liu Ping(1)	
Guo Guanghui(2)	

INDEPENDENT NON-EXECUTIVE DIRECTORS

Chung Shui Ming, Timpson
Lam Kin Fung, Jeffrey
Fan Chun Wah, Andrew

AUTHORISED REPRESENTATIVES

Zhuang Yong
Yang Lin

Notes:

(1) Appointed with effect from 22 April 2024

(2) Resigned with effect from 22 April 2024

AUDIT COMMITTEE

Chung Shui Ming, Timpson	*Chairman*
Lam Kin Fung, Jeffrey	
Fan Chun Wah, Andrew	

REMUNERATION COMMITTEE

Lam Kin Fung, Jeffrey	*Chairman*
Yung Kwok Kee, Billy	
Chung Shui Ming, Timpson	
Fan Chun Wah, Andrew	

NOMINATION COMMITTEE

Fan Chun Wah, Andrew	*Chairman*
Chung Shui Ming, Timpson	
Lam Kin Fung, Jeffrey	
Zhuang Yong	

Financial Highlights

For the year ended 31 December	2024	2023	Change
Contracted property sales[#] *(RMB Million)*	**40,110**	42,820	-6.3%
Key Consolidated Profit and Loss Items *(RMB Million)*			
Revenue	**45,895**	56,408	-18.6%
Gross profit	**3,846**	6,311	-39.1%
Gross margin[1]	**8.4%**	11.2%	-2.8%[^]
Profit attributable to owners of the Company	**954**	2,302	-58.5%
Net margin[2]	**2.1%**	4.1%	-2.0%[^]
As at 31 December	**2024**	**2023**	**Change**
Key Consolidated Statement of Financial Position Items *(RMB Million)*			
Inventories of properties	**84,370**	107,119	-21.2%
Pre-sales proceeds	**27,804**	40,829	-31.9%
Cash and bank balances	**27,291**	26,021	4.9%
Total borrowings[3]	**39,702**	43,564	-8.9%
Net debts[4]	**12,411**	17,543	-29.3%
Total equity	**37,551**	38,130	-1.5%
Equity attributable to owners of the Company	**31,396**	31,304	0.3%
Net gearing[5]	**33.1%**	46.0%	-12.9%[^]
Net asset per share[6] *(RMB)*	**8.82**	8.79	0.3%
Land Bank *(Thousand sq.m.)*			
Development land reserves[#]	**13,778.1**	18,806.8	-26.7%
Financial Year	**2024**	**2023**	**Change**
Return to Shareholders			
Return on equity[7]	**3.0%**	7.5%	-4.5%[^]
Earnings per share *(RMB cents)*	**26.8**	64.7	-58.5%
Dividends per share *(HK cents)*	**10.0**	16.0	-37.5%

FORMULA OF FINANCIAL INFORMATION

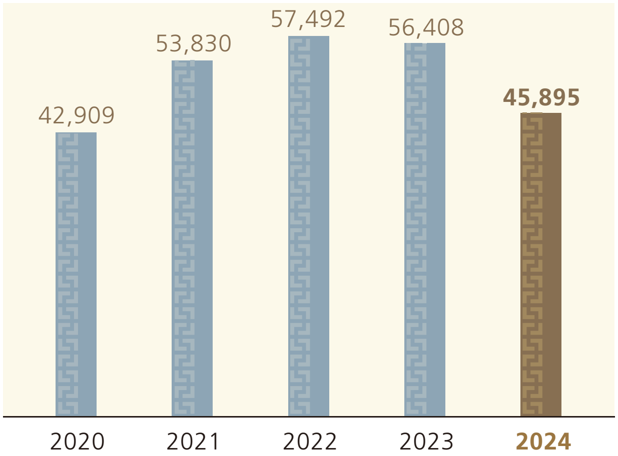
(1)	Gross margin	Gross profit / Revenue
(2)	Net margin	Profit attributable to owners of the Company / Revenue
(3)	Total borrowings	Bank and other borrowings + Guaranteed notes and corporate bonds
(4)	Net debts	Total borrowings – Cash and bank balances
(5)	Net gearing	Net debts / Total equity
(6)	Net asset per share	Equity attributable to owners of the Company / Number of Shares outstanding
(7)	Return on equity	Profit attributable to owners of the Company / Average capital and reserves attributable to owners of the Company

Included associates and joint ventures

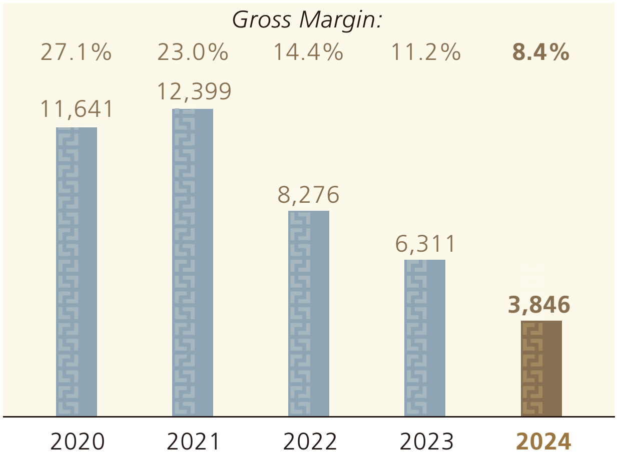
^ Change in percentage points

Financial Highlights

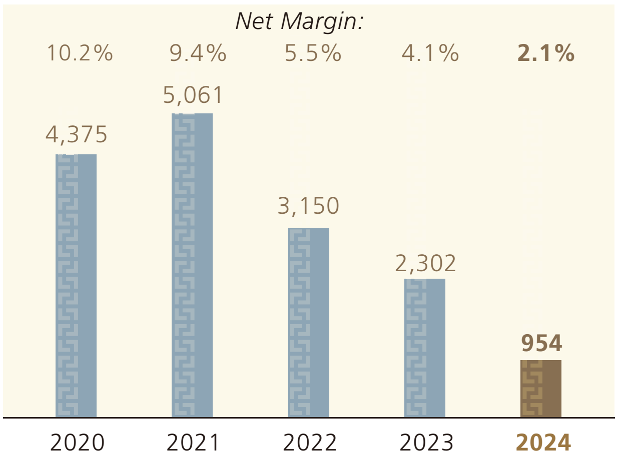
Revenue
(RMB Million)



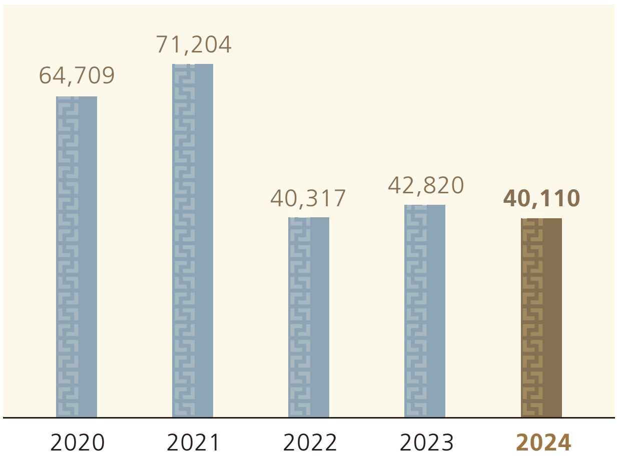
Gross Profit
(RMB Million)



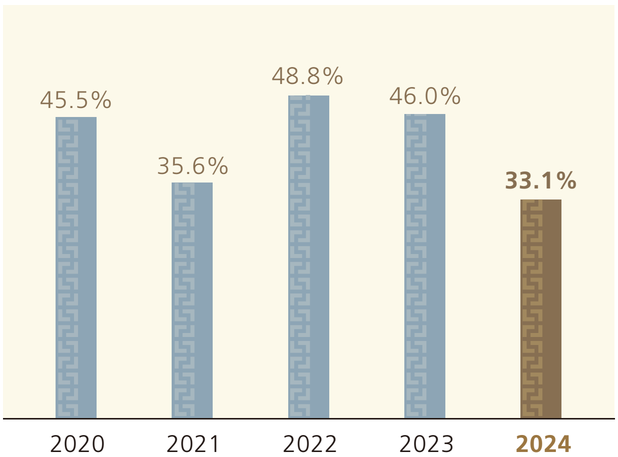
Profit Attributable to Owners of the Company
(RMB Million)



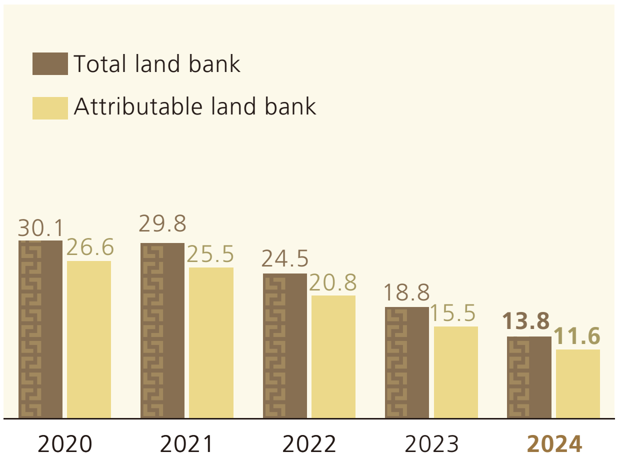
Contracted Property Sales#
(RMB Million)



Net Gearing (Net debts/total equity)



Land Bank#
(Million sq.m.)



Included associates and joint ventures

Chairman's Statement

ZHUANG YONG
CHAIRMAN AND EXECUTIVE DIRECTOR

INTRODUCTION

I am pleased to present the review of annual results for the year ended 31 December 2024 and the outlook in 2025 of the Company and its subsidiaries (collectively the "Group").

In 2024, the Group achieved a revenue of RMB45,895 million, representing a year-on-year decrease of 18.6%. Profit attributable to owners of the Company amounted to RMB954 million, representing a year-on-year decrease of 58.5%. Basic earnings per share was RMB26.8 cents.

After a prudent review on the overall result performance and working capital requirements for the future operations of its business, the Board of the Company recommended the payment of a final dividend of HK7 cents per share (2023: HK11 cents per share) for the year ended 31 December 2024. Taking into account the interim dividend of HK3 cents per share (2023: HK5 cents per share) paid in October 2024, total dividends for the year will amount to HK10 cents per share (2023: HK16 cents per share). The dividend payout ratio for the year is 34.9%.

MARKET REVIEW

In 2024, amid escalating external pressures and mounting domestic challenges, China's economy maintained a steady and forward-moving course. Throughout the year, a series of policy actions boosted social confidence and guided the economy towards a gradual recovery.

In 2024, China's property sector continued its phase of adjustment. Despite a notable decline in new home sales in the first three quarters, the unveiling of the "Promoting Stabilization in the Chinese Real Estate Market" policy in September sent a strong signal of stability, bolstering market confidence. Since the fourth quarter, there has been a significant rebound in new home transactions. According to data from the National Bureau of Statistics, residential property sales value and area sold dipped by 17.6% and 14.1%, respectively, in 2024. CRIC data revealed that total residential sales in China's Top 100 Cities amounted to RMB4.6 trillion in 2024, reflecting a 25.8% year-on-year decrease. Sales volume contracted by 29.4% to 220 million square meters ("sq.m"), with the average selling price at RMB21,100 per sq.m., marking a 6.0% uptick year-on-year. The market's adjustment and consolidation trend persisted.

In the recent market setting, some cities exhibited signs of reaching a bottom, yet the broader market's stability demanded patience amidst lingering uncertainties. The group tackled challenges proactively, maintained resilience through careful strategies, navigated the cycle with unwavering resolve, and propelled sustainable development initiatives forward.

Ningxia Yinchuan Unique Palace

BUSINESS REVIEW

In 2024, global economic growth faced headwinds from escalating geopolitical tensions and a shift towards regionalizing supply chains. Major central banks, including the Federal Reserve, maintained a stance of relatively high-interest rates, impacting the pace of growth in key economies worldwide. With supportive policy measures, China charted a measured recovery, registering a 5.0% year-on-year GDP growth, underscoring its economic resilience. Nevertheless, the reinvigoration of domestic demand showed modest progress, marked by restrained consumer spending and investment traction. Simultaneously, exports encountered hurdles linked to subdued external demand and adjustments in the supply chain landscape. Enhanced policy support is essential to strengthen the underpinnings of the ongoing economic resurgence.

In 2024, debt concerns within the real estate sector and wavering market confidence persisted as key constraints on property investment and sales in China. The industry remained in a phase of recalibration, characterized by a reduction in land transaction volumes to 1 billion sq.m., a downturn in new construction commencements, and a contraction in industry inventory levels. However, sales began to improve in the fourth quarter, indicating a shift towards a new equilibrium. The bottoming out of sales volume appears imminent. Despite persistent inventory challenges, a market adjustment phase was detected, fueling buyer confidence. The Group adeptly maneuvered through this landscape, achieving year-over-year growth in attributable contracted property sales, fortifying our market presence. Stability solidified, momentum surged, and favorable market dynamics continued to converge.

Amid constantly shifting market dynamics, the Group persisted to seek progress while maintaining stability, and promoted stability through progress. By continuously refining processes and supporting frontline operations, the Group pursued resilient growth. In 2024, the Group together with its associates and joint ventures (collectively the "Group Series of Companies") achieved contracted property sales of RMB40,110 million, representing a year-on-year decrease of 6.3%. Notably, while total contracted property sales in the cities where the Group operated dropped by 34%, the Group had seen an increase in market share. The contracted sales area was 3,483,500 sq.m., representing a year-on-year decrease of 1.4%. Contracted property sales attributable to the Group for the year amounted to RMB34,256 million, representing a year-on-year increase of 2.1%, ranking 18th in the industry, an improvement of 12 places compared to 2023. The Group persisted in its inventory reduction strategy, achieving average residential property selling price of approximately RMB12,400 per sq.m., representing a year-on-year decrease of 5.9%. At year end date, the balance of preliminary sales pending the completion of sales and purchase agreements was RMB386 million for an aggregated contracted area of 34,200 sq.m.

In 2024, the Group further advanced project optimization, strengthened the integration of investments and operations, and expedite the launch of new projects. The average time to launch pre-sales was 144 days, a 63-day decrease year-over-year. Through efficient supply management, the sell-through rate for newly launched projects increased annually to approximately 44.4%, surpassing 6 percentage points year-on-year, contributing positively to cash flow.

The Group's commercial property operations exhibited steady growth. Annual revenue surged past RMB484 million, marking a robust 19.7% year-on-year increase, while the cumulative leased area of the Group Series of Companies expanded to 480,000 square meters, reflecting a solid 14.1% growth. Notable milestones included the successful opening of the second phase of the Shantou Golden Coast Waterpark and the Huizhou Uni World. The leasing activity in office projects continued to thrive, with occupancies exceeding 90% at projects such as Beijing China Overseas International Centre, Hefei Central Park, and Lanzhou China Overseas Plaza.

In 2024, the Group aimed to lead its peers and push boundaries to new limits. As other major developers focused their resources mainly in top-tier cities, the Group's competitive edges in mid-tier cities where we operate became clearer. Among the mid-tier cities where the Group has a presence, its contracted sales ranked in the top three of 23 cities. Among them, in 11 cities we ranked first, including Ganzhou, Shantou, Hohhot, Yinchuan, Nantong, Taizhou and Yangzhou, an increase of four cities compared to 2023.

BUSINESS REVIEW (CONTINUED)

The Group remained committed to its "3P" investing strategy, which targeted the most "Prominent" cities and their "Prime" neighborhoods while focusing on "Popular" property types. By carefully scoping out land opportunities, we strategically bolstered our land bank reserves with well-positioned plots primed for future growth. By aligning with industry cycles and the unique traits of mid-tier cities, the Group leveraged its strong presence in local markets. By harnessing precise market research, product excellence, and the branding influence of state-owned enterprises, we seized investment opportunities in each city. In markets demonstrating robust fundamentals, the Group pursued strategies to expand its market share. In 2024, the Group Series of Companies acquired eleven projects through public auctions, adding total gross floor area of 1,189,200 sq.m., with total land cost amounting to RMB5,229 million; and attributable gross floor area of 1,141,400 sq.m., with attributable land cost amounting to RMB4,874 million.

As of 31 December 2024, the gross floor area of the total land bank of the Group Series of Companies was 13,778,100 sq.m., of which 11,590,700 sq.m. were attributable to the Group.

Embracing a long-term approach, the Group concentrated on researching standardized products, establishing a product excellence system that prioritized "Low Cost, High Quality, Fast Delivery." During the year, the Group completed studies on various standardized building layouts, room modules, and unit components, releasing residential product standards and cost benchmarks. We also concluded research on an interior decoration standardization program, including in-depth studies on storage, lighting, smart technology, personalization, MEP (mechanical, electrical, plumbing), hardware materials, and precision work, addressing common challenges in interior finishing. These initiatives had significantly improved operational efficiency and sales performance across projects such as Hefei Central Manor, Ganzhou Central Mansion, Yinchuan Unique Palace, and Nantong Center Mansion.

The Group's strong record of delivery reinforces customer confidence in its industry-leading execution capabilities. The Group had successfully delivered approximately 36,000 new homes. Customer satisfaction rating was 94%, top among industry peers. Our proven track record for ensuring high-quality delivery of new homes is highly recognized and makes us a top brand in the sector.

The Group continued to strengthen its operating cash flow management, and our strong financial position stood the Group in good stead. The Group Series of Companies recorded receipts from sales totalling RMB38.1 billion for the year, with operational cash flow keeping positive for three consecutive years. Cash reserves totalled over RMB27 billion at the year end. The net gearing ratio decreased from 46.0% as at the end of last year to 33.1% as at the year ended. None of the "Three Red Lines" was breached. The weighted average financing cost remained at an industry low of 4.1%. The proportion of total interest-bearing debt denominated in Hong Kong Dollar ("HKD") and United States Dollar ("USD") was adjusted downward from 32.6% as at the end of last year to 19.0% as at the year end. This prudent capital structure adjustment helped continually enhance the Group's resilience amid macroeconomic fluctuations by lowering foreign exchange rate exposure. Seizing policy opportunities, the securing of four operational property loans totaling RMB2,575 million had revitalized commercial assets.

The Group made steady progress in green financing. During the year, it secured five new sustainability-linked offshore RMB loans totalling RMB3,589 million in Hong Kong.

BUSINESS REVIEW (CONTINUED)

The Group remains committed to sustainable development, actively improving the quality of ESG information disclosure. The Group introduced the innovative feature "COGO Leading the Way, Embracing the Carbon Future" and obtained the AA1000 international standard ESG report verification. Actively participating in ESG ratings by MSCI, GRESB, Wind ESG, and S&P, the Group achieved the highest AA rating in Wind ESG's real estate assessment, placing among the top three in the industry. With MSCI ratings rising for two consecutive years, the Group had achieved A grade, highest in the industry. The Group received prestigious accolades, including the UNSDG Achievement Awards Hong Kong and the China Corporate Carbon Neutrality Performance Award, recognizing our exceptional green efforts.

COGO Low Carbon Building Technology Co., Ltd.* ("COGO Low Carbon"), the Group's subsidiary, gradually expanded into ESG and related businesses, empowering green development through market-driven approaches. Over two years, it oversaw carbon audits for China State Construction Engineering Corporation, providing ESG platform development services to entities such as the China Building Materials Association and the Qianhai Low Carbon Demonstration Zone. During the year, COGO Low Carbon achieved National High-Tech Enterprise status and completed the "Specialized, Refined, Distinctive, Innovative" Certification for small and medium-sized businesses in Shenzhen.

During the year, the Group actively engaged in social responsibility efforts by initiating the "Hope Primary School Carbon Neutrality in the Classroom" campaign in cities like Hohhot, Shaoxing, Yinchuan, and Ganzhou. This included supporting energy-efficient upgrades at the China Overseas Hope Primary School in Wenjiahe and achieving the first domestic carbon-neutral school certification. Additionally, they facilitated Ganzhou's Jiangkou Hope Primary School becoming Jiangxi province's inaugural carbon-neutral campus. The Group also organized events promoting green living and sustainability, leveraging their proprietary product "Smart Carbon Planet" to promote awareness of a low-carbon lifestyle.

PROSPECTS

Looking forward to 2025, policies are geared towards stabilizing the real estate market, presenting a wave of policy opportunities within the sector. The Group, following market assessments, has crafted a strategy centered on "Moderation and Beauty," with a focus on developing pivotal mid-tier cities. In this context, "Moderation" signifies a balanced approach in terms of scale, while "Beauty" represents the emphasis on quality properties and lucrative returns. The Group places a strong emphasis on safety and efficiency, aiming for high turnover rates.

The Group sees great potential in mid-tier cities where it has a strong presence. Compared to top-tier cities, these areas offer significant growth opportunities due to China's urbanization rate of approximately 67% and ongoing rural-to-urban migration. Some economically robust mid-tier cities experience positive population growth, benefiting the Group's major markets. The reduced competition among real estate companies in these cities provides the Group with a competitive advantage, leveraging its strengths in resource integration and localized brand building. The influence of the "China Overseas Properties" brand, established product systems, supply chain cost efficiencies, and a dedicated professional team will further bolster the Group's core competitiveness.

As the real estate market moves into its latter stages, companies face a test of resilience and a showcase of their overall strength. The Group is dedicated to strengthen its current portfolio and expanding with top-tier additions. Inventories will be carefully overseen while seeking strategic insights to secure returns on new projects through targeted and analytical investments.

PROSPECTS (CONTINUED)

In a dynamic market environment, adapting to shifting customer demands and providing exceptional offerings becomes paramount. Our steadfast dedication to personalized service and premium products guarantees enduring customer satisfaction, reinforcing our brand reputation and maximizing the influence of "China Overseas Properties" for sustainable business growth.

The Group upholds a disciplined financial strategy, prioritizing cash flow management, cost control, and risk mitigation to maintain robust financial flexibility. With healthy operating cash flows and a solid balance sheet, the Group regularly assesses its debt structure and financing expenses to uphold sufficient cash reserves. Meeting all "Three Red Lines" requirements, the company emphasizes financial efficiency while monitoring external factors such as political and economic shifts, interest rates, and currency fluctuations for their potential impacts on financial performance and operations.

Employees are vital assets driving the Group's success. Through robust human resources systems, safe work environments, and tailored training, the Group fosters talent development and shares in corporate achievements. Embracing an inclusive "People-First" strategy, the Group recruits elite professionals, aligns roles with individual growth paths, and enhances employee capabilities to integrate personal development with business progress. Talent pipeline building is prioritized through focused training programs, empowering staff growth.

Built on a robust foundation in human resources infrastructure and talent management, the Group focuses on fostering a culture of mutual growth. By aligning personal aspirations with long-term corporate goals, employees thrive in a transparent, supportive atmosphere. Continuous enhancements in performance evaluations, compensation, and workspace quality maintain high staff dedication and satisfaction, placing the Group at the forefront of the industry.

Looking forward, we anticipate that in 2025, the increased stimulus measures will drive further economic recovery in China, potentially stabilizing the real estate sector. With a solid financial footing, the Group is prepared to capitalize on market shifts, adopting a proactive stance to navigate upcoming challenges effectively.

APPRECIATION

I would like to express my gratitude to all directors, the management team and our employees for their efforts and dedication, as well as to our stakeholders, customers, partners and the community for their continued trust and support to the Group. We will live up to the expectations and create greater shareholder value for all.

Zhuang Yong
Chairman and Executive Director

BUSINESS REVIEW

REVENUE AND OPERATING RESULTS

In 2024, China's property sector continued its phase of adjustment. Despite a notable decline in new home sales in the first three quarters, the unveiling of the "Promoting Stabilization in the Chinese Real Estate Market" policy in September sent a strong signal of stability, bolstering market confidence. Relevant departments and local governments actively implement policies by the further cancellation of restrictive measures, which facilitated the release of reasonable demand. Since the fourth quarter, there has been a significant rebound in new home transactions. The year-on-year declines in the overall real estate contracted sales volume and area in Mainland China have narrowed significantly, showing signs of stabilization in the market.

Jiangxi Ganzhou The Paragon

BUSINESS REVIEW (CONTINUED)

REVENUE AND OPERATING RESULTS (CONTINUED)

Leveraging a consistently solid financial foundation, the Group continued providing high quality properties to customers during the year. Our premium products resonated strongly in second-tier and third-tier cities. During the year, the Group further gained market share and steadily climbed up along the industry rankings.

The Group Series of Companies achieved contracted property sales of RMB40,110 million for the year (2023: RMB42,820 million), representing a decrease of 6.3% against 2023, in which, an amount of RMB3,031 million (2023: RMB3,118 million) was contributed by associates and joint ventures. Contracted property sales attributable to the Group for the year amounted to RMB34,256 million (2023: RMB33,556 million), representing an increase of 2.1% as compared to 2023. The Group's overall sales performance had outperformed the major market participants during the year.

For the year ended 31 December 2024, the Group recorded revenue of RMB45,895 million (2023: RMB56,408 million), representing a decrease of 18.6% against 2023. Mainly affected by ongoing consolidation of the overall real estate market in Mainland China, gross profit for the year was RMB3,846 million (2023: RMB6,311 million), representing a decrease of 39.1% against 2023. The overall gross profit margin for the year narrowed to approximately 8.4% (2023: 11.2%).

In terms of expenses, the Group continued to maintain stringent cost control throughout the year. Distribution and selling expenses for the year decreased by RMB179 million against 2023 to RMB1,373 million (2023: RMB1,552 million) and the ratio of distribution and selling expenses to the Group's contracted property sales maintained at 4% or below for both the current year and 2023. In addition, administrative expenses for the year decreased by RMB133 million against 2023 to RMB763 million (2023: RMB896 million) and the ratio of the administrative expenses to revenue maintained at less than 2% for both the current year and 2023.

Mainly due to the decrease in gross profit, operating profit for the year amounted to RMB2,210 million (2023: RMB4,207 million), representing a decrease of 47.5% against 2023.

The total interest expense for the year decreased by RMB520 million against 2023 to RMB1,692 million (2023: RMB2,212 million), which was mainly due to the effective cost control measures on interest expenses adopted by the Group during the year. Finance costs, after capitalization of RMB1,633 million (2023: RMB2,147 million) to the on-going property development projects, was RMB59 million (2023: RMB65 million) for the year.

Share of profits of associates for the year amounted to RMB28 million (2023: profits of RMB1 million). The share of losses of joint ventures for the year amounted to RMB17 million (2023: losses of RMB20 million). The share of net profits for the year was mainly attributed by the recognition of profits from property sales of the property development project of certain associates and joint ventures during the year.

Income tax expense comprised enterprise income tax and land appreciation tax ("LAT"). Income tax expense for the year decreased by RMB1,153 million against 2023 to RMB945 million (2023: RMB2,098 million), mainly due to the decrease in operating profit for the year and the adjustments upon the settlements of LAT for certain projects. The effective tax rate for the year was 43.7% (2023: 50.9%).

Overall, for the year ended 31 December 2024, profit attributable to owners of the Company decreased by 58.5% against 2023 to RMB954 million (2023: RMB2,302 million). Basic earnings per share were RMB26.8 cents (2023: RMB64.7 cents).

BUSINESS REVIEW (CONTINUED)

LAND BANK

The management believes that a sizable and high-quality land bank can ensure the sustainable growth of the Group's business and is also one of the most important assets to a property developer. In the past year, to navigate challenging market conditions, the Group leveraged its position of a state-owned enterprise and actively seized structural opportunities in the market. The Group proactively acquired high-quality land parcels at reasonable prices to continuously improve the quality of its land bank. For the year ended 31 December 2024, the Group Series of Companies acquired 11 parcels of land at an aggregate consideration of RMB5,229 million with gross floor area of approximately 1,189,200 sq.m., of which approximately 1,141,400 sq.m. was attributable to the Group (including the interests in associates and joint ventures).

The table below shows the details of land parcels acquired during the year:

No.	City	Name of project	Attributable Interest	Total GFA (sq.m.)
1	Yinchuan	Jinfeng District Project #1 (Genius Garden)	**100%**	**87,700**
2	Xuzhou	Quanshan District Project #1 (Loong Mansion)	**100%**	**61,500**
3	Hefei	Baohe District Project #1 (Central Manor)	**100%**	**97,700**
4	Yinchuan	Jinfeng District Project #2 (Unique Palace)	**100%**	**178,400**
5	Ganzhou	Zhangjiang New Area Project (Central Mansion)	**100%**	**181,800**
6	Hefei	Baohe District Project #2 (Central Manor)	**50%**	**95,600**
7	Yinchuan	Jinfeng District Project #3	**100%**	**108,100**
8	Lanzhou	Anning District Project #1	**100%**	**113,900**
9	Xuzhou	Quanshan District Project #2	**100%**	**58,600**
10	Lanzhou	Anning District Project #2	**100%**	**146,800**
11	Lanzhou	Anning District Project #3	**100%**	**59,100**
Total				**1,189,200**

Furthermore, during the year, the Group also acquired the remaining equity interests of three cooperative projects in Changzhou and Jinhua for an aggregate consideration of approximately RMB595 million, which provided the Group with greater flexibility to dispose of the remaining assets, and enhanced the overall operational efficiency of the Group.

As at 31 December 2024, the gross floor area of total land bank of the Group Series of Companies in Mainland China reached 13,778,100 sq.m. (2023: 18,806,800 sq.m.), of which 969,400 sq.m. (2023: 1,738,400 sq.m.) was held by associates and joint ventures collectively. The gross floor area of land bank attributable to the Group (including the interests in associates and joint ventures) was 11,590,700 sq.m. (2023: 15,517,500 sq.m.). The Group Series of Companies held a land bank distributed in 32 cities as at 31 December 2024.

BUSINESS REVIEW (CONTINUED)

LAND BANK (CONTINUED)

Jiangsu Yangzhou The Paragon

The table below shows the details of land bank as at year end:

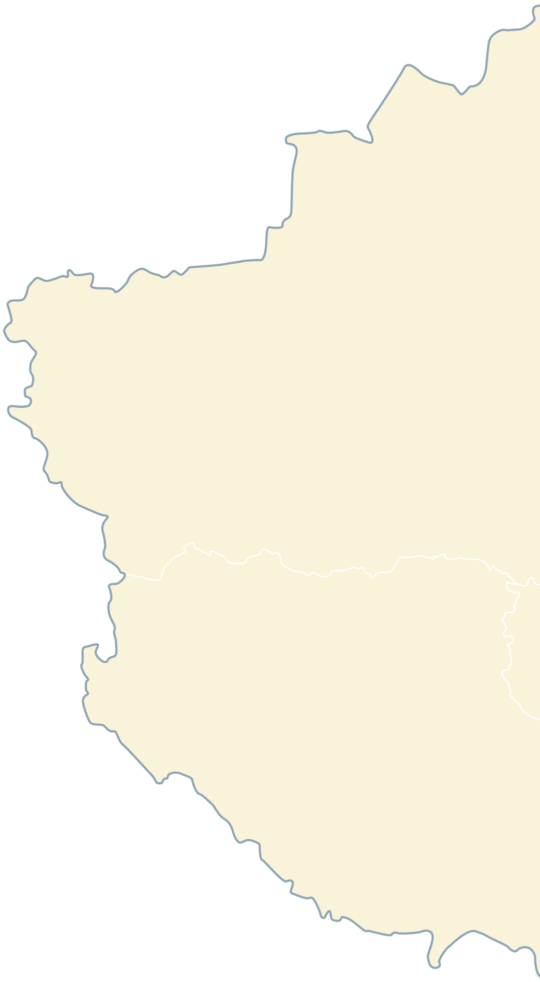
No.	District	Total GFA ('000 sq.m.)	%	Attributable GFA ('000 sq.m.)	%
1	Hefei district	2,202.6	16.0%	1,585.4	13.7%
2	Shantou district	1,656.1	12.0%	1,656.1	14.3%
3	Lanzhou district	1,384.3	10.0%	1,261.8	10.9%
4	Weifang district	1,141.9	8.3%	1,009.1	8.7%
5	Yangzhou district	1,052.3	7.6%	740.6	6.4%
6	Mengning district	826.1	6.0%	823.5	7.1%
7	Huizhou district	721.8	5.2%	458.4	4.0%
8	Yantong district	707.3	5.1%	345.8	3.0%
9	Tangshan district	656.7	4.8%	656.7	5.7%
10	Others	3,429.0	25.0%	3,053.3	26.2%
Total		**13,778.1**	**100.0%**	**11,590.7**	**100.0%**

BUSINESS REVIEW (CONTINUED)

CONTRACTED PROPERTY SALES# BY CITIES

For the year ended 31 December 2024

No.	City	Amount (RMB Million)	%	Contracted Area (sq.m.)	%
1	Hefei	4,769	11.9%	270,100	7.8%
2	Ganzhou	2,776	6.9%	245,700	7.1%
3	Shantou	2,459	6.1%	239,900	6.9%
4	Hohhot	2,269	5.7%	198,600	5.7%
5	Yinchuan	2,251	5.6%	206,000	5.9%
6	Nantong	2,145	5.3%	107,600	3.1%
7	Taizhou	1,848	4.6%	145,200	4.2%
8	Jinhua	1,668	4.2%	104,800	3.0%
9	Nanning	1,594	4.0%	130,400	3.7%
10	Yangzhou	1,586	4.0%	139,800	4.0%
11	Xuzhou	1,445	3.6%	112,500	3.2%
12	Lanzhou	1,392	3.5%	128,900	3.7%
13	Tangshan	1,190	3.0%	66,000	1.9%
14	Yancheng	1,129	2.8%	112,500	3.2%
15	Weifang	1,090	2.7%	169,300	4.9%
16	Shaoxing	1,075	2.7%	40,800	1.2%
17	Quanzhou	1,063	2.6%	78,100	2.2%
18	Huizhou	958	2.4%	81,000	2.3%
19	Changzhou	901	2.2%	78,100	2.2%
20	Jilin	786	2.0%	137,800	4.0%
21	Huai'an	710	1.8%	61,600	1.8%
22	Zibo	683	1.7%	98,700	2.8%
23	Zhanjiang	626	1.6%	65,000	1.9%
24	Anqing	512	1.3%	69,000	2.0%
25	Xining	484	1.2%	64,000	1.8%
26	Zhenjiang	463	1.2%	42,300	1.2%
27	Tianshui	363	0.9%	37,500	1.1%
28	Langfang	342	0.9%	40,400	1.2%
29	Liuzhou	324	0.8%	27,000	0.8%
30	Zhuzhou	281	0.7%	39,300	1.1%
31	Zunyi	250	0.6%	36,100	1.0%
32	Weinan	249	0.6%	47,100	1.4%
33	Jiujiang	124	0.3%	20,700	0.6%
34	Linyi	122	0.3%	19,100	0.5%
	Others	183	0.3%	22,600	0.6%
Total		40,110	100.0%	3,483,500	100.0%



Included associates and join ventures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Sketch map of coastline

SEGMENT INFORMATION*

PROPERTY DEVELOPMENT

The Group remained focused on second- and third-tier cities in China where it understood varying demands for affordable and upgraded housing. It tailored products like furnished and green smart homes according to local market conditions. This maximized returns by catering to different needs while strengthening its national brand. The Group was set on continuing to differentiate its brand from other developers' by creating fantastic places and continues to play a leading role in the market and to develop its own advantages and overall efficiency.

The contracted property sales of the Group Series of Companies for the year ended 31 December 2024 amounted to RMB40,110 million (2023: RMB42,820 million), for an aggregated contracted area of 3,483,500 sq.m. (2023: 3,532,400 sq.m.), (in which, RMB3,031 million <2023: RMB3,118 million> for an aggregated contracted area of 266,700 sq.m. <2023: 233,900 sq.m.> was contributed by associates and joint ventures) representing a decrease 6.3% and 1.4% respectively against to 2023. At year end date, the balance of preliminary sales pending the completion of sales and purchase agreements was RMB386 million for an aggregated contracted area of 34,200 sq.m..

Contracted property sales from major projects during the year ended 31 December 2024:

City	Name of project	Contracted Area (sq.m.)	Amount (RMB Million)
Hefei	Jewel Manor	**66,504**	**1,741**
	Central Manor	**71,567**	**1,533**
	Skyline	**72,328**	**756**
	Mount and Lake	**20,440**	**288**
Ganzhou	River View Mansion	**105,856**	**1,019**
	The One Future	**73,199**	**760**
	Central Mansion	**48,480**	**710**
	The Paragon	**14,207**	**268**
Shantou	The Peninsula	**64,619**	**861**
	The Rivera North City	**40,091**	**444**
	Guan Lan Fu	**30,207**	**295**
	Platinum Mansion	**32,965**	**287**
	Golden Coast	**25,125**	**188**
	Guan Yun Fu	**17,309**	**156**
Hohhot	Central Mansion	**93,062**	**1,126**
	River View Mansion	**51,267**	**549**
	Hohhot Glorioushire	**15,530**	**190**
	Zhonghai Zhen Ru Fu	**12,973**	**179**
	Zhonghai He Shan Guan Lan	**17,556**	**159**
Nantong	Center Mansion	**74,318**	**1,615**
	Hills Scenery	**30,095**	**513**

* The Group has restated segment information comparative figures to conform with the current year's presentation.

SEGMENT INFORMATION (CONTINUED)

PROPERTY DEVELOPMENT (CONTINUED)

Contracted property sales from major projects during the year ended 31 December 2024: (Continued)

City	Name of project	Contracted Area (sq.m.)	Amount (RMB Million)
Yinchuan	Sea Advanced Collection	66,569	763
	Gorgeous Mansion	39,807	531
	Unique Palace	34,705	405
	Genius Garden	33,958	289
Taizhou	Jinmao Palace*	72,777	1,000
	Royal Mansion	26,200	322
	Gorgeous Mansion*	23,369	274
	Graceful Mansion	21,125	250
Jinhua	Central Mansion	19,951	631
	Central Park	47,011	560
	The Halo*	37,415	463
Nanning	One Sino Residences	22,868	591
	Lake Palace	39,117	559
	Harrow Community	28,842	207
	International Community	31,981	185
Yangzhou	The Paragon Yard	61,079	920
	The Paragon	30,456	354
Xuzhou	Loong Mansion	37,898	666
	Lake City Mansion	28,545	291
	Upper East	24,498	287
Lanzhou	La Cite	45,402	582
	China Overseas Platinum Garden	35,314	359
	The Platinum Pleased Mansion	28,305	291
Tangshan	Zhen Ru Fu	24,646	430
	Maple Palace	19,791	388
	The Pogoda	21,584	372
Shaoxing	Marina One	40,846	1,077
Quanzhou	Private Mansion	50,928	615
	Master Mansion	21,681	393

SEGMENT INFORMATION (CONTINUED)

PROPERTY DEVELOPMENT (CONTINUED)

Contracted property sales from major projects during the year ended 31 December 2024: (Continued)

City	Name of project	Contracted Area (sq.m.)	Amount (RMB Million)
Changzhou	Jiang Nan Mansion	**28,488**	**339**
	South Halcyon	**32,916**	**334**
	World Masterpiece	**15,270**	**220**
Yancheng	Gorgeous Mansion	**58,043**	**620**
	Mansion One	**26,051**	**245**
Weifang	Da Guan Tian Xia	**73,748**	**534**
	Royal Villa	**50,410**	**323**
Huai'an	Honor Mainstays	**26,177**	**374**
	Central Mansion	**35,402**	**336**
Huizhou	Unique Palace	**22,835**	**329**
	Sage Mansion^	**11,352**	**193**
	Huizhou Tangquan	**12,791**	**156**
Zhanjiang	We Love City*	**38,456**	**396**
	Glorious City*	**26,527**	**230**
Zibo	Genius Garden	**72,143**	**536**
Anqing	The Metropolis	**68,990**	**512**
Xining	Elite Palace	**34,723**	**248**
	Mountain and Lake	**30,289**	**247**
Jilin	La Cite	**50,725**	**281**
	Metropolis Times	**25,494**	**182**
Zhenjiang	Zhenru Mansion	**38,909**	**426**
Tianshui	The Platinum Pleased Mansion	**37,488**	**363**
Langfang	Platinum Garden	**40,360**	**342**
Liuzhou	The Cullinan	**27,035**	**324**
Zhuzhou	Majestic Mansion	**28,475**	**207**

* These projects are held by the joint ventures of the Group

^ This project is held by an associate of the Group

SEGMENT INFORMATION (CONTINUED)

PROPERTY DEVELOPMENT (CONTINUED)

During the year, gross floor area of nearly 6,227,400 sq.m. (2023: 7,370,100 sq.m.) of construction sites were completed for occupation and of which, about 84% (2023: 83%) had been sold at year end. The Group continued to focus on promoting sales in this changing market to place financial resilience at its core.

For the year ended 31 December 2024, the recognized revenue of the Group for this segment was RMB45,411 million (2023: RMB56,003 million), representing a decrease of 18.9% against 2023. The revenue recognized for the year was mainly from the sales of high-rise residential projects. Mainly affected by ongoing consolidation of the overall real estate market in Mainland China, the gross profit margin of this segment for the year narrowed to 8.0% (2023: 11.0%) when compared to 2023.

The Group jointly developed property development projects with reliable business partners under the business model of associates and joint ventures in various cities. The Group's share of net profits from the associates and joint ventures included in the segment result for the year amounted to RMB5 million (2023: net losses of RMB24 million). The share of net profits for the year was mainly attributed by the recognition of profits from property sales of the property development project of certain associates and joint ventures during the year.

Overall, due to a decrease in gross profit, the segment profit for the year decreased by 56.3% to RMB1,843 million (2023: RMB4,216 million).

Recognized revenue from major projects during the year ended 31 December 2024:

City	Name of project	Contracted Area (sq.m.)	Amount (RMB Million)
Shantou	The Peninsula	**169,093**	**2,285**
	The Rivera North City	**192,234**	**2,060**
	Guan Yun Fu	**64,560**	**546**
Hefei	Skyline	**165,193**	**3,333**
	Vitality City	**16,356**	**184**
Yinchuan	Gorgeous Mansion	**145,548**	**1,739**
	Glory Mansion	**106,822**	**855**
	Master Mansion	**112,962**	**850**
Quanzhou	Elegance Mansion	**227,675**	**3,367**
Changzhou	South Halcyon	**85,983**	**1,212**
	Jiang Nan Mansion	**72,803**	**1,146**
	World Masterpiece	**30,161**	**515**
Jinhua	Central Mansion	**42,127**	**1,497**
	Central Park	**91,807**	**1,123**
Lanzhou	The Platinum Pleased Mansion	**94,567**	**1,077**
	La Cite	**62,255**	**785**

SEGMENT INFORMATION (CONTINUED)

PROPERTY DEVELOPMENT (CONTINUED)

Recognized revenue from major projects during the year ended 31 December 2024: (CONTINUED)

City	Name of project	Contracted Area (sq.m.)	Amount (RMB Million)
Shaoxing	Marina One	66,839	1,823
Taizhou	Royal Mansion	65,297	900
	Graceful Mansion	61,483	849
Xuzhou	Upper East	64,941	761
	Lake City Mansion	42,583	470
	Future Land	38,902	378
Yancheng	Gorgeous Mansion	83,515	960
	Mansion One	48,037	490
Tangshan	The Pogoda	69,497	1,287
Nantong	Hills Scenery	52,335	1,062
Nanning	Lake Palace	59,330	938
Huai'an	Honor Mainstays	47,200	572
	Central Mansion	33,208	323
Huizhou	Unique Palace	53,304	831
Zibo	Genius Garden	112,394	817
Anqing	The Metropolis	103,134	779
Yangzhou	The Paragon	41,822	766
Ganzhou	The Paragon	35,746	712
Zhenjiang	Zhenru Mansion	57,313	670
Weinan	Master Mansion	103,480	601
Weifang	Royal Villa	61,486	436

SEGMENT INFORMATION (CONTINUED)

PROPERTY DEVELOPMENT (CONTINUED)

The following projects had commenced the construction work in the year:

City	Name of project	Commenced by
Ganzhou	The One Future	**March**
Hohhot	Central Mansion	**March**
Jilin	Metropolis Times	**March**
Nantong	Center Mansion	**March**
Yancheng	Sanguinely Life^	**March**
Yinchuan	COGO City	**March**
Tangshan	One Rare Residence	**April**
Yangzhou	The Paragon Yard	**April**
Yinchuan	Genius Garden	**May**
Jilin	UniMall	**May**
Weifang	Around the World	**June**
Ganzhou	River View Mansion	**August**
Xuzhou	Loong Mansion	**August**
Hefei	Central Manor	**September**
Lanzhou	China Overseas Platinum Garden	**September**
Yinchuan	Unique Palace	**September**
Zibo	Genius Garden	**September**
Xining	Elite Palace	**November**
Anqing	The Metropolis	**December**
Ganzhou	Central Mansion	**December**
Hefei	Central Manor	**December**
Shantou	Golden Coast	**December**

^ The project is held by an associate of the Group

Further details of the respective projects are shown in the Particulars of Major Properties & Property Interests on page 208 to page 234 in the annual report.

At the year end, the gross floor area of properties under construction and stock of completed properties amounted to 8,004,100 sq.m. (2023: 11,672,900 sq.m.) and 3,114,500 sq.m. (2023: 2,692,400 sq.m.) respectively, totaling 11,118,600 sq.m. (2023: 14,365,300 sq.m.). Properties with gross floor area of 3,085,200 sq.m. (2023: 4,563,500 sq.m.) had been contracted for sales and were pending for handover upon completion.

SEGMENT INFORMATION (CONTINUED)

COMMERCIAL PROPERTY OPERATIONS

In respect of the commercial property operation business, the Group maintains a high-quality commercial property portfolio in 17 cities in Mainland China. This strategy generates stable recurring income for the Group.

As at 31 December 2024, the total leased area of commercial properties held by the Group Series of Companies exceeds 480,000 sq.m., including eight office buildings, thirteen shopping malls and commercial area, five hotels, and one long-term leased apartment, amounted to an aggregate carrying amount of RMB6,991 million.

For the year ended 31 December 2024, the revenue of the Group for this segment amounted to RMB484 million (2023: RMB405 million), of which RMB298 million (2023: RMB272 million) arose from commercial property rental income and RMB186 million (2023: RMB133 million) arose from hotel and other commercial operations. The commercial property operation business remained on a stable growth in general.

In respect of the investment properties, no fair value adjustment was recognized for the year (2023: Nil).

The Group holds 65% of equity interest of a scientific research office building in Zhang Jiang High-tech Zone in Shanghai. The Group's share of profit from the joint venture, which holds the above research office building, was RMB5 million (2023: RMB5 million) for the year and was included in the segment result for the year.

Overall, the segment profit for the year increased by RMB67 million against 2023 to RMB193 million (2023: RMB126 million).

FINANCIAL RESOURCES AND LIQUIDITY

The Group has consistently adopted prudent financial management approach and its financial condition remained healthy. The Company and its subsidiaries have gained multiple accesses to funds from both investors and financial institutions in Mainland China and international market to meet its requirements in working capital, refinancing and project development. During the year, onshore and offshore financing channels remained readily accessible, underscoring the Group's competitive strengths.

In addition, under the favourable corporate financing environment in Mainland China, the Group has been actively exploring new financing channels. During the year, the Group successfully secured operational property loans for the investment properties in Beijing, Hefei, Lanzhou and Huizhou, of which aggregate borrowing drawdown amounted to RMB2,575 million. Specifically, the Beijing property secured a financing of RMB2,000 million with a tenure of 15 years at an interest rate of 3.2% per annum at year end. During the year, the Group continued securing financings in the Mainland at lower interest rates, effectively controlling financing costs and maintaining the Group's cost of funds at the low end within the industry.

In respect of offshore financing, in response to the market environment whereby the Hong Kong Interbank Offered Rate ("HIBOR") maintained at a high level during the year, following the work from 2023, the Group continued refinancing of HKD floating rate bank loans into RMB fixed rate bank loans with lower interest rates during the year. This helped control the Group's financing costs.

During the year, the Group secured an aggregate amount of RMB20,800 million of new credit facilities from leading financial institutions. After taking into account drawdowns of RMB15,079 million, repayment of loans of RMB19,314 million and increase of RMB246 million due to translation effect, total bank and other borrowings (excluding guaranteed notes and corporate bonds) decreased by RMB3,989 million as compared to that at the 2023 year end to RMB30,920 million (2023: RMB34,909 million).

FINANCIAL RESOURCES AND LIQUIDITY (CONTINUED)

As at 31 December 2024, the total bank and other borrowings (excluding guaranteed notes and corporate bonds) included RMB loans of RMB27,146 million (2023: RMB24,380 million) and HKD loans of HK$4,020 million (equivalent to RMB3,774 million) (2023: HK$11,595 million <equivalent to RMB10,529 million>). About 87.8% and 12.2% (2023: 69.8% and 30.2%) of the Group's total bank and other borrowings (excluding guaranteed notes and corporate bonds) were denominated in RMB and HKD respectively.

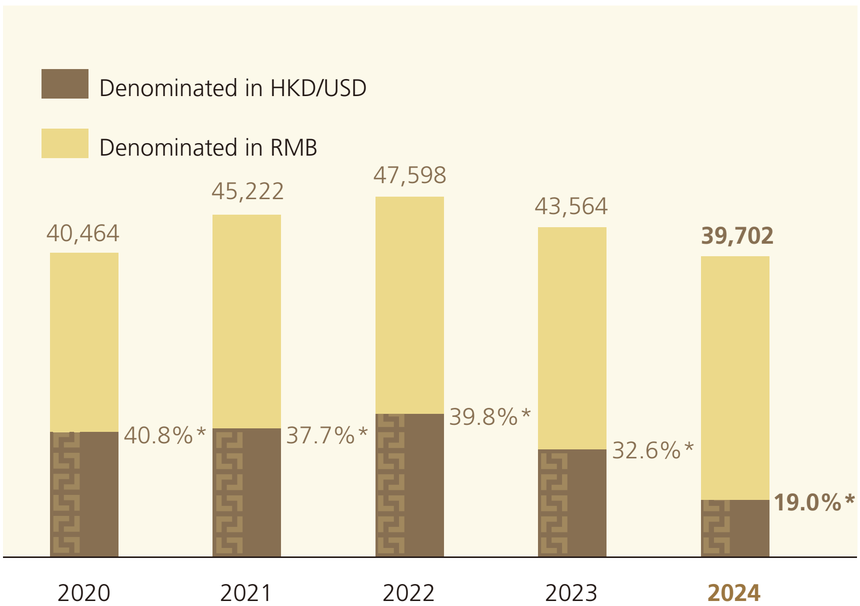
As at 31 December 2024, bank and other borrowings amounted to RMB12,862 million (2023: RMB9,513 million) were charged at fixed interest rates ranging from 2.8% to 4.9% (2023: 3.5% to 4.9%) per annum, while the remaining bank and other borrowings of RMB18,058 million (2023: RMB25,396 million) were charged at floating interest rates ranging from 2.5% to 6.3% (2023: 2.6% to 7.6%) per annum. About 41.6% and 58.4% (2023: 27.2% and 72.8%) of the Group's total bank and other borrowings (excluding guaranteed notes and corporate bonds) were charged at fixed and floating interest rates respectively. About 31.5% (2023: 38.8%) of bank and other borrowings is repayable within one year.

As at 31 December 2024, guaranteed notes and corporate bonds amounted to RMB3,782 million (2023: RMB3,655 million) and RMB5,000 million (2023: RMB5,000 million), respectively, totaling RMB8,782 million (2023: RMB8,655 million).

To rein in financing costs, following the work from 2023, the Group continued to reduce its overall debt levels during the year. As at 31 December 2024, the Group's total borrowings (including guaranteed notes and corporate bonds) amounted to RMB39,702 million (2023: RMB43,564 million), which decreased by RMB3,862 million and of which about 81.0% and 19.0% (2023: 67.4% and 32.6%) were denominated in RMB and HKD/USD respectively. The increase in the ratio of total borrowings denominated in RMB compared to 2023 was mainly due to the continuing increase in the ratio of offshore bank borrowings denominated in RMB during the year.

Total Borrowings

(RMB Million)



* Ratio of total borrowings denominated in HKD/USD

FINANCIAL RESOURCES AND LIQUIDITY (CONTINUED)

For the year ended 31 December 2024, in respect of total borrowing (including guaranteed notes and corporate bonds) of the Group, the weighted average borrowing cost for the year was 4.1% per annum, which decreased from 4.6% per annum in 2023. The decrease in overall borrowing cost of the Group was mainly attributable by the combined effect of the decrease in weighted average borrowing cost for offshore borrowings of the Group from 5.2% per annum in 2023 to 4.5% per annum during the current year due to the continuing increase in the ratio of offshore bank borrowings denominated in RMB with lower interest rates during the year; and the decrease in weighted average borrowing cost of onshore borrowings of the Group from 4.3% per annum in 2023 to 3.7% per annum during the current year due to the ongoing availability of onshore financing with lower interest rates.

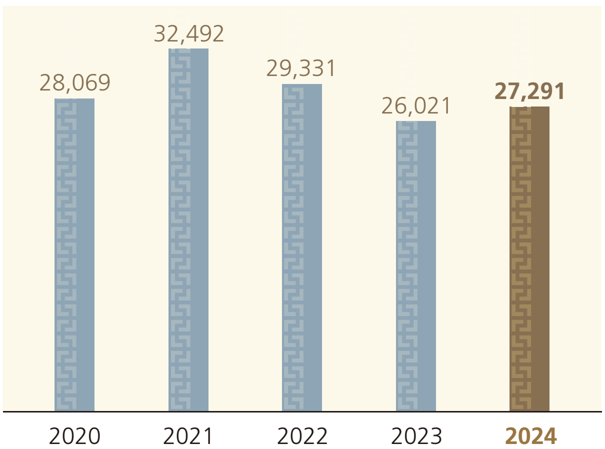
Sales deposits collection from properties sales remained satisfactory during the year. Receipts from sales of the Group Series of Companies reached RMB38,100 million for the year and the operating cash flow of the Group continued to record a net inflow of RMB9,029 million for the year. Cash and bank balances was RMB27,291 million (2023: RMB26,021 million) in total as at 31 December 2024, which increased by RMB1,270 million compared to the end of 2023. Cash and bank balances accounted for 21.1% of the Group's total assets as at 31 December 2024 (2023: 17.1%), which maintained at a very healthy level. Of which, 99.6% (2023: 98.9%) was denominated in RMB while the remaining were in HKD and USD.

As at 31 December 2024, net working capital of the Group amounted to RMB59,436 million (2023: RMB62,329 million), with a current ratio of 2.0 (2023: 1.8).

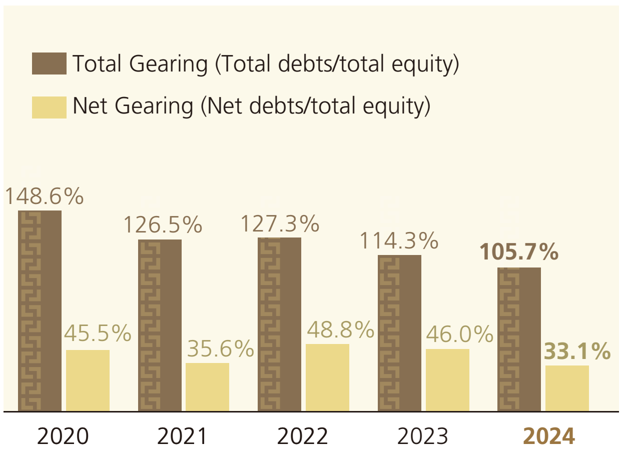
As at 31 December 2024, the net gearing ratio, expressed as a percentage of net debts (i.e. total borrowings, including guaranteed notes and corporate bonds, net of cash and bank balances and restricted cash and deposits) to total equity, was 33.1% (2023: 46.0%). The management closely monitors the financial position of the Group to ensure healthy development of the operation scale and business.

Cash and Bank Balances

(RMB Million)



Gearing Ratio



FINANCIAL RESOURCES AND LIQUIDITY (CONTINUED)

Besides, according to the "Three Red Lines" real estate financial supervision policy in Mainland China, as at 31 December 2024, the liabilities-to-assets ratio (excluding receipts in advances) was 63.0% (2023: 65.7%); net gearing ratio was 33.1% (2023: 46.0%) and cash-to-short-term debt ratio was 1.7 times (2023: 1.5 times). Therefore, the Group did not breach any of the red lines and maintained as a "Green Category" enterprise, and the above-mentioned indicators continue to improve over the past few years.

Taking into account of the unutilized bank credit facilities available to the Group of RMB10,475 million (2023: RMB10,636 million), the Group's total available funds (including cash and bank balances) reached RMB37,766 million (2023: RMB36,657 million) as at 31 December 2024.

In view of rapidly-changing property and capital market conditions and government policies and regulations, liquidity risk management is essential to support the sustainability of business growth of the Group. The Group continues to implement centralized management policies in financing and cash management, maintains good cash flow and minimizes its financial risks to ensure healthy operations and financial positions. While the international environment is complex and dynamic and financial market is also volatile, the Group maintains close communication with financial institutions, and ensures the continual fulfillment of the financial covenants and receiving of continual supports from all parties.

The Group has not entered into any financial derivatives either for hedging or speculative purpose during the year.

The Group regularly re-evaluates its operational and investment status, monitors the financial market and explores opportunities to invest in property development projects in co-operation with reliable business partners through the business models of associates and joint ventures to improve its capital structure continuously.

FOREIGN EXCHANGE EXPOSURE

As the Group conducted its sales, receivables and payables, expenditures and part of the borrowings in RMB for its property development business in Mainland China, the management considered a natural hedge mechanism existed in that operation. However, as at 31 December 2024, about 19.0% (2023: 32.6%) of the Group's total borrowings (including guaranteed notes and corporate bonds) were still denominated in HKD/USD. Hence, by taking into account of the debt financing structure, the Group is subject to foreign exchange risk from the volatility of RMB exchange rate.

The exchange rate of RMB to HKD depreciated by approximately 3.3% during the year and accordingly, the net asset value of the Group decreased by RMB616 million which arose from currency translation.

To better manage foreign exchange risks while lowering finance costs arising from the HKD bank borrowings with higher market interest rates, the Group is in the process of continuing to raise the proportion of RMB borrowing in its entire borrowings portfolio to the appropriate level according to market conditions.

COMMITMENTS AND GUARANTEE

As at 31 December 2024, the Group had commitments totaling RMB12,152 million (2023: RMB16,558 million) which mainly related to land premium, property development and construction works.

In addition, the Group issued guarantees to certain banks and government agencies for facilitating end-user mortgages in connection with its property sales in Mainland China as a usual commercial practice with an aggregate amount of RMB15,861 million (2023: RMB23,856 million) and to certain banks for the credit facilities granted to an associate and a joint venture with an aggregate amount of RMB290 million (2023: RMB430 million).

CAPITAL EXPENDITURE AND CHARGES ON ASSETS

The Group had capital expenditures totaling RMB5 million (2023: RMB88 million) during the year, mainly included additions of investment properties, right-of-use assets, as well as additions of land and buildings, vehicles and furniture, fixtures and office equipment within property, plant and equipment.

As at 31 December 2024, certain inventories of properties in Mainland China with aggregate carrying value of RMB7,196 million (2023: RMB14,327 million) were pledged to obtain RMB1,602 million (2023: RMB3,583 million) of secured borrowings from certain banks in Mainland China for the property development projects.

Furthermore, as at 31 December 2024, certain investment properties of the Group in Mainland China with an aggregate carrying value of RMB3,809 million (2023: Nil) were pledged to obtain RMB2,514 million (2023: Nil) of secured operational property loans from certain banks in Mainland China.

EMPLOYEES

As at 31 December 2024, the Group has 2,429 employees (2023: 2,586). The decrease in the number of employees was mainly due to the streamline of organizational structure and staffing to meet the requirements of different development stages of the Group during the year.

The Group is keen to motivate and nourish talent and reviews the remuneration policies and packages on a regular basis to recognize employee contributions and respond to changes in the employment market. The pay levels of the employees are determined based on their responsibilities, performance and the prevailing market condition. Discretionary bonus was paid to employees based on individual performance while other remuneration and benefits, including the provident fund contributions/retirement pension scheme, remained at appropriate levels. Different trainings and development opportunities continued to be offered to sharpen employees' capabilities to meet the pace of business growth.

KEY RISKS FACTORS AND UNCERTAINTIES

The Group monitors the development of the industry on regular basis and timely assesses different types of risks in order to formulate proper strategies to minimize the impact to the Group. The following contents list out the key risks and uncertainties identified by the Group:

DEBT REPAYMENT RISK

Financial markets are complex and volatile. As a capital-intensive sector, cash flow management is a key risk for property developers. Risks include potential shortfalls in expected sales receipts or the inability to refinance maturing debt. In addition, peer credit performance, changing regulations, geopolitics and shifting macroeconomic conditions could affect the Group's funding access and increase working capital pressures.

The Group will continue accelerating property sales and cash collection while replenishing land bank reserves prudently. It will also appropriately adjust the development pace according to market conditions, strengthen inventory management and explore diversified funding channels to ensure robust cash flows and maintain a strong financial position. The Group aims to sustain good cooperation with financial institutions and meet financing commitments and regulatory requirements.

KEY RISKS FACTORS AND UNCERTAINTIES (CONTINUED)

MARKET RISK

The real estate market of Mainland China is susceptible to different factors such as government policies and regulations, economic growth, social environment, customer demands, etc.

The Group closely monitors changes in the business environment and regulations, and timely evaluates their impact to formulate sustainable development strategies. It will further boost product research and development, improve standardization, and gradually increase the supply of renovated flats to cater to customer demand changes. This enhances project quality. Additionally, construction schedules will be flexibly adjusted based on sales performance to ensure supply while reducing potential inventory pressure.

INVESTMENT RISK

The property market in Mainland China diverges with uneven growth among different cities and districts. Under the city-specific policies, it is critical for the Group to replenish and acquire suitable land bank at suitable sites at reasonable price for healthy and sustainable growth.

The Group sticks firmly to its prudent investment approach and expands its operating scale in an organized manner. The Group would continue to perform comprehensive due diligence review on new business opportunities and selected cautiously appropriate projects meeting its requirements for investment. At the same time, co-operation with strong and reputable corporations for developing projects jointly are considered to balance operational risks.

FOREIGN EXCHANGE RISK

In recent years, volatility in RMB's exchange rate has increased due to global economic uncertainties. Under the existing debt financing structure, the Group is subject to foreign exchange risk from the volatility of RMB exchange rate.

The Group continues to strengthen currency risk management. Management closely monitors market moves to optimize the currency mix in loans, balancing financing costs and risks. It will also monitor RMB fluctuations and optimize the RMB to HKD/USD debt portfolio mix as needed. Different funding options are also evaluated to mitigate risks from foreign exchange movements.

PRODUCT QUALITY RISK

Property developer has to manage the risk of work quality of major contractors. Reputation of the developer would be affected by sub-standard housing products arising from improper work procedures and poor site management.

With extensive experience in the property development business, the Group has established a well-defined quality assessment system and would strictly regulate the construction work process in order to ensure smooth progress and quality assurance of the property development projects.

2024 AT A GLANCE

Electronic Dissemination of Corporate Communications

Adopted electronic dissemination of corporate communications* and actionable corporate communications* in February 2024 to promote the go green concept with an option for shareholders to receive hard copy format.

Property Market Quarterly Updates

With the aim of keeping the Board informed of current market trends and performance of market peers, and enhancing strategic decision-making, in addition to the ongoing monthly updates, management has begun to provide the Board with the quarterly updates on the property market since April 2024, which include its analysis and forecasts.

First Female Director on the Board

Appointed the first female Director (Ms. Liu Ping) to the Board in April 2024 to further enhance the Board's gender diversity.

Change of Auditor

Appointed PricewaterhouseCoopers as auditor of the Company in June 2024 to fill the vacancy following the retirement of BDO Limited, which had served as auditor of the Company for 14 consecutive years, with the aim of ensuring the independence and objectivity of external audit services.

Field Inspections

The Legal Division of the Finance and Treasury Department, along with the Company Secretarial Department, conducted legal compliance field inspections in six district companies, namely Xuzhou, Yangzhou, Mengning, Hefei, Nanning and Tangshan, from September to October 2024.

Compliance and Risk Management Conference

Held an internal conference in November 2024 to promote the importance and practices of compliance and risk management to the colleagues from legal, risk management and related functions.

Professional Development

Organised two internal seminars for the colleagues on the PRC laws and the Listing Rules in November 2024. During the seminars, external lawyers presented the relevant laws and regulations, and case studies.

MSCI ESG Ratings Upgraded to A

Increased governance score from 3.3 in December 2023 to 4.5 in December 2024, representing an increase of approximately 36.4%. The improvement in governance contributed to the upgrade of the MSCI ESG Ratings to A for the first time.

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
		BOARD	BOARD		AGM		BOARD		BOARD	IBC	GM
		AC	AC				AC		AC		
		RC	RC								
		NC	NC								

BOARD Board Meeting

AC Audit Committee Meeting

RC Remuneration Committee Meeting

NC Nomination Committee Meeting

IBC Independent Board Committee Meeting

AGM Annual General Meeting

GM General Meeting

MSCI ESG RATINGS
CCC B BB BBB A AA AAA

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* As defined under the Listing Rules.

CORPORATE GOVERNANCE PRACTICES

The Group strives to raise the standards of corporate governance and regards corporate governance as part of value creation. This reflects the commitment of the Board and senior management to abiding by the standards of corporate governance, as well as the commitment to maintaining transparency and accountability to maximise the value of the shareholders of the Company as a whole.

The Company has applied the corporate governance principles and complied with all the code provisions (where applicable, some of the recommended best practices) set out in the CG Code for the year ended 31 December 2024.

CORPORATE CULTURE, MISSION, VISION AND VALUES

The Group adheres to China Overseas' corporate culture of "Leading", which signifies that the Group will incessantly leap over boundary, proactively pioneer and lead the industry, and dauntlessly chart new territory. The Group also takes on the mission of "We Manage Happiness", strives to achieve the vision of "Becoming an Exceptional Global Property Development and Operation Corporation", and, at all times, upholds the core values of "Customer-Oriented, Quality Assurance, Value Creation". In addition, the Group acts in the spirit of "Craftsmanship in COGO", entailing the meticulous quality of its projects, polishing its products into perfection, securing market share with its superb products and premium services, and endlessly making strides while continuously driving innovation. This dedication qualifies the Group as a "Four Excellences" enterprise, encompassing "Excellent Products", "Excellent Services", "Excellent Effectiveness" and "Excellent Citizenship". The Group fosters the felicity of its customers and embraces its social responsibilities. While carrying the "Grand" ambitions and sailing across the boundless "Oceans", the Group will continue to collaborate, work diligently, and forge ahead with all one's heart every day in order to fulfill its mission and vision.

领潮

CORPORATE CULTURE

Leap Over Boundary
Pioneer and Lead the Industry
Chart New Territory

Vision — Become an Exceptional Global Property Development and Operation Corporation

Mission — Manage Happiness for Customers, Employees, Shareholders and Society

Core Values — ✩Customer-Oriented ✩Quality Assurance ✩Value Creation

Corporate Spirit — Forge Ahead with All One's Heart Every Day

Brand Concept — Build Happiness and Lead the Trend

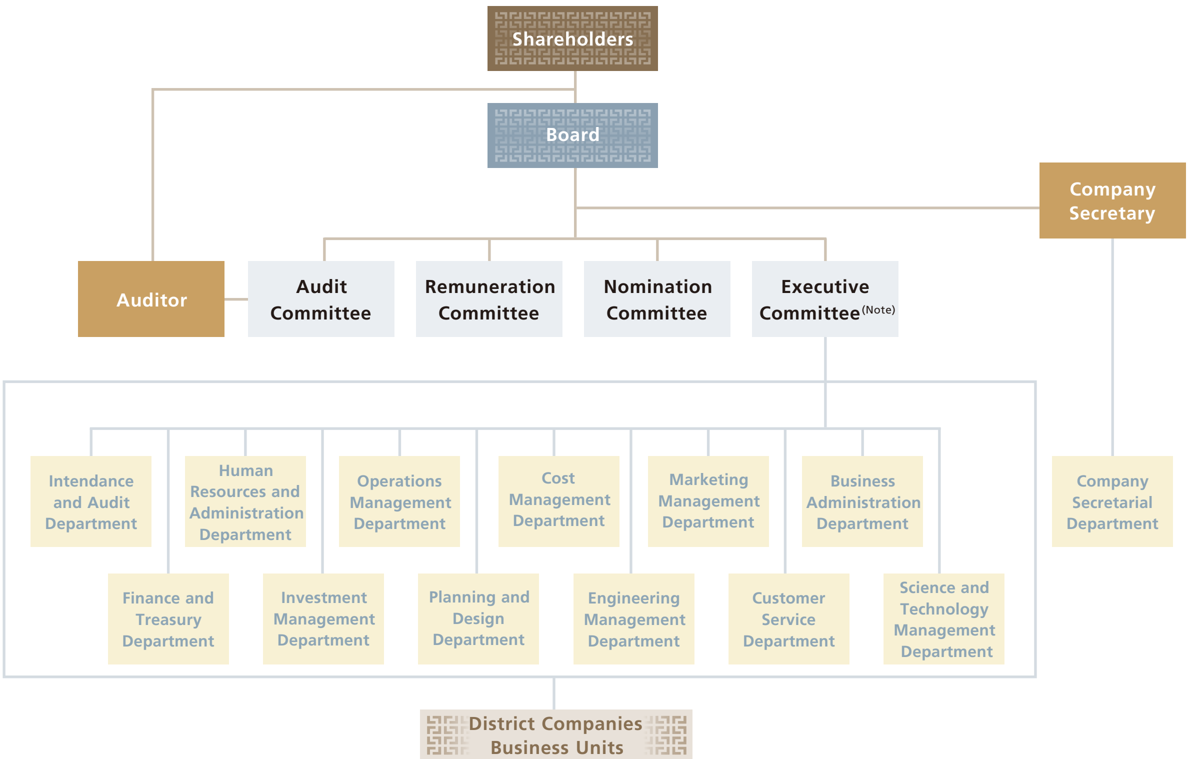
Talent Concept — Assemble the Enterprising Ones; Motivate the Promising Ones

CORPORATE STRATEGY AND BUSINESS MODEL

The Group's businesses encompass "One Body", being the properties held for sale, and "Two Wings", being the properties held for investment and the innovative properties, forming as its business framework and operational characteristics, "developing residential properties as the core business while holding core commercial properties as the long term investment". Furthermore, based on the Group's "12345" quality product framework, the Group builds excellent products. The Group also upholds the principle of "what you see is what you get", the product quality principle of "Impeccable Process, Impeccable Properties", and the service principle of "Customer First, Steadfast Services" in order to elevate customer satisfaction. On the other hand, the Group has followed the national policy and formulated "Carbon Peaking and Carbon Neutrality" strategies. The Group continues to make large strides towards the carbon targets in three dimensions by creating the prototype of green operation, implementing the low carbon management of projects throughout their whole life cycle and converting the value chain into a green and low carbon value chain. Details of the Group's business review and financial review for the year 2024 are set out in the "Chairman's Statement" and "Management Discussion and Analysis" sections in this annual report, and the details of the Group's sustainable development are set out in the Company's "Environmental, Social and Governance Report".

CORPORATE GOVERNANCE STRUCTURE

The Board has established a comprehensive governance structure. With the support of and collaboration among four board committees (the "Board Committees" or "Committees", i.e. Audit Committee, Remuneration Committee, Nomination Committee and Executive Committee), Company Secretary, external auditor and every department, the Board comprehensively implements the Group's good governance practices and policies. The major responsibilities and roles of the Board and each Board Committee and the explanations of the corporate governance practices and policies are set out in this report. Below is the governance structure of the Group:



Note:
Comprises all the Executive Directors.

BOARD OF DIRECTORS

MANAGEMENT FUNCTIONS

The Board is the highest decision-making and managing body of the Company. Having regard to the best interests of the Company and its shareholders, the Board reviews and approves major matters such as the Company's business strategies, budgets, major investments as well as mergers and acquisitions. In addition, the Directors have acknowledged that the principal responsibilities of the Board include supervising and administrating the operation and financial position of the Company, enhancing corporate governance practices and promoting the communication with its shareholders and engagement with stakeholders.

With respect to the day-to-day operations of the Company's business, the Board has delegated its powers to the Executive Committee and the management by giving clear directions as to the management's powers, and as to when the management should report back and obtain prior board approval before making decisions or entering into any commitments on behalf of the Company. The Board also reviews the arrangements to ensure that they remain appropriate to the Company's needs.

BOARD COMPOSITION

The Board currently comprises the following eight Directors and has an appropriate mix of skills, experience, expertise and diversity which underpin its effectiveness and efficiency. The full biographies of the current Directors are set out in the section headed "Directors and Organisation" of this annual report. An updated list of Directors identifying their roles and functions is also available on the Company's website and on the Stock Exchange's website.

Executive Directors

Mr. Zhuang Yong *(Chairman)*
Mr. Yang Lin *(CEO)*
Mr. Zhou Hancheng *(Vice President, Chief Compliance Officer and General Counsel)*

Non-executive Directors

Mr. Yung Kwok Kee, Billy *(Vice Chairman)*
Ms. Liu Ping

Independent Non-executive Directors

Dr. Chung Shui Ming, Timpson
Mr. Lam Kin Fung, Jeffrey
Mr. Fan Chun Wah, Andrew

With the recommendation of the Nomination Committee, the Board appointed Ms. Liu Ping as Non-executive Director to replace Mr. Guo Guanghui with effect from 22 April 2024.

BOARD OF DIRECTORS (CONTINUED)

BOARD COMPOSITION (CONTINUED)

Board Skills Matrix

The Board skills matrix below sets out the skills and expertise possessed by Board that are most relevant to the Company and can enable the Board to effectively discharge its duties and responsibilities in pursuing and achieving the Company's mission, vision, core values, corporate culture and corporate strategy. Furthermore, the matrix also illustrates that the Board continues to possess skills and expertise which are important to the business of the Company.

Skills and Expertise (Relevance to the Company)	Mr. Zhuang Yong	Mr. Yang Lin	Mr. Zhou Hancheng	Mr. Yung Kwok Kee, Billy	Ms. Liu Ping	Dr. Chung Shui Ming, Timpson	Mr. Lam Kin Fung, Jeffrey	Mr. Fan Chun Wah, Andrew
Relevant Industry Knowledge:								
– Property Development (Bringing in valuable insights and strategic vision, guiding the management and making informed strategic plans)	★	★	★	★	★	★		
– Commercial Operations (Leasing and Hotel Operations) (Bringing in valuable insights and strategic vision, guiding the management and making informed strategic plans)	★	★	★	★	★	★		
PRC Market Knowledge (Facilitating the review of the business and the collaboration with the business partners in PRC, and providing sagacious advices on the long-term business development)	★	★	★	★	★	★	★	★
Management Expertise:								
– Executive Leadership (Providing insights and advices to the management regarding the business management and long-term development)	★	★	★	★	★	★	★	★
– Business Operations (Providing insights and advices to the management regarding the strategic plans and overseeing the overall business performance)	★	★	★	★	★	★	★	★
– Financial Acumen (Analyzing the financial performance and position, identifying potential financial risks and safeguarding the financial health of the Group)		★	★		★	★		★
– Risk Management and Compliance (Overseeing and assessing the overall risk management and internal control system, and formulating proper controls to protect the Group's assets and operations)			★		★	★	★	★
– Corporate Governance (Promoting accountability, transparency and ethical behaviour within the Group, and providing guidance in pursuance of long-term success and sustainability of the Group)	★	★	★	★	★	★	★	★
– Public Administration (Providing advices and guidance in the areas of regulatory and stakeholder engagement)				★		★	★	★
Profession:								
– Accounting, Finance and Risk Management (Bringing in the professional knowledge in the field of that profession in order to enhance decision making and the diversity of the Board)		★	★		★	★		★
– Construction and Engineering (Bringing in the professional knowledge in the field of that profession in order to enhance decision making and the diversity of the Board)	★			★			★	

BOARD OF DIRECTORS (CONTINUED)

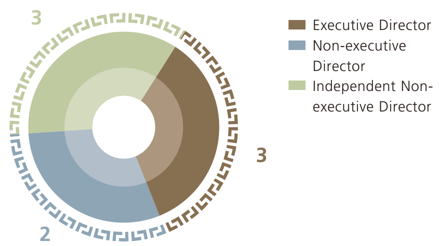
BOARD COMPOSITION (CONTINUED)

Board Diversity

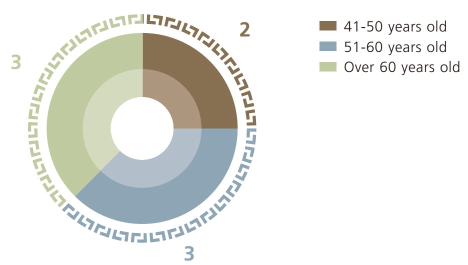
The Company recognises and embraces the advantages of diversity at the Board level and considers it as essential element in supporting the attainment of the Company's strategic objectives and sustainable developments. The Board has adopted in 2013 and revised in 2022 the board diversity policy (the "Diversity Policy") to promote and achieve diversity of the Board. The policy requires that all Board appointments shall be based on merit and selection of candidates shall be based on a range of diversity factors (including but not limited to gender, age, culture and education background, and professional experience). The Nomination Committee is responsible for developing measurable objectives to implement the Diversity Policy and for monitoring progress towards the achievement of these objectives. The Diversity Policy also applies to the employees of the Company. The Nomination Committee and the Board review the implementation and effectiveness of the Diversity Policy annually. The Diversity Policy is available on the website of the Company.

The following charts show the diversity profile of the Board as at 31 December 2024:

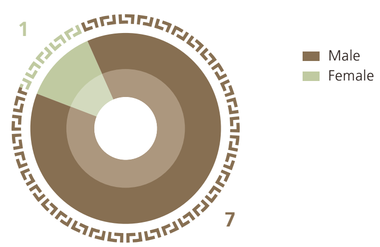
Composition



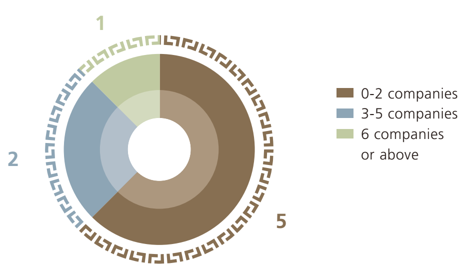
Age



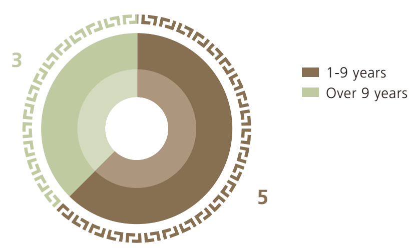
Gender



Directorship in Other Listed Companies



Length of Service at the Company



BOARD OF DIRECTORS (CONTINUED)

BOARD COMPOSITION (CONTINUED)

Board Diversity (continued)

Gender Diversity

As disclosed in the Annual Report 2022 and Annual Report 2023 of the Company, the Company previously targeted that, by 31 December 2024, it would appoint at least one female Director to the Board and the proportion of female Director(s) would reach 10%. On 22 April 2024, the Board has appointed Ms. Liu Ping as Non-executive Director. Therefore, the aforesaid Company's targets in relation to the Board's gender diversity have been achieved. Currently, the Board comprises eight Directors, of whom seven are male while one is female, and the representation of female Director on the Board is above 10%. The Company targets to maintain at least 10% female representation on the Board. The Company will use its best endeavours to ensure gender diversity when recruiting staff at senior level or promoting staff to senior level so that it will have a pipeline of potential female successors to the Board.

The Company previously targeted for the proportion of female employees of the Group to increase to 41.0% by 31 December 2025. As at 31 December 2024, the proportion of female employees of the Group was 43.2% (31 December 2023: 40.6%). Therefore, the Group further targets that the proportion of female employees to maintain at least 43.0% by 31 December 2025. Since the principal business of the Group is property development, which is one of the industries with the highest proportion of male employees, it is relatively challenging to achieve gender diversity of employees. However, the Group fully acknowledges the importance of diversity mindset at executive level. In order to achieve the target of gender diversity, the Company will continue to endorse gender balance at the workplace and encourage to uphold the core values of inclusivity and openness while pledging to the principle of selecting and deploying human resources based on merits. Also, it will ensure equal opportunities during the processes of employment, promotion and determining the remuneration, and consider the capabilities, performance and qualifications during such processes. The Company will not prejudice or treat differently on account of the candidate's gender, and will continuously promote the level of diversity of the Group.

Board Independence

Board Independence Mechanisms

In 2022, the Board has established mechanisms for ensuring Board independence (the "Board Independence Mechanisms") in order to have independent views and input available to the Board, which allows it to effectively exercise independent judgement to better safeguard the shareholders' interests. The Board Independence Mechanisms are reviewed by the Board annually to ensure the implementation and effectiveness. The mechanisms cover different aspects of the corporate governance framework to ensure an element of independence on the Board, including the recruitment process of the Independent Non-executive Directors, number of Independent Non-executive Directors on the Board, access to additional information from the management and/or external professional advisers during the decision making process and the annual board independence evaluation. Channels are also made available to the Independent Non-executive Directors to discuss different matters of the Company with the Chairman of the Board without the presence of other Directors so as to maintain the high degree of independence in the Board. The Board Independence Mechanisms are available on the website of the Company.

During the year, the Company has complied with Rules 3.10 and 3.10A of the Listing Rules regarding the appointment of at least three independent non-executive directors including at least one independent non-executive director with appropriate professional qualifications or accounting or related financial management expertise, and the independent non-executive directors representing at least one-third of the board.

The Board has received annual written confirmation of independence from each of the Independent Non-executive Directors and believes that, as at the date of this annual report, all Independent Non-executive Directors are independent of the Company in accordance with the relevant requirement of the Listing Rules.

Relationship between Board Members, and between Chairman and CEO

To the best knowledge of the Company, except that Mr. Zhuang Yong and Mr. Guo Guanghui, who has resigned as Non-executive Director on 22 April 2024, are both directors of COLI and Ms. Liu Ping, who is appointed as Non-executive Director on 22 April 2024, is an employee of COLI, there is no relationship, including financial, business, family or other material/relevant relationships, between the Directors or between the Chairman and the CEO.

BOARD OF DIRECTORS (CONTINUED)

CHAIRMAN AND CEO

The roles between the Chairman of the Board and the CEO are separate to ensure a balance of power and authority.

Mr. Zhuang Yong is the Chairman of the Board to lead and manage the Board. He is also responsible for ensuring that before any meeting is held, all Directors receive accurate, clear, complete and reliable information in a timely manner and all Directors are properly briefed on issues arising at the meetings. He encourages all Directors to make a full and active contribution to the Board's affair and ensures that the Board acts in the best interests of the Company. All Directors are given opportunities and sufficient time to share their views and discuss on the issues in order to make a decision which reflects the Board's consensus.

The Chairman promotes a culture of openness and debate in the Board by facilitating the effective contribution of all Directors and ensuring constructive relations between Executive Directors and Non-executive Directors (including Independent Non-executive Directors). He also ensures that the Board works effectively and performs its responsibilities, good corporate governance practices and procedures are established, and appropriate steps are taken to provide effective communication with shareholders and those views of shareholders are communicated to the Board as a whole. The Chairman also holds meetings annually with the Independent Non-executive Directors to discuss corporate governance and other matters without the presence of other Directors.

Mr. Yang Lin is the CEO, responsible for the implementation of strategies and objectives set by the Board and for day-to-day management of the Company's businesses.

APPOINTMENTS, RE-ELECTION AND REMOVAL

In accordance with the articles of association of the Company, one-third of the Directors will retire from office by rotation for re-election by shareholders at the annual general meeting and every Director is subject to retirement by rotation at least once every three years. In addition, any new appointment to the Board is subject to re-appointment by shareholders at the upcoming general meeting.

All Directors have entered into service contracts or letters of appointment with the Company setting out the duties and responsibilities and the key terms and conditions of their appointments. All two Non-executive Directors and all three Independent Non-executive Directors are appointed with no specific term but subject to retirement by rotation and re-election in accordance with the articles of association of the Company.

Directors understand that they should devote sufficient time and attention to the Company's affairs, and make contributions to the Company. They provide the Company on an annual basis with the level of time involved in performing their duties as Directors in the Company and other listed companies or public organisations or other major appointments.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a set of code of conduct for securities transactions by Directors (the "Code of Conduct"), the terms of which are not less exacting than the Model Code.

Having made specific enquiry of all Directors, the Company can reasonably confirm that the Directors had complied with the Code of Conduct throughout the year of 2024.

Relevant employees who are likely to be in possession of inside information of the Group are also subject to compliance with the Code of Conduct.

DIRECTORS' RESPONSIBILITIES, DELEGATION AND BOARD PROCEEDINGS

DIRECTORS AND OFFICERS LIABILITIES INSURANCE

The Company has arranged appropriate insurance cover in respect of legal action against its Directors and officers.

BOARD PROCEEDINGS

The Board held four meetings during the year and meetings are also held as and when necessary to discuss significant transactions, including material acquisitions, disposals and connected transactions, if any. The Chairman of the Board is responsible for drawing up and approving the agenda for each Board meeting with the help of the Company Secretary. The Chairman will also invite Directors to include, where appropriate, any matters in the agenda. All Directors can give notice to the Chairman or Company Secretary if they intend to include matters in the agenda for Board meetings. Before each Board meeting, notice of at least 14 days or reasonable notice of meeting was sent to each Director to promote better attendance.

SUPPLY OF AND ACCESS TO INFORMATION

Agenda and full Board or Board Committee meeting papers will be sent to all Directors or members of Committees of the Board at least three days (or other agreed period) before the intended date of a Board meeting or Board Committee meeting.

Management has supplied the Board and its Committees with adequate information and explanations so as to enable them to make informed decisions (including assessment of the financial and other information put before the Board and its Committees for approval). Management is also invited to join the Board or Board Committee meetings where appropriate. Moreover, management also supplies the Board with monthly updates on the Group's businesses and quarterly updates on the PRC's property market.

All the Directors are entitled to have access to timely information and have separate and independent access to senior management.

After meetings, draft and final versions of the minutes of the Board meetings and Committee meetings, which record the matters considered and decisions reached in sufficient detail, will be sent to all Directors and Committee members for review. The approved minutes are kept by the Company Secretary, and the Board and Committee members can inspect the documents at anytime.

All Directors have access to the advice and services of the Company Secretary who is responsible to the Board for ensuring that the Company has followed procedures and complied with all applicable laws and regulations. Where necessary, the Directors can seek separate independent professional advice at the Company's expenses so as to discharge their duties to the Company.

To safeguard their independence and avoid any conflict of interest, Directors are required to declare their interest, if any, in any business proposals to be considered by the Board and, where appropriate, they are required to abstain from voting. In 2024, due to a potential conflict of interest, Mr. Zhuang Yong had abstained from voting in two Board meetings and Ms. Liu Ping in one Board meeting. In addition, physical Board meetings will be held to consider all material connected transactions or any transactions in which a substantial shareholder or a Director has material interest.

DIRECTORS' RESPONSIBILITIES, DELEGATION AND BOARD PROCEEDINGS (CONTINUED)

BOARD COMMITTEES

Currently, the Board has four Committees, namely, Executive Committee, Audit Committee, Remuneration Committee and Nomination Committee to implement internal supervision and control on each relevant aspect of the Company. The Board Committees are established with specific written terms of reference which deal clearly with their authority and duties. They will report to the Board on their decisions and recommendations made. Terms of reference of Audit Committee, Remuneration Committee and Nomination Committee are disclosed in full on the websites of the Company and the Stock Exchange.

EXECUTIVE COMMITTEE

The Executive Committee comprises all Executive Directors of the Company, namely Mr. Zhuang Yong (Chairman), Mr. Yang Lin and Mr. Zhou Hancheng.

Major responsibilities and functions of the Executive Committee are as follows:

- To review and approve loans or banking facilities to be granted to the Group and the opening of bank or securities related accounts matters;
- To review and monitor training and continuous professional development of Directors and senior management;
- To oversee all matters and to formulate policies in relation to the Company's corporate governance functions;
- To oversee all matters and to formulate policies (where necessary) in relation to the Company's environmental, social and governance issues; and
- To deal with any other specific business delegated by the Board.

During the year, the Executive Committee held 34 meetings (amongst other matters):

- To review and approve various bank loans and facilities; and
- To review and approve the de minimis connected transactions.

DIRECTORS' RESPONSIBILITIES, DELEGATION AND BOARD PROCEEDINGS (CONTINUED)

AUDIT COMMITTEE

The Audit Committee comprises all Independent Non-executive Directors, namely Dr. Chung Shui Ming, Timpson (Chairman), Mr. Lam Kin Fung, Jeffrey and Mr. Fan Chun Wah, Andrew. Among the members of the Audit Committee, Dr. Chung and Mr. Fan possess appropriate professional qualifications, accounting or related financial management experience referred to in the Listing Rules.

Major responsibilities and functions of the Audit Committee are as follows:

- To make recommendation to the Board on the appointment, re-appointment and removal of external auditor and approve the remuneration and terms of engagement of the external auditor;

- To review the external auditor's independence and objectivity;

- To review the financial statements of the Group;

- To review with the Group's management, external auditor and internal auditor, the adequacy of the Group's policies and procedures regarding internal controls and risk management; and

- To review the risk management and monitor the scope, effectiveness and results of internal audit function.

During the year, the Audit Committee held four meetings (amongst other matters):

- To review the Group's 2023 annual, 2024 interim and quarterly financial results and reports;

- To review the audit plans of the external auditor;

- To review the internal and independent audit results;

- To review the continuing connected transactions entered into by the Group;

- To review the risk management, internal control and financial reporting systems;

- To review the effectiveness of the internal audit function;

- To make recommendation on the change of the external auditor and to approve their remuneration; and

- To review the implementation and effectiveness of the anti-corruption policy and the whistleblowing policy.

The Audit Committee also has meetings with the auditor twice a year in the absence of management to discuss matters relating to any issues arising from audit and any other matters the auditor may wish to raise.

DIRECTORS' RESPONSIBILITIES, DELEGATION AND BOARD PROCEEDINGS (CONTINUED)

REMUNERATION COMMITTEE

The Remuneration Committee comprises all Independent Non-executive Directors and a Non-executive Director, namely Mr. Lam Kin Fung, Jeffrey (Chairman), Dr. Chung Shui Ming, Timpson, Mr. Fan Chun Wah, Andrew and Mr. Yung Kwok Kee, Billy.

Major responsibilities and functions of the Remuneration Committee are as follows:

- To make recommendations to the Board on the Company's remuneration policy and structure for all Directors and senior management;

- To make recommendations to the Board on the remuneration packages of individual Executive Directors and senior management; and

- To review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives.

During the year, the Remuneration Committee held two meetings (amongst other matters):

- To review the remuneration policy of the Group and Directors' remunerations;

- To assess the performance of Executive Directors;

- To review and make recommendation to the Board on the remuneration package of individual Directors (including newly appointed Director);

- To review the implementation and effectiveness of the directors' remuneration policy; and

- To discuss, review and approve the amendments to the terms of reference of the Remuneration Committee.

Directors' Remuneration Policy

The remuneration of the Directors is determined by the Board with reference to certain factors such as salaries paid by comparable companies, time commitment, responsibilities of the Directors and employment conditions. The directors' remuneration policy is available on the website of the Company, summary of which is as follows:

- Executive Directors' remuneration packages shall comprise fixed and variable components, including salary, discretionary bonus, other benefits linking to the individual's and the Company's performance, including but not limited to the financial, results-related, environmental, social and governance-related performance and levels, etc.

- Non-executive Directors shall receive fixed remuneration (comprising director's fee) to be set at an appropriate level with reference to their respective duties and responsibilities with the Company, standards for emoluments of the Company and the prevailing market conditions.

- Independent Non-executive Directors shall receive fixed remuneration (comprising director's fee) to be set at an appropriate level with reference to their respective duties and responsibilities with the Company, standards for emoluments of the Company and the prevailing market conditions and shall not receive equity-based remuneration (e.g. share options or grants) with performance-related elements.

DIRECTORS' RESPONSIBILITIES, DELEGATION AND BOARD PROCEEDINGS (CONTINUED)

NOMINATION COMMITTEE

The Nomination Committee comprises all Independent Non-executive Directors and an Executive Director, namely Mr. Fan Chun Wah, Andrew (Chairman), Dr. Chung Shui Ming, Timpson, Mr. Lam Kin Fung, Jeffrey and Mr. Zhuang Yong.

Major responsibilities and functions of the Nomination Committee are as follows:

- To review the structure, size and composition (including the skills, knowledge and experience) of the Board;
- To identify individuals suitably qualified to become Board members and make recommendations to the Board on the selection of individuals nominated for directorships;
- To assess the independence of Independent Non-executive Directors; and
- To make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors.

During the year, the Nomination Committee held two meetings (amongst other matters):

- To review and make recommendation to the Board on the rotation of Directors and appointment of a new Director; and
- To review the implementation and effectiveness of the Diversity Policy, the Nomination Policy and the Mechanisms for Ensuring Board Independence.

Nomination Policy

The Board has adopted in 2018 and revised in 2022 the Nomination Policy which provides that a proposal for the appointment of a new Director will be considered and reviewed by the Nomination Committee. Candidates to be selected and recommended are experienced and high calibre individuals. All candidates must be able to meet the standards and criteria set out in the Listing Rules and the Nomination Policy.

The Nomination Policy sets out the procedures, process and criteria for nominating a Director. According to the Nomination Policy, the Nomination Committee will identify and evaluate a candidate in consideration of the candidate's age, skills, knowledge, experience, expertise, professional and educational qualifications, background and other qualities, the Board's composition and diversity, and other relevant factors. After evaluation and consideration, the Nomination Committee will make recommendation to the Board on the suitability of the candidate. The Nomination Policy is available on the website of the Company.

DIRECTORS' RESPONSIBILITIES, DELEGATION AND BOARD PROCEEDINGS (CONTINUED)

NOMINATION COMMITTEE (CONTINUED)

Process for Appointing a New Director

Key Considerations for Appointing a Director	Nomination Committee	Board	Shareholders
• Search for potential new Director candidate(s) based on the strategic needs of the Company and the Board. • Director candidates would, ideally, have the relevant experience, background, qualifications and other qualities according to the Nomination Policy.	• Considers the candidates based on merit having regard to the experience, skills and expertise as well as the overall board diversity. • Makes recommendations to the Board as appropriate.	• Approves the appointment of a new Director. Newly appointed Director is subject to election by shareholders at the first general meeting following the appointment.	• Approves the re-election of a Board appointed Director at the Company's general meeting.

* For existing Directors, they are subject to rotation at least once every three years and one-third of Board members are required to retire at the annual general meeting and are eligible for re-election.

Anhui Hefei Central Manor

DIRECTORS' RESPONSIBILITIES, DELEGATION AND BOARD PROCEEDINGS (CONTINUED)

ATTENDANCE RECORDS OF DIRECTORS IN 2024

Directors' attendance records[(1)] at the Board meetings, Board Committee meetings, annual general meeting and general meeting held in 2024 and the respective attendance rate are set out in the following table:

Name of Directors	Board Meetings	Audit Committee Meetings	Remuneration Committee Meetings	Nomination Committee Meetings	Executive Committee Meetings	Independent Board Committee Meeting	Annual General Meeting	General Meeting
Executive Directors								
Mr. Zhuang Yong	4/4	–	–	2/2	34/34	–	1/1	1/1
Mr. Yang Lin	4/4	–	–	–	34/34	–	1/1	1/1
Mr. Zhou Hancheng	4/4	–	–	–	34/34	–	1/1	1/1
Non-executive Directors								
Mr. Yung Kwok Kee, Billy	4/4	–	2/2	–	–	–	1/1	1/1
Ms. Liu Ping[(2)]	2/2	–	–	–	–	–	1/1	1/1
Mr. Guo Guanghui[(3)]	2/2	–	–	–	–	–	–	–
Independent Non-executive Directors								
Dr. Chung Shui Ming, Timpson	3/4	3/4	1/2	1/2	–	1/1	1/1	1/1
Mr. Lam Kin Fung, Jeffrey	4/4	4/4	2/2	2/2	–	1/1	1/1	1/1
Mr. Fan Chun Wah, Andrew	4/4	4/4	2/2	2/2	–	1/1	1/1	1/1
Attendance Rate	**97%**	**92%**	**88%**	**88%**	**100%**	**100%**	**100%**	**100%**

Notes:

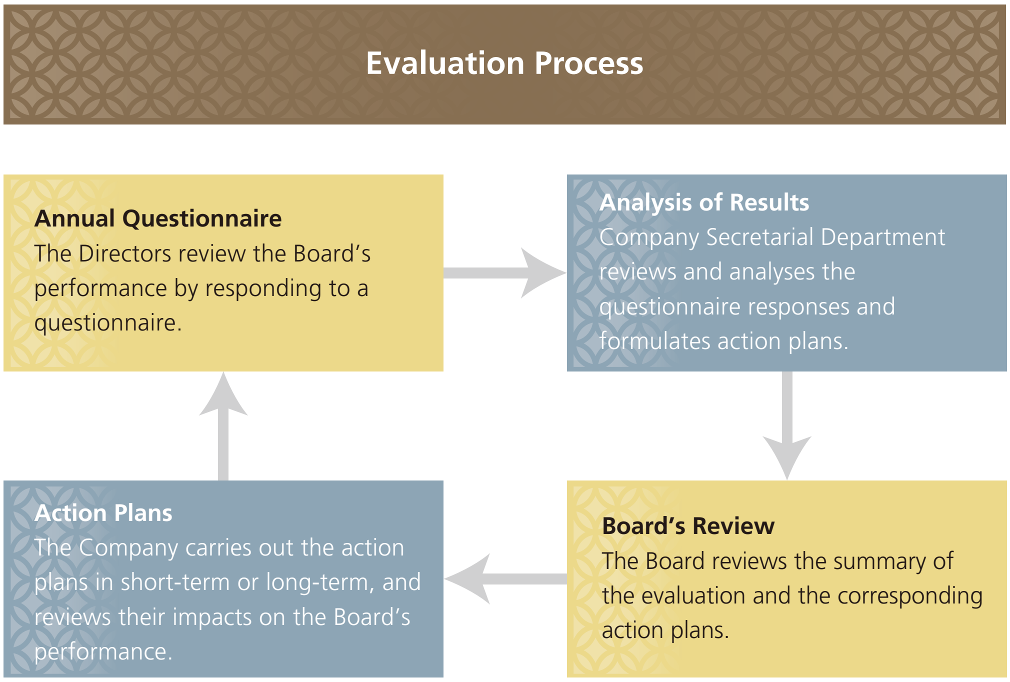
(1) The attendance figure represents actual attendance/the number of meetings a Director was entitled to attend

(2) Appointed as Non-executive Director with effect from 22 April 2024

(3) Resigned as Non-executive Director with effect from 22 April 2024

BOARD'S PERFORMANCE EVALUATION

The Company conducts an internal evaluation of the Board's performance every year. The Board regards the evaluation as an important mechanism to enhance the Board's effectiveness and performance with an ultimate goal of improving the corporate governance and organisational performance of the Company.



The Company's Company Secretarial Department is responsible for conducting the Board's performance evaluation. During the year, it has conducted an internal Board's performance evaluation in the form of questionnaire to solicit Directors' view on the effectiveness and performance of the Board, with focus on, inter alia, the following areas:

- Board composition and function;
- Board's participation and involvement;
- Board independence;
- Board's knowledge of the Company; and
- Corporate Governance.

BOARD'S PERFORMANCE EVALUATION (CONTINUED)

The Company Secretarial Department has analysed all responses to the questionnaire and, based on which, formulated the potential action plans after a thorough and comprehensive discussion with the Executive Directors and the management in the aim of enhancing the Board's performance continuously. The Board's performance evaluation summary, which includes the results and the action plans, has been presented to the Board for its review.

In overall, based on the results of the evaluation, the Directors are satisfied with the Board's performance. The Company Secretarial Department has recommended and the Board has agreed on the following actions plans:

- To organise site visits to the property projects in PRC for the Non-executive Directors and Independent Non-executive Directors from time to time;
- To provide the Directors with property market quarterly updates and regulation updates; and
- To organise and invite Directors to attend seminars, etc.

During the year, in addition to the ongoing monthly updates, the Company has provided the Directors with the quarterly updates on the property market which include its analysis and forecasts, with the aim of keeping the Board informed of current market trends and performance of market peers, and enhancing strategic decision-making. The Company also provided the Directors with the regulation updates from time to time to ensure they remain informed of latest relevant legal requirements. In addition, the Company has organised two internal seminars on the PRC laws and the Listing Rules for the Directors to participate, during the seminars, external lawyers presented the relevant laws and regulations, and case studies. For the Directors who could not join the seminars, a video recording of such was provided to those Directors.

DIRECTORS' TRAININGS

According to the records of training maintained by the Company, during the year, all the Directors have participated continuous professional developments to refresh their knowledge and skills. Details of the type of training they received are set out as follows:

Name of Directors	Attending seminars or trainings	Giving talks at seminars	Reading materials relevant to the director's duties and responsibilities
Mr. Zhuang Yong	✓	✓	✓
Mr. Yang Lin	✓	✓	✓
Mr. Zhou Hancheng	✓	✓	✓
Mr. Yung Kwok Kee, Billy			✓
Ms. Liu Ping(1)	✓		✓
Mr. Guo Guanghui(2)			✓
Dr. Chung Shui Ming, Timpson	✓		✓
Mr. Lam Kin Fung, Jeffrey	✓		✓
Mr. Fan Chun Wah, Andrew	✓	✓	✓

Notes:

(1) Appointed as Executive Director with effect from 22 April 2024

(2) Resigned as Executive Director with effect from 22 April 2024

DIRECTORS' TRAININGS (CONTINUED)

In addition, newly appointed Directors will receive a comprehensive, formal and tailored induction on the first occasion of appointment, so as to ensure that they have a proper understanding of the operations and business of the Company, and their responsibilities under laws, regulations and especially the governance policies of the Company.

Ms. Liu Ping, appointed as Non-executive Director on 22 April 2024, received the legal advice referred to in Rule 3.09D of the Listing Rules on 19 April 2024 with a solicitor's certification that the requirements under the Listing Rules applicable to her as Director and the possible consequences of making a false declaration or giving false information to the Stock Exchange were explained, and she confirmed that she understood her obligations as Director.

SITE VISITS

With the aim of providing the Non-executive Directors (including the Independent Non-executive Directors) with first-hand information of the Company's operations and performance, the Company organised from time to time site visits to the property development projects of the Group. Previously, the Company had organised two site visits to the property development projects of the Group in Shaoxing, Yiwu and Jinhua in June 2023, and in Huizhou and Shantou in November 2023.



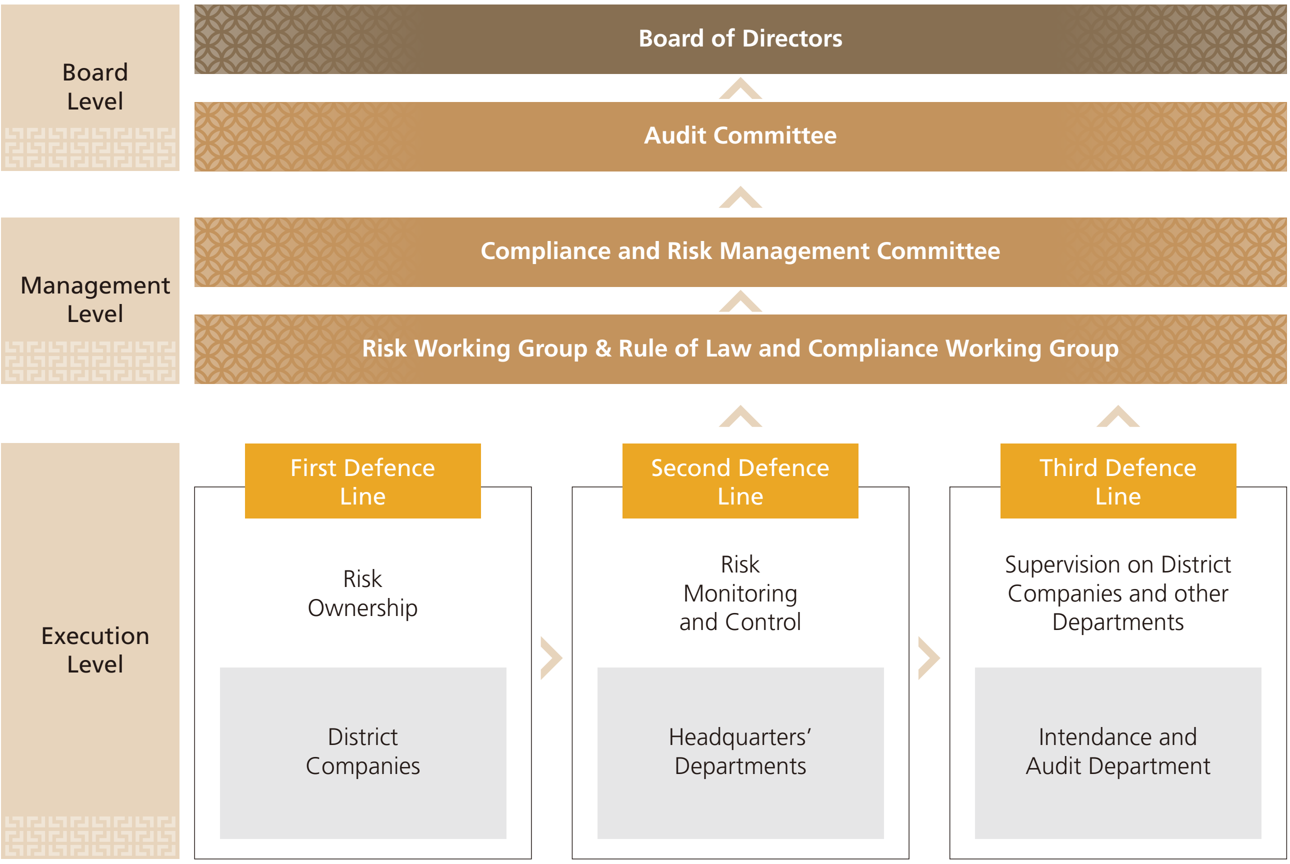

AUDIT, INTERNAL CONTROL AND RISK MANAGEMENT

FINANCIAL REPORTING

The Board acknowledges its responsibility for preparing the financial statements on a going concern basis, with supporting assumptions or qualifications as necessary. The Company's financial statements are prepared in accordance with the relevant laws and standards. Appropriate accounting policies are selected and applied consistently, and judgements and estimates made are prudent and reasonable. The Directors endeavour to ensure that a balanced, clear and understandable assessment of the Company's performance, position and prospects is presented in annual reports, interim reports, announcements and other financial disclosures required under the Listing Rules and other statutory requirements.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board has implemented effective systems of risk management and internal controls to provide reasonable assurance that the Group's assets are safeguarded, proper accounting records are maintained, reliable financial information are provided for management and publication purposes and significant investment and business risks affecting the Group are identified and properly managed. Furthermore, these systems help the Group comply with applicable laws and regulations, and also internal policies with respect to the conduct of businesses of the Group. However, they are designed to manage rather than eliminate the downside risk to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss. The Group has implemented a "Three Defence Lines" governance model as illustrated below:



AUDIT, INTERNAL CONTROL AND RISK MANAGEMENT (CONTINUED)

RISK MANAGEMENT AND INTERNAL CONTROLS (CONTINUED)

In 2023, the Company established the Compliance and Risk Management Committee at the management level to build a risk management system that integrates compliance, legal, and risk management. The Rule of Law and Compliance Working Group and the Risk Working Group have been established under the committee to provide support to the committee through the risk management model of "three defence lines". The Company has also appointed the Executive Director, Mr. Zhou Hancheng, to concurrently act as the Chief Compliance Officer and General Counsel to oversee, advise and assist the committee in assessing, handling and managing legal, compliance and risk matters.

First Defence Line

The first defence line comprises the Group's district companies of which the major works include:

1. Compliance management
   - Follow the compliance management systems and resolutions directed by the headquarters and work under the management, guidance and supervision of the relevant departments of the headquarters;
   - Identify and assess compliance risks, and establish and implement risk countermeasures; and
   - Conduct compliance reviews and report compliance risks, compliance management information and data to the headquarters.
2. Risk management
   - Rank and manage the risks, and establish a comprehensive and effective project risk management system.

Second Defence Line

The second defence line comprises all the departments at the headquarters of which the major works include:

1. Compliance management
   - Identify and assess the corresponding compliance risks of that department, improve relevant compliance management work and processes, prepare a compliance risk register and report on the compliance risk management status, and conduct compliance reviews; and
   - Conduct compliance review of the work of the corresponding department of each subsidiary, and coordinate and facilitate the countermeasures of each subsidiary.
2. Risk management
   - Identify, assess, monitor and handle the corresponding risks of that department, improve risk management systems and processes, and update risk registers;
   - Prepare risk assessment plans, formulate and implement countermeasures; and
   - Assist in the establishment of the Group's risk monitoring indicator system, monitor regular risks, and prepare and submit regular risk monitoring reports.

AUDIT, INTERNAL CONTROL AND RISK MANAGEMENT (CONTINUED)

RISK MANAGEMENT AND INTERNAL CONTROLS (CONTINUED)

Third Defence Line

The third defence line comprises the Intendance and Audit Department (the "IA Department") of which the major works include:

1. Compliance management
   - Supervise the performance of each responsible entity (i.e. relevant departments and subsidiaries) for compliance management;
   - Supervise the implementation of compliance work and provide opinions on related issues; and
   - Handle, investigate and follow up on the violation incidents reported by the departments.
2. Risk management
   - Supervise the performance of each responsible entity (i.e. relevant departments and subsidiaries) for risk management;
   - Supervise the Group's risk management system and assess its comprehensiveness and implementation effectiveness;
   - Direct the relevant units to ameliorate the relevant risk issues and follow up on their implementation; and
   - Provides risk management and internal control assessment reports to the management, the Audit Committee and the Board on a regular basis.

Rule of Law and Compliance Working Group

The Rule of Law and Compliance Working Group is headed by the Chief Compliance Officer and General Counsel, and its other members include the Vice President, Assistant President, Deputy Chief Financial Officer, Chief Human Resources Officer, the persons in charge of the IA Department, Finance and Treasury Department and relevant departments of the headquarters. The major works of the Rule of Law and Compliance Working Group include:

- Implement the Group's strategic and annual major work plans;
- Review the systems and work reports related to the development of the rule of law and compliance management;
- Conduct compliance reviews of the Group's major decisions, rules and regulations, and contracts;
- Coordinate compliance risk identification, alerts and countermeasures;
- Coordinate and organise the compliance management inspections or the effectiveness evaluations of the compliance management system;
- Coordinate and organise the compliance training and facilitate the development of the digitalisation of compliance management;
- Review material planning proposals and issues, including the material issues which involve or may involve material legal and/or compliance issues; and
- Coordinate the regular compliance management of the Compliance and Risk Management Committee.

AUDIT, INTERNAL CONTROL AND RISK MANAGEMENT (CONTINUED)

RISK MANAGEMENT AND INTERNAL CONTROLS (CONTINUED)

Risk Working Group

The Risk Working Group is headed by the Chief Compliance Officer and General Counsel, and its other members include the Vice President, Assistant President, Deputy Chief Financial Officer, Chief Human Resources Officer, the persons in charge of the IA Department, Finance and Treasury Department and relevant departments of the headquarters. The major works of the Risk Working Group include:

- Implement the Group's strategic and annual major work plans;
- Coordinate the Group's annual material risk assessment, prepare and publish the annual material risk assessment report, and follow up on and supervise the progress of prevention and control of material risks;
- Coordinate the establishment of risk monitoring indicator system, and prepare and submit risk monitoring reports;
- Coordinate the collation and reporting of material risk events of the Group, and follow up on and supervise the countermeasures for the material risk events;
- Coordinate the risk management work of each department;
- Inspect, guide and assess the risk management work of each subsidiary;
- Coordinate and organise the risk management training; and
- Manage regular risk management related affairs of the Compliance and Risk Management Committee, as well as other risk management responsibilities stipulated by laws, regulations and policies.

The Compliance and Risk Management Committee at the management level is composed of Executive Directors, Vice President, Assistant President, and the persons in charge of the IA Department and Finance and Treasury Department. Its major works include:

- Implement the Group's strategic and annual major work plans related to compliance and risk management;
- Coordinate and foster the Group's development of rule of law, compliance management and risk management; and
- Review material compliance and risk issues and countermeasure proposals.

AUDIT, INTERNAL CONTROL AND RISK MANAGEMENT (CONTINUED)

RISK MANAGEMENT AND INTERNAL CONTROLS (CONTINUED)

Internal Audit

According to the annual internal audit schedule, during the year, the IA Department completed nine incumbent accountability audits for Shantou Company, Yangzhou Company, Zibo Company + Jining Company, Nanning Company, Shaoxing Company, Hohhot Company, Tangshan Company, Jilin Company and Weifang Company. The IA Department prepared the respective audit reports and the audited companies have rectified the issues in a timely manner in accordance with the opinion set out in the audit reports.

In addition to carrying out routine audit as planned, the IA Department insisted on integrating audit into business and increasing special audits during the year under review. It jointly carried out eight special tasks with the departments of the headquarters. Audit is no longer conducted only after the business has been carried out but also before or during the business. Such change has improved the Company's quality and efficiency and its management. The special tasks include (1) special audit of management practices with the Commercial Company; (2) special inspection for rectifying work style with the Human Resources and Administration Department at headquarters; (3) special inspection of canteen management with the Human Resources and Administration Department at headquarters; (4) special inspection of research and development expenses of innovative business with the Science and Technology Management Department at headquarters; (5) special inspection of project's change management with the Cost Management Department at headquarters; (6) special inspection on development plan's expenses with the Operations Management Department at headquarters; (7) special inspection on cooperation projects with the Investment Management Department and Finance and Treasury Department at headquarters; and (8) special inspection on physical asset management with the Finance and Treasury Department at headquarters.

In response to the issues identified in the process of various audits and inspections, the IA Department requires the audited units to rectify immediately and clarify the risk prevention requirements and rectification measures, and regularly supervise the audited units' rectification and implementation work.

The Company has established a comprehensive risk management system and implemented a risk management responsibility system. The IA Department regularly organises various departments of the Company and the risk management units of its subsidiaries to carry out annual risk assessment. Risk assessment covers all business links of the Company, and the risk contents cover corporate risks including strategic risk, market risk, operational risk, financial risk, compliance risk, environmental, social and governance (ESG) risk, etc. The Company did not have any significant ESG risks during the year under review.

In addition, the IA Department also regularly reviews the risk management and internal control systems of the Company on a half-yearly basis and reports the results of such review to the Audit Committee and the Board. The periods covered by the reviews during the year include the full year of 2023 and the first-half year of 2024. In the report, the IA Department will discuss the principal business risk (including any changes in external environment) faced by the Company and confirm whether the risk management (including ESG risk) and internal control systems are effective and adequate. The Audit Committee will review and evaluate the business risk (including ESG risk) and the measures to manage such risk. The Audit Committee will also review the IA Department's findings concerning business and operation control systems and action plans to address any control system weakness. In addition, the external auditor also discusses with the Audit Committee concerning any control issues identified in the course of their audit. After reviewing the effectiveness of the internal control systems, the Audit Committee will then report to the Board any weakness in the system and recommendations to manage the business risk and rectify any control weakness.

AUDIT, INTERNAL CONTROL AND RISK MANAGEMENT (CONTINUED)

RISK MANAGEMENT AND INTERNAL CONTROLS (CONTINUED)

Internal Audit (continued)

The Board is responsible for and has reviewed the effectiveness and efficiency of risk management (including ESG risk) and internal control systems of the Group. Such reviews cover aspects such as financial reporting, operation and regulatory compliance, and ESG risk. The Board considers that these systems are effective, efficient and adequate. No significant system weaknesses have been identified in the reviews during the year and appropriate actions are also taken to rectify any control deficiencies, if any. The Directors believe that these systems are efficient and effectively control the risks that may have impacts on the Company in achieving its goals.

The Board has also considered the adequacy of resources, qualifications and experience of staff, training programmes and budget of the Company's accounting, internal audit, financial reporting functions, and those relating to the Company's ESG performance and reporting.

With respect to the procedures and internal controls for the handling and dissemination of inside information, the Company regularly reminds the Directors, senior management and employees about due compliance with all policies regarding the inside information and keeps them appraised of the latest regulatory updates. Employees who are privy or have access to inside information have also been notified on observing the restrictions from time to time pursuant to the relevant requirements.

Legal Compliance Field Inspections

From September to October 2024, in order to further strengthen compliance management and prevent and resolve legal compliance risks, the Legal Division of the Finance and Treasury Department, along with the Company Secretarial Department, conducted legal compliance field inspections in six district companies, namely Xuzhou, Yangzhou, Mengning, Hefei, Nanning and Tangshan. They identified issues and weaknesses in the district companies' legal compliance risk management, proposed improvement plans, and supervised and urged each district company to enhance their legal compliance management efforts, in order to effectively raise the level of legal compliance management.

AUDITOR'S REMUNERATION

For the year ended 31 December 2024, fees for audit services and non-audit services payable to the auditor of the Company amounted to approximately HK$2,880,000 and RMB400,000, respectively. The fee for non-audit services payable was mainly for the professional services rendered in connection with the Company's 2024 Environmental, Social and Governance Report.

ANTI-CORRUPTION POLICY

The Board adopted in 2022 an anti-corruption policy (the "Anti-corruption Policy"), under which the Company commits to observing and upholding high standards of business integrity, honesty, fairness, impartiality, ethical business practices and transparency in all its business dealings at all times. The Company conducts risk assessment regularly to identify and evaluate corruption risks. Internal control systems are designed and established to maintain effective monitoring and/or elimination of corruption risks. An effective whistleblowing system is in place to enable concerns can be raised without fear. The Board is responsible for the oversight of business ethics and corruption issues. The Anti-Corruption Policy is available on the website of the Company, summary of which is as follows:

SCOPE

The policy applies to all employees (including directors and officers) of the Group and provides guidance to them on acceptance of advantage and handling of conflict of interest when dealing with the Group's business. The Group also encourages and expects business partners including suppliers, contractors and clients to abide by the principles of this Policy.

ANTI-CORRUPTION POLICY (CONTINUED)

ACCEPTANCE OF ADVANTAGE AND ENTERTAINMENT

All employees should not solicit or accept any advantage for themselves or others, from any person, company or organisation having business dealings with the Group, except that they may accept (but not solicit), inter alia, advertising or promotional gifts or souvenirs of a nominal value when the gifts are offered on a voluntary basis and would not affect their objectivity.

Although entertainment (e.g. provision of food and drink) is an acceptable form of business and social behaviour, all employees should avoid accepting lavish or frequent entertainment from persons with whom the Group has business dealing (e.g. suppliers or contractors) or from their subordinates to avoid placing themselves in a position of obligation.

OFFER OF ADVANTAGE

All employees are prohibited from offering advantages to any director, staff member or agent of another company or organisation, for the purpose of influencing such person in any dealing, or any public official, whether directly or indirectly through a third party when conducting the business of the Group.

CONFLICT OF INTEREST

All employees should avoid any conflict of interest situation (i.e. situation where their private interest conflicts with the interest of the Group) or the perception of such conflicts. When actual or potential conflict of interest arises, the subject employee should make a declaration to the IA Department.

TRAINING

The Company provides regular anti-corruption training and briefing to all employees.

WHISTLEBLOWING POLICY

The Board adopted in 2022 and revised in 2024 a whistleblowing policy (the "Whistleblowing Policy"), under which the Company sets out a procedure for the employees and those who deal with the Company to voice concerns with the Audit Committee about possible improprieties in matters related to the Company to help detect and deter misconduct or malpractice in the Group. The policy also ensures that whistleblowers, including employees, in good faith will be protected from any retaliation. The Whistleblowing Policy is available on the website of the Company.

DIVIDEND POLICY

The Board adopted in 2019 a dividend policy (the "Dividend Policy"). According to the Dividend Policy, the total amount of dividends to be distributed by the Company to its shareholders for each financial year shall be approximately 20-30% of the Group's consolidated net profit attributable to shareholders, subject to the criteria set out in the Dividend Policy.

SHAREHOLDERS' COMMUNICATION POLICY

Apart from reporting to the shareholders and investors on its operation and financial conditions semi-annually and annually, the Company also discloses relevant information monthly and quarterly so that the investors can have a better understanding about the Company's operations.

The Board adopted in 2012 and revised in 2022 a shareholders' communication policy (the "Shareholders' Communication Policy") which aims at establishing a mutual relationship and communication between the Company and its shareholders. The Company does not only value the views of its shareholders, but also those of its stakeholders. The designated contacts, email addresses and enquiry lines of the Company have been provided in the "Investors" section of the Company's website for the shareholders and stakeholders to make any enquiry in respect of the Company and allow the Company to solicit and understand their views at the same time. Shareholders can also direct their questions about their shareholdings to the Company's Share Registrar.

The Company's general meeting(s) ("GM"), including annual general meeting, remains one of the principal forums for dialogue with its shareholders. Sufficient notice of GM will be served to all shareholders in accordance with the articles of association of the Company and the Companies Ordinance. Shareholders (or their proxy) are entitled to attend, speak and vote at the GM. At the GM, shareholders will be briefed about the procedures for conducting a poll. They are encouraged to participate and ask any questions about the resolutions being proposed and the operations of the Group before they vote.

The Company also holds regular meetings with financial analysts and investors, during which the Company's management will provide relevant information and data to the financial analysts, investors, etc., as well as answer their enquiries in a prompt, complete and accurate manner. The Company's website is updated continuously, providing up-to-date information regarding every aspect of the Company.

During the year, the Board has reviewed the implementation and effectiveness of the Shareholders' Communication Policy, and, with the above measures in place, considered that the Shareholders' Communication Policy has been effectively implemented. The Shareholders' Communication Policy is available on the website of the Company.

The Company adopted in 2024 the electronic dissemination of corporate communications and actionable corporate communications to the Company's registered and/or non-registered shareholders. Details of the electronic dissemination arrangement are disclosed in full on the website of the Company.

In order to promptly receive notification of the publication of the Company's corporate communications and other announcements, the Company encourages your subscription of the notification by completing the form on the Company's website or by scanning this QR code.

SHAREHOLDERS' RIGHTS

PROCEDURES FOR SHAREHOLDERS TO CONVENE A GM

Pursuant to the articles of association of the Company, GM shall be convened on request by shareholders, or, in default, may be convened by the requesting shareholders in accordance with the Companies Ordinance.

According to the Companies Ordinance, shareholders of the Company representing at least 5% of the total voting rights at GM may request the Directors to call a GM by depositing a written request at the registered office of the Company, and the Directors must call a meeting within 21 days after the date on which they become subject to the requirement. The GM must then be held on a date not more than 28 days after the date of the notice convening the meeting.

SHAREHOLDERS' RIGHTS (CONTINUED)

PROCEDURES FOR SHAREHOLDERS TO CONVENE A GM (CONTINUED)

If the Directors fail to call the meeting in accordance with the Companies Ordinance, the shareholders who requested to convene the meeting, or any of them representing more than one half of the total voting rights of all of them, may themselves call a meeting at the expenses of the Company. The meeting must be called for a date not more than 3 months after the date on which the Directors become subject to the requirement to call a meeting.

PROCEDURES FOR SHAREHOLDERS TO PUT FORWARD PROPOSALS AT GM

According to the Companies Ordinance, at least 50 shareholders or shareholders representing at least 2.5% of the total voting rights may request the Company to circulate to the shareholders entitled to receive notice of a GM a statement of not more than 1,000 words with respect to a matter mentioned in a proposed resolution or other business to be dealt with at that GM.

Such request must be made in writing, authenticated by the relevant shareholders and received by the Company at least 6 weeks before the relevant annual general meeting or 7 days before the GM to which it relates. The relevant shareholders should deposit such written request at the registered office of the Company.

ENQUIRIES TO THE BOARD

The Board always welcomes shareholders' views and input. Shareholders may at any time send their enquiries and concerns to the Board by addressing them to the Company Secretary of the Company and her contact details are as follows:

Company Secretary
China Overseas Grand Oceans Group Limited
Suites 701-702, 7/F., Three Pacific Place
1 Queen's Road East, Hong Kong
Email: comsec81@cohl.com
Tel.no.: (852) 2988 0657
Fax no.: (852) 2988 0606

COMPANY SECRETARY

The Company Secretary of the Company is a full time employee of the Company and reports to the Chairman and/or the CEO. The Company Secretary supports the Board by ensuring good information flow within the Board and that the Board policies and procedures are strictly followed. The Company Secretary is also responsible for advising the Board on corporate governance matters and facilitating the induction and professional development of Directors.

Ms. Anita Wong has been appointed as the Company Secretary. According to Rule 3.29 of the Listing Rules, the Company Secretary has taken no less than 15 hours of relevant professional training during the year.

CONSTITUTIONAL DOCUMENTS

There was no change in the Company's constitutional documents during the year ended 31 December 2024. The articles of association of the Company is available on the website of the Company.

EXECUTIVE DIRECTORS

MR. ZHUANG YONG, *Chairman*

Aged 48, has been appointed as the Chairman, Executive Director and member of Nomination Committee of the Company since February 2020. Mr. Zhuang holds a Master of Architecture and Civil Engineering degree and is a senior engineer. He is a non-executive director and vice chairman of COLI (listed in Hong Kong), a director of COHL, and a director of certain subsidiaries of the Company. COLI and COHL are both the substantial shareholders of the Company within the meaning of the SFO. Mr. Zhuang has over 24 years' experience in property development and corporate management.

MR. YANG LIN, *CEO*

Aged 51, has been appointed as an Executive Director of the Company since March 2017, and appointed as CEO of the Company since February 2020. Mr. Yang holds a Master of Business Administration degree and is a senior economist. He is a director of certain subsidiaries of the Company. Mr. Yang has over 29 years' experience in property development and corporate management.

MR. ZHOU HANCHENG, *Vice President, Chief Compliance Officer and General Counsel*

Aged 55, has been appointed as Executive Director and Vice President of the Company since April 2023, and appointed as Chief Compliance Officer and General Counsel of the Company since October 2023. Mr. Zhou holds a Master of Business Administration degree and is a principal senior accountant, a fellow of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants. He is a director of certain subsidiaries of the Company. During the period from June 2005 to April 2023, he was an executive director and financial controller of CSC (listed in Hong Kong). He has over 33 years' experience in financial management and corporate management.

NON-EXECUTIVE DIRECTORS

MR. YUNG KWOK KEE, BILLY, *Vice Chairman*

Aged 71, received a bachelor's degree in Electrical Engineering from University of Washington and a master's degree in Industrial Engineering from Stanford University. Mr. Yung has over 40 years of experience in managing manufacturing, retailing, transportation, semi-conductor, computer hardware and software business in China, Hong Kong and US. He has also over 40 years of experience in real-estate investment and development in United Kingdom, USA, Canada, Holland, Hong Kong, Taiwan, Macau and China. Mr. Yung resigned as the Group Chairman and Chief Executive of the Company with effect from 10 February 2010 and has been re-designated from Chairman of the Board and Executive Director to Vice Chairman of the Board and Non-executive Director of the Company with effect from 27 February 2010. He is now the Vice Chairman of the Board, Non-executive Director and member of the Remuneration Committee of the Company, and the chairman of the board and non-executive director of SMC Electric Limited. Mr. Yung was the chairman of the board and non-executive director of PFC Device Inc. (which has been privatised and listing of its shares had been withdrawn on 25 March 2022). Mr. Yung is currently the Permanent Honorary President of Friends of Hong Kong Association Ltd. and the Honorary President of Shun Tak Fraternal Association, and was awarded the Honorary Citizen of the City of Guangzhou and the Honorary Citizen of the City of Foshan.

MS. LIU PING

Aged 52, has been appointed as Non-executive Director of the Company since April 2024. Ms. Liu holds a Master of Architecture and Economic Management degree and is a senior accountant and a non-practising member of The Chinese Institute of Certified Public Accountants. She is the general manager of the Finance and Treasury Department of COLI (listed in Hong Kong) and a director of certain subsidiaries of the Company. COLI is the substantial shareholder of the Company within the meaning of the SFO. She has over 27 years' management experience in corporate finance and accounting.

INDEPENDENT NON-EXECUTIVE DIRECTORS

DR. CHUNG SHUI MING, TIMPSON *GBS, JP*

Aged 73, holds a Bachelor of Science degree from the University of Hong Kong, a master's degree in business administration from the Chinese University of Hong Kong and a Doctor of Social Sciences honoris causa from the City University of Hong Kong. He is a fellow member of The Hong Kong Institute of Certified Public Accountants. Besides, Dr. Chung is an independent non-executive director of China Unicom (Hong Kong) Limited, Miramar Hotel and Investment Company, Limited, Orient Overseas (International) Limited and Postal Savings Bank of China Co., Ltd. (all listed on the Stock Exchange). Formerly, Dr. Chung was an independent director of CSCECL (listed on the Shanghai Stock Exchange and is the substantial shareholder of the Company within the meaning of the SFO) and China Everbright Bank Company Limited, an independent non-executive director of China Netcom Group Corporation (Hong Kong) Limited, Tai Shing International (Holdings) Limited (now known as hmvod Limited), Henderson Land Development Company Limited, Nine Dragons Paper (Holdings) Limited, China Construction Bank Corporation, Jinmao Hotel and Jinmao (China) Hotel Investments and Management Limited (which has been privatised and listing of its shares had been withdrawn on 5 October 2020), Glorious Sun Enterprises Limited, China Everbright Limited and China Railway Group Limited, a director of Hantec Investment Holdings Limited, the chairman of China Business of Jardine Fleming Holdings Limited, the deputy chief executive officer of BOC International Limited, and the chairman of the Council of the City University of Hong Kong. He was also a member of the National Committee of the Chinese People's Political Consultative Conference, the chairman of the Hong Kong Housing Society, a member of the Executive Council of the Hong Kong Special Administrative Region, the vice chairman of the Land Fund Advisory Committee of Hong Kong Special Administrative Region Government, a member of the Managing Board of the Kowloon-Canton Railway Corporation, a member of the Hong Kong Housing Authority, a member of the Disaster Relief Fund Advisory Committee and a vice-chairman, director and deputy general manager of Nanyang Commercial Bank Limited and the chief executive officer of the Hong Kong Special Administrative Region Government Land Fund Trust. In addition, Dr. Chung has been appointed as Pro-Chancellor of the City University of Hong Kong with effect from August 2016. Since May 2010, Dr. Chung has been appointed as an Independent Non-executive Director of the Company, the Chairman of the Audit Committee, and members of both the Remuneration Committee and Nomination Committee of the Company.

MR. LAM KIN FUNG, JEFFREY *GBM, GBS, JP*

Aged 73, holds a bachelor's degree from Tufts University in USA. He has over 40 years of experience in the toy industry and is currently the managing director of Forward Winsome Industries Limited which is engaged in toy manufacturing. Mr. Lam also holds several public and community service positions including serving as a non-official member of the Executive Council, a member of the Legislative Council in Hong Kong, a general committee member of the Hong Kong General Chamber of Commerce, a director of Heifer International – Hong Kong and a member of the Hong Kong Tourism Board. In addition, he is an independent non-executive director of C C Land Holdings Limited, Wynn Macau, Limited, Chow Tai Fook Jewellery Group Limited, CWT International Limited (formerly known as HNA Holding Group Co. Limited), i-CABLE Communications Limited, Wing Tai Properties Limited, Analogue Holdings Limited, CSC Holdings Limited (formerly known as China Strategic Holdings Limited) and Golden Resources Development International Limited. He was also a member of the National Committee of the Chinese People's Political Consultative Conference, and an executive director of Hong Kong Aerospace Technology Group Limited (now known as USPACE Technology Group Limited). Mr. Lam was awarded Grand Bauhinia Medal by the government of Hong Kong in 2023. Since May 2010, Mr. Lam has been appointed as an Independent Non-executive Director of the Company, and he is currently the members of the Audit Committee and Nomination Committee and the Chairman of the Remuneration Committee of the Company.

INDEPENDENT NON-EXECUTIVE DIRECTORS (CONTINUED)

MR. FAN CHUN WAH, ANDREW *JP*

Aged 46, is a practicing certified public accountant in Hong Kong with over 18 years of experience. He holds a Bachelor Degree of Business Administration (Accounting and Finance) from The University of Hong Kong and a Bachelor Degree in Laws from the University of London. Mr. Fan is a fellow member of the Association of Chartered Certified Accountants in the United Kingdom and a fellow member of the Hong Kong Institute of Certified Public Accountants. He is a member of the fourteenth National Committee of the Chinese People's Political Consultative Conference, the Vice Chairman of the tenth to twelfth committee of Zhejiang Province United Young Association, and a member and standing committee member of the twelfth and thirteenth committee of All-China Youth Federation. He was also a member of the tenth to twelfth committee of the Chinese People's Political Consultative Conference of the Zhejiang Province, a member of the fourth and fifth committee of the Chinese People's Political Consultative Conference of Shenzhen, and standing committee member of the tenth committee of the Shanghai United Young Association.

Mr. Fan is currently the managing director of Fan, Mitchell & Co., Limited and Fan, Mitchell Risk Advisory Services Limited, and a director of C.W. Fan & Co. Limited. He is also an independent non-executive director of Chuang's China Investments Limited (stock code: 298), Nameson Holdings Limited (stock code: 1982), Sing Tao News Corporation Limited (stock code: 1105), China Aircraft Leasing Group Holdings Limited (stock code: 1848) and China Unicom (Hong Kong) Limited (stock code: 762), shares of which are listed on the Main Board of the Stock Exchange. Mr. Fan had been an independent non-executive director of Space Group Holdings Limited from January 2018 to August 2022 (stock code: 2448) and Culturecom Holdings Limited from April 2015 to May 2024 (stock code: 343), shares of which are listed on the Main Board of the Stock Exchange. Since March 2023, Mr. Fan has been appointed as an Independent Non-executive Director of the Company, the Chairman of the Nomination Committee, and members of both the Audit Committee and Remuneration Committee of the Company.

SENIOR MANAGEMENT STAFF

Assisted by head of departments, the businesses and operations of the Group are under the direct responsibilities of the Executive Directors and the Executive Directors are therefore regarded as the senior management staff of the Company.

The Board hereby presents the annual report and the audited consolidated financial statements of the Group for the year ended 31 December 2024 to the shareholders of the Company.

PRINCIPAL ACTIVITIES

During the year, the principal activities of the Group are property development and commercial property operations. Details of the activities of its principal subsidiaries, associates and joint ventures are set out in notes 49 to 51 to the financial statements respectively.

An analysis of the Group's performance for the year by business and geographical segments is set out in note 7 to the financial statements and the "Segment Information" of the "Management Discussion and Analysis" section in this annual report.

BUSINESS REVIEW

A fair review of the business of the Company as well as discussion and analysis of the Group's performance during the year and the material factors underlying its financial performance and financial position as required by Schedule 5 to the Companies Ordinance, including a description of the principal risks and uncertainties facing the Group and an indication of likely future developments in the Group's business, can be found in the "Chairman's Statement" and "Management Discussion and Analysis" sections in this annual report. These sections form part of this Directors' Report.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2024 are set out in the consolidated income statement on page 98.

The Board has recommended the payment of final dividend of HK7 cents per ordinary share for the year ended 31 December 2024 with a total amount of approximately HK$249,156,000 (2023: HK$391,531,000), subject to the approval by the shareholders at the forthcoming annual general meeting.

FIVE YEAR FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the past five financial years is set out on page 207.

SHARE CAPITAL

Details of the movements during the year in the share capital of the Company are set out in note 34 to the financial statements.

EQUITY-LINKED AGREEMENTS

Save as disclosed in this report, no other equity-linked agreement was entered into by the Group, or existed during the year.

RESERVES

Details of the movements in the reserves of the Group and of the Company during the year are set out in consolidated statement of changes in equity and note 35 to the financial statements respectively.

DISTRIBUTABLE RESERVE

The reserve of the Company available for distribution to shareholders at 31 December 2024 was HK$1,909,269,000 (2023: HK$1,838,523,000).

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Group's listed securities during the year ended 31 December 2024 and up to the date of this report.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment of the Group during the year are set out in note 16 to the financial statements.

MAJOR PROPERTIES

Particulars of the major properties and property interests of the Group as at 31 December 2024 are set out on pages 208 to 234.

DIRECTORS OF THE COMPANY

The directors of the Company during the year and up to the date of this report are as follows:

EXECUTIVE DIRECTORS

Mr. Zhuang Yong *(Chairman)*
Mr. Yang Lin *(CEO)*
Mr. Zhou Hancheng *(Vice President, Chief Compliance Officer and General Counsel)*

NON-EXECUTIVE DIRECTORS

Mr. Yung Kwok Kee, Billy *(Vice Chairman)*
Ms. Liu Ping *(appointed w.e.f. 22 April 2024)*
Mr. Guo Guanghui *(resigned w.e.f. 22 April 2024)*

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. Chung Shui Ming, Timpson
Mr. Lam Kin Fung, Jeffrey
Mr. Fan Chun Wah, Andrew

Each of the Directors (including Non-executive Directors) is subject to retirement by rotation in accordance with article 107 of the Company's articles of association. Therefore, the Board has proposed that Mr. Zhou Hancheng, Mr. Yung Kwok Kee, Billy and Mr. Fan Chun Wah, Andrew will retire by rotation at the forthcoming annual general meeting, and they are eligible for re-election.

The Company has received from each of the Independent Non-executive Directors an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules and the Company still considers the Independent Non-executive Directors to be independent.

DIRECTORS' SERVICE CONTRACTS

None of the Directors who are proposed for re-election at the forthcoming annual general meeting has entered into a service contract with the Group which is not determinable by the employing company within one year without payment of compensation, other than statutory compensation.

DIRECTORS OF SUBSIDIARIES

The list of directors who have served on the boards of the subsidiaries of the Company during the year and up to the date of this report is available on the Company's website under the "Corporate Governance" section.

DIRECTORS AND ORGANISATION

Brief biographical details of Directors and senior management as at the date of this report are set out on pages 66 to 68.

DIRECTORS' INTERESTS IN SIGNIFICANT TRANSACTIONS, ARRANGEMENTS AND CONTRACTS

There is no transaction, arrangement or contract of significance in relation to the business of the Group, to which the Company and any of its subsidiaries was a party and in which a Director or an entity connected with the Director is or was materially interested, either directly or indirectly, which was entered into during the year or subsisted at any time during the year.

MANAGEMENT CONTRACTS

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

DIRECTORS' INTERESTS IN COMPETING BUSINESS

Pursuant to Rule 8.10 of the Listing Rules, as at the date of this report, the following Directors have declared interests in the following entities which compete or are likely to compete, either directly or indirectly, with the businesses of the Company:

Mr. Zhuang Yong, the Chairman of the Board and Executive Director of the Company, is also a director of COHL and the vice chairman of the board and non-executive director of COLI. COHL and COLI are principally engaged in investment holding, property development, commercial property operations, and related businesses.

Ms. Liu Ping, Non-executive Director of the Company, is also the general manager of the finance and treasury department of COLI. COLI is principally engaged in property development, commercial property operations, and related businesses.

The entities in which the above Directors have declared interests are managed by separate boards of directors and management, which are accountable to their respective shareholders. Further, the Board includes three Independent Non-executive Directors and one Non-executive Director (other than Ms. Liu Ping) whose views carry significant weight in the Board's decisions. The Audit Committee of the Company, which consists of three Independent Non-executive Directors, meets regularly to assist the Board in reviewing the financial performance, internal control, risk management and compliance systems of the Group. The Company is, therefore, capable of carrying on its businesses independently of, and at arm's length from, the businesses in which the Directors have declared interests.

PERMITTED INDEMNITY PROVISION

Pursuant to the articles of association of the Company and subject to the provisions of the Companies Ordinance, each Director, former Director, other officer or other former officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, provided that such articles shall only have effect in so far as its provisions are not avoided by the Companies Ordinance. The Company has also maintained appropriate directors and officers liability insurance coverage for the directors and officers of the Group during the year.

ARRANGEMENT TO PURCHASE SHARES OR DEBENTURES BY DIRECTORS

At no time during the year, the Company or any of its subsidiaries, holding companies, or fellow subsidiaries was a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

EMOLUMENT POLICY AND BASIS OF DETERMINING EMOLUMENT TO DIRECTORS

Subject to the relevant laws and regulations, the Company implements an emolument and benefit system comprised of basic salary, incentive bonus and employee benefits. The emolument and employee benefits are reviewed at appropriate time with reference to the remuneration level of the industry or the work location and the operating performance of the Company. The emoluments of the Directors are determined with reference to the salaries paid by comparable companies, time commitment, roles and responsibilities of the Directors, and employment conditions. Details of the Directors' Remuneration Policy are set out in the section "Directors' Remuneration Policy" in the Corporate Governance Report.

RETIREMENT BENEFITS SCHEMES

The Group operates the Mandatory Provident Fund Scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance, Chapter 485 of the Laws of Hong Kong, for those employees in Hong Kong who are eligible to participate in the MPF Scheme. The MPF Scheme is a defined contribution retirement benefits scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. Under the MPF scheme, the employer and its employees are each required to make contributions to the plan at rate specified in the rules. With effect from 1 January 2018, employer voluntary contributions are made, under specific criteria set out in the Company's policy, as a part of the employee benefits program. The Group has no further payment obligations once the contributions have been paid.

The employees of the subsidiaries of the Company which operate in the PRC are required to participate in a central pension scheme operated by the local municipal governments. These PRC subsidiaries are required to contribute a specified percentage of their payroll costs to the central pension scheme to fund the benefits. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme. The Group's obligations under these plans are limited to the fixed percentage contribution payable.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SECURITIES

As at 31 December 2024, the Directors, the CEO and their respective associates had the following interests in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code:

LONG POSITIONS IN SHARES OF THE COMPANY

Name of Directors	Capacity	Nature of interests	Number of Shares held	Aggregate long position	Percentage of Shares in issue(1)
Mr. Zhuang Yong	Beneficial owner	Personal	800,825	800,825	0.02%
Mr. Yang Lin	Beneficial owner	Personal	2,550,000	2,550,000	0.07%
Mr. Zhou Hancheng	Beneficial owner	Personal	810,000	810,000	0.02%
Mr. Yung Kwok Kee, Billy	Beneficial owner	Personal	17,849,999	463,045,980	13.01%
	Beneficiary of a trust(2)	Other	372,617,689		
	Interest of controlled corporation(3)	Interest in controlled corporation	62,578,292		
	Interest of spouse(4)	Family	10,000,000		
Ms. Liu Ping	Interest of spouse	Family	200,000	200,000	0.01%
Dr. Chung Shui Ming, Timpson	Beneficial owner	Personal	544,875	544,875	0.02%

Notes:

(1) The percentage is based on the total number of Shares in issue as at 31 December 2024 (i.e. 3,559,374,732 Shares).

(2) These Shares are held by a trust for the benefit of Mr. Yung Kwok Kee, Billy and his family members.

(3) These Shares are held by Extra-Fund Investment Limited, a wholly-owned subsidiary of Shell Electric Holdings Limited, which in turn is owned as to 80.55% by Red Dynasty Investments Limited, a company wholly owned by Mr. Yung Kwok Kee, Billy.

(4) Mr. Yung Kwok Kee, Billy is deemed to be interested in 10,000,000 Shares through the interest of his spouse, Ms. Vivian Hsu.

Save as disclosed above, as at 31 December 2024, no interests and short positions were held or deemed or taken to be held by any Directors or the CEO or their respective associates in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or pursuant to the Model Code or which are required pursuant to Section 352 of the SFO to be entered in the register referred to therein.

Save as disclosed above, during the year ended 31 December 2024, none of the Directors and the CEO (including their spouses and children under the age of 18) had any interests in, or had been granted any rights to subscribe for the shares, options and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), or had exercised any such rights.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SECURITIES

As at 31 December 2024, the following substantial shareholders of the Company and other persons (other than Directors or the CEO) had interests in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

LONG POSITIONS IN SHARES OF THE COMPANY

Name of shareholders	Capacity	Nature of interests	Number of Shares held	Aggregate long position	Percentage of Shares in issue[(1)]
CSCEC	Interest of controlled corporation[(2)]	Interest in controlled corporation	1,410,758,152	1,410,758,152	39.63%
Diamond Key Enterprises Inc. ("Diamond Key")	Beneficial owner[(3)]	Beneficial	190,910,903	190,910,903	5.36%
On Fat Profits Corporation ("On Fat")	Beneficial owner[(3)]	Beneficial	181,706,786	181,706,786	5.11%
UBS TC (Jersey) Ltd. ("UBS TC")	Trustees of trusts[(3)]	Other	372,617,689	372,617,689	10.47%
Ms. Vivian Hsu	Beneficial owner Interest of spouse[(4)]	Personal Family	10,000,000 453,045,980	463,045,980	13.01%
FIL Limited ("FIL")	Interest of controlled corporation[(5)]	Interest in controlled corporation	250,441,513	250,441,513	7.04%
Pandanus Partners L.P. ("Pandanus Partners")	Interest of controlled corporation[(5)]	Interest in controlled corporation	250,441,513	250,441,513	7.04%
Pandanus Associates Inc. ("Pandanus Associates")	Interest of controlled corporation[(5)]	Interest in controlled corporation	250,441,513	250,441,513	7.04%
Fidelity Funds	Beneficial owner	Beneficial	180,562,469	180,562,469	5.07%

Notes:

(1) The percentage is based on the total number of Shares in issue as at 31 December 2024 (i.e. 3,559,374,732 Shares).

(2) CSCEC holds as to 57.03% of the shareholding interest in CSCECL. CSCECL wholly owns COHL which, in turn, holds as to 56.10% of the shareholding interest in COLI. COLI wholly owns Big Crown Limited ("Big Crown") and China Overseas Project Development Limited ("China Overseas Project Development"), and Big Crown wholly owns Star Amuse Limited ("Star Amuse"). Star Amuse and China Overseas Project Development hold 1,357,257,348 Shares and 53,500,804 Shares, respectively.

(3) 372,617,689 Shares held by UBS TC (including 190,910,903 Shares and 181,706,786 Shares held by Diamond Key and On Fat respectively) are disclosed in the section headed "Directors' and Chief Executive's Interests in Securities" above as being held under a trust with Mr. Yung Kwok Kee, Billy and his family members as the beneficiaries. None of the Directors are directors or employees of Diamond Key and On Fat.

(4) Ms. Vivian Hsu is deemed to be interested in 453,045,980 Shares through the interest of her spouse, Mr. Yung Kwok Kee, Billy.

(5) Pandanus Associates is interested in 250,441,513 Shares, of which 17,522,246 Shares are reported as unlisted derivatives settled in cash. Pandanus Associates acts as general partner of and has 100% control over Pandanus Partners which in turn holds as to 41.00% of the shareholding interest in FIL. FIL is interested in these 250,441,513 Shares through a series of subsidiaries.

Save as disclosed above, the Company had not been notified by any other person (other than Directors or the CEO) who had interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO as at 31 December 2024.

CONNECTED TRANSACTIONS ENTERED INTO BY THE GROUP

(A) CONNECTED TRANSACTIONS

Acquisition Agreement I and Acquisition Agreement II with 桐鄉市安豪投資管理有限公司 (Tongxiang Anhao Investment Management Co., Ltd.* ("Anhao Investment"))

In 2022, certain subsidiaries of the Company had entered into two cooperation agreements with Anhao Investment in relation to the formation of the joint ventures, namely 常州市中海海澄房地產開發有限公司 (Changzhou China Overseas Haicheng Real Estate Co., Ltd.* ("Changzhou Project Company I")) and 常州市中海海泓房地產有限公司 (Changzhou China Overseas Hairong Real Estate Co., Ltd.* ("Changzhou Project Company II")).

As the exit clauses under the cooperation agreements have been fulfilled, on 28 May 2024, 南寧中海宏洋房地產有限公司 (Nanning China Overseas Grand Oceans Real Estate Co., Ltd.* ("COGO Nanning"), an indirect wholly-owned subsidiary of the Company), Citirich International Limited ("Citirich", an indirect wholly-owned subsidiary of the Company), 中海宏洋地產集團有限公司 (China Overseas Grand Oceans Properties Group Co., Ltd.* ("COGO Properties"), an indirect wholly-owned subsidiary of the Company), Anhao Investment and Changzhou Project Company I entered into an acquisition agreement (the "Acquisition Agreement I") pursuant to which, among other things, COGO Nanning agreed to acquire, and Anhao Investment agreed to sell, the 49% equity interest (representing the entire equity interest held by Anhao Investment) in Changzhou Project Company I at a total consideration of RMB258,980,468.08. Changzhou Project Company I is a company established in the PRC for developing a property development project which is called 桂語花園 (Jiang Nan Mansion*) and located in the east of 灣城北路 (Wancheng North Road*) and north of 規劃道路 (Guihua Road*), Changzhou Economic Development Zone, Changzhou City, Jiangsu Province, the PRC.

On the same date, 中海宏洋地產汕頭投資有限公司 (China Overseas Grand Oceans Properties (Shantou) Investment Co., Ltd.* ("COGO Shantou"), an indirect wholly-owned subsidiary of the Company), COGO Properties, Anhao Investment and Changzhou Project Company II entered into an acquisition agreement (the "Acquisition Agreement II") pursuant to which, among other things, COGO Shantou agreed to acquire, and Anhao Investment agreed to sell, the 49% equity interest (representing the entire equity interest held by Anhao Investment) in Changzhou Project Company II and shareholders loans at a total consideration of RMB242,482,449.80. Changzhou Project Company II is a company established in the PRC for developing a property development project which is called 雲麓里 (World Masterpiece*) and located in the east of 橫塘河東路 (Hengtanghe East Road*) and the south of 長榮路 (Changrong Road*), Tianning District, Changzhou City, Jiangsu Province, the PRC.

Upon completion of the above acquisitions, the Company has indirectly owned the entire equity interest in Changzhou Project Company I and Changzhou Project Company II, and therefore, each of them has become an indirect wholly-owned subsidiary of the Company and the financial results of each would continue to be consolidated into the financial statements of the Group.

As at the date of the Acquisition Agreement I and the Acquisition Agreement II, 平安不動產有限公司 (Ping An Real Estate Co., Ltd.* ("Ping An Real Estate")) was the controlling shareholder of Anhao Investment and an indirect substantial shareholder of other subsidiaries of the Company. Therefore, each of Ping An Real Estate and Anhao Investment, a non wholly-owned subsidiary and an associate of Ping An Real Estate under Rule 14A.13 of the Listing Rules, is a connected person of the Company at the subsidiary level. Accordingly, each of the acquisitions as contemplated under the Acquisition Agreement I and the Acquisition Agreement II constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

CONNECTED TRANSACTIONS ENTERED INTO BY THE GROUP (CONTINUED)

(B) CONTINUING CONNECTED TRANSACTIONS

(1) Continuing Connected Transactions with CSCECL Group

CSCECL Group Engagement Agreement with CSCECL

On 18 May 2022, the Company and CSCECL entered into an engagement agreement to renew the engagement agreement entered into between the Company and CSCECL and dated 27 June 2019 for a term of three years from 1 July 2022 to 30 June 2025 (the "CSCECL Group Engagement Agreement").

Pursuant to the CSCECL Group Engagement Agreement, the Group will go through its standard and systematic tender procedures as set out in the Company's announcement dated 18 May 2022 and the CSCECL Group may act as contractor for the Group in the PRC to provide construction related services upon successful tender awarded to the CSCECL Group based on the terms of the successful tenders, subject to the following caps. The services include building design, construction, piling and foundation, building and property fitting-out work, interior decoration, installation of air-conditioning units and elevators.

For the period from 1 July 2022 to 31 December 2022	For the year ended 31 December 2023	For the year ended 31 December 2024	For the period from 1 January 2025 to 30 June 2025
RMB280 million	RMB520 million	RMB520 million	RMB280 million

CSCECL is an intermediate holding company of COLI, which held approximately 38.32% of the issued share capital of the Company as at the date of the CSCECL Group Engagement Agreement. Accordingly, CSCECL is a connected person of the Company, and the transactions contemplated under the CSCECL Group Engagement Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

(2) Continuing Connected Transactions with COLI Group

(i) Supplies Framework Agreement and Renewal Supplies Framework Agreement with COLI

On 27 April 2022, the Company and COLI entered into a framework agreement to replace and supersede all rights and obligations of the parties under the framework agreement entered into between the Company and COLI and dated 19 November 2020 (together with the caps as set out thereunder) starting from 1 January 2022 (the "Supplies Framework Agreement"), with effect from the date of the satisfaction of the conditions precedent set out in the Supplies Framework Agreement.

Pursuant to the Supplies Framework Agreement, (i) the COLI Group may supply the materials in relation to the works in the categories of civil engineering works, electrical and mechanical works and decoration (the "Materials") for the property development projects owned or developed/to be developed by the Group in the PRC (the "Projects") upon the Group's request in accordance with the standard and systematic tendering procedures of the Group as set out in the Company's circular dated 25 May 2022 from time to time for a term of three years from 1 January 2022 to 31 December 2024 subject to the caps as set out in the table below; and (ii) the Group may engage the COLI Group as supplier of the Materials for the Projects upon the COLI Group's successful tender. In any event, the prices and terms of the contracts awarded by the Group to the COLI Group are no more favourable than those awarded to independent third parties.

For the year ended 31 December 2022	For the year ended 31 December 2023	For the year ended 31 December 2024
RMB3 billion	RMB3 billion	RMB3 billion

CONNECTED TRANSACTIONS ENTERED INTO BY THE GROUP (CONTINUED)

(B) CONTINUING CONNECTED TRANSACTIONS (CONTINUED)

(2) Continuing Connected Transactions with COLI Group (Continued)

(i) Supplies Framework Agreement and Renewal Supplies Framework Agreement with COLI (Continued)

As the Supplies Framework Agreement was due to expire on 31 December 2024, on 21 October 2024, the Company and COLI entered into a framework agreement to renew the Supplies Framework Agreement (the "Renewal Supplies Framework Agreement"), with effect from the satisfaction of the conditions precedent set out in the Renewal Supplies Framework Agreement.

Pursuant to the Renewal Supplies Framework Agreement, (i) the COLI Group may submit tender for the supply of Materials for the Projects as supplier of the Group in accordance with the standard and systematic tendering procedures of the Group as set out in the Company's circular dated 15 November 2024 from time to time for a term of three years from 1 January 2025 to 31 December 2027; and (ii) the COLI Group may act as supplier of the Materials for the relevant Projects upon the COLI Group's successful tender subject to the caps as set out in the table below. In any event, the prices and terms of the individual contracts awarded by the Group to the COLI Group are no more favourable than those awarded to independent third parties.

For the year ending 31 December 2025	For the year ending 31 December 2026	For the year ending 31 December 2027
RMB1.5 billion	RMB1.5 billion	RMB1.5 billion

COLI held approximately 38.32% and approximately 39.63% of the issued share capital of the Company as at the date of the Supplies Framework Agreement and as at the date of the Renewal Supplies Framework Agreement, respectively. Accordingly, COLI is a connected person of the Company, and the transactions contemplated under each of the Supplies Framework Agreement and the Renewal Supplies Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

(ii) Huayi Framework Agreement with Hua Yi Design Consultants Limited ("Huayi Design")

On 16 December 2022, the Company and Huayi Design (a wholly-owned subsidiary of COLI) entered into a framework agreement to renew the framework agreement entered into between the Company and Huayi Design and dated 27 February 2020 for a term of three years from 1 January 2023 to 31 December 2025 (the "Huayi Framework Agreement").

Pursuant to the Huayi Framework Agreement, the Group may engage Huayi Design and its subsidiaries from time to time (the "Huayi Design Group") to provide scheme design, preliminary design and construction drawing design services in each construction stage to the Group's property development projects in the PRC upon successful tender awarded to the Huayi Design Group. The maximum total contract sum that may be awarded by the Group to the Huayi Design Group shall not exceed the following caps:

For the year ended 31 December 2023	For the year ended 31 December 2024	For the year ending 31 December 2025
RMB30 million	RMB30 million	RMB30 million

CONNECTED TRANSACTIONS ENTERED INTO BY THE GROUP (CONTINUED)

(B) CONTINUING CONNECTED TRANSACTIONS (CONTINUED)

(2) Continuing Connected Transactions with COLI Group (Continued)

(ii) Huayi Framework Agreement with Hua Yi Design Consultants Limited ("Huayi Design") (Continued)

Pursuant to the Huayi Framework Agreement, the Group will go through a competitive tender process to select and appoint a service provider for the Group's property development projects in the PRC. In the event that the expected contract amount involved is relatively small or no tenderer is available, and it will not be appropriate for the Group to go through the above tendering procedures, the Group will seek quotations from at least three different service providers, among which the lowest quotation will be selected on the condition that the selected service provider also satisfies the selection criteria as set out in the tendering procedures. In any event, the prices and terms of the contracts awarded by the Group to the Huayi Design Group shall be no more favourable than those awarded to the independent third party service providers. Further details of the standard and systematic tender procedures of the Group are set out in the section headed "Pricing Basis" in the Company's announcement dated 16 December 2022.

Huayi Design is a wholly-owned subsidiary of COLI, which held approximately 39.63% of the issued share capital of the Company as at the date of the Huayi Framework Agreement. Accordingly, Huayi Design is a connected person of the Company, and the transactions contemplated under the Huayi Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

(iii) Trademark Licence Agreement with China Overseas Group Trade Mark Limited ("COGTM")

On 30 March 2023, the Company and COGTM, a wholly-owned subsidiary of COLI and the trademark owner, entered into a trademark licence agreement for a term of three years from 1 April 2023 to 31 March 2026 (the "Trademark Licence Agreement").

Pursuant to the Trademark Licence Agreement, COGTM agreed to grant a non-exclusive right to the Company, its subsidiaries and its member company to use its trademark "中海地产" in the PRC for the purpose of or in connection with the marketing and sale of the real estate developments and the royalty payable in arrears by the Company is one per cent of the Company's audited annual consolidated turnover for each financial year ended on 31 December 2023, 2024 and 2025 provided that the royalty payable for each of the 12-month period between 1 April 2023 and 31 March 2026 shall not exceed HK$200 million.

COLI held approximately 39.63% of the issued share capital of the Company as at the date of the Trademark Licence Agreement. Accordingly, COGTM is a connected person of the Company, and the transactions contemplated under the Trademark Licence Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

CONNECTED TRANSACTIONS ENTERED INTO BY THE GROUP (CONTINUED)

(B) CONTINUING CONNECTED TRANSACTIONS (CONTINUED)

(2) Continuing Connected Transactions with COLI Group (Continued)

(iv) 2023 Lease Framework Agreement with COLI

On 31 October 2023, the Company and COLI entered into a framework agreement for a term of three years from 1 November 2023 to 31 October 2026 (the "2023 Lease Framework Agreement").

Pursuant to the 2023 Lease Framework Agreement, members of the COLI Group (as lessee) may lease the properties owned by the Group in the PRC, including but not limited to office premises, shops, car parking spaces, apartments, serviced apartments, hotels, storage rooms, advertising space, etc., from members of the Group (as lessor), subject to the following caps:

For the period from 1 November 2023 to 31 December 2023	For the year ended 31 December 2024	For the year ending 31 December 2025	For the period from 1 January 2026 to 31 October 2026
RMB5 million	RMB31 million	RMB31 million	RMB26 million

In assessing the fees for the leasing transactions in relation to the properties owned by the Group, members of the Group will take into account of, among others, (i) the location, size, usage, nature and conditions of the properties owned by the Group; (ii) the qualifications and performance of contractual obligations of the potential tenants; (iii) the term of the leases; and (iv) the prevailing market fees of comparable properties within the proximity.

In order to ascertain the prevailing market price as mentioned above, the internal control team of the Company will monitor the leasing transactions and ensure that the rent of the leasing transactions will be on normal commercial terms or better by comparing rent offered by independent third parties for leasing properties comparable to the properties owned by the Group in terms of type, size and location.

COLI held approximately 39.63% of the issued share capital of the Company as at the date of the 2023 Lease Framework Agreement. Accordingly, COLI is a connected person of the Company, and the transactions contemplated under the 2023 Lease Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

CONNECTED TRANSACTIONS ENTERED INTO BY THE GROUP (CONTINUED)

(B) CONTINUING CONNECTED TRANSACTIONS (CONTINUED)

(2) Continuing Connected Transactions with COLI Group (Continued)

(v) Haizhichuang Framework Agreement with 深圳海智創科技有限公司 (Shenzhen Haizhichuang Technology Limited* ("Haizhichuang"))

On 29 December 2023, the Company and Haizhichuang, a wholly-owned subsidiary of COLI, entered into a framework agreement to renew the framework agreement entered into between the Company and Haizhichuang and dated 24 August 2021 for a term of three years from 1 January 2024 to 31 December 2026 (the "Haizhichuang Framework Agreement").

Pursuant to the Haizhichuang Framework Agreement, the Group may engage Haizhichuang to provide information technology services (the "Services"), which include but not limited to software licensing, software development, information system integration services, intelligent engineering services, software platform technology services, and relevant consultancy services, for the Group's property development projects in the PRC, subject to the following caps:

For the year ended 31 December 2024	For the year ending 31 December 2025	For the year ending 31 December 2026
RMB10 million	RMB10 million	RMB10 million

In assessing the fees for the Services, member(s) of the Group will take into account of (i) the number of the property projects of the relevant member of the Group in the PRC under development which will require the Services; (ii) the unit price for the Services to be required by the target property projects of the relevant member of the Group, which is determined based on the types, quality and standards of the information technology services; and (iii) the prevailing market price of the same or substantially similar services.

In order to ascertain the prevailing market price as mentioned above, the Group will obtain quotations for the same or substantially similar services with comparable scope, quantity and quality from time to time from at least two independent third party service providers and then compare, evaluate and assess those quotations against the service fees quoted by Haizhichuang for individual contracts to ensure that the service fees payable by the relevant member of the Group to Haizhichuang will be no more favourable than those payable to the independent third party service providers.

COLI held approximately 39.63% of the issued share capital of the Company as at the date of the Haizhichuang Framework Agreement. Accordingly, Haizhichuang is a connected person of the Company, and the transactions contemplated under the Haizhichuang Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

CONNECTED TRANSACTIONS ENTERED INTO BY THE GROUP (CONTINUED)

(B) CONTINUING CONNECTED TRANSACTIONS (CONTINUED)

(2) Continuing Connected Transactions with COLI Group (Continued)

(vi) 2024 Lease Framework Agreement with COLI

On 1 February 2024, the Company and COLI entered into a framework agreement for the period from 1 February 2024 to 31 December 2026 (the "2024 Lease Framework Agreement").

Pursuant to the 2024 Lease Framework Agreement, members of the Group (as lessee) may lease properties owned by the COLI Group, including but not limited to office premises, apartments, shops, parking lots, canteens, etc., from members of the COLI Group (as lessor), subject to the following caps:

For the period from 1 February 2024 to 31 December 2024	For the year ending 31 December 2025	For the year ending 31 December 2026
RMB10 million	RMB11 million	RMB11 million

In assessing the rents/licence fees (exclusive of rates, government rent, water charges, cleaning charges and electricity charges) for the leasing or licensing transactions in relation to the properties owned by the COLI Group, members of the Group will take into account of, among others, (i) the location, size, usage, nature and conditions of the properties owned by the COLI Group; (ii) the term of the leases/licences; and (iii) the prevailing market rents/licence fees of comparable properties within the proximity.

COLI held approximately 39.63% of the issued share capital of the Company as at the date of the 2024 Lease Framework Agreement. Accordingly, COLI is a connected person of the Company, and the transactions contemplated under the 2024 Lease Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

(3) Continuing Connected Transactions with CSC Group

Master Engagement Agreement with CSC

On 20 October 2023, the Company and CSC entered into a master engagement agreement to renew the master engagement agreement entered into between the Company and CSC and dated 19 November 2020 (the "Master Engagement Agreement"), with effect from the satisfaction of the conditions precedent set out in the Master Engagement Agreement.

CONNECTED TRANSACTIONS ENTERED INTO BY THE GROUP (CONTINUED)

(B) CONTINUING CONNECTED TRANSACTIONS (CONTINUED)

(3) Continuing Connected Transactions with CSC Group (Continued)

Master Engagement Agreement with CSC (Continued)

Pursuant to the Master Engagement Agreement, (i) the CSC Group may tender for the Group's construction works in the PRC as construction contractor in accordance with the tendering procedures of the Group from time to time for a term of three years from 1 January 2024 to 31 December 2026 subject to the caps as set out in the table below; and (ii) the Group may engage the CSC Group as construction contractor for the Group's construction works in the PRC upon the CSC Group's successful tender. The maximum total contract sum that may be awarded to the CSC Group for each year is subject to the following caps:

For the year ended 31 December 2024	For the year ending 31 December 2025	For the year ending 31 December 2026
RMB1.8 billion	RMB1.8 billion	RMB1.8 billion

Pursuant to the Master Engagement Agreement, the Group will normally invite construction contractors to participate in competitive tenders for the Group's construction works in the PRC in accordance with its standard and systematic tendering procedures. In any event, the price and terms of the tenders awarded by the Group to the CSC Group are no more favourable than those awarded to independent third parties. Further details of the tender procedures of the Group are set out in the paragraph headed "Pricing Basis" in the Company's circular dated 10 November 2023.

COHL held approximately 64.81% of the issued share capital of CSC and, through COLI, held approximately 39.63% of the issued share capital of the Company as at the date of the Master Engagement Agreement. Therefore, CSC is a connected person of the Company, and the transactions contemplated under the Master Engagement Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

(4) Continuing Connected Transactions with COPH Group

(i) Carpark Framework Agreement with COPH

On 5 September 2022, the Company and COPH entered into a framework agreement to renew the framework agreement entered into between the Company and COPH and dated 23 October 2019 for a term of three years from 1 January 2023 to 31 December 2025 (the "Carpark Framework Agreement").

Pursuant to the Carpark Framework Agreement, the COPH Group may from time to time enter into transactions with the Group for the acquisition of rights-of-use of car parking spaces (including the right to occupy, assign or rent out, until the land use right(s) of the relevant project(s) at which the car parking spaces are located expire) by the COPH Group as its inventory, such car parking spaces being car parking spaces of developments or properties built, developed or owned by the Group and managed by the COPH Group as property manager. The maximum total agreement sums payable by the COPH Group to the Group for the transactions contemplated under the Carpark Framework Agreement shall not exceed the following caps:

For the year ended 31 December 2023	For the year ended 31 December 2024	For the year ending 31 December 2025
HK$300 million	HK$300 million	HK$300 million

CONNECTED TRANSACTIONS ENTERED INTO BY THE GROUP (CONTINUED)

(B) CONTINUING CONNECTED TRANSACTIONS (CONTINUED)

(4) Continuing Connected Transactions with COPH Group (Continued)

(i) Carpark Framework Agreement with COPH (Continued)

The Group will verify the valuation to be obtained from an independent third party property appraiser and will take into account the factors such as development cost, historical maintenance cost, ongoing management cost savings, terms of the acquisitions of rights-of-use of car park spaces contemplated under the agreements, and the qualifications of the purchaser to determine the sale price for each relevant acquisition. In any event, the sale price shall be no less favourable to the Group than that available to an independent third party purchaser for similar transactions.

COHL is the controlling shareholder of COPH, and held approximately 39.63% of the issued share capital of the Company as at the date of the Carpark Framework Agreement. Accordingly, COPH is a connected person of the Company, and the transactions contemplated under the Carpark Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

(ii) COPH Framework Agreement with COPH

On 28 April 2023, the Company and COPH entered into a framework agreement to renew the framework agreement entered into between the Company and COPH and dated 28 April 2020 (the "COPH Framework Agreement").

Pursuant to the COPH Framework Agreement, the Group may engage the COPH Group to provide property management services and value-added services for the property development projects or properties owned or held by the Group in the PRC, Hong Kong, Macau and other locations through the tender process of the Group from time to time for a term of three years from 1 July 2023 to 30 June 2026.

The Group's standard and systematic tender procedure is set out in the Company's announcement dated 28 April 2023. In any event, the price and terms of the contracts and tenders awarded by the Group to the COPH Group are no more favourable than those awarded to independent third parties. Upon successful tender, the Group may engage the COPH Group to provide the property management services and value-added services to the Group, subject to the following caps:

For the period from 1 July 2023 to 31 December 2023	For the year ended 31 December 2024	For the year ending 31 December 2025	For the period from 1 January 2026 to 30 June 2026
HK$230 million	HK$460 million	HK$470 million	HK$250 million

COHL is the holding company of COPH, and held approximately 39.63% of the issued share capital of the Company as at the date of the COPH Framework Agreement. Accordingly, COPH is a connected person of the Company, and the transactions contemplated under the COPH Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

CONNECTED TRANSACTIONS ENTERED INTO BY THE GROUP (CONTINUED)

(B) CONTINUING CONNECTED TRANSACTIONS (CONTINUED)

(5) Continuing Connected Transactions with CSCD Group

CSCD Framework Agreement and Renewal CSCD Framework Agreement with CSCD

On 24 March 2021, the Company and CSCD entered into a framework agreement to renew the framework agreement entered into between the Company and CSCD and dated 26 June 2018 for a term of three years from 1 July 2021 to 30 June 2024 (the "CSCD Framework Agreement").

Pursuant to the CSCD Framework Agreement, the Group will go through its standard and systematic tendering procedures as disclosed in the Company's announcement dated 24 March 2021. In any event, the price and terms of the tenders awarded by the Group to the CSCD Group are no more favourable than those awarded to independent third parties. Upon successful tender, the Group may engage the CSCD Group to provide the project management, supervision and consultancy services for the Group's property development projects in the PRC from time to time, subject to the following caps:

For the period from 1 July 2021 to 31 December 2021	For the year ended 31 December 2022	For the year ended 31 December 2023	For the period from 1 January 2024 to 30 June 2024
HK$30 million	HK$60 million	HK$60 million	HK$30 million

As the CSCD Framework Agreement was due to expire on 30 June 2024, on 26 April 2024, the Company and CSCD entered into a framework agreement to renew the CSCD Framework Agreement for a term of three years from 1 July 2024 to 30 June 2027 (the "Renewal CSCD Framework Agreement").

Pursuant to the Renewal CSCD Framework Agreement, the Group will go through its standard and systematic tendering procedures as disclosed in the Company's announcement dated 26 April 2024. In any event, the price and terms of the tenders awarded by the Group to the CSCD Group are no more favourable than those awarded to independent third parties. Upon successful tender, the Group may engage the CSCD Group to provide the project supervision services to the Group in relation to the property development projects of the Group in the PRC from time to time, subject to the following caps:

For the period from 1 July 2024 to 31 December 2024	For the year ending 31 December 2025	For the year ending 31 December 2026	For the period from 1 January 2027 to 30 June 2027
HK$20 million	HK$40 million	HK$40 million	HK$25 million

COHL held approximately 74.06% of the issued share capital of CSCD and approximately 38.32% of the issued share capital of the Company as at the date of the CSCD Framework Agreement, and approximately 70.78% of the issued share capital of CSCD and approximately 39.63% of the issued share capital of the Company as at the date of the Renewal CSCD Framework Agreement. Accordingly, CSCD is a connected person of the Company, and the transactions contemplated under each of the CSCD Framework Agreement and the Renewal CSCD Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

REVIEW BY AUDIT COMMITTEE MEMBERS AND AUDITOR

The Independent Non-executive Directors have reviewed the continuing connected transactions during the year disclosed by the Group in this section and confirmed that the transactions were entered into:

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

(2) on normal commercial terms and no less favourable than those available to or from independent third parties; and

(3) in accordance with the relevant agreement governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised) "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued an unqualified letter containing the findings and conclusions in respect of the continuing connected transactions for the year ended 31 December 2024 disclosed by the Group in the sub-section (B) "Continuing Connected Transactions" of the section "Connected Transactions Entered into by the Group" above in accordance with Rule 14A.56 of the Listing Rules.

During the year, the Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

CONTRACTS OF SIGNIFICANCE

The transactions set out in paragraphs (A), (B)(1), (B)(2)(i), (B)(2)(iii), (B)(3), (B)(4)(i) and (B)(4)(ii) of the section "Connected Transactions Entered into by the Group" above are considered as contracts of significance under paragraph 16(1) of Appendix D2 to the Listing Rules.

CONTRACTS OF SIGNIFICANCE FOR THE PROVISION OF SERVICES TO THE GROUP

The transactions set out in paragraphs (B)(1), (B)(3) and (B)(4)(ii) of the section "Connected Transactions Entered into by the Group" above are considered as contracts of significance for the provision of services to the Group under paragraph 16(2) of Appendix D2 to the Listing Rules.

DISCLOSURE PURSUANT TO RULE 13.21 OF THE LISTING RULES

The facility agreements/letters, which have been entered into by the Company in the following terms and conditions and continue to subsist at 31 December 2024 are set out below:

(1)	Date:	30 December 2019
	Amount:	Loan facility up to HK$1 billion
	Term:	60 months commencing from the first utilisation date
(2)	Date:	18 January 2023
	Amount:	Loan facility up to HK$1 billion
	Term:	3 years commencing from the first utilisation date

DISCLOSURE PURSUANT TO RULE 13.21 OF THE LISTING RULES (CONTINUED)

The above facility agreements/letters stipulated that, if COLI ceases to be the single largest shareholder of the Company or ceases to have management control over the Company, the above facilities shall be cancelled and all outstanding amounts shall become immediately due and payable.

As at the date of this report, COLI owns approximately 39.63% of the total number of shares of the Company in issue.

MAJOR SUPPLIERS AND CUSTOMERS

During the year ended 31 December 2024, sales to the Group's five largest customers together represented less than 30% of the Group's total turnover and purchases from the Group's five largest suppliers together represented less than 30% of the Group's total purchases.

ENVIRONMENTAL POLICY AND PERFORMANCE

As one of the leading property developers in Mainland China, the Group is committed to the research and development of zero-carbon technologies and project practices, focusing on creating safe, comfortable, green and smart property projects and promoting the sustainable development of the construction and real estate industries. On the basis of the successful implementation of the ultra-low-energy cluster demonstration project, the Group has gradually developed the implementation capability of the whole industry chain, including ESG+dual-carbon planning and consulting, AI+IoT low-carbon intelligent operation and maintenance of buildings, zero-carbon building development and energy-saving renovation of existing buildings, and distributed new energy investment, installation, construction and operation. By participating in academic research and applying scientific and technological innovation, the Group works together with the stakeholders to explore the development direction of green buildings and contribute to the national carbon neutrality goal.

The Group has formulated its Environmental Policy, which covers a wide range of environmental areas such as climate change response, energy management, water resource management, waste management, biodiversity conservation, sustainable construction and green procurement, and reviews and revises it at least once every three years in accordance with national development strategies and industry standards to ensure that the policy is up-to-date and effective.

To mitigate the risks of climate change, the Group strives to combine its strategy in response to climate change with the green building development strategy. According to the national unified plans and relevant requirements, the Group formulates "dual carbon" goals in line with its own characteristics, and actively carries out research on the identification of risks and opportunities related to climate change and the path towards carbon peak and carbon neutrality. The Group promises that, by 2029, the carbon emissions within the Group's operation boundary will peak, and it will be fully electrified and thus fossil fuels will no longer be used by the Group. By 2049, the Group will only be using renewable energy and achieve carbon neutrality within the operation boundary. The proportion of implementation of the ultra-low energy consumption buildings, near-zero energy consumption buildings, zero energy consumption buildings will increase tremendously. Intensity of carbon emission will gradually decrease as compared to that of the base year and there will be a prominent decrease in carbon emission throughout the whole life cycle of the buildings. The Group will also examine the reporting requirements and assessment methods for climate scenario analysis, in preparation of future assessment on any extreme and chronic risks under different climate scenarios, and also to improve the governance performance of the Group in the climate-related issues.

The Group has actively explored diversified green certification methods, promoted high-level certification and international certification in new projects, and launched green building certification for renovation of self-owned properties through green energy-saving renovation. Among them, He Shan Da Guan* (河山大觀) project in Hohhot is in the process of applying for the Ministry of Housing and Construction's three-star logo for green building operation period after completing the accumulation of data and monitoring for one year. Weifang's Da Guang Tian Xia* (大觀天下) commercial land project has initiated the LEED Gold certification. China Overseas International Centre* (中海國際中心) in Beijing has completed the two-star green building renovation and put into operation. During the year, 100% of the Group's new projects met the national star-rated green building design standards.

ENVIRONMENTAL POLICY AND PERFORMANCE (CONTINUED)

Of all the Group's projects under construction, He Shan Da Guan* (河山大觀) ultra-low-energy building project, in Hohhot, Inner Mongolia, and the China Overseas International Centre* (中海國際中心) commercial project in Beijing are of the most representativeness.

He Shan Da Guan* (河山大觀) project in Hohhot is the first large-scale ultra-low energy commercial housing demonstration project built in the cold area, and has achieved the data monitoring conditions for the Ministry of Housing and Construction's three-star green building accreditation during the operating period, with a heating and energy saving rate of 92%. It has been awarded the "Ultra-low Energy Building" certificate by the China Association of Building Energy Efficiency* (中國建築節能協會). In view of its innovativeness and pre-eminence, it won the 9th Construction 21 International Green Solutions China District New Construction Grand Prize, RICS China Awards Annual Sustainable Development Excellence Award, and Inner Mongolia Autonomous Region Excellent Engineering Survey and Design Award Comprehensive Award (Residential and Residential Community) and Special Award (Technology Innovative Application) Double First Prize. In 2024, it was successfully selected as a typical case of the Ministry of Housing and Urban-Rural Development of the PRC and participated in the "Good House" technology exhibition of China Construction, and was positively evaluated by the "Architecture" magazine of the Ministry of Housing and Urban-Rural Development and academicians of the Royal Academy of Engineering of the United Kingdom after investigation.

The existing commercial project of China Overseas International Centre* (中海國際中心) in Beijing actively uses renewable energy and adopts energy-saving measures such as rooftop photovoltaic, fresh air system renovation, cooling tower renovation, intelligent lighting, water-saving renovation, AI machine room, and intelligent energy consumption operation and maintenance platform, etc. The final monitoring result achieves a comprehensive energy-saving rate of more than 13%, and the renovation reaches the project's green 2-star standard, which can apply for more than RMB1.5 million subsidies from Beijing and its Xicheng District. The project meets the conditions for the issuance of low-interest green bonds, and can apply for a low-interest loan of less than the conventional 40BP. The integration of energy-saving renovation and green finance practice has taken a solid step forward in promoting the enterprise's carbon reduction.

The Company actively promotes the enhancement of ESG management work, publishes a white paper on carbon neutrality, puts forward carbon peak and carbon neutrality targets, and further iterates the "4+3" product system, including the Smart Carbon Series "Smart Carbon Space", "Intelligent Carbon Management Platform for Residential Buildings", "Intelligent Carbon Management Platform for Commerical Buildings" and "Smart Carbon Planet" and the Smart Series "Smart Construction Site", "Carbon Wise Home" and "Carbon Wise House", as well as promotes the application of the system, so as to empower the green development with technology. During the year, the Group further promoted the application of "Smart Carbon Planet", launched the "Green and Pretty Houhai, "Carbon" for the Future" low-carbon run, and was successfully selected as one of the first batch of carbon-neutral pilot projects for large-scale activities in Shenzhen, and was granted a carbon-neutral subsidy by the Shenzhen Municipal Bureau of Eco-Environment. This event is a successful example of how the government and enterprises can work together to implement the ESG concept of sustainable development in urban green and low-carbon development.

Albeit the general downgrade of ratings in its industry, the Company's three major ESG ratings have been upgraded: MSCI ESG ratings has been upgraded from BBB to A, Wind ESG rating has been upgraded to AA (ranked the third in the industry), and GRESB rating has been rated 4-star (the highest rating for Mainland property companies). The Company was also awarded with eight annual honorary awards in the field of green and low-carbon innovation including the United Nations Sustainable Development Goals Hong Kong Achievement Award, the Listed Company ESG Governance Excellence Award and the ESG field annual honorary grand prize.

COMPLIANCE WITH ENVIRONMENTAL LAWS AND REGULATIONS THAT HAVE MAJOR IMPACTS ON THE GROUP

The Group is committed to strictly abiding the environmental laws and regulations that may have major impacts on the Group's operations. It is subject to the scrutiny of the government, social organisations and the public. In addition, the Group has implemented different management measures according to different stages of the projects to ensure compliance with the relevant laws and regulations, including conducting environmental impact assessments and commissioning third parties to supervise the operations. All projects are under the unified management of the Project Development Department, with the legal affairs management system being adopted to all project company subsidiaries.

The following table lists out the environmental laws and regulations which may have significant impacts on the Group's operations and management measures to help the Group comply with such laws and regulations. In 2024, there was no case of non-compliance with such environmental laws and regulations.

Project phase	Environmental laws and regulations that have major impacts on the Group	Compliance measures
Planning	• Environmental Impact Assessment Law of the People's Republic of China • Administrative Regulation on Environmental Protection for Construction Projects	Environmental impact assessment was undertaken in all new property development projects of the Group to ensure comprehensive review was carried out before they were constructed to prevent adverse environmental impact of the planning and construction project. The Group compiled environmental impact assessment reports, reporting spreadsheets, or registers according to the degree of environmental impact of the new projects. These documents are submitted to the administrative authorities of environmental protection in the local government for approval before the construction commences.
Construction	• Environmental Protection Law of the People's Republic of China • Water Pollution Prevention and Control Law of the People's Republic of China • Prevention and Control of Noise Pollution Law of the People's Republic of China • Prevention and Control of Environmental Pollution by Solid Waste Law of the People's Republic of China • Administrative Regulation on Environmental Protection for Construction Projects	During the construction process, the Group comprehensively considered the environment and the needs of the surrounding communities, focusing on four major aspects which are dust control, noise control, drainage management and waste management. The Group has assigned third party supervision units to its property projects in PRC to provide supervision service. The Group has obtained environmental protection acceptance and inspection approvals for all completed projects.

RELATIONSHIPS WITH KEY STAKEHOLDERS

The Group operates in a sustainable manner and values the interests of employees, shareholders and investors, customers, suppliers, business partners, industry associations, governmental departments and various stakeholders in the community, different channels have been established to foster the exchange and communications with stakeholders.

EMPLOYEES

The Group is committed to establishing a workplace environment with safety, fairness, trust and development capacity for all employees. The Group believes that all employees should be treated with respect regardless of age, gender, family status, disability, race, ethnic background and nationality, and have equal opportunities to unleash their potentials. As of 31 December 2024, the proportion of female employees of the Group was 43.2%. Since the principal business of the Group is property development, it is one of the industries with the highest proportion of male employees. However, the Group fully acknowledges the importance of diversity mindset at executive level, endorses gender balance at the workplace and encourages to uphold the core values of inclusivity and openness while pledging to the principle of selecting and deploying human resources based on merits. Also, it ensures equal opportunities during the processes of employment, promotion and remuneration determination and consider the capabilities, performance and qualifications during such processes. The Group will not prejudice or treat differently on account of the candidate's gender, and will continuously promote the level of diversity of the Group. The Group attaches great importance to building a bridge of communication with employees, and fully protects the employees' rights to know, express, participate and supervise. The Group regularly conducts satisfaction surveys, employee seminars, sharing sessions and other activities, and has set up a dedicated email for employees' communication to listen to employees' opinions and suggestions on the Group's operation and management. Through information technology and interactive learning platforms, online training courses are actively provided with more newly developed functions such as live broadcasts, Q&A and discussion to meet the progress and needs of employees.

SHAREHOLDERS AND INVESTORS

The Group regularly holds results presentations and general meetings of shareholders to inform the shareholders and investors about the Group's operating performance, financial status and strategic developments. It also organises investor briefings, local and international investor roadshows, investor promotion activities, etc., and participates in industry thematic forums to facilitate communication between the Company and shareholders and the investment community, to understand the capital market's suggestions and opinions on stakeholder communication, and to formulate an annual improvement plan. The Company has also set up an investor relations email to receive daily inquiries from investors and respond them in a timely manner.

CUSTOMERS

The Group plays an active role in building long-term and close relationships with customers. In order to meet the increasing public expectations for the products and services, the Group has formulated "Project Quality Management Measure", "Stop Point Inspection System" and "Apartment Acceptance Inspection Standard", and proactively assumed its responsibilities as a property developer at different stages such as planning, construction, acceptance and inspection, sales and after-sales service, in order to gain the trust of customers and maintain a good reputation. In addition to the formulation of the "Guidelines for Customer Review" and "Customer Complaint and Claims Management Methods", the Group regularly carries out customer satisfaction surveys, organises home visits and evening parties for owners, and uses the online system to receive, track and respond customer consultations, complaints and maintenance requests. It solicits customers' feedback through various channels in order to continuously enhance service quality.

RELATIONSHIPS WITH KEY STAKEHOLDERS (CONTINUED)

SUPPLIERS AND CONTRACTORS

When dealing with suppliers and partners, the Group adheres to the principle of fairness and impartiality, and maintain the most rigorous ethical and professional conduct. The Group also encourages the suppliers to sign the "Integrity Agreement", and provides them with the business ethics training, to ensure that the projects are in compliance, ethical and orderly carried out. At present, the Group is partnered with 9,286 suppliers and contractors which are located across all project cities.

The Group actively empowers its suppliers and contractors in green transformation and initiates green supply chain initiatives to promote the application of green and low-carbon materials. In addition, the Group carried out a pilot project of product carbon footprint in the upstream and downstream of the supply chain, and continues to explore new ways of green transformation of the supply chain. The Group conducts communication activities with suppliers and dissemination of the concept of sustainable development. The Group conducts questionnaires with the suppliers and partners from time to time so as to understand their satisfactory level of their cooperation with us and also to solicit recommendations on improving the cooperation effectiveness.

GOVERNMENT AND REGULATORY BODIES

The Group works closely with local governments and timely reports project preparation progress and construction progress to relevant departments to ensure that operations comply with relevant laws and regulations. The Group will also receive on-site inspections by governmental departments at all levels to understand their opinions on project planning, construction and operation processes.

INDUSTRY ASSOCIATIONS

The Group actively joined the industry association alliance and participated in industry communication meetings, large-scale promotion of ultra-low and near-zero energy buildings and research work on zero energy and zero carbon buildings, and 15 sharing and exchange sessions. The Group was also invited to participate in the United Nations Climate Change Conference COP29 side event on the theme of "China's State-owned Enterprises Going Green", where it explored the improvement and upgrading of craftsmanship and technology with outstanding peers, and promoted the green transformation of the construction industry. The Group also participated in the preparation of 21 national, industry and group standards, including the "Technical Specification for the Measurement of Building Carbon Emission Detection Platforms", "Technical Specification for Ultra-low Energy Consumption Residential Buildings", "Healthy Residential Evaluation Standard (Revised)" and "Carbon Neutral Declaration Standard for Buildings", which have assisted the industry's development in terms of high quality standardisation.

MEDIA

The Group holds media conferences, participates in media interviews, answers questions raised by the media, and proactively announces the progress of the Company's operations through the media at appropriate times.

RELATIONSHIPS WITH KEY STAKEHOLDERS (CONTINUED)

COMMUNITY

The Group has been maintaining a good relationship with the local community in a sincere and open manner. During the entire construction cycle, the Group invites community residents to participate in project surveys to fully collect their views on the construction of the projects. The Group's "China Overseas Club" regularly organises various caring activities, such as home visit's inspection of electricity safety for property owners, maintenance of air-conditioning facilities and other professional services. The Group has responded positively to the call of the society by actively providing health and education services to the local community and encouraging its employees to participate in community building by incorporating ageing-friendly and caring designs for the underprivileged into community building, providing convenience and safety protection for the elderly through the installation of facilities such as barrier-free access and emergency call systems, etc. It also launches community care activities such as canteens for owners, free meals for the elderly and Xiaohai classrooms, in order to respond to the needs of the underprivileged groups and promote the harmonious development of communities. The Group also contributes to social welfare undertakings and supports the revitalisation of villages by donating to charitable funds, launching public welfare activities and procuring public welfare materials, etc. in order to make its best endeavour to address the practical difficulties of the public.

The Group has scheduled sustainable development strategic works in 2024, and will set the scope of sustainability development works based on business development, including green buildings. For the progress of the strategy planning, please refer to the "Environmental, Social and Governance Report" published by the Group on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.cogogl.com.hk under the "Sustainability Development" section.

HEALTH AND SAFETY

The Board is responsible for the health and safety of the employees of the Group, and has formulated "Safety Production Responsibility List", "Engineering Safety Management Measures", "Engineering Safety Management Reward and Punishment Measures" and "Commercial Company Safety Production Operation Management Manual" in order to clearly designate the responsible entities as well as providing the measures, guidelines and manual for the prevention and management in relation to the employees' health and safety.

PUBLIC FLOAT

As at the date of this report, based on public information available to the Company and to the best knowledge of the Directors, the Company maintained sufficient public float, being no less than 25% of the total number of shares of the Company in issue as required under the Listing Rules.

DONATIONS

During the year, the Group did not make any charitable and other donations (2023: Nil).

CHANGE IN DIRECTORS' INFORMATION

Change in Directors' information since the date of the 2024 interim report of the Company, which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules, is set out below:

- Mr. Lam Kin Fung, Jeffrey has been appointed as a member of the Hong Kong Tourism Board with effect from April 2025.

The updated biography details of Directors are set out in the section headed "Directors and Organisation" in this annual report.

AUDITOR

BDO Limited ("BDO") retired as auditor of the Company with effect from the conclusion of the annual general meeting of the Company held on 24 June 2024 ("AGM"). PricewaterhouseCoopers ("PwC") was appointed as the auditor of the Company by the shareholders of the Company at the AGM to fill in the vacancy following the retirement of BDO.

The Board confirmed that there was no disagreement between BDO and the Company. Save as disclosed above, there was no other change in auditor of the Company during the past three years.

The consolidated financial statements of the Group for the year ended 31 December 2024 have been audited by PwC who will retire and, being eligible, offer themselves for re-appointment at the forthcoming annual general meeting of the Company.

On behalf of the Board

Zhuang Yong
Chairman and Executive Director

Hong Kong, 26 March 2025

pwc 羅兵咸永道

To the Members of China Overseas Grand Oceans Group Limited
(incorporated in Hong Kong with limited liability)

OPINION

What we have audited

The consolidated financial statements of China Overseas Grand Oceans Group Limited (the "Company") and its subsidiaries (the "Group"), which are set out on pages 98 to 206, comprise:

- the consolidated statement of financial position as at 31 December 2024;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

OUR OPINION

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENCE

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.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified in our audit is related to the assessment of net realizable value of inventories of properties.

Key Audit Matter	How our audit addressed the Key Audit Matter
Assessment of net realizable value of inventories of properties Refer to notes 5.1(c) and 19 to the consolidated financial statements. Inventories of properties amounted to RMB84,369,988,000 as at 31 December 2024, accounting for approximately 65% of the Group's total assets. As at 31 December 2024, the provision for the write-down of inventories of properties to their net realizable value amounted to RMB3,470,568,000 and the amount as recognised in profit or loss for the year then ended amounted to RMB673,015,000. Inventories of properties are stated at the lower of cost and net realizable value. Management assessed the net realizable value based on the estimated selling prices, anticipated cost to completion for properties under development, and estimated selling expenses by referencing to the comparable market transactions, management's budget of estimated cost to completion and selling expenses to revenue ratio in previous projects respectively. The determination of net realizable value of the inventories of properties involved critical accounting estimates on the selling prices, the cost to completion for properties under development and selling expenses.	We have performed the following procedures to address this key audit matter: (i) Obtained an understanding of management's internal control and assessment process of the net realizable value of the inventories of properties and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors such as complexity, subjectivity, changes and susceptibility to management bias or fraud. (ii) Evaluated and tested, on a sample basis, the controls relating to management's assessment of the net realizable value of inventories of properties. (iii) Evaluated the outcome of prior period assessments of the net realizable value of the inventories of properties to assess the effectiveness of management's estimation process.

KEY AUDIT MATTERS (CONTINUED)

Key Audit Matter	How our audit addressed the Key Audit Matter
We focused on this matter because of the magnitude of the inventories of properties balance and given that the management's estimation of net realizable value of the inventories of properties is subject to a high degree of estimation uncertainty.	(iv) Assessed the reasonableness of the management's key estimates as adopted in determining the net realizable value of the inventories of properties including: • For the estimated selling prices, we compared these, on a sample basis, to the contracted selling prices of the underlying properties or prevailing market prices of properties with comparable conditions and locations, where applicable; • For the anticipated cost to completion for properties under development, we reconciled, on a sample basis, the anticipated cost to completion to the latest construction cost budget approved by management and compared the major cost compositions contained in these estimates with the actual cost compositions of similar type of completed properties of the Group in similar locations, where applicable; and • For the estimated selling expenses which are estimated based on a certain percentage of selling prices, we compared these estimated percentages with the historical average ratio of selling expenses to revenue of the Group. Based on the above procedures performed, we found that the key estimates made by management in relation to the assessment of net realizable value of inventories of properties were supported by the available evidence.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors 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 Audit Committee is responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with Section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Pong Fei Ho.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 26 March 2025

Consolidated Income Statement

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 RMB'000	2023 RMB'000
Revenue	6	45,895,252	56,408,144
Cost of sales and services provided		(42,049,101)	(50,096,691)
Gross profit		3,846,151	6,311,453
Other income and gains, net	8	499,617	343,362
Distribution and selling expenses		(1,373,053)	(1,551,916)
Administrative expenses		(762,613)	(896,268)
Operating profit		2,210,102	4,206,631
Finance costs	10	(59,453)	(65,237)
Share of results of associates		27,588	1,450
Share of results of joint ventures		(17,493)	(20,131)
Profit before income tax	9	2,160,744	4,122,713
Income tax expense	11	(944,903)	(2,097,753)
Profit for the year		1,215,841	2,024,960
Profit/(Loss) for the year attributable to:			
Owners of the Company		954,050	2,301,686
Non-controlling interests		261,791	(276,726)
		1,215,841	2,024,960
		RMB Cents	RMB Cents
Earnings per share	13		
Basic		26.8	64.7
Diluted		26.8	64.7

Consolidated Statement of Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 RMB'000	2023 RMB'000
Profit for the year		**1,215,841**	**2,024,960**
Other comprehensive income			
Item that will not be reclassified to profit or loss			
Exchange differences on translation of the Company's financial statements	35	**284,242**	**151,953**
Item that may be reclassified to profit or loss			
Exchange differences on translation of subsidiaries' financial statements		**(900,017)**	**(443,784)**
Other comprehensive income for the year, net of tax		**(615,775)**	**(291,831)**
Total comprehensive income for the year		**600,066**	**1,733,129**
Total comprehensive income attributable to:			
Owners of the Company		**338,275**	**2,009,855**
Non-controlling interests		**261,791**	**(276,726)**
		600,066	**1,733,129**

Consolidated Statement of Financial Position

AS AT 31 DECEMBER 2024

	Notes	2024 RMB'000	2023 RMB'000
ASSETS AND LIABILITIES			
Non-current assets			
Investment properties	15	4,536,748	4,621,513
Property, plant and equipment	16	808,564	817,233
Right-of-use assets	37(a)	327,305	353,686
Interests in associates	17	518,273	328,085
Interests in joint ventures	18	412,458	568,035
Deferred tax assets	33	1,376,844	1,707,562
		7,980,192	8,396,114
Current assets			
Inventories of properties	19	84,369,988	107,119,484
Other inventories	20	2,772	2,820
Contract costs	21	55,261	75,217
Trade and other receivables	22	748,410	777,512
Prepayments and deposits	23	3,282,159	4,017,266
Amounts due from associates	24	726,912	888,880
Amounts due from joint ventures	25	441,985	373,496
Amounts due from non-controlling shareholders	26	2,896,924	2,764,690
Tax prepaid		1,387,437	1,594,372
Cash and bank balances	28	27,290,854	26,020,603
		121,202,702	143,634,340
Current liabilities			
Trade and other payables	29	13,650,255	17,567,987
Pre-sales proceeds	30	27,803,620	40,829,178
Amounts due to associates	24	155,166	43,411
Amounts due to joint ventures	25	255,857	269,054
Amounts due to non-controlling shareholders	26	5,129,250	5,673,611
Amounts due to a related company – due within one year	27	186,119	186,119
Lease liabilities – due within one year	37(a)	9,133	11,664
Guaranteed notes and corporate bonds – due within one year	32	2,800,000	–
Taxation liabilities		2,048,482	3,169,088
Bank and other borrowings – due within one year	31	9,729,105	13,555,442
		61,766,987	81,305,554
Net current assets		59,435,715	62,328,786
Total assets less current liabilities		67,415,907	70,724,900

Consolidated Statement of Financial Position

AS AT 31 DECEMBER 2024

	Notes	2024 RMB'000	2023 RMB'000
Non-current liabilities			
Bank and other borrowings – due after one year	31	**21,190,484**	21,353,371
Lease liabilities – due after one year	37(a)	**15,658**	24,487
Amount due to a related company – due after one year	27	**75,026**	75,026
Guaranteed notes and corporate bonds – due after one year	32	**5,982,049**	8,655,350
Deferred tax liabilities	33	**2,601,627**	2,487,150
		29,864,844	32,595,384
Net assets		**37,551,063**	38,129,516
CAPITAL AND RESERVES			
Share capital	34	**6,047,372**	6,047,372
Reserves	35	**25,348,495**	25,256,160
Equity attributable to owners of the Company		**31,395,867**	31,303,532
Non-controlling interests	36	**6,155,196**	6,825,984
Total equity		**37,551,063**	38,129,516

On behalf of the directors

Zhuang Yong
Director

Zhou Hancheng
Director

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2024

	Attributable to owners of the Company							
	Share capital RMB'000 (note 34)	Translation reserve* RMB'000 (note 35)	Assets revaluation reserve* RMB'000 (note 35)	Statutory reserve* RMB'000 (note 35)	Retained profits*# RMB'000 (note 35)	Total RMB'000	Non-controlling interests RMB'000 (note 36)	Total equity RMB'000
At 1 January 2024	6,047,372	(1,205,910)	30,075	2,527,146	23,904,849	31,303,532	6,825,984	38,129,516
Profit for the year	–	–	–	–	954,050	954,050	261,791	1,215,841
Exchange differences arising from translation into presentation currency	–	(615,775)	–	–	–	(615,775)	–	(615,775)
Total comprehensive income for the year	–	(615,775)	–	–	954,050	338,275	261,791	600,066
Transfer from retained profits to PRC statutory reserve	–	–	–	818,520	(818,520)	–	–	–
2024 interim dividend paid (note 12(a))	–	–	–	–	(97,730)	(97,730)	–	(97,730)
2023 final dividend paid (note 12(b))	–	–	–	–	(360,660)	(360,660)	–	(360,660)
Contributions from non-controlling shareholders	–	–	–	–	–	–	248,000	248,000
Return of capital to non-controlling shareholders	–	–	–	–	–	–	(248,000)	(248,000)
Dividend attributable to non-controlling shareholders	–	–	–	–	–	–	(202,020)	(202,020)
Acquisition of additional equity interests in subsidiaries while retaining control (note 39(a))	–	–	–	–	212,450	212,450	(730,559)	(518,109)
Transactions with owners	–	–	–	–	(245,940)	(245,940)	(932,579)	(1,178,519)
At 31 December 2024	6,047,372	(1,821,685)	30,075	3,345,666	23,794,439	31,395,867	6,155,196	37,551,063

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2024

	Attributable to owners of the Company							
	Share capital RMB'000 (note 34)	Translation reserve* RMB'000 (note 35)	Assets revaluation reserve* RMB'000 (note 35)	Statutory reserve* RMB'000 (note 35)	Retained profits*# RMB'000 (note 35)	Total RMB'000	Non-controlling interests RMB'000 (note 36)	Total equity RMB'000
At 1 January 2023	6,047,372	(914,079)	30,075	2,586,951	22,191,877	29,942,196	7,458,956	37,401,152
Profit/(loss) for the year	–	–	–	–	2,301,686	2,301,686	(276,726)	2,024,960
Exchange differences arising from translation into presentation currency	–	(291,831)	–	–	–	(291,831)	–	(291,831)
Total comprehensive income for the year	–	(291,831)	–	–	2,301,686	2,009,855	(276,726)	1,733,129
Transfer from PRC statutory reserve to retained profits	–	–	–	(59,805)	59,805	–	–	–
2023 interim dividend paid (note 12(a))	–	–	–	–	(163,454)	(163,454)	–	(163,454)
2022 final dividend paid (note 12(b))	–	–	–	–	(491,264)	(491,264)	–	(491,264)
Contributions from non-controlling shareholders	–	–	–	–	–	–	728,004	728,004
Return of capital to non-controlling shareholders	–	–	–	–	–	–	(131,400)	(131,400)
Dividend attributable to non-controlling shareholders	–	–	–	–	–	–	(466,553)	(466,553)
Acquisition of additional equity interests in a subsidiary while retaining control (note 39(b))	–	–	–	–	6,199	6,199	(486,297)	(480,098)
Transactions with owners	–	–	–	–	(648,519)	(648,519)	(356,246)	(1,004,765)
At 31 December 2023	6,047,372	(1,205,910)	30,075	2,527,146	23,904,849	31,303,532	6,825,984	38,129,516

* The total of these equity accounts at the end of the reporting period represents "Reserves" in the consolidated statement of financial position.

\# As at 31 December 2024, other reserves related to transactions with non-controlling shareholders which included in retained profits amounted to RMB515,195,000 (2023: RMB302,745,000).

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 RMB'000	2023 RMB'000
Operating activities			
Profit before income tax		2,160,744	4,122,713
Adjustments for:			
Share of results of associates		(27,588)	(1,450)
Share of results of joint ventures		17,493	20,131
Gain on disposal of property, plant and equipment		(1,908)	(221)
Loss on disposal of a joint venture		21,213	–
Depreciation		122,404	116,808
Impairment of property, plant and equipment		–	81,460
Write-off of property, plant and equipment		22	39,972
Write-down of inventories of properties	9(a)	673,015	1,452,605
Interest income		(222,817)	(372,321)
Finance costs		59,453	65,237
Net foreign exchange (gains)/losses		(212,484)	13,654
Operating cash flows before movements in working capital		2,589,547	5,538,588
Changes in working capital:			
Inventories of properties		23,676,001	24,842,089
Other inventories		48	1,345
Trade and other receivables, prepayments and deposits		684,361	900,713
Contract costs		19,956	53,307
Restricted bank balances		401,863	3,940,738
Trade and other payables		(3,902,681)	(3,390,439)
Pre-sales proceeds		(13,025,558)	(20,328,562)
Cash from operations		10,443,537	11,557,779
Income taxes paid		(1,414,341)	(2,460,145)
Net cash from operating activities		9,029,196	9,097,634
Investing activities			
Additions of investment properties	15	–	(58,000)
Purchases of property, plant and equipment	16	(5,407)	(29,510)
Capital injection in an associate		–	(144,000)
Dividends received from joint ventures and associates	40(c)	2,275	–
Proceeds from disposal of property, plant and equipment		3,823	482
Proceeds from disposal of a joint venture		6,095	–
Interest received		222,817	372,321
Advances to associates		(42,632)	(306,308)
Repayments from associates		–	271,195
Advances to joint ventures		(1,602)	(1,716)
Repayments from joint ventures		1,703	67,719
Net cash from investing activities		187,072	172,183

	Notes	2024 RMB'000	2023 RMB'000
Financing activities	40(a)		
Proceeds from bank and other borrowings		**15,079,235**	10,242,102
Repayments of bank and other borrowings		**(19,314,402)**	(18,616,996)
Proceeds from issue of corporate bonds		**–**	4,000,000
Advances from associates		**92,508**	86,191
Repayments to associates		**(4,681)**	(53,296)
Advances from joint ventures		**3,837**	254,072
Repayments to joint ventures		**(2,045)**	(173,606)
Cash advances from non-controlling shareholders		**757,251**	1,244,503
Repayments of cash advances from non-controlling shareholders		**(1,274,573)**	(1,800,900)
Advances to non-controlling shareholders		**(520,285)**	(1,763,730)
Repayments from non-controlling shareholders		**22,060**	64,305
Payment of principal element of leases		**(18,038)**	(16,018)
Payment of other interest		**(1,629,999)**	(2,050,931)
Dividends paid to owners of the Company		**(458,390)**	(654,718)
Dividends paid to non-controlling shareholders	40(b)	**(102,763)**	(36,602)
Contributions from non-controlling shareholders	40(b)	**248,000**	728,004
Return of capital to non-controlling shareholders		**–**	(8,400)
Acquisitions of additional equity interests in subsidiaries while retaining control	39	**(425,282)**	(106,739)
Net cash used in financing activities		**(7,547,567)**	(8,662,759)
Net increase in cash and cash equivalents		**1,668,701**	607,058
Cash and cash equivalents at 1 January		**20,063,626**	19,433,181
Effect of foreign exchange rate changes on cash and cash equivalents		**3,413**	23,387
Cash and cash equivalents at 31 December		**21,735,740**	20,063,626
Analysis of the balances of cash and cash equivalents			
Cash and bank balances as per consolidated statement of financial position		**27,290,854**	26,020,603
Less: restricted bank balances	28	**(5,555,114)**	(5,956,977)
		21,735,740	20,063,626

1. GENERAL INFORMATION

China Overseas Grand Oceans Group Limited (the "Company") is a limited liability company incorporated in the Hong Kong Special Administrative Region ("Hong Kong"), the People's Republic of China (the "PRC") and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The address of the Company's registered office and principal place of business is Suites 701–702, 7/F., Three Pacific Place, 1 Queen's Road East, Hong Kong.

The principal activities of the Company and its subsidiaries (collectively, the "Group") mainly comprise property development and commercial property operations. The Group's business activities are principally carried out in certain regions in the PRC.

The Company is an associated company of China Overseas Land & Investment Limited ("COLI"). COLI is a company incorporated in Hong Kong with limited liability and its shares are listed on the Stock Exchange. COLI's ultimate holding company is 中國建築集團有限公司 China State Construction Engineering Corporation* ("CSCEC"), an entity established in the PRC.

The consolidated financial statements for the year ended 31 December 2024 were approved and authorized for issue by the directors on 26 March 2025.

2. BASIS OF PREPARATION

2.1 Compliance with HKFRS and HKCO

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS"),which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards ("HKAS") and Interpretations as issued by the Hong Kong Institute of Certified Public Accountants and requirements of the Hong Kong Companies Ordinance Cap. 622 ("HKCO").

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Group's consolidated financial statements, are disclosed in note 5.

2.2 Historical cost convention

The consolidated financial statements have been prepared under the historical cost basis except for investment properties which are measured at fair value.

All values are rounded to the nearest thousand except otherwise indicated.

2.3 Functional and presentation currencies

The functional currency of the Company is Hong Kong dollars ("HK$"), while the Group's consolidated financial statements are presented in Renminbi ("RMB").

The Group's business activities are mainly conducted in the PRC and the functional currency of those operating subsidiaries in the PRC is RMB. Having considered that most of the Group's transactions are denominated and settled in RMB and using RMB as the presentation currency could reduce the impact of any fluctuations in the exchange rate of HK$ against RMB on the consolidated financial statements of the Group, which is not due to the operations and beyond the control of the Group, thus enabling the shareholders of the Company to have a more accurate picture of the Group's financial performance, the directors decided to use RMB as the presentation currency for the preparation of the Group's consolidated financial statements.

* English translation is for identification only

3. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS

3.1 New and amended standards adopted by the group

The Group has applied the following standards, amendments and interpretation for the first time for its annual reporting period commencing 1 January 2024:

Amendments to HKAS 1	Classification of liabilities as current or non-current
Amendments to HKAS 1	Non-current liabilities with covenants
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 HKFRS 16	Lease liability in a Sale and Leaseback
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

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

3.2 New and amended standards and interpretations not yet adopted

Certain new or amended accounting standards and interpretations have been published that are not mandatory for 31 December 2024 reporting period and have not been early adopted by the Group.

		Effective for annual periods beginning on or after
Amendments to HKAS 21	Lack of Exchangeability	1 January 2025
Amendments to HKFRS 9 and HKFRS 7	Classification and Measurement of Financial Instruments	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

HKFRS 18 will replace HKAS 1 *Presentation of Financial Statements*, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the consolidated statements of profit or loss and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the Group's consolidated financial statements. The Group expects to apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with HKFRS 18.

Except for the abovementioned changes in presentation and disclosure, these pronouncements are not expected to have a material impact on the results or the financial position of the Group.

4. MATERIAL ACCOUNTING POLICIES

The material accounting policies adopted in the preparation of the consolidated financial statements are summarized below. These policies have been consistently applied to all the years presented unless otherwise stated. The consolidated financial statements are for the Group consisting of the Company and its subsidiaries.

4.1 Principles of consolidation and equity accounting

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) 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 to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group (refer to note 4.2).

Intercompany 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. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

(ii) Associates

Associates are all entities over which the group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting (see note 4.1(iv) below), after initially being recognized at cost.

(iii) Joint arrangements

Under HKFRS 11 *Joint Arrangements*, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group has joint ventures.

Interests in joint ventures are accounted for using the equity method (see note 4.1(iv) below), after initially being recognized at cost in the consolidated statement of financial position.

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.1 Principles of consolidation and equity accounting (Continued)

(iv) Equity method

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognized as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealized gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in note 4.10.

(v) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognized in a separate reserve within equity attributable to owners of the Company.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognized in profit or loss. This fair value becomes 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 recognized 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 recognized in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs.

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

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.2 Business combination

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred,
- liabilities incurred to the former owners of the acquired business,
- equity interests issued by the Group,
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognized directly in profit or loss as a bargain purchase.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognized in profit or loss.

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 remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognized in profit or loss.

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.3 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.

4.4 Segment reporting

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

4.5 Foreign currency translation

(i) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. 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 recognized in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.

All foreign exchange gains and losses are presented in income statement within "Other income and gains, net".

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available for sale, are included in other comprehensive income.

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.5 Foreign currency translation (Continued)

(ii) Group companies

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

– Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

– Income and expenses for each statement of financial position 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

– All resulting currency translation differences are recognized in other comprehensive income. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Currency translation differences arising are recognized in other comprehensive income.

4.6 Investment properties

Investment properties are interest in land and buildings held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purpose. Investment properties also include property that is being constructed or developed for future use as investment properties.

Investment property is initially stated at cost, including directly attributable costs, and subsequently stated at fair value. Any gain or loss resulting from either a change in the fair value or disposal of an investment property is immediately recognized in profit or loss. Right-of-use assets that meet the definition of investment properties are carried at fair value and presented in the consolidated statement of financial position as investment properties (note 4.8). Rental income from investment properties is accounted for as described in note 4.17(iv).

For a transfer from investment property carried at fair value to owner-occupied property, the property's deemed cost for subsequent accounting is its fair value at the date of change in use. For property occupied by the Group as an owner-occupied property which becomes an investment property, the Group accounts for such property in accordance with the policy of property, plant and equipment (note 4.7) up to the date of change in use, and any difference at that date between the carrying amount and the fair value of the property is dealt with in assets revaluation reserve. On disposal of the property, the assets revaluation reserve is transferred to retained profits as a movement in reserves. For a transfer from inventories to investment properties, any difference between the fair value of the property at that date and its previous carrying amount is recognized in profit or loss. For a transfer from investment properties to inventories of properties, the property's deemed cost for subsequent accounting is its fair value at the date of change in use.

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.7 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses (note 4.9).

The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to the working condition and location for its intended use.

Items may be produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management. The proceeds from selling any such items and the related costs are recognized in profit or loss.

Depreciation is provided to write off the cost of each item of property, plant and equipment less its estimated residual value, if applicable, over its estimated useful life on a straight-line basis as follows:

Category of property, plant and equipment	*Estimated useful life*
Buildings situated on leasehold land	Over the shorter of the remaining lease term of the land or estimated useful life of 20 to 50 years
Leasehold improvements	Over the shorter of the remaining lease term or estimated useful life of 5 years
Furniture, fixtures and office equipment	3 to 10 years
Motor vehicles	4 to 5 years
Ancillary facilities	5 to 10 years

Residual values, useful life and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the item and is recognized in profit or loss.

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.8 Leasing

The Group as a lessee

Leases are recognized 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. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. 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.

Right-of-use assets and lease 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,

– amounts expected to be payable by the lessee under residual value guarantees,

– the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and

– payments of penalties for terminating the lease, if the lease term reflects the lessee 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 determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

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 and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss.

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.8 Leasing (Continued)

The Group as a lessor

Rental income from operating leases is recognized in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized as an expense on the straight-line basis over the lease term.

4.9 Impairment of non-financial assets

Property, plant and equipment, right-of-use assets and interests in subsidiaries, associates and joint ventures are tested 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 of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

4.10 Financial instruments

(i) Financial assets

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

All regular way purchases and sales of financial assets are recognized on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

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

– Financial assets at amortized cost;

– Financial assets at fair value through other comprehensive income; and

– Financial assets at fair value through profit or loss.

The classification is generally based on two criteria:

– the business model under which the financial asset is managed; and

– the contractual cash flow characteristics of the financial asset.

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.10 Financial instruments (Continued)

(i) Financial assets (Continued)

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

Debt instruments

– Amortized cost

Financial assets that are held within a business model whose objective is to hold the financial assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortized cost using the effective interest method. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss.

(ii) Impairment loss on financial assets

The Group recognizes an allowance for expected credit losses ("ECL") on debt instruments carried at amortized cost (including trade and other receivables, amounts due from associates, joint ventures and non-controlling shareholders, cash and bank balances).

ECL are probability-weighted estimate of credit losses. Credit losses are measured as the difference between the contractual cash flows due in accordance with the contract and the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancement that are integral to the contract terms.

The ECL are measured on either of the following bases:

– 12-month ECL: these are the ECL that result from possible default events within 12 months after the reporting date; and

– lifetime ECL: these are the ECL that result from all possible default events over the expected life of a financial instrument.

The maximum period considered when estimating ECL is the maximum contractual period over which the Group is exposed to credit risk.

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.10 Financial instruments (Continued)

(ii) Impairment loss on financial assets (Continued)

For trade receivables and contract costs, the Group applies the simplified approach in measuring ECL, that is to recognize a loss allowance based on lifetime ECL at each reporting date. The Group estimates the loss allowance using a provision matrix which is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other debt financial assets, the Group applies the general approach to measure ECL, that is to recognize a loss allowance based on 12-month ECL. However, when there has been a significant increase in credit risk since initial recognition, the loss allowance will be based on the lifetime ECL.

The Group assesses whether there has been a significant increase in credit risk for exposures since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. For this purpose, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assesses whether the credit risk on an exposure has increased significantly on an individual or collective basis. For the purposes of a collective evaluation of impairment, financial instruments are grouped on the basis of shared credit risk characteristics, such as past due status and credit risk rating, where applicable.

The Group recognizes an impairment loss or reversal in profit or loss for financial instruments carried at amortized cost by adjusting their carrying amount through the use of a loss allowance account. The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Subsequent recoveries of an asset that was previously written off are recognized as a reversal of impairment in profit or loss in the period in which the recovery occurs.

Interest income on credit-impaired financial assets is calculated based on the amortized cost (i.e. the gross carrying amount less loss allowance) of the financial assets. For non credit-impaired financial assets, interest income is calculated based on the gross carrying amount.

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.10 Financial instruments (Continued)

(iii) Financial liabilities

The Group classifies its financial liabilities as (i) financial liabilities at fair value through profit or loss; or (ii) financial liabilities at amortized cost, depending on the purpose for which the liabilities were incurred. Financial liabilities at fair value through profit or loss are initially measured at fair value and financial liabilities at amortized cost are initially measured at fair value, net of directly attributable costs incurred.

Financial liabilities at amortized cost
Financial liabilities at amortized cost including trade payables, other payables and accruals, amounts due to associates, joint ventures, other related parties and non-controlling shareholders, bank and other borrowings and guaranteed notes and corporate bonds are subsequently measured at amortized cost, using the effective interest method. The related interest expense is recognized in accordance with the Group's accounting policy for borrowing costs and disclosed in finance costs.

(iv) Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability and of allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

(v) Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(vi) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer (or guarantor) to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

A financial guarantee contract issued by the Group and not designated as at fair value through profit or loss is recognized initially at its fair value less transaction costs that are directly attributable to the issue of the financial guarantee contract. Subsequent to initial recognition, the Group measures the financial guarantee contact at the higher of: (i) the amount of the loss allowance, being the ECL provision measured in accordance with principles of the accounting policy set out in note 4.10(ii); and (ii) the amount initially recognized less, when appropriate, cumulative amortization recognized in accordance with the principles of HKFRS 15 *Revenue from Contracts with Customers* ("HKFRS 15").

The Group monitors the risk that the specified debtor will default on the contract and recognizes a provision when ECL on the financial guarantees are determined to be higher than the carrying amount of the guarantees. To determine ECL, the Group considers changes in the risk of default of the specified debtor since the issuance of the guarantee. A 12-month ECL is measured unless the risk that the specified debtor will default has increased significantly since the guarantee is issued, in which case a lifetime ECL is measured. As the Group is required to make payments only in the event of a default by the specified debtor in accordance with the terms of the instrument that is guaranteed, ECL is estimated based on the expected payments to reimburse the holder for a credit loss that it incurs less any amount that the Group expects to receive from the holder of the guarantee, the specified debtor or any other party. The amount is then discounted using the current risk-free rate adjusted for risks specific to the cash flows.

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.10 Financial instruments (Continued)

(vii) Derecognition

The Group derecognizes a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with HKFRS 9 *Financial Instruments*.

Financial liabilities are derecognized when the obligation specified in the relevant contract is discharged, cancelled or expires.

4.11 Inventories of properties

Inventories of properties comprise properties under development and completed properties held for sale. Properties under development are investments in land and buildings on which construction work has not been completed and which, upon completion, management intends to hold for sale purposes. Inventories of properties are stated at the lower of cost and net realizable value. Cost is determined on a specific identification basis and consist of interests in leasehold land (note 4.8), development expenditures including construction costs, borrowing costs capitalized (note 4.16) and other direct costs attributable to the development of such properties. Net realizable value is determined on the basis of anticipated sales proceeds less estimated cost to completion and estimated costs necessary to make the sale.

Inventories of properties are classified under current assets unless the construction period of the relevant property development project is expected to complete beyond normal operating cycle.

4.12 Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits with banks and short-term highly liquid investments with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the consolidated statement of financial position.

For the presentation purpose of the consolidated statement of cash flows, cash and cash equivalents include bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

4.13 Share capital

Ordinary shares are classified as equity.

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

4.14 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables 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 recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.15 Borrowings

Borrowings are recognized 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.

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all the facility will be drawn down, the fee is capitalized as a pre-payment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless, at the end of the reporting period, the Group has a right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Covenants that the Group is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Group is required to comply with after the reporting period do not affect the classification at the reporting date.

4.16 Borrowing costs

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 is 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 capitalisation.

All other borrowing costs are recognized in finance costs in the period in which they are incurred.

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.17 Recognition of revenue and other income

Income is classified by the Group as revenue when it arises from the sales of properties, the provision of services or the use by others of the Group's assets under leases in the ordinary course of the Group's business.

Revenue from contracts with customers is recognized when control of properties or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those properties or services, excluding those amounts collected on behalf of third parties. Revenue excludes value-added tax ("VAT") or other sales taxes and is after deduction of any trade discounts.

Depending on the terms of the contract and the laws that apply to the contract, control of the properties or services may be transferred over time or at a point in time. Control of the properties or services is transferred over time if:

– the customers simultaneous receives and consumes the benefits provided by the Group's performance as the Group performs;

– the Group's performance creates or enhances an asset that the customer controls as the Group performs; or

– the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

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

When the contract contains a financing component which provides the customer a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amounts receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. Where the contract contains a financing component which provides a significant financing benefit to the Group, revenue recognized under that contract includes the interest expense accreted on the contract liability under the effective interest method. For contracts where the period between the payment and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

(i) Sales of properties

If control of the property is transferred at a point in time, revenue is recognized when the following conditions are fulfilled: (i) the construction of the property is completed; (ii) the significant risks and rewards of ownership of the completed property are passed to the customer, or when customer has taken physical possession or obtained legal title of the completed property; and (iii) the Group has present right to payment and the collection of the consideration is probable.

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.17 Recognition of revenue and other income (Continued)

(ii) Hotel operation and other ancillary services

Service fee income in relation to hotel operation and other ancillary services is recognized when the relevant services are provided to the customers.

(iii) Other services income

Service fee income is recognized when the relevant services are provided to the customers.

(iv) Other sources of income

– Rental income under operating leases is recognized on a straight-line basis over the term of the relevant lease (note 4.8).

– Interest income disclosed in other income and gains, net is accrued on a time basis using the effective interest method by applying applicable interest rate on (i) the amortized cost (i.e. gross carrying amount less loss allowance for credit-impaired financial assets); or (ii) the gross carrying amount for non-credit-impaired financial assets.

4.18 Contract costs and contract liabilities

Contract costs

Contract costs are either the incremental costs of obtaining a contract with a customer or the costs to fulfil a contract with a customer which are not capitalized as inventories of properties.

Incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. Incremental costs of obtaining a contract are capitalized when incurred if the costs relate to revenue which will be recognized in a future reporting period and the costs are expected to be recovered. Other costs of obtaining a contract are expensed when incurred.

Capitalized contract costs are stated at cost less accumulated amortization and impairment losses. Impairment losses are recognized to the extent that the carrying amount of the contract cost asset exceeds the net of (i) remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the assets relates, less (ii) any costs that relate directly to providing those goods or services that have not yet been recognized as expenses.

Amortization of capitalized contract costs is charged to profit or loss on a systematic basis that is consistent with the transfer to the customer of goods or services to which the costs relate. The accounting policy for revenue recognition is set out in note 4.17.

Contract liabilities

A contract liability is recognized when the customer pays consideration before the Group recognizes the related revenue. A contract liability would also be recognized if the Group has an unconditional right to receive consideration before the Group recognizes the related revenue. In such cases, a corresponding receivable would also be recognized.

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.19 Current and deferred income tax

Income taxes comprise current tax and deferred tax.

Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowable for income tax purposes and is calculated using tax rates that have been enacted or substantively enacted at the end of the reporting period. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income tax.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for tax purposes. Deferred tax assets also arise from unused tax losses and unused tax credits. Except for temporary differences arising on (i) the initial recognition of goodwill; (ii) the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting nor taxable profit and does not give rise to equal taxable and deductible temporary differences; and (iii) investments in subsidiaries and associates and interests in joint arrangements where the Group is able to control the timing of the reversal of the temporary difference; and it is probable that the temporary difference will not reverse in the foreseeable future, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized.

Deferred tax is measured at the tax rates appropriate to the expected manner in which the carrying amount of the asset or liability is realized or settled and that have been enacted or substantively enacted at the end of the reporting period and reflects any uncertainty related to income taxes.

An exception to the general requirement on determining the appropriate tax rate used in measuring deferred tax amount is when an investment property is carried at fair value under HKAS 40. Unless the presumption is rebutted, the deferred tax amounts on these investment properties are measured using the tax rates that would apply on sale of these investment properties at their carrying amounts at the end of the reporting period. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all the economic benefits embodied in the property over time, rather than through sale.

When different tax rates apply to different levels of taxable income, deferred tax assets and liabilities are measured using the average rates that are expected to apply to the taxable profit or tax loss of the periods in which the temporary differences are expected to reverse. The determination of the average tax rates requires an estimation of (i) when the existing temporary differences will reverse and (ii) the amount of taxable income in those years. The estimate of future taxable income includes (i) income or loss excluding reversals of temporary differences; and (ii) reversals of existing temporary differences.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income tax levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Income taxes are recognized in profit or loss except when they relate to items recognized in other comprehensive income in which case the taxes are also recognized in other comprehensive income or when they relate to items recognized directly in equity in which case the taxes are also recognized directly in equity.

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.20 Employee benefits

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. Short-term employee benefits are recognized in the period when the employees render the related service.

Defined contribution retirement plan

Contributions to defined contribution retirement plans are recognized as an expense in profit or loss when the services are rendered by the employees.

Termination benefits

Termination benefits are recognized on the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognizes restructuring costs involving the payment of termination benefits.

4.21 Provisions and contingent liabilities

Provision is recognized when the Group has a present obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. All provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future uncertain events not wholly within the control of the Group, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

4.22 Dividend income

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

4.23 Dividend distribution

Dividend distribution to the Company's shareholders is recognized as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.24 Earnings per share

(a) ***Basic earnings per share***

Basic earnings per share is calculated by dividing:

– the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares,

– by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(b) ***Diluted earnings per share***

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

– the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and

– the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

5. CRITICAL ACCOUNTING JUDGMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, the directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

5.1 Key sources of estimation uncertainty

In addition to information disclosed elsewhere in these consolidated financial statements, key sources of estimation uncertainty that have a significant risk of resulting a material adjustment to the carrying amounts of assets and liabilities within next financial year are as follows:

(a) ***Fair value of investment properties***

As disclosed in note 15, the fair values of the investment properties as at 31 December 2024 were estimated by the directors mainly with reference to the property valuation as at 31 December 2024 conducted by independent professional valuers. The valuation was based on certain assumptions which are subject to uncertainty and might materially differ from the actual results. In making the estimates, the Group considers information from current prices in an active market for similar properties and uses assumptions that are mainly based on market conditions existing at the end of the reporting period.

The carrying amount of investment properties as at 31 December 2024 was RMB4,536,748,000 (2023: RMB4,621,513,000). Further details of the fair value measurement of investment properties are set out in note 15.

5. CRITICAL ACCOUNTING JUDGMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

5.1 Key sources of estimation uncertainty (Continued)

(b) Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for non-financial assets at the end of each reporting period. The Group's non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value-in-use. When value-in-use calculations are undertaken, management is required to estimate the expected future cash flows from the asset or cash-generating unit and apply an appropriate discount rate in order to derive the present value of those cash flows. Changes in key assumptions and conditions underlying the estimates and judgment could materially affect the value-in-use calculations and thus, may result in adjustment to the carrying amounts of those assets or the cash-generating units.

(c) Net realizable value of inventories of properties

Include in the consolidated statement of financial position at 31 December 2024 are inventories of properties with an aggregate carrying amount of RMB84,369,988,000 (2023: RMB107,119,484,000), which are stated at lower of cost and net realizable value.

Management determines the net realizable value of the underlying properties which involves, inter-alia, considerable estimation in determining the estimated selling prices of the inventories of properties with reference to recent market price of properties of comparable condition and location less anticipated costs to completion for properties under development and estimated selling expenses by referencing to the comparable market transactions, selling expenses to revenue ratio in previous projects and management's budget of estimated cost to completion respectively.

Determining net realizable value for the current year is subject to more estimation uncertainty as the real estate market in the PRC is facing uncertainties on recovery of economy and market sentiment. If the actual net realizable values of the underlying properties are less than the current estimations as a result of change in market condition and/or significant variation in the budgeted development cost, significant amount of additional provision for write-down of inventories of properties may result.

During the year ended 31 December 2024, a write-down of inventories of properties amounting to RMB673,015,000 (2023: RMB1,452,605,000) has been recognized in the consolidated financial statements (note 9(a)). Further details of the Group's inventories of properties are set out in note 19.

5. CRITICAL ACCOUNTING JUDGMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

5.1 Key sources of estimation uncertainty (Continued)

(d) Loss allowance for financial assets

The measurement of loss allowance for ECL of financial assets requires judgment, in particular, the assessment of a significant increase in credit risk and credit-impaired financial assets as well as the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

At each reporting date, the Group assesses whether there has been a significant increase in credit risk for exposures since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Group considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and also, forward-looking analysis.

Details of the key assumptions and inputs used for impairment assessment under ECL model are set out in note 48.3.

(e) Estimates of current tax and deferred tax

Significant judgment is required in determining the amount of the provision for taxation and the timing of payment of the related taxation, particularly for PRC land appreciation tax ("LAT"), and implementation of these taxes varies amongst various PRC cities. The Group has not finalized its LAT calculation and payments with certain local tax authorities in the PRC. Accordingly, significant estimation is required in determining the amount of the land appreciation and its related LAT. The Group recognized income tax and LAT based on management's best estimates according to their 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 tax expense in the period in which the tax calculations are finalized with the local tax authorities.

Further details of the income tax expenses and deferred tax are set out in notes 11 and 33.

5. CRITICAL ACCOUNTING JUDGMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

5.2 Critical judgments in applying accounting policies

(a) *De facto control over certain subsidiaries*

De facto control exists in situations where the Company has the practical ability to direct the relevant activities of the investee without holding the majority of the voting rights. Certain investees have been accounted for as subsidiaries by the Group (note 49) although the Group holds less than 50% equity interests in them. The directors assessed whether or not the Group has control over those investees considering whether the Group has the practical ability to direct the relevant activities of those investees unilaterally. In making the judgment, the directors consider the Group's voting power in making decision over the relevant activities of those investees relative to other parties who also hold voting right. Based on management's assessment, the directors concluded that the Group has sufficiently dominant voting interest to direct the relevant activities of those investees and therefore the Group has control over them.

(b) *Joint arrangements*

As at 31 December 2024, the Group held certain percentage of the registered capital/paid up capital and voting rights of certain joint arrangements. The contractual arrangements confer joint control over the relevant activities of the joint arrangements to the Group and the other venturers. In addition, the joint arrangements are structured as limited companies and provide the Group and the other venturers to the arrangements with rights to the net assets of the limited companies under the arrangements. Therefore, based on the judgment of the management, these arrangements are classified as joint ventures. Further details of the Group's joint arrangements are set out in note 18.

6. REVENUE

The principal activities of the Group are disclosed in note 1. Revenue derived from the Group's principal activities comprises of the following:

	2024 **RMB'000**	2023 RMB'000
Property development	**45,410,942**	56,003,458
Commercial property operations	**484,310**	404,686
Total revenue	**45,895,252**	56,408,144

The aggregate amount of transaction price allocated to the remaining performance obligations under the Group's outstanding contracts as at 31 December 2024 is RMB29,662,394,000 (2023: RMB40,528,785,000). This amount represents revenue expected to be recognized in future from the sales contracts for properties entered into by the customers with the Group. The Group will recognize the expected revenue in future in accordance with the accounting policies stated in note 4.17, which is expected to occur over the next 12 to 30 months.

The Group has applied the practical expedient under HKFRS 15 to contracts in relation to hotel operations and other ancillary services such that the above information does not include information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations as in general, the contracts in relation to hotel operation and other ancillary services have an original expected duration of one year or less.

7. SEGMENT INFORMATION

The operating segments are reported in a manner consistent with the way in which information is reported internally to the Group's management for the purposes of resources allocation and assessment of segment performance. Since the property leasing and other segment of the Group are mainly engaged in office and commercial unit leasing and hotel operations, and their operating results are combined for the performance assessment by management, the Group has changed the composition of its reportable segments in respect of the commercial property operation businesses for the year ended 31 December 2024, which mainly combined the property leasing segment and the other segment into commercial property operations segment during the current year.

For the year ended 31 December 2024, the two reportable segments of the Group and the type of revenue are as follows:

Property development	–	property development and sales
Commercial property operations	–	property rentals, hotel and other commercial property operations

The Group has restated segment information comparative figures to conform with the current year's presentation.

Revenue and expenses are allocated to the reportable segments with reference to the sales generated by those segments and the expenses incurred by those segments. Segment revenue represents revenue from external customers and there were no inter-segment sales between different operating segments during the current and prior years. Segment profit/loss includes the Group's share of profit/loss arising from the activities of the Group's associates and joint ventures. Reportable segment profit/loss excludes corporate income and expenses and finance costs from the Group's profit/loss before income tax. Corporate income and expenses are income and expenses incurred by corporate headquarters which are not allocated to the operating segments. Each of the operating segments is managed separately as the resources requirement of each of them is different.

Segment assets include all assets with the exception of tax assets and corporate assets, including certain cash and bank balances and other assets which are not directly attributable to the business activities of operating segments as these assets are managed on a group basis.

Segment liabilities include trade and other payables, accrued liabilities, amounts due to associates, joint ventures, non-controlling shareholders and related companies and other liabilities directly attributable to the business activities of the operating segments and exclude tax liabilities, corporate liabilities and liabilities such as bank and other borrowings, guaranteed notes and corporate bonds and certain amounts due to related companies that are managed on a group basis.

7. SEGMENT INFORMATION (CONTINUED)

Disaggregation of revenue by timing of revenue recognition

Disaggregation of revenue by timing of revenue recognition is set out as follows:

	Property development RMB'000	Commercial property operations RMB'000	Consolidated RMB'000
For the year ended 31 December 2024			
Revenue from contracts with customers disaggregated by timing of revenue recognition			
– Recognition at point in time	45,410,942	–	45,410,942
– Recognition over time	–	186,113	186,113
	45,410,942	186,113	45,597,055
Revenue from other sources			
– Rental income from commercial properties	–	298,197	298,197
	45,410,942	484,310	45,895,252

	Property development RMB'000	Commercial property operations RMB'000	Consolidated RMB'000
For the year ended 31 December 2023			
Revenue from contracts with customers disaggregated by timing of revenue recognition			
– Recognition at point in time	56,003,458	–	56,003,458
– Recognition over time	–	132,504	132,504
	56,003,458	132,504	56,135,962
Revenue from other sources			
– Rental income from commercial properties	–	272,182	272,182
	56,003,458	404,686	56,408,144

7. SEGMENT INFORMATION (CONTINUED)

Segment results, segment assets and segment liabilities

Information regarding the Group's reportable segments including the reportable segment revenue, segment profit/loss, segment assets, segment liabilities, reconciliations to revenue, profit before income tax, total consolidated assets, total consolidated liabilities and other segment information are as follows:

	Property development RMB'000	Commercial property operations RMB'000	Consolidated RMB'000
For the year ended 31 December 2024			
Reportable segment revenue	45,410,942	484,310	45,895,252
Reportable segment profit	1,842,999	192,982	2,035,981
Corporate income			245,956
Finance costs			(59,453)
Other corporate expenses			(61,740)
Profit before income tax			2,160,744
As at 31 December 2024			
Reportable segment assets	118,447,057	7,004,278	125,451,335
Tax assets			2,764,281
Corporate assets*			967,278
Total consolidated assets			129,182,894
Reportable segment liabilities	47,035,617	93,799	47,129,416
Tax liabilities			4,650,109
Bank and other borrowings			30,919,589
Guaranteed notes and corporate bonds			8,782,049
Amount due to a related company			75,026
Other corporate liabilities			75,642
Total consolidated liabilities			91,631,831

7. SEGMENT INFORMATION (CONTINUED)

Segment results, segment assets and segment liabilities (Continued)

	Property development RMB'000	Commercial property operations RMB'000	Consolidated RMB'000
For the year ended 31 December 2023			
Reportable segment revenue	56,003,458	404,686	56,408,144
Reportable segment profit	4,215,963	126,124	4,342,087
Corporate income			8,307
Finance costs			(65,237)
Other corporate expenses			(162,444)
Profit before income tax			4,122,713
As at 31 December 2023			
Reportable segment assets	141,204,766	7,013,866	148,218,632
Tax assets			3,301,934
Corporate assets*			509,888
Total consolidated assets			152,030,454
Reportable segment liabilities	64,405,978	92,229	64,498,207
Tax liabilities			5,656,238
Bank and other borrowings			34,908,813
Guaranteed notes and corporate bonds			8,655,350
Amount due to a related company			75,026
Other corporate liabilities			107,304
Total consolidated liabilities			113,900,938

* Corporate assets as at 31 December 2024 mainly included property, plant and equipment of RMB71,087,000 (2023: RMB76,564,000), right-of-use assets of RMB89,516,000 (2023: RMB96,051,000) and cash and bank balances of RMB804,879,000 (2023: RMB335,150,000), respectively which are managed on a group basis.

7. SEGMENT INFORMATION (CONTINUED)

Segment results, segment assets and segment liabilities (Continued)

	Property development RMB'000	Commercial property operations RMB'000	Corporate RMB'000	Consolidated RMB'000
Other information				
For the year ended 31 December 2024				
Interest income	(209,097)	(2,773)	(10,947)	(222,817)
Depreciation	29,611	79,189	13,604	122,404
Gain on disposal of property, plant and equipment	(1,908)	–	–	(1,908)
Write-off of property, plant and equipment	22	–	–	22
Write-down of inventories of properties	673,015	–	–	673,015
Share of profit of associates	(27,588)	–	–	(27,588)
Share of loss/(profit) of joint ventures	22,625	(5,132)	–	17,493
Additions to specified non-current assets#	3,896	260	1,250	5,406
As at 31 December 2024				
Interests in associates	518,273	–	–	518,273
Interests in joint ventures	285,830	126,628	–	412,458

	Property development RMB'000	Commercial property operations RMB'000	Corporate RMB'000	Consolidated RMB'000
Other information				
For the year ended 31 December 2023				
Interest income	(359,177)	(4,837)	(8,307)	(372,321)
Depreciation	27,244	72,977	16,587	116,808
Gain on disposal of property, plant and equipment	(208)	(13)	–	(221)
Impairment of property, plant and equipment	–	81,460	–	81,460
Write-off of property, plant and equipment	1	39,971	–	39,972
Write-down of inventories of properties	1,452,605	–	–	1,452,605
Share of profit of associates	(1,450)	–	–	(1,450)
Share of loss/(profit) of joint ventures	25,057	(4,926)	–	20,131
Additions to specified non-current assets#	145,506	85,984	20	231,510
As at 31 December 2023				
Interests in associates	328,085	–	–	328,085
Interests in joint ventures	444,264	123,771	–	568,035

Including additions to the Group's investment properties, other properties, plant and equipment, right-of-use assets, interests in associates and joint ventures (i.e. "specified non-current assets"), but excluded those additions arising from transfers between inventories of properties, investment properties and owner-occupied properties.

7. SEGMENT INFORMATION (CONTINUED)

Geographical information

All of the Group's revenue is derived from activities conducted in the PRC excluding Hong Kong. Accordingly, no analysis of the Group's revenue by geographical locations is presented.

An analysis of the Group's specified non-current assets by geographical locations, determined based on physical location of the assets or location of operations in case of interests in associates and joint ventures, is as follows:

	2024 **RMB'000**	2023 RMB'000
Hong Kong (place of domicile)	**8,863**	12,655
Other regions of the PRC	**6,594,485**	6,675,897
	6,603,348	6,688,552

Information about major customer

None of the customers individually contributed 10% or more of the Group's revenue for the years ended 31 December 2024 and 2023.

8. OTHER INCOME AND GAINS, NET

	2024 **RMB'000**	2023 RMB'000
Interest income on:		
– Bank deposits	**222,817**	371,283
– Amounts due from joint ventures	**–**	1,038
Total interest income on financial assets measured at amortized cost	**222,817**	372,321
Government grants (note (a))	**–**	14,483
Net foreign exchange gains/(losses) (note (b))	**234,996**	(66,514)
Others	**41,804**	23,072
	499,617	343,362

Notes:

(a) The amount for the year ended 31 December 2023 mainly included subsidies received from local government to support the Group's business development amounting to RMB14,483,000. There were no unfulfilled conditions attaching to the subsidies recognized.

(b) The amount mainly arose from the translation of borrowings denominated in RMB in offshore companies which use HK$ as their functional currencies.

9. PROFIT BEFORE INCOME TAX

	2024 RMB'000	2023 RMB'000
Profit before income tax is arrived at after charging/(crediting):		
Depreciation		
Property, plant and equipment (note 16)	**95,359**	91,975
Right-of-use assets (note 37(a))		
Land use rights of properties with ownership interests held for own use	**10,376**	10,030
Other properties leased for own use	**16,669**	14,803
Total depreciation	**122,404**	116,808
Remuneration to auditor for audit services*		
– Current year	**2,703**	2,849
Cost of sales and services provided comprise		
– Amount of inventories recognized as cost of sales	**40,979,014**	48,222,140
– Write-down of inventories of properties (note (a))	**673,015**	1,452,605
– Impairment of property, plant and equipment (note 16)	**–**	81,460
Short-term leases expenses	**4,253**	4,046
Rental income from investment properties	**260,040**	227,808
Less: direct operating expenses from property that generated rental income	**(121,544)**	(92,455)
Net rental income	**138,496**	135,353
Staff costs (note (b))	**966,527**	961,613
Gain on disposal of property, plant and equipment^	**(1,908)**	(221)
Write-off of property, plant and equipment^	**22**	39,972
Loss on disposal of a joint venture^	**21,213**	–
Other taxes and levies	**227,227**	382,036

* excluded fees for non-audit services rendered by the auditor which amounted to RMB400,000 (2023: RMB143,000)

^ included in "Other income and gains, net" in the consolidated income statement

9. PROFIT BEFORE INCOME TAX (CONTINUED)

Notes:

(a) Management assessed the net realizable value of the Group's inventories of properties base on the latest market conditions, the government's measures on property market in the PRC as well as the Group's development and sales plans. Based on management assessment, the net realizable value of certain property projects were lower than their carrying value and thus, a write-down of inventories of properties amounting to RMB673,015,000 (2023: RMB1,452,605,000) was recorded in profit or loss under "Cost of sales and services provided".

(b) Staff costs (including directors' emoluments) comprise:

	2024 RMB'000	2023 RMB'000
Salaries, allowances and other benefits	882,543	888,571
Contributions to defined contribution retirement plans (note 41)	83,984	73,042
	966,527	961,613

10. FINANCE COSTS

	2024 RMB'000	2023 RMB'000
Interest on bank and other borrowings	1,406,826	1,975,222
Interest on corporate bonds	181,300	110,886
Imputed interest expense on guaranteed notes (note 32(a))	92,686	90,472
Interest on amounts due to non-controlling shareholders	7,193	30,666
Interest on amount due to a related company	3,564	3,564
Interest on lease liabilities (note 37(a))	870	1,161
Total interest expenses on financial liabilities measured at amortized cost	1,692,439	2,211,971
Less: Amount capitalized	(1,632,986)	(2,146,734)
	59,453	65,237

Borrowing costs capitalized during the year arose from the general borrowing pool are calculated by applying an average capitalization rate of 4.33% (2023: 5.01%) per annum to expenditure on qualifying assets.

11. INCOME TAX EXPENSE

	2024 RMB'000	2023 RMB'000
Current tax for the year		
Hong Kong profits tax	–	–
Other regions of the PRC		
– Enterprise income tax ("EIT")	740,485	1,676,152
– LAT	(224,891)	532,143
	515,594	2,208,295
Over-provision in prior years		
Other regions of the PRC	(358)	(130,987)
Deferred tax	429,667	20,445
	944,903	2,097,753

The Group is subject to Hong Kong profits tax, which is calculated at tax rate of 16.5% on the estimated assessable profits arising in Hong Kong during the year. The first HK$2,000,000 of assessable profits of this subsidiary are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

No Hong Kong profits tax has been provided in the consolidated financial statements as the Group did not derive any estimated assessable profit in Hong Kong for the current year and in prior year.

EIT arising from other regions of the PRC is calculated at 25% (2023: 25%) on the estimated assessable profits.

PRC LAT is levied at progressive rates from 30% to 60% (2023: 30% to 60%) on the estimated appreciation of land value, being the proceeds of sales of properties less deductible expenditure including cost of land use rights and development and construction expenditure.

11. INCOME TAX EXPENSE (CONTINUED)

The income tax expense for the year can be reconciled to profit before income tax in the consolidated income statement at applicable tax rates as follows:

	2024 RMB'000	2023 RMB'000
Profit before income tax	2,160,744	4,122,713
Tax on profit at the rates applicable to profits in the respective jurisdictions concerned	612,347	1,085,860
Expenses not deductible for tax purpose	260,829	307,751
Income not taxable for tax purpose	–	(1,831)
Share of results of associates	(6,897)	(363)
Share of results of joint ventures	4,373	5,033
LAT deductible for calculation of income tax	56,223	(133,036)
Utilization of tax losses previously not recognized	(29,444)	(279)
Tax effect of tax losses not recognized	119,256	63,856
Other temporary differences not recognized	168,254	395,579
Over-provision in prior years	(358)	(130,987)
Others	739	(2,208)
	1,185,322	1,589,375
LAT	(240,419)	508,378
Income tax expense	944,903	2,097,753

12. DIVIDENDS

(a) Dividends payable to owners of the Company attributable to the year:

	2024 RMB'000	2023 RMB'000
Interim dividend – HK$0.03 (2023: HK$0.05) per ordinary share	97,730	163,454
Proposed final dividend – HK$0.07 (2023: HK$0.11) per ordinary share	233,884	355,517
	331,614	518,971

The final dividend in respect of 2024 of HK$0.07 (2023: HK$0.11) per ordinary share, amounting to HK$249,156,000, equivalent to approximately RMB233,884,000 (2023: HK$391,531,000, equivalent to approximately RMB355,517,000), has been proposed by the directors and is subject to approval by the shareholders of the Company in the forthcoming annual general meeting.

The amount of the proposed final dividend, which was calculated based on the number of ordinary shares in issue at the date of approval of the consolidated financial statements, has not been recognized as dividend payable in the consolidated statement of financial position as at 31 December 2024.

12. DIVIDENDS (CONTINUED)

(b) Dividends payable to owners of the Company attributable to the previous financial year:

	2024 RMB'000	2023 RMB'000
Final dividend in respect of previous financial year, approved and paid during the year of HK$0.11 (2023: HK$0.15) per ordinary share	360,660	491,264

13. EARNINGS PER SHARE

The calculations of basic earnings per share attributable to owners of the Company are based on the following data:

	2024 RMB'000	2023 RMB'000
Earnings		
Profit for the year attributable to owners of the Company	954,050	2,301,686

	2024 '000	2023 '000
Weighted average number of ordinary shares		
Weighted average number of ordinary shares in issue during the year	3,559,375	3,559,375

	2024 RMB cents	2023 RMB cents
Basic earnings per share attributable to the owners of the Company	26.8	64.7

Diluted earnings per share for the years ended 31 December 2024 and 2023 are same as the basic earnings per share as there have been no dilutive potential ordinary shares in existence during the current year and prior year.

14. DIRECTORS' EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS' EMOLUMENTS

Directors' emoluments disclosed pursuant to Section 383 of Hong Kong Companies Ordinance, Cap. 622, and the Companies (Disclosure of Information about Benefits of Directors) Regulation, Cap. 622G, are as follows:

Directors' emoluments

	Fees '000	Salaries, allowances and other benefits '000	Discretionary bonus '000	Retirement fund contribution '000	Total '000
For the year ended 31 December 2024					
Executive directors					
Mr. Zhuang Yong	–	RMB2,100	RMB615	RMB102	RMB2,817
Mr. Yang Lin	–	RMB1,783	RMB900	RMB102	RMB2,785
Mr. Zhou Hancheng	–	RMB1,323	RMB1,000	RMB102	RMB2,425
Non-executive directors					
Mr. Guo Guanghui (note (a))	–	–	–	–	–
Ms. Liu Ping (note (a))	–	–	–	–	–
	–	RMB5,206	RMB2,515	RMB306	RMB8,027

	'000	'000	'000	'000	'000
Non-executive director					
Mr. Yung Kwok Kee, Billy*	HK$400 (approximately RMB366)	–	–	–	HK$400 (approximately RMB366)
Independent non-executive directors					
Dr. Chung Shui Ming, Timpson*	HK$400 (approximately RMB366)	–	–	–	HK$400 (approximately RMB366)
Mr. Lam Kin Fung, Jeffrey*	HK$400 (approximately RMB366)	–	–	–	HK$400 (approximately RMB366)
Mr. Fan Chun Wah, Andrew*	HK$400 (approximately RMB366)	–	–	–	HK$400 (approximately RMB366)
	HK$1,600 (approximately RMB1,464)	–	–	–	HK$1,600 (approximately RMB1,464)

14. DIRECTORS' EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS' EMOLUMENTS (CONTINUED)

Directors' emoluments (Continued)

	Fees '000	Salaries, allowances and other benefits '000	Discretionary bonus '000	Retirement fund contribution '000	Total '000
For the year ended 31 December 2023					
Executive directors					
Mr. Zhuang Yong	–	RMB2,094	RMB2,700	RMB97	RMB4,891
Mr. Yang Lin	–	RMB1,777	RMB2,500	RMB97	RMB4,374
Mr. Zhou Hancheng (note (b))	–	RMB913	–	RMB94	RMB1,007
Non-executive director					
Mr. Guo Guanghui	–	–	–	–	–
	–	RMB4,784	RMB5,200	RMB288	RMB10,272

	'000	'000	'000	'000	'000
Executive director					
Mr. Wang Man Kwan, Paul* (note (b))	–	HK$1,204 (approximately RMB1,077)	HK$400 (approximately RMB358)	HK$51 (approximately RMB46)	HK$1,655 (approximately RMB1,481)
Non-executive director					
Mr. Yung Kwok Kee, Billy*	HK$400 (approximately RMB358)	–	–	–	HK$400 (approximately RMB358)
Independent non-executive directors					
Dr. Chung Shui Ming, Timpson*	HK$400 (approximately RMB358)	–	–	–	HK$400 (approximately RMB358)
Mr. Lam Kin Fung, Jeffrey*	HK$400 (approximately RMB358)	–	–	–	HK$400 (approximately RMB358)
Mr. Fan Chun Wah, Andrew* (note (c))	HK$307 (approximately RMB274)	–	–	–	HK$307 (approximately RMB274)
Mr. Lo Yiu Ching, Dantes* (note (c))	HK$94 (approximately RMB84)	–	–	–	HK$94 (approximately RMB84)
	HK$1,601 (approximately RMB1,432)	HK$1,204 (approximately RMB1,077)	HK$400 (approximately RMB358)	HK$51 (approximately RMB46)	HK$3,256 (approximately RMB2,913)

* The amounts are paid in HK$. The RMB amounts are disclosed for presentation only.

14. DIRECTORS' EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS' EMOLUMENTS (CONTINUED)

Directors' emoluments (Continued)

Notes:

(a) With effect from 22 April 2024, Mr. Guo Guanghui resigned as non-executive director and Ms. Liu Ping was appointed as non-executive director.

(b) With effect from 21 April 2023, Mr. Wang Man Kwan, Paul retired as executive director and Mr. Zhou Hancheng was appointed as executive director.

(c) With effect from 27 March 2023, Mr. Lo Yiu Ching, Dantes resigned as independent non-executive director and Mr. Fan Chun Wah, Andrew was appointed as independent non-executive director.

Five highest paid individuals

The five individuals with the highest emoluments in the Group include three (2023: two) directors, whose emoluments are included in the disclosures above. The emoluments of the remaining two (2023: three) highest paid individuals for the years ended 31 December 2024 and 2023 were as follows:

	2024 **RMB'000**	2023 RMB'000
Salaries, allowances and other benefits	**2,491**	3,443
Discretionary bonus	**2,200**	4,400
Retirement fund contributions	**205**	292
	4,896	8,135

Their emoluments were within the following bands:

	Number of individuals	
	2024	2023
HK$2,500,001 – HK$3,000,000	**2**	2
HK$3,000,001 – HK$3,500,000	**–**	1

No emolument was paid by the Group to any of the directors or the five highest paid individuals as an inducement to join or upon joining the Group, or as compensation for loss of office (2023: nil).

15. INVESTMENT PROPERTIES

	2024 RMB'000	2023 RMB'000
Fair value		
At 1 January	**4,621,513**	4,279,204
Additions	–	58,000
Transfer from inventories of properties (note (a))	**19,676**	633,248
Transfer to inventories of properties (note (a))	**(104,441)**	–
Transfer to property, plant and equipment (note (b) and 16)	–	(227,755)
Transfer to right-of-use assets (notes (b) and 37(a))	–	(121,184)
At 31 December	**4,536,748**	4,621,513

Notes:

(a) During the years ended 31 December 2024 and 2023, the transfers mainly represented the reclassifications of certain residential, office and commercial units of certain property projects between inventories of properties and investment properties. No fair value gain or loss was recognized at the dates of the respective reclassifications.

(b) During the year ended 31 December 2023, the transfers mainly represented the reclassifications of building and land portion of certain hotel properties to property, plant and equipment and right-of-use assets, respectively on the dates of changes in use as the Group self-operate the hotels since then.

(c) The fair value of the investment properties as at 31 December 2024 and 2023 is a Level 3 recurring fair value measurement, which uses significant unobservable inputs (i.e. inputs not derived from market data).

For the years ended 31 December 2024 and 2023, no material fair value gain or loss arose from remeasurement of the Group's investment properties.

The fair values of the Group's investment properties as at 31 December 2024 and 2023 were estimated by the directors mainly with reference to the property valuation at that dates conducted by CHFT Advisory and Appraisal Limited ("CHFT").

CHFT is an independent firm of professionally qualified valuers and has appropriate qualifications and recent experiences in the valuation of similar properties in nearby location.

15. INVESTMENT PROPERTIES (CONTINUED)

Notes: (Continued)

(c) (Continued)

Below is a summary of the valuation techniques used and the key inputs to the valuation:

Properties	Fair value at 31 December 2024 RMB'000	Valuation technique	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
China Overseas International Center (comprising office units, shops and car parks)	**2,325,000**	Direct comparison approach	Selling price of direct market comparables	Office units and shops: RMB27,900 per square metre ("sq.m.") to RMB61,299 per sq.m. Car parks: RMB192,405 per unit	The higher the selling price, the higher the fair value
Other commercial units	**2,109,839**	Direct comparison approach	Selling price of direct market comparables	RMB4,704 per sq.m. to RMB22,400 per sq.m.	The higher the selling price, the higher the fair value
		Income approach	Term yield	4.5%-6.5%	The higher the term yield, the lower the fair value
			Reversionary yield	5%-7%	The higher the reversionary yield, the lower the fair value
			Monthly rent of direct market comparables	RMB46.5 per sq.m. to RMB129 per sq.m.	The higher the monthly rent, the higher the fair value
Residential units	**101,909**	Direct comparison approach	Selling price of direct market comparables	RMB6,255 per sq.m. to RMB6,516 per sq.m.	The higher the selling price, the higher the fair value
		Income approach	Term yield	2.75%	The higher the term yield, the lower the fair value
			Reversionary yield	2.85%	The higher the reversionary yield, the lower the fair value
			Monthly rent of direct market comparables	RMB16.7 per sq.m. to RMB20.3 per sq.m.	The higher the monthly rent, the higher the fair value

15. INVESTMENT PROPERTIES (CONTINUED)

Notes: (Continued)

(c) (Continued)

Below is a summary of the valuation techniques used and the key inputs to the valuation: (Continued)

Properties	Fair value at 31 December 2023 RMB'000	Valuation technique	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
China Overseas International Center (comprising office units, shops and car parks)	**2,325,000**	Direct comparison approach	Selling price of direct market comparables	Office units and shops: RMB29,550 per sq.m. to RMB60,630 per sq.m. Car parks: RMB192,595 per unit	The higher the selling price, the higher the fair value
Other commercial units	**2,194,604**	Direct comparison approach	Selling price of direct market comparables	RMB5,042 per sq.m. to RMB22,400 per sq.m.	The higher the selling price, the higher the fair value
		Income approach	Term yield	4.5%-6.5%	The higher the term yield, the lower the fair value
			Reversionary yield	5%-7%	The higher the reversionary yield, the lower the fair value
			Monthly rent of direct market comparables	RMB39.8 per sq.m. to RMB90.1 per sq.m.	The higher the monthly rent, the higher the fair value
		Residual approach	Average unit price	RMB20,537 per sq.m.	The higher the average unit price, the higher the fair value
			Estimated costs to completion	RMB2,178 per sq.m.	The higher the estimated costs to completion, the lower the fair value
			Estimated developer's profit	15%	The higher the estimated developer's profit, the lower the fair value
Residential units	**101,909**	Direct comparison approach	Selling price of direct market comparables	RMB6,402 per sq.m. to RMB6,405 per sq.m.	The higher the selling price, the higher the fair value
		Income approach	Term yield	2.75%	The higher the term yield, the lower the fair value
			Reversionary yield	2.85%	The higher the reversionary yield, the lower the fair value
			Monthly rent of direct market comparables	RMB16.6 per sq.m. to RMB17.4 per sq.m.	The higher the monthly rent, the higher the fair value

15. INVESTMENT PROPERTIES (CONTINUED)

Notes: (Continued)

(c) (Continued)

Fair value measurements are based on the highest and best use of the investment properties, which does not differ from their actual use.

During the years ended 31 December 2024 and 2023, there were no transfers into or out of Level 3 or any other level.

Under the direct comparison approach, fair value is estimated by reference to the selling prices of comparable properties in close proximity which have been adjusted for differences in key attributes of the properties being valued and the comparable properties such as property age, size, characteristics and facilities.

Under the income approach, fair value is estimated by taking into account the current and future market rents that the property is likely able to fetch in the open market on vacant possession basis and capitalized such rents in the remaining land use right term with appropriate property yield(s).

In arriving at the value for the investment properties under development, the Group has adopted the residual approach, which essentially involves determination of gross development value ("GDV") based on a hypothetical development scheme as at the date of valuation by direct comparison method of valuation. The estimated development cost for the proposed development including construction costs and professional fees together with allowances on interest payment and developer's profit are deducted from the established GDV. The resultant figure is being the existing state of the property.

(d) The investment properties are leased to third parties and related companies under operating leases to earn rental income, further details of which are included in note 37(b).

(e) As at 31 December 2024, investment properties with aggregate carrying value of RMB3,809,482,000 (2023: nil) were pledged as securities for the borrowings and banking facilities of the Group, which will be released upon the Group's settlement of the borrowings and banking facilities (note 42).

16. PROPERTY, PLANT AND EQUIPMENT

	Buildings RMB'000	Leasehold improvements RMB'000	Furniture, fixtures and office equipment RMB'000	Motor vehicles RMB'000	Ancillary facilities RMB'000	Total RMB'000
COST						
At 1 January 2023	890,704	3,887	83,854	27,898	–	1,006,343
Translation adjustment	–	65	3	30	–	98
Additions	–	–	28,860	650	–	29,510
Transferred from investment properties (note 15(b))	227,755	–	–	–	–	227,755
Disposals	–	–	(440)	(1,685)	–	(2,125)
Write-off	(39,970)	–	(2,635)	(1,034)	–	(43,639)
At 31 December 2023 and 1 January 2024	**1,078,489**	**3,952**	**109,642**	**25,859**	**–**	**1,217,942**
Translation adjustment	**–**	**133**	**7**	**85**	**–**	**225**
Additions	**–**	**–**	**1,792**	**3,615**	**–**	**5,407**
Cost adjustment	**(42,105)**	**–**	**–**	**–**	**–**	**(42,105)**
Transferred to inventories of properties	**(13,903)**	**–**	**–**	**–**	**–**	**(13,903)**
Transferred from inventories of properties	**32,619**	**–**	**–**	**–**	**103,888**	**136,507**
Disposals	**(2,228)**	**–**	**(663)**	**(7,640)**	**–**	**(10,531)**
Write-off	**–**	**–**	**(1,255)**	**(3,004)**	**–**	**(4,259)**
At 31 December 2024	**1,052,872**	**4,085**	**109,523**	**18,915**	**103,888**	**1,289,283**
DEPRECIATION AND IMPAIRMENT						
At 1 January 2023	167,096	2,729	42,054	20,837	–	232,716
Translation adjustment	–	57	2	30	–	89
Depreciation provided	74,802	778	12,569	3,826	–	91,975
Disposals	–	–	(347)	(1,517)	–	(1,864)
Write-off	–	–	(2,633)	(1,034)	–	(3,667)
Impairment loss (note)	81,460	–	–	–	–	81,460
At 31 December 2023 and 1 January 2024	**323,358**	**3,564**	**51,645**	**22,142**	**–**	**400,709**
Translation adjustment	**–**	**132**	**5**	**67**	**–**	**204**
Depreciation provided	**69,744**	**389**	**16,126**	**3,040**	**6,060**	**95,359**
Transferred to inventories of properties	**(2,700)**	**–**	**–**	**–**	**–**	**(2,700)**
Disposals	**(602)**	**–**	**(663)**	**(7,351)**	**–**	**(8,616)**
Write-off	**–**	**–**	**(1,233)**	**(3,004)**	**–**	**(4,237)**
At 31 December 2024	**389,800**	**4,085**	**65,880**	**14,894**	**6,060**	**480,719**
NET CARRYING AMOUNT						
At 31 December 2024	**663,072**	**–**	**43,643**	**4,021**	**97,828**	**808,564**
At 31 December 2023	755,131	388	57,997	3,717	–	817,233

Note:

In view of tourism development progress in Jiangxi Province in which the subject hotel properties were situated, the management concluded that there were indicators for impairment and conducted an impairment assessment on the subject hotel properties. Accordingly, impairment provision was recognized as to RMB81,460,000 for the relevant property, plant and equipment for the year ended 31 December 2023.

17. INTERESTS IN ASSOCIATES

	2024 RMB'000	2023 RMB'000
Share of net assets	518,273	328,085

Details of the Group's associates as at 31 December 2024 are set out in note 50.

The following table illustrates the aggregate financial information of the Group's associates that are not individually material:

	2024 RMB'000	2023 RMB'000
For the year ended 31 December		
Share of the associates' net profit for the year	27,588	1,450
Share of the associates' other comprehensive income for the year	–	–
Share of the associates' total comprehensive income for the year	27,588	1,450
Dividend received from an associate	42,000	–
As at 31 December		
Aggregate carrying amount of the Group's interests in associates	518,273	328,085

18. INTERESTS IN JOINT VENTURES

	2024 RMB'000	2023 RMB'000
Share of net assets	412,458	568,035

The Group has equity interests in certain joint arrangements, which are separate structured vehicles established in the PRC. The Group has joint control over these arrangements as either unanimous consent is required from all parties to the arrangements for the relevant activities or having regard to the voting power in the shareholders' or directors' meeting, as appropriate.

The contractual arrangements provide the Group with only the rights to the net assets of the joint arrangements, with the rights to the assets and obligation for the liabilities of the joint arrangements resting primarily with the project companies. Accordingly, these joint arrangements are classified as joint ventures and accounted for in the consolidated financial statements using the equity method.

Details of the Group's joint ventures as at 31 December 2024 are set out in note 51.

18. INTERESTS IN JOINT VENTURES (CONTINUED)

The following table illustrates the aggregate financial information of the Group's joint ventures that are not individually material:

	2024 RMB'000	2023 RMB'000
For the year ended 31 December		
Share of the joint ventures' net losses for the year	(17,493)	(20,131)
Share of the joint ventures' other comprehensive income for the year	–	–
Share of the joint ventures' total comprehensive income for the year	(17,493)	(20,131)
Dividend received from joint ventures	2,275	59,153
As at 31 December		
Aggregate carrying amount of the Group's interests in joint ventures	412,458	568,035

19. INVENTORIES OF PROPERTIES

	2024 RMB'000	2023 RMB'000
Properties under development	57,895,604	86,806,137
Properties held for sale	26,474,384	20,313,347
	84,369,988	107,119,484

All properties are located in the PRC. The normal operating cycle of the Group's property development generally ranges from 12 months to 24 months.

The Group's inventories of properties are carried at the lower of cost and net realizable value. As at 31 December 2024, provision of write-down of inventories of properties to net realizable value amounted to RMB3,470,568,000 (2023: RMB4,063,512,000).

Properties under development amounting to RMB23,598,906,000 as at 31 December 2024 (2023: RMB68,934,620,000) under normal operating cycle are not expected to be recovered within twelve months from the end of the reporting period.

Leasehold interests in land included in inventories of properties amounted to RMB53,169,842,000 as at 31 December 2024 (2023: RMB71,684,431,000). The relevant land use rights are on leases of 40 to 70 years.

As at 31 December 2024, inventories of properties with aggregate carrying value of RMB7,196,481,000 (2023: RMB14,326,946,000) were pledged as securities for the borrowings and banking facilities of the Group, which will be released upon the Group's settlement of the borrowings and banking facilities (note 42).

20. OTHER INVENTORIES

	2024 RMB'000	2023 RMB'000
Raw materials and consumables	**2,772**	2,820

21. CONTRACT COSTS

Details of the contract costs recognized by the Group are as follows:

	2024 RMB'000	2023 RMB'000
Contract costs of obtaining contracts	**55,261**	75,217

Contract costs capitalized as at 31 December 2024 and 2023 related to the incremental costs incurred in obtaining the contracts, primarily sale commission and stamp duty paid/payable. Contract costs are recognized in profit or loss in the period in which revenue from the related property sales is recognized. The amount of capitalized contract costs recognized in profit or loss for the year ended 31 December 2024 was RMB68,827,000 (2023: RMB205,211,000). There was no impairment provision in relation to the capitalized contract costs as at 31 December 2024 (2023: nil).

22. TRADE AND OTHER RECEIVABLES

	2024 RMB'000	2023 RMB'000
Trade receivables	**210,825**	159,010
Less: Loss allowance for trade receivables	**–**	–
Trade receivables, net (note (a))	**210,825**	159,010
Other receivables (note (b))	**537,585**	618,502
	748,410	777,512

22. TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) Trade receivables

The credit terms in connection with sales of properties granted to the buyers are set out in the sale and purchase agreements and vary for different agreements. Rentals receivable from tenants and service income receivable from customers are generally due on presentation of invoices.

The ageing analysis of the Group's trade receivables based on invoice date or when appropriate, date of transfer of property, is as follows:

	2024 RMB'000	2023 RMB'000
30 days or below	90,632	49,328
31–60 days	594	282
61–90 days	1,469	113
91–180 days	365	89,779
181–360 days	10,383	14,889
Over 360 days	107,382	4,619
	210,825	159,010

(b) The balance of other receivables as at 31 December 2024 and 2023 mainly included deposits for the purchases of construction materials and engagement of construction services.

(c) The Group recognizes loss allowance for trade and other receivables based on the accounting policies stated in note 4.10(ii). The provision of trade and other receivables was insignificant for the years ended 31 December 2024 and 2023. Further details of the Group's credit policy and credit risk arising from trade receivables are set out in note 48.3.

23. PREPAYMENTS AND DEPOSITS

The balance of prepayments and deposits as at 31 December 2024 mainly comprise prepayments for value added tax and other taxes amounting to RMB2,290,802,000 (2023: RMB2,596,305,000) and deposits and consideration amounting to RMB389,390,000 (2023: RMB871,000,000) in aggregate paid by the Group for the acquisition of lands in the PRC.

24. AMOUNTS DUE FROM/TO ASSOCIATES

The amounts due from/to associates as at 31 December 2024 and 2023 are unsecured, interest-free and repayable on demand.

25. AMOUNTS DUE FROM/TO JOINT VENTURES

The amounts due from joint ventures as at 31 December 2024 are unsecured, repayable on demand and interest-free. The amounts due from joint ventures as at 31 December 2023 were unsecured, repayable on demand and interest-bearing at fixed rate of 8% per annum, except for a sum amounting to RMB13,678,000 which was interest-free.

The amounts due to joint ventures as at 31 December 2024 and 2023 are unsecured, repayable on demand and interest-free.

26. AMOUNTS DUE FROM/TO NON-CONTROLLING SHAREHOLDERS

The amounts due from non-controlling shareholders as at 31 December 2024 and 2023 are unsecured, interest free and repayable on demand, which arose from the distributions of surplus funds (generally being surplus cash after reserving for operating costs, liabilities scheduled for repayments and funds required for property development) in advance to the non-controlling shareholders on a pro-rata basis based on their respective equity interests in certain non-wholly-owned subsidiaries in accordance with the respective cooperation agreements, before being offset by those entities' potential declaration of dividends and/or return of capitals in the future. The Group also received the pro-rata share of the fund concurrently, which the current accounts derived with those non-wholly-owned subsidiaries will be eliminated upon consolidation of financial statements.

The amounts due to non-controlling shareholders as at 31 December 2024 are unsecured, repayable on demand and interest-free except for a sum amounting to RMB120,400,000 which is interest bearing at 2.8% per annum. The amounts due to non-controlling shareholders as at 31 December 2023 were unsecured, repayable on demand and interest-free.

As at 31 December 2024, balances of RMB518,500,000 (2023: RMB514,000,000) were due to related companies of the Group. As at 31 December 2023, RMB51,390,000 were due from related companies of the Group.

27. AMOUNTS DUE TO RELATED COMPANIES

The amounts due to related companies as at 31 December 2024 and 2023 are unsecured, interest-free and repayable on demand except for a sum amounting to RMB75,026,000 (2023: RMB75,026,000) which is interest-bearing at 4.75% (2023: 4.75%) per annum and repayable on 18 October 2026 (2023: 18 October 2026).

28. CASH AND BANK BALANCES

At 31 December 2024, cash and bank balances included cash and cash equivalents of RMB21,735,740,000 (2023: RMB20,063,626,000) and other bank balances of RMB5,555,114,000 (2023: RMB5,956,977,000), which mainly represented pre-sales proceeds from sales of properties in the PRC and was subject to usage restrictions. In accordance with applicable prevailing government regulation, such bank balances can only be used for payments of construction cost of related property projects and will be released according to the completion stage of the related properties.

Cash balances denominated in RMB amounted to approximately RMB27,189,156,000 (2023: RMB25,747,067,000) as at 31 December 2024. The RMB is not freely convertible into other currencies.

Cash at banks earns interest at floating rates based on daily bank deposits rates. Short-term time deposits are made for periods depending on the immediate cash requirements of the Group, and earn interest at the respective short-term time deposit rates.

As at 31 December 2024, the Group had short-term time deposits amounting to RMB519,697,000 (2023: RMB190,684,000), which had original maturity of seven days to two months (2023: seven days) and earned interest income at interest rates ranging from 1.20% to 4.36% (2023: 4.325% to 5.10%) per annum. The entire amount of short-term time deposits as of 31 December 2024 and 2023 were included in "Cash and cash equivalents".

29. TRADE AND OTHER PAYABLES

	2024 RMB'000	2023 RMB'000
Trade payables (note (a))	**12,090,963**	15,887,120
Other payables and accruals (note (b))	**1,188,997**	1,256,432
Deposits received	**370,295**	424,435
	13,650,255	17,567,987

Notes:

(a) The ageing analysis of the Group's trade payables based on invoice date or contract terms, where appropriate, is as follows:

	2024 RMB'000	2023 RMB'000
30 days or below	**4,368,642**	5,916,179
31–60 days	**601,722**	644,730
61–90 days	**284,335**	335,179
91–180 days	**1,054,726**	1,769,715
181–360 days	**2,272,931**	2,554,464
Over 360 days	**3,508,607**	4,666,853
	12,090,963	15,887,120

(b) The balance of other payables and accruals as at 31 December 2024 mainly included other taxes payable of RMB362,316,000 (2023: RMB464,387,000) and royalty fee payable of RMB187,741,000 (2023: RMB181,604,000) (note 45(a)).

30. PRE-SALES PROCEEDS

	2024 RMB'000	2023 RMB'000
Contract liabilities related to sales of properties	**25,301,294**	37,154,552
Value-added tax related to sales of properties as included in pre-sales proceeds	**2,502,326**	3,674,626
Total pre-sales proceeds	**27,803,620**	40,829,178

The Group receives payments of the contract sum (VAT inclusive) from customers based on billing schedule as set out in the contracts for sales of properties. Payments are usually received in advance of the performance under the sales contracts. The decrease in contract liabilities during the year was in line with the decrease in the payments received from customers for the year.

An amount of revenue RMB29,941,107,000 was recognized for the year ended 31 December 2024 (2023: RMB40,049,606,000) out of the contract liabilities at the beginning of the year 2024 of RMB37,154,552,000 (2023: RMB55,653,543,000).

The amount of sales deposits and instalments received as at 31 December 2024 which is expected to be recognized as revenue after more than one year is RMB1,874,688,000 (2023: RMB6,944,389,000).

31. BANK AND OTHER BORROWINGS

	2024 RMB'000	2023 RMB'000
Bank borrowings	30,119,589	31,308,813
Other borrowings (note (a))	800,000	3,600,000
	30,919,589	34,908,813

	2024 RMB'000	2023 RMB'000
Analysis into:		
Current liabilities	9,729,105	13,555,442
Non-current liabilities	21,190,484	21,353,371
	30,919,589	34,908,813

(a) Other borrowings

The Group entered into the following financing arrangements, the outstanding balances of which are included in "Other borrowings":

(i) Shantou Zhiye Real Estate Debt Investment Scheme

In June 2021, 汕頭市中海宏洋置業有限公司 Shantou China Overseas Grand Oceans Property Limited* ("Shantou Zhiye"), an indirect wholly-owned subsidiary of the Company, as borrower, established a debt investment scheme (the "Shantou Zhiye Real Estate Debt Investment Scheme").

The funds raised had a maturity of five years on which date the amount drawdown plus interest accrued thereon would be repayable, subject to (i) recall at the option of the trustee; and (ii) early repayment at the option of Shantou Zhiye, both of which rights could be exercised, on the date falling 36 months after the drawdown date. Shantou Zhiye's obligations to pay the principal and interest under the Shantou Zhiye Real Estate Debt Investment Scheme were guaranteed by the Company and 中海宏洋地產集團有限公司 China Overseas Grand Oceans Properties Group Company Limited* ("COGO Properties"), an indirect wholly-owned subsidiary of the Company.

As at 31 December 2023, the amortized cost of the outstanding debt under the Shantou Zhiye Real Estate Debt Investment Scheme was RMB1,000,000,000 and bore interest at fixed coupon rate of 4.88% per annum.

During the year ended 31 December 2024, the outstanding debt under the Shantou Zhiye Real Estate Debt Investment Scheme was fully settled.

31. BANK AND OTHER BORROWINGS (CONTINUED)

(a) Other borrowings (Continued)

(ii) China Overseas (Shenzhen) Real Estate Debt Investment Scheme

In July 2021, 中海宏洋（深圳）投資有限公司 China Overseas Grand Oceans (Shenzhen) Investment Company Limited* ("CGOSIL"), an indirect wholly-owned subsidiary of the Company, as borrower, established a real estate debt investment scheme (the "CGOSIL Real Estate Debt Investment Scheme").

The funds raised had a maturity of nine years on which date the amount drawdown plus interest accrued thereon would be repayable, subject to (i) recall at the option of the trustee; and (ii) early repayment at the option of CGOSIL, both of which rights could be exercised on the date of the third and the sixth anniversary of the drawdown date. CGOSIL's obligations to pay the principal and interest under CGOSIL Real Estate Debt Investment Scheme were guaranteed by the Company and COGO Properties.

As at 31 December 2024, the amortized cost of the outstanding debt under the CGOSIL Real Estate Debt Investment Scheme was RMB100,000,000 (2023: RMB1,600,000,000) and bore interest at fixed coupon rate of 4.88% (2023: 4.88%) per annum.

(iii) Hefei Hairui Real Estate Debt Investment Scheme

In April 2022, 合肥中海海瑞房地產開發有限公司 Hefei China Overseas Hairui Real Estate Development Co., Ltd.* ("Hefei Hairui"), an indirect wholly-owned subsidiary of the Company, as borrower, established a real estate debt investment scheme (the "Hefei Hairui Real Estate Debt Investment Scheme").

The funds raised had a maturity of nine years on which date the amount drawdown plus interest accrued thereon would be repayable, subject to (i) recall at option of the trustee; and (ii) early repayment at the option of Hefei Hairui, both of which rights could be exercised on the date of the second, third or the sixth anniversary of the drawdown date. Hefei Hairui's obligations to pay the principal and interest under the Hefei Hairui Real Estate Debt Investment Scheme were guaranteed by the Company and COGO Properties.

As at 31 December 2024, the amortized cost of the outstanding debt under the Hefei Hairui Real Estate Debt Investment Scheme was RMB200,000,000 (2023: RMB1,000,000,000) and bore interest at fixed coupon rate of 4.35% (2023: 4.65%) per annum.

(iv) Bohai Trust Scheme

On 11 December 2024, COGO Properties established a trust scheme in which 渤海國際信託股份有限公司 Bohai International Trust Co., Ltd.* is the trustee (the "Bohai Trust Scheme").

According to the scheme, COGO Properties entered into the underlying assets transfer and repurchase agreement, pursuant to which COGO Properties agreed to dispose of the receivables owed to certain property project companies by property purchasers in the PRC (the "Underlying Assets") to the Bohai Trust Scheme at a consideration of RMB500,000,000. On the 180th day after the transfer date, COGO Properties shall repurchase all the remaining Underlying Assets held under the Bohai Trust Scheme, plus a repurchase premium at an interest rate of 3.7% per annum.

As at 31 December 2024, the amortized cost of the outstanding debt under the Bohai Trust Scheme was RMB500,000,000.

* English translation is for identification only

31. BANK AND OTHER BORROWINGS (CONTINUED)

(b) Bank and other borrowings were scheduled for repayment as follows:

	2024 RMB'000	2023 RMB'000
Bank borrowings		
On demand or within one year	8,929,105	10,255,442
More than one year, but not exceeding two years	9,490,157	11,179,212
More than two years, but not exceeding five years	9,667,259	9,560,827
Over five years	2,033,068	313,332
	30,119,589	31,308,813

	2024 RMB'000	2023 RMB'000
Other borrowings		
On demand or within one year	800,000	–
More than two years, but not exceeding five years	–	1,000,000
Over five years	–	2,600,000
	800,000	3,600,000

(c) As at 31 December 2024, bank and other borrowings amounting to RMB4,115,560,000 (2023: RMB3,583,120,000) were secured by certain properties of the Group (note 42).

	2024 RMB'000	2023 RMB'000
Analysis into:		
Secured	4,115,560	3,583,120
Unsecured	26,804,029	31,325,693
	30,919,589	34,908,813

31. BANK AND OTHER BORROWINGS (CONTINUED)

(d) The carrying amounts of bank and other borrowings are denominated in the following currencies:

	2024 **RMB'000**	2023 RMB'000
HK$	**3,773,585**	10,528,466
RMB	**27,146,004**	24,380,347
	30,919,589	34,908,813

(e) As at 31 December 2024, the Group's bank and other borrowings have been arranged as follows:

– borrowings denominated in HK$ amounting to RMB3,773,585,000 (2023: RMB10,528,466,000) are interest-bearing at floating rates ranging from 6.12% to 6.27% (2023: 6.72% to 7.62%) per annum; and

– borrowings denominated in RMB amounting to RMB14,283,774,000 (2023: RMB14,867,847,000) are interest-bearing at floating rates ranging from 2.45% to 4.30% (2023: 2.60% to 4.40%) per annum while the remaining balance of RMB12,862,230,000 (2023: RMB9,512,500,000) are interest-bearing at fixed rates ranging from 2.77% to 4.88% (2023: 3.45% to 4.88%) per annum.

In respect of those borrowings which have been arranged to finance property development projects, the Group is required to place the sales proceeds received from the buyers, and the rental income received and fund raised in relation to those projects into designated bank accounts. These bank accounts are subject to monitoring by the banks and the financial institutions which have priority to claim repayment for the borrowings from these designated accounts.

32. GUARANTEED NOTES AND CORPORATE BONDS

	2024 RMB'000	2023 RMB'000
Guaranteed notes (note (a))	**3,782,049**	3,655,350
Corporate bonds (note (b))	**5,000,000**	5,000,000
	8,782,049	8,655,350

	2024 RMB'000	2023 RMB'000
Analysis into:		
Current liabilities	**2,800,000**	–
Non-current liabilities	**5,982,049**	8,655,350
	8,782,049	8,655,350

The guaranteed notes and corporate bonds were scheduled for repayment as follows:

	2024 RMB'000	2023 RMB'000
On demand or within one year	**2,800,000**	–
More than one year, but not exceeding two years	**4,782,049**	1,000,000
More than two years, but not exceeding five years	**1,200,000**	7,655,350
	8,782,049	8,655,350

(a) Guaranteed notes

On 9 February 2021, the Company and China Overseas Grand Oceans Finance IV (Cayman) Limited ("COGO Finance IV"), a wholly-owned subsidiary of the Company incorporated in the Cayman Islands, entered into a subscription agreement (the "2021 Notes Subscription Agreement") regarding the issue of guaranteed notes by COGO Finance IV in aggregate principal amount of US$512,000,000 (the "2021 Guaranteed Notes"). The completion of the 2021 Notes Subscription Agreement took place and the 2021 Guaranteed Notes were issued on 9 February 2021. The 2021 Guaranteed Notes were issued at 99.916% of the principal amount and were listed on the Stock Exchange.

The 2021 Guaranteed Notes are unsecured and unsubordinated obligations of COGO Finance IV, and are unconditional and irrevocably guaranteed by the Company.

32. GUARANTEED NOTES AND CORPORATE BONDS (CONTINUED)

(a) Guaranteed notes (Continued)

Interest on the 2021 Guaranteed Notes is payable semi-annually in arrears on 9 February and 9 August in each year at the rate of 2.45% per annum, commencing on 9 August 2021.

COGO Finance IV may at any time upon giving not less than 30 or more than 60 days' notice to the noteholders, redeem the 2021 Guaranteed Notes, in whole but not in part, at the early redemption amount as defined in the 2021 Notes Subscription Agreement. The 2021 Guaranteed Notes are also subject to redemption at the option of the noteholders under certain conditions.

Unless previously redeemed, or purchased and cancelled, the 2021 Guaranteed Notes will mature on 9 February 2026 at their principal amount.

The net proceeds from the issue of the 2021 Guaranteed Notes at 99.916% of the principal amount after deducting the direct transaction costs of RMB10,966,000 were RMB3,310,714,000. The guaranteed notes are initially measured at fair value, net of directly attributable costs incurred and subsequently, measured at amortized cost using the effective interest rate of 2.5387% per annum. For the year ended 31 December 2024, imputed interest of RMB92,686,000 (2023: RMB90,472,000) was incurred.

The movements of the carrying amount of the guaranteed notes are set out as below:

	RMB'000
Carrying amount as at 1 January 2023	3,593,302
Imputed interest expense (note 10)	90,472
Finance costs paid	(87,524)
Translation adjustment	59,100
Carrying amount as at 31 December 2023 and 1 January 2024	**3,655,350**
Imputed interest expense (note 10)	**92,686**
Finance costs paid	**(89,592)**
Translation adjustment	**123,605**
Carrying amount as at 31 December 2024	**3,782,049**

As at 31 December 2024, the fair value of the 2021 Guaranteed Notes was RMB3,581,468,000 (2023: RMB3,034,081,000), which was determined with reference to quotation published by a leading financial market data provider.

32. GUARANTEED NOTES AND CORPORATE BONDS (CONTINUED)

(b) Corporate bonds

At 31 December 2024 and 2023, the Group has the following corporate bonds issued with similar terms and conditions and different features:

Issue date	Principal amount RMB'000	Issue price	Fixed interest rate per annum	Maturity date	Fair value at 31 December 2024[(v)] RMB'000	Carrying amount at 31 December 2024 RMB'000	2023 RMB'000
21 October 2022	1,000,000[(i)]	100%	3.40%[(iv)]	24 October 2025	**1,009,100**	**1,000,000**	1,000,000
24 February 2023	1,000,000[(i)]	100%	3.90%[(iv)]	27 February 2026	**1,018,000**	**1,000,000**	1,000,000
31 March 2023	1,200,000[(i)(ii)]	100%	3.80%[(iv)]	3 April 2028	**1,219,080**	**1,200,000**	1,200,000
6 June 2023	500,000[(i)(iii)]	100%	3.05%[(iv)]	7 June 2027	**501,800**	**500,000**	500,000
20 November 2023	1,300,000[(i)(iii)]	100%	3.65%[(iv)]	21 November 2027	**1,314,560**	**1,300,000**	1,300,000
Total					**5,062,540**	**5,000,000**	5,000,000

Notes:

(i) The corporate bonds are unconditionally and irrevocably guaranteed by the Company and listed on the Shanghai Stock Exchange.

(ii) The corporate bond is with terms for repricing of the coupon rate, redemption option and recall option at the end of the third year of the issue of the bonds.

(iii) The corporate bond is with terms for repricing of the coupon rate, redemption option and recall option at the end of the second year of the issue of the bonds.

(iv) Payable annually.

(v) The fair values of the corporate bonds as at 31 December 2024 with an aggregate amount of RMB5,062,540,000 (2023: RMB4,995,140,000) are determined with reference to quotation published by leading financial market data providers or quoted market prices available on the relevant stock exchanges, as appropriate. The fair value measurement of these financial instruments is within Level 1 of the fair value hierarchy.

During the year ended 31 December 2024, there was no redemption or issuance of corporate bonds by the Group. During the year ended 31 December 2023, there was no redemption and an amount of RMB4,000,000,000 of corporate bonds were issued by the Group.

33. DEFERRED TAX

Details of the deferred tax liabilities and assets recognized by the Group and movements during the current and prior years are as follows:

Deferred tax liabilities/(assets)

	Fair value adjustment on properties RMB'000	Properties accrual RMB'000	Revaluation of investment properties RMB'000	Provision for LAT RMB'000	Withholding tax RMB'000	Tax losses RMB'000	Total RMB'000
At 1 January 2023	914,194	(847,116)	629,289	(854,255)	1,297,663	(380,632)	759,143
(Credited)/Charged to profit or loss	(29,372)	12,251	(362)	165,974	(102,775)	(25,271)	20,445
At 31 December 2023 and 1 January 2024	**884,822**	**(834,865)**	**628,927**	**(688,281)**	**1,194,888**	**(405,903)**	**779,588**
Charged/(Credited) to profit or loss	61,311	(15,372)	(5,530)	231,779	(21,340)	194,347	445,195
At 31 December 2024	**946,133**	**(850,237)**	**623,397**	**(456,502)**	**1,173,548**	**(211,556)**	**1,224,783**

Represented by:

	2024 RMB'000	2023 RMB'000
Deferred tax liabilities	**2,743,078**	2,708,637
Set off	**(141,451)**	(221,487)
Deferred tax liabilities – after net off	**2,601,627**	2,487,150
Deferred tax assets	**(1,518,295)**	(1,929,049)
Set off	**141,451**	221,487
Deferred tax assets – after net off	**(1,376,844)**	(1,707,562)
	1,224,783	779,588

The two-tiered profits tax rates regime have no material impact on the deferred tax balances of the Group as at 31 December 2024 and 2023 as the qualifying entity nominated by the Group did not have material temporary differences as at 31 December 2024 and 2023. Deferred tax assets and liabilities of other group entities that are subject to Hong Kong profits tax continue to be measured using a flat rate of 16.5%.

33. DEFERRED TAX (CONTINUED)

As at 31 December 2024, the Group has unused tax losses of RMB1,843,467,000 (2023: RMB2,261,607,000) available for offset against future profits. Deferred tax assets of RMB211,556,000 (2023: RMB405,903,000) have been recognized in respect of tax losses of approximately RMB846,224,000 (2023: RMB1,623,609,000). No deferred tax assets have been recognized in respect of the remaining tax losses of RMB997,243,000 (2023: RMB637,998,000) due to unpredictability of future profit streams. The tax losses incurred by the relevant subsidiaries may be carried forward for five years from the financial year when the corresponding loss was incurred.

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in the PRC. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between the PRC and the jurisdiction of the foreign investors. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in the PRC in respect of earnings generated by the subsidiaries from 1 January 2008 and the applicable tax rates are 5% or 10%.

As at 31 December 2024, deferred tax liabilities of approximately RMB1,173,548,000 (2023: RMB1,194,888,000) have been recognized in respect of the undistributed earnings of certain PRC subsidiaries amounting to approximately RMB23,470,959,000 (2023: RMB23,897,767,000). Deferred tax liabilities of approximately RMB605,566,000 as at 31 December 2024 (2023: RMB513,753,000) have not been established for the withholding and other taxation that would be payable on the unremitted earnings of other relevant PRC subsidiaries as at 31 December 2024, as in the opinion of the directors, it is not probable that these subsidiaries will distribute such earnings in the foreseeable future. Such unremitted earnings amounted to approximately RMB12,111,328,000 as at 31 December 2024 (2023: RMB10,275,052,000).

34. SHARE CAPITAL

	Number of ordinary shares	Carrying amount RMB'000
Issued and fully paid – ordinary shares with no par:		
At 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	**3,559,374,732**	**6,047,372**

35. RESERVES

THE GROUP

Details of the movements in the Group's reserves are set out in the consolidated statement of changes in equity. The nature and purpose of the reserves are as follows:

Translation reserve

Translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of group entities into the presentation currency in accordance with the accounting policy set out in note 4.5.

Asset revaluation reserve

Asset revaluation reserve arises from revaluation of assets such as properties (excluding investment properties).

Statutory reserves

In accordance with the relevant PRC rules and regulations, certain subsidiaries of the Company are required to appropriate certain percentage of their profits after tax to the respective statutory reserves. Subject to certain restrictions as set out in the relevant PRC regulations, these statutory reserves may be used to make good previous years' losses, if any, or to increase the paid-up capital of the respective subsidiaries, and may be used for capital expenditure on staff welfare facilities, as appropriate.

Retained profits

Retained profits of the Group comprise:

	2024 **RMB'000**	2023 RMB'000
Proposed final dividend for the year (note 12(a))	**233,884**	355,517
Retained profits after proposed dividend	**23,560,555**	23,549,332
Total retained profits as at 31 December	**23,794,439**	23,904,849

35. RESERVES (CONTINUED)

THE COMPANY

Details of the movements on the Company's reserves are as follows:

	Translation reserve RMB'000	Retained profits RMB'000	Total RMB'000
At 1 January 2023	551,182	1,524,229	2,075,411
Profit for the year	–	672,080	672,080
Other comprehensive income for the year			
Exchange differences arising from translation into presentation currency	151,953	–	151,953
2023 interim dividend paid (note 12(a))	–	(163,454)	(163,454)
2022 final dividend paid (note 12(b))	–	(491,264)	(491,264)
At 31 December 2023 and 1 January 2024	**703,135**	**1,541,591**	**2,244,726**
Profit for the year	**–**	**532,775**	**532,775**
Other comprehensive income for the year			
Exchange differences arising from translation into presentation currency	**284,242**	**–**	**284,242**
2024 interim dividend paid (note 12(a))	**–**	**(97,730)**	**(97,730)**
2023 final dividend paid (note 12(b))	**–**	**(360,660)**	**(360,660)**
At 31 December 2024	**987,377**	**1,615,976**	**2,603,353**

Retained profits of the Company comprise:

	2024 RMB'000	2023 RMB'000
Final dividend proposed for the year (note 12(a))	**233,884**	355,517
Retained profits after proposed dividend	**1,382,092**	1,186,074
Total retained profits as at 31 December	**1,615,976**	1,541,591

36. NON-CONTROLLING INTERESTS

The total non-controlling interests as at 31 December 2024 were RMB6,155,196,000 (2023: RMB6,825,984,000), which are attributed to those non-wholly-owned subsidiaries of the Company.

The following table lists out the information relating to a non-wholly-owned subsidiary, namely 合肥啟盛房地產開發有限公司 Hefei Qisheng Properties Development Co., Ltd.* ("Hefei Qisheng"), which is considered to have material non-controlling interests as at 31 December 2024. Hefei Qisheng is principally engaged in property development in the PRC. The non-controlling interests of other non-wholly owned subsidiaries are considered not material to the Group.

	2024 RMB'000	2023 RMB'000
Percentage held by non-controlling shareholders		
– Equity interests	66%	66%
– Voting right	49%	49%
Profit/(loss) for the year attributable to non-controlling interests	334,516	(61,517)
Dividend attributable to non-controlling interests	–	–
Dividend paid to non-controlling shareholders	–	–
Carrying amount of non-controlling interests at the end of the reporting period	1,591,481	1,256,965
Summarized financial information of Hefei Qisheng		
As at 31 December		
Current assets	6,273,581	9,362,784
Non-current assets	116,088	206,289
Current liabilities	3,966,621	6,442,060
Non-current liabilities	11,670	1,222,478
For the year ended 31 December		
Revenue	3,298,797	–
Profit/(loss) for the year	506,843	(93,208)
Total comprehensive income for the year	506,843	(93,208)
Cash flows (used in)/from operating activities	(128,071)	2,894,360
Cash flows used in investing activities	–	(2,600,823)
Cash flows (used in)/from financing activities	(1,405,443)	163,028

* English translation is for identification only

37. LEASES

(a) The Group as lessee

Nature of leasing activities

The Group has interests in leasehold land and buildings where the Group is the registered owner of those property interests. In addition, the Group leases various properties including office premises, quarters and shopping mall. For certain leases, the periodic rent is fixed over the lease term whereas for other leases, rental is adjusted periodically at predetermined rate. Leases of these properties are negotiated for periods ranging from eleven months to five years (2023: two to six years).

Right-of-use assets

The carrying amounts of right-of-use assets recognized and the movements during the current and prior years are as follows:

	Land use rights of properties with ownership interests held for own use RMB'000	Other properties leased for own use RMB'000	Total RMB'000
At 1 January 2023	207,212	49,921	257,133
Translation adjustment	–	202	202
Transferred from investment properties (note 15(b))	121,184	–	121,184
Depreciation provided	(10,030)	(14,803)	(24,833)
At 31 December 2023 and 1 January 2024	318,366	35,320	353,686
Translation adjustment	–	320	320
Additions	–	5,473	5,473
Disposal	(5,129)	–	(5,129)
Depreciation provided	(10,376)	(16,669)	(27,045)
At 31 December 2024	302,861	24,444	327,305

37. LEASES (CONTINUED)

(a) The Group as lessee (Continued)

Lease liabilities

The movements of lease liabilities during the current and prior years are as follows:

	Other properties leased for own use RMB'000
At 31 December 2023	50,797
Translation adjustment	211
Interest expense (note 10)	1,161
Lease payments	(16,018)
At 31 December 2023 and 1 January 2024	**36,151**
Additions	**5,473**
Translation adjustment	**335**
Interest expense (note 10)	**870**
Lease payments	**(18,038)**
At 31 December 2024	**24,791**

Future lease payments are due as follows:

	Minimum lease payments RMB'000	Interest RMB'000	Present value RMB'000
As at 31 December 2024			
Not later than one year	**9,680**	**(547)**	**9,133**
Later one year and not later than two years	**8,349**	**(336)**	**8,013**
Later than two years and not later than five years	**7,908**	**(263)**	**7,645**
	25,937	**(1,146)**	**24,791**
As at 31 December 2023			
Not later than one year	12,476	(812)	11,664
Later one year and not later than two years	9,547	(542)	9,005
Later than two years and not later than five years	14,828	(580)	14,248
Later than five years	1,250	(16)	1,234
	38,101	(1,950)	36,151

37. LEASES (CONTINUED)

(a) The Group as lessee (Continued)

Lease liabilities (Continued)

The present value of future lease payments are analysed as follows:

	2024 RMB'000	2023 RMB'000
Current liabilities	9,133	11,664
Non-current liabilities	15,658	24,487
	24,791	36,151

The total cash outflows included in the consolidated statement of cash flows within operating activities and financing activities for leases are RMB22,191,000 (2023: RMB20,064,000) and RMB18,038,000 (2023: RMB16,018,000), respectively.

(b) The Group as lessor

The Group leases out its investment properties (note 15), the shopping mall and certain units of inventories of properties under operating lease arrangements with leases negotiated for period ranging from three months to twenty years (2023: six months to twenty years). For certain leases, the periodic rent is fixed over the lease term whereas for other leases, rental is adjusted periodically at predetermined rate. Future minimum rentals receivable under non-cancellable operating leases as at 31 December 2024 and 2023 are as follows:

	2024 RMB'000	2023 RMB'000
Within one year	286,384	293,980
After one year but within two years	226,017	234,845
After two years but within three years	160,604	171,915
After three years but within four years	79,280	115,689
After four years but within five years	53,816	49,195
Over five years	99,717	95,044
	905,818	960,668

38. HOLDING COMPANY STATEMENT OF FINANCIAL POSITION

As at 31 December

	Notes	2024 RMB'000	2023 RMB'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		34	455
Right-of-use assets		8,829	12,200
Interests in subsidiaries	49	1,824,911	1,765,257
		1,833,774	1,777,912
Current assets			
Other receivables, prepayments and deposits		1,792	2,117
Amounts due from subsidiaries		23,880,127	24,345,646
Cash and bank balances		804,362	334,717
		24,686,281	24,682,480
Current liabilities			
Other payables and accruals		65,811	88,806
Amounts due to subsidiaries		3,718,077	3,853,195
Lease liabilities – due within one year		3,933	3,724
Bank borrowings – due within one year		4,051,529	2,195,769
		7,839,350	6,141,494
Net current assets		16,846,931	18,540,986
Non-current liabilities			
Bank borrowings – due after one year		10,024,606	12,017,797
Lease liabilities – due after one year		5,374	9,003
		10,029,980	12,026,800
Net assets		8,650,725	8,292,098
CAPITAL AND RESERVES			
Share capital	34	6,047,372	6,047,372
Reserves	35	2,603,353	2,244,726
Total equity		8,650,725	8,292,098

On behalf of the directors

Zhuang Yong
Director

Zhou Hancheng
Director

39. ACQUISITION OF ADDITIONAL EQUITY INTERESTS IN SUBSIDIARIES WHILE RETAINING CONTROL

The Group entered into sale and purchase agreements in relation to acquisitions of additional equity interests in the subsidiaries as follows:

(a) For the year ended 31 December 2024

(i) *Changzhou Haicheng Acquisition*

南寧中海宏洋房地產有限公司 Nanning China Overseas Grand Oceans Real Estate Co., Ltd.* ("COGO Nanning") (an indirect wholly-owned subsidiary of the Company), Citirich International Limited ("Citirich") (an indirect wholly-owned subsidiary of the Company), COGO Properties, 桐鄉市安豪投資管理有限公司 Tongxiang Anhao Investment Management Co., Ltd.* ("Anhao Investment") and 常州市中海海澄房地產開發有限公司 Changzhou China Overseas Haicheng Real Estate Co., Ltd.* ("Changzhou Haicheng") entered into an acquisition agreement, pursuant to which, among other things, COGO Nanning agreed to acquire, and Anhao Investment agreed to sell 49% of the equity interest in Changzhou Haicheng at a total consideration of approximately RMB258,980,000 (the "Changzhou Haicheng Acquisition").

Changzhou Haicheng is a company established in the PRC with limited liability and is principally engaged in property development in Changzhou. Prior to the Changzhou Haicheng Acquisition, Changzhou Haicheng was owned as to 51% by the Group, and 49% by Anhao Investment, and was an indirect non-wholly-owned subsidiary of the Company. Upon the completion of the Changzhou Haicheng Acquisition, the Group's equity interest in Changzhou Haicheng increased from 51% to 100% and Changzhou Haicheng became an indirect wholly-owned subsidiary of the Company.

The Changzhou Haicheng Acquisition was completed in June 2024.

(ii) *Changzhou Haihong Acquisition*

中海宏洋地產汕頭投資有限公司 China Overseas Grand Oceans Properties (Shantou) Investment Co., Ltd.* ("COGO Shantou") (an indirect wholly-owned subsidiary of the Company), COGO Properties, Anhao Investment and 常州市中海海泓房地產有限公司 Changzhou China Overseas Haihong Real Estate Co., Ltd.* ("Changzhou Haihong") entered into an acquisition agreement, pursuant to which, among other things, COGO Shantou agreed to acquire, and Anhao Investment agreed to sell 49% of the equity interest in Changzhou Haihong and shareholders loans at a total consideration of approximately RMB242,482,000 (the "Changzhou Haihong Acquisition").

Changzhou Haihong is a company established in the PRC with limited liability and is principally engaged in property development in Changzhou. Prior to the Changzhou Haihong Acquisition, Changzhou Haihong was owned as to 51% by the Group and 49% by Anhao Investment, and was an indirect non-wholly-owned subsidiary of the Company. Upon the completion of the Changzhou Haihong Acquisition, the Group's equity interest in Changzhou Haihong increased from 51% to 100% and Changzhou Haihong became an indirect wholly-owned subsidiary of the Company.

The Changzhou Haihong Acquisition was completed in June 2024.

39. ACQUISITION OF ADDITIONAL EQUITY INTERESTS IN SUBSIDIARIES WHILE RETAINING CONTROL (CONTINUED)

(a) For the year ended 31 December 2024 (Continued)

(iii) Jinhua Haisheng Acquisitions

COGO Properties entered into separate equity transfer agreements with 金華市合濟企業管理諮詢有限公司 Jinhua Heji Business Management Consulting Co., Ltd* ("Jinhua Heji") and 杭州金地自在城房地產發展有限公司 Hangzhou Jindi Zizaicheng Real Estate Development Co., Ltd.* ("Hangzhou Jindi") respectively, pursuant to which, among other things, COGO Properties agreed to acquire, Jinhua Heji agreed to sell 10% of the equity interest in 金華海盛置業有限公司 Jinhua Haisheng Real Estate Co., Ltd.* ("Jinhua Haisheng") at a consideration of approximately RMB18,565,400 and Hangzhou Jindi agreed to sell 40% of the equity interest in Jinhua Haisheng at a consideration of approximately RMB74,261,600, respectively (the "Jinhua Haisheng Acquisitions").

Jinhua Haisheng is a company established in the PRC with limited liability and is principally engaged in property development in Jinhua. Prior to the Jinhua Haisheng Acquisitions, Jinhua Haisheng was owned as to 50% by the Group, 10% by Jinhua Heji and 40% by Hangzhou Jindi, and was an indirect non-wholly-owned subsidiary of the Company. Upon the completion of the Jinhua Haisheng Acquisitions, the Group's equity interest in Jinhua Haisheng increased from 50% to 100% and Jinhua Haisheng became an indirect wholly-owned subsidiary of the Company.

The Jinhua Haisheng Acquisitions were completed in September 2024.

平安不動產有限公司 Ping An Real Estate Co., Ltd.* ("Ping An Real Estate") is the controlling shareholder of Anhao Investment and an indirect substantial shareholder of other subsidiaries of the Company. Therefore, each of Ping An Real Estate and Anhao Investment, a non wholly-owned subsidiary and an associate of Ping An Real Estate under Rule 14A.13 of the Listing Rules, is a connected person of the Company at the subsidiary level. Accordingly, each of the Changzhou Haicheng Acquisition and the Changzhou Hairong Acquisition as aforesaid constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

Further details regarding the Changzhou Haicheng Acquisition and the Changzhou Haihong Acquisition have been set out in the announcement of the Company dated 28 May 2024.

39. ACQUISITION OF ADDITIONAL EQUITY INTERESTS IN SUBSIDIARIES WHILE RETAINING CONTROL (CONTINUED)

(a) For the year ended 31 December 2024 (Continued)

Changzhou Haicheng, Changzhou Hairong and Jinhua Haisheng remained as subsidiaries of the Company after the aforesaid acquisitions. The acquisitions of the additional equity interests in Changzhou Haicheng, Changzhou Haihong and Jinhua Haisheng were accounted for as equity transactions as follows:

	2024 RMB'000
Changzhou Haicheng Acquisition	
Consideration pursuant to sales and purchase agreement	**(258,980)**
Settlement of amount due to Anhao Investment	**(42,327)**
Net assets attributable to the additional 49% equity interest of Changzhou Haicheng	**355,062**
Increase in equity attributable to owners of the Company	**53,755**
Changzhou Haihong Acquisition	
Consideration pursuant to sales and purchase agreement	**(242,482)**
Settlement of amount due from Anhao Investment	**118,507**
Net assets attributable to the additional 49% equity interest of Changzhou Haihong	**200,529**
Increase in equity attributable to owners of the Company	**76,554**
Jinhua Haisheng Acquisitions	
Consideration pursuant to equity transfer agreements	**(92,827)**
Net assets attributable to the additional 50% equity interest of Jinhua Haisheng	**174,968**
Increase in equity attributable to owners of the Company	**82,141**
Aggregate increase in equity attributable to owners of the Company – included in retained profits	**212,450**

39. ACQUISITION OF ADDITIONAL EQUITY INTERESTS IN SUBSIDIARIES WHILE RETAINING CONTROL (CONTINUED)

(a) For the year ended 31 December 2024 (Continued)

An analysis of the cash flows in respect of above acquisitions:

	2024 RMB'000
Changzhou Haicheng Acquisition	
Consideration pursuant to sales and purchase agreement	(258,980)
Less: Settlement of amount due to Anhao Investment	(42,327)
Net cash outflow	(301,307)
Changzhou Haihong Acquisition	
Consideration pursuant to sales and purchase agreement	(242,482)
Less: Settlement of amount due from Anhao Investment	118,507
Net cash outflow	(123,975)
Jinhua Haisheng Acquisitions	
Consideration pursuant to equity transfer agreements	(92,827)
Less: Settlement of amounts due from Jinhua Heji and Hangzhou Jindi	92,827
Net cash outflow	–
Total net cash outflows included in cash flows from financing activities	(425,282)

(b) For the year ended 31 December 2023

Huizhou Haiping Real Estate

On 20 September 2023, CGOSIL entered into an agreement with 深圳市創應企業管理有限公司 Shenzhen City Chuangying Enterprise Management Co., Ltd.* ("Shenzhen Chuangying") in respect of the acquisition of 40% equity interest in 惠州市海平置業有限公司 Huizhou City Haiping Real Estate Co., Ltd.* ("Huizhou Haiping Real Estate") at total consideration of approximately RMB480,098,000 (the "Huizhou Haiping Real Estate Acquisition"), of which approximately RMB373,359,000 was settled by setting off the amount due from Shenzhen Chuangying to Huizhou Haiping Real Estate and the remaining amount of approximately RMB106,739,000 was settled by cash. The Huizhou Haiping Real Estate Acquisition was completed in September 2023.

Huizhou Haiping Real Estate is a limited liability company established in the PRC and is principally engaged in property development in Huizhou. Before the Huizhou Haiping Real Estate Acquisition, Huizhou Haiping Real Estate was owned as to 60% by CGOSIL and 40% by Shenzhen Chuangying, and Huizhou Haiping Real Estate was an indirect non-wholly-owned subsidiary of the Company. Upon the completion of the Huizhou Haiping Real Estate Acquisition, the Group's equity interest in Huizhou Haiping Real Estate increased from 60% to 100% and Huizhou Haiping Real Estate became an indirect wholly-owned subsidiary of the Company.

39. ACQUISITION OF ADDITIONAL EQUITY INTERESTS IN SUBSIDIARIES WHILE RETAINING CONTROL (CONTINUED)

(b) For the year ended 31 December 2023 (Continued)

Huizhou Haiping Real Estate (Continued)

Huizhou Haiping Real Estate remained as a subsidiary of the Company after the acquisition. The acquisition of the additional equity interest in Huizhou Haiping Real Estate was accounted for as equity transaction as follows:

	2023 RMB'000
Consideration pursuant to agreement	**(480,098)**
Net assets attributable to the additional 40% equity interest of Huizhou Haiping Real Estate	**486,297**
Increase in equity attributable to owners of the Company – included in retained profits	**6,199**

An analysis of the cash flows in respect of the Huizhou Haiping Real Estate Acquisition:

	2023 RMB'000
Consideration pursuant to agreement	**(480,098)**
Less: Settlement of amount due from Shanghai Chuangying, former shareholder, to Huizhou Haiping Real Estate	**373,359**
Net cash outflow included in cash flows from financing activities	**(106,739)**

40. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Reconciliation of liabilities arising from financing activities:

	Bank and other borrowings RMB'000 (note 31)	Guaranteed notes and corporate bonds RMB'000 (note 32)	Lease liabilities RMB'000 (note 37(a))	Amounts due to associates RMB'000	Amounts due to joint ventures RMB'000	Amounts due to non-controlling shareholders RMB'000	Amounts due to related companies RMB'000
As at 1 January 2024	**34,908,813**	**8,655,350**	**36,151**	**43,411**	**269,054**	**5,673,611**	**261,145**
Changes from cash flows:							
Proceeds from new borrowings	15,079,235	–	–	–	–	–	–
Repayments of borrowings	(19,314,402)	–	–	–	–	–	–
Advances received	–	–	–	92,508	3,837	757,251	–
Repayments of advances	–	–	–	(4,681)	(2,045)	(1,274,573)	–
Capital element of lease payments	–	–	(17,168)	–	–	–	–
Interest element of lease payments	–	–	(870)	–	–	–	–
Other interest paid	(1,355,543)	(270,892)	–	–	–	–	(3,564)
	(5,590,710)	(270,892)	(18,038)	87,827	1,792	(517,322)	(3,564)
Exchange adjustment	245,269	123,605	335	–	–	–	–
Other changes:							
Interest expenses	1,406,826	273,986	870	–	–	7,193	3,564
Interest accruals	(50,609)	–	–	–	–	–	–
Increase in lease liabilities from entering into new leases	–	–	5,473	–	–	–	–
Dividend distributed by an associate (note (c))	–	–	–	(42,000)	–	–	–
Other non-cash movements	–	–	–	65,928	(14,989)	(34,232)	–
	1,356,217	273,986	6,343	23,928	(14,989)	(27,039)	3,564
As at 31 December 2024	**30,919,589**	**8,782,049**	**24,791**	**155,166**	**255,857**	**5,129,250**	**261,145**

40. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

(a) Reconciliation of liabilities arising from financing activities: (Continued)

	Bank and other borrowings RMB'000 (note 31)	Guaranteed notes and corporate bonds RMB'000 (note 32)	Lease liabilities RMB'000 (note 37(a))	Amounts due to associates RMB'000	Amounts due to joint ventures RMB'000	Amounts due to non-controlling shareholders RMB'000	Amounts due to related companies RMB'000
As at 1 January 2023	43,005,162	4,593,302	50,797	10,516	287,318	6,199,342	261,145
Changes from cash flows:							
Proceeds from new borrowings	10,242,102	–	–	–	–	–	
Repayments of borrowings	(18,616,996)	–	–	–	–	–	–
Proceeds from issue of corporate bonds	–	4,000,000	–	–	–	–	–
Advances received	–	–	–	86,191	254,072	1,244,503	–
Repayments of advances	–	–	–	(53,296)	(173,606)	(1,800,900)	–
Capital element of lease payments	–	–	(14,857)	–	–	–	–
Interest element of lease payments	–	–	(1,161)	–	–	–	–
Other interest paid	(1,932,546)	(114,821)	–	–	–	–	(3,564)
	(10,307,440)	3,885,179	(16,018)	32,895	80,466	(556,397)	(3,564)
Exchange adjustment	278,545	59,100	211	–	–	–	–
Other changes:							
Interest expenses	1,975,222	201,358	1,161	–	–	30,666	3,564
Interest accruals	(42,676)	(83,589)	–	–	–	–	–
Return of capital by a joint venture (note (c))	–	–	–	–	(39,577)	–	–
Dividend distributed by a joint venture (note (c))	–	–	–	–	(59,153)	–	–
	1,932,546	117,769	1,161	–	(98,730)	30,666	3,564
As at 31 December 2023	34,908,813	8,655,350	36,151	43,411	269,054	5,673,611	261,145

40. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

(b) During the year ended 31 December 2024, return of capital and dividends attributable to non-controlling shareholders amounting to RMB248,000,000 (2023: RMB123,000,000) and RMB99,257,000 (2023: RMB429,951,000) were settled through the current accounts with the non-controlling shareholders and the respective amounts were included in "Amounts due from non-controlling shareholders".

(c) During the year ended 31 December 2024, dividend distributed by an associate to the Company amounting to RMB42,000,000 were settled through the current account with the associate and the respective amount were included in "Amounts due to associates". During the year ended 31 December 2023, return of capital and dividend distributed by a joint venture to Company amounting to RMB39,577,000 and RMB59,153,000 were settled through the current account with the joint venture and the respective amount were included in "Amounts due to joint ventures".

41. RETIREMENT BENEFITS SCHEMES

The Group operates the Mandatory Provident Fund Scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for those employees who are eligible to participate in the MPF Scheme. The MPF Scheme is a defined contribution retirement benefits scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. Under the MPF scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK$30,000. With effect from 1 January 2018, employer voluntary contributions are made, under specific criteria set out in the Company's policy, as a part of the employee benefits program. The Group has no further payment obligations once the contributions have been paid. Contributions to the MPF Scheme are recognized as an expense in profit or loss when the services are rendered by the employees.

The employees of the subsidiaries of the Company which operate in the PRC are required to participate in a central pension scheme operated by the local municipal governments. These PRC subsidiaries are required to contribute a specified percentage of their payroll costs to the central pension scheme to fund the benefits. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme. The Group's obligations under these plans are limited to the fixed percentage contribution payable.

The total expenses recognized in profit or loss of RMB83,984,000 (2023: RMB73,042,000) represent contributions paid/payable to these schemes by the Group in the year.

Under the MPF Scheme, the Group's existing level of contributions can be reduced by contributions forfeited by the Group on behalf of those employees who leave the scheme prior to vesting fully in such contributions. During the year ended 31 December 2024, no forfeited contributions were utilized by the Group to reduce the contribution paid/payable to the MPF scheme (2023: nil).

As at 31 December 2024, no forfeited contribution under these schemes is available to reduce the contribution payable in future (2023: nil).

42. PLEDGE OF ASSETS

As at 31 December 2024, the carrying amount of the assets pledged by the Group to secure for borrowings and banking facilities granted to the Group are analysed as follows:

	2024 RMB'000	2023 RMB'000
Pledge for borrowings and banking facilities of the Group		
– Investment properties (note 15)	3,809,482	–
– Inventories of properties (note 19)	7,196,481	14,326,946
	11,005,963	14,326,946

43. OTHER COMMITMENTS

As at 31 December 2024, the Group had other significant commitments as follows:

	2024 RMB'000	2023 RMB'000
Contracted for but not provided for in the consolidated financial statements:		
– Investment in equity interests	–	204,600
– Acquisition of land	1,085,156	1,188,800
– Property development	11,067,196	15,164,856
	12,152,352	16,558,256

44. CONTINGENT LIABILITIES AND FINANCIAL GUARANTEE CONTRACTS

(a) Guarantees

As at 31 December 2024, the Group provided guarantees to banks and government agencies for mortgage loans granted to certain purchasers of the Group's properties and for the banking facilities granted to a joint venture and an associate. The amount of the guarantees provided by the Group as at 31 December 2024 and 2023 are as follows:

	2024 **RMB'000**	2023 RMB'000
Mortgage loans granted by banks and government agencies to certain purchasers of the Group's properties	**15,861,129**	23,856,137
Bank loan granted by a bank to a joint venture	**218,419**	357,266
Bank loan granted by a bank to an associate	**72,030**	73,010
	16,151,578	24,286,413

In the opinion of the directors, if the purchasers default payment of the mortgage loans during the period of guarantee, the Group is entitled to take over the legal title and possession of the related properties and the value of the related properties can cover the repayment of the outstanding loans together with the accrued interest thereon. In addition, as assessed by the directors, the risk of default of payment of the outstanding bank loans together with the accrued interest thereon by the joint ventures and the associate is low. Accordingly, the directors considered that the fair values of these guarantee contracts at initial recognition and the ECLs arising from these guarantee contracts at the end of the reporting period were insignificant.

(b) Other contingent liabilities

The Group, being a property developer in the PRC, is subject to extensive government requirements in many aspects of its property development operations, including but not limited to land acquisition and transfer, planning and construction works, etc. In the ordinary course of business, several development projects of the Group are behind the development timeline as stipulated in the land transfer agreements or approved by the local authorities. According to the regulation "Measures for Disposal of Unused Land" and other relevant regulations, the government is empowered to levy idle land penalty and, in extreme cases, confiscate the undeveloped land depending on circumstances. In addition, the delay in development may constitute default in contract terms of the underlying land transfer agreements, of which the transferor can claim for liquidated damages.

Having regard to their past experiences in handling similar matters, the latest local development and the latest project status, and the recent communications with relevant local government authorities on the matters, the directors are of the opinion that no non-conformity instance would have a material impact on the result and financial position of the Group.

45. RELATED PARTY TRANSACTIONS

(a) The table set forth below summarizes the name of the major related parties which are entities as defined in HKAS 24 (Revised) *Related Party Disclosures* and the nature of their relationship with the Group as at 31 December 2024:

Related Parties	Relationship with the Group/COLI
COLI	The Company is an associate of COLI
China State Construction Engineering Corporation Limited ("CSCECL")	Intermediate holding company of COLI
China Overseas Holdings Limited ("COHL")	Immediate holding company of COLI
China Overseas Property Holdings Limited ("COPH")	Fellow subsidiary of COLI
China State Construction International Holdings Limited ("CSC")	Fellow subsidiary of COLI
China State Construction Development Holdings Limited ("CSCD")	Fellow subsidiary of COLI

In addition to those balances and transactions disclosed elsewhere in the consolidated financial statements, the following material related party transactions have been entered into by the Group during the year:

	Notes	2024 RMB'000	2023 RMB'000
Nature of transactions			
COLI and its subsidiaries			
Royalty expenses#	(i)	183,133	178,907
Rental income#	(ii)	17,971	47,347
Rental payments#	(ii)	7,417	–
Design service expenses#	(iii)	2,816	2,394
Information technology service expenses#	(iii)	7,600	8,113
Purchase of materials#	(iv)	681,858	1,168,897
CSCECL and its subsidiaries (exclusive of COHL and its subsidiaries)			
Property construction costs#	(iv)	563,589	91,183
COHL			
License fee payments#	(ii)	3,991	3,899
Air-conditioning and management charge payments#	(ii)	585	555
COPH and its subsidiaries			
Property management expenses#	(iii)	322,283	384,518
Interest expenses (note 10)	(v)	3,564	3,564
CSC and its subsidiaries (exclusive of CSCD and its subsidiaries)			
Property construction costs#	(iv)	226,168	260,337
CSCD and its subsidiaries			
Construction supervision expenses#	(iii)	11,978	14,969
Joint ventures			
Interest income (note 8)	(vi)	–	1,038
Non-controlling shareholders			
Interest expenses (note 10)	(vii)	7,193	30,666

45. RELATED PARTY TRANSACTIONS (CONTINUED)

(a) (Continued)

Notes:

(i) Royalty fee is charged at annual fee as specified in the contracts.

(ii) Rental and utility income and rental payments are charged in accordance with respective tenancy agreements.

(iii) Design service fee, information technology service fee, property management fee and construction supervision fee are charged in accordance with respective contracts.

(iv) Purchase of materials and property construction fee are charged in accordance with respective contracts. The amounts represent aggregated transaction amounts recognized during the period in relation to contracts signed in the current and prior years.

(v) Interest expenses are charged at interest rates on the outstanding amounts as specified in note 27.

(vi) Interest income is charged at interest rates on the outstanding amounts as specified in note 25.

(vii) Interest expenses are charged at interest rates on the outstanding amounts as specified in note 26.

These related party transactions also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

(b) Key management personnel remunerations include the following expenses:

	2024 RMB'000	2023 RMB'000
Short-term employee benefits	**9,185**	12,851
Post-employment benefits	**307**	334
	9,492	13,185

(c) In addition to the above transactions and balances, details of the Group's other material balances with related parties are disclosed in consolidated statement of financial position and notes 24, 25, 26 and 27.

45. RELATED PARTY TRANSACTIONS (CONTINUED)

(d) Transactions with other state-controlled entities in the PRC

The Group is not controlled by the PRC government. However, the Group is an associated company of COLI while the ultimate holding company of COLI is CSCECL, a company controlled by the PRC government, as such, the PRC government is regarded as a related party of the Group. Apart from the transactions already disclosed above, the Group also conducts business with other state-controlled entities. The directors consider the transactions with those state-controlled entities are conducted on an arms' length basis.

In connection with its property development activities, other than those disclosed in the notes above, the Group awards construction and other works contracts to PRC entities, some of which, to the best knowledge of management, are state-controlled entities. The Group has also entered into various transactions with the PRC government departments or agencies, mainly regarding acquisition of land through tendering to those government departments or agencies. During the year ended 31 December 2024, the Group acquired certain parcels of land from the PRC government departments through public tender at an aggregate consideration of approximately RMB5,229,180,000 (2023: RMB9,106,790,000).

In addition, in the normal course of business, the Group entered into various deposits and lending transactions with banks and financial institutions which are state-controlled entities.

The Group is active in property sale and property leasing in various provinces in the PRC. The directors are of the opinion that it is impracticable to ascertain the identity of all the counterparties and accordingly whether the transactions are with state-controlled entities. However, the directors are of the opinion that the transactions with state-controlled entities are entered into in the normal course of business of the Group.

46. CAPITAL 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 and to support the Group's financial stability and growth.

The Group monitors its capital structure on the basis of net gearing ratio (i.e. net debt to equity). Net debt includes bank and other borrowings and guaranteed notes and corporate bonds less cash and bank balances. Equity represents total equity. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or issue new shares.

The net gearing ratios of the Group as at 31 December 2024 and 2023 were as follows:

	2024 **RMB'000**	2023 RMB'000
Bank and other borrowings	**30,919,589**	34,908,813
Guaranteed notes and corporate bonds	**8,782,049**	8,655,350
Less: cash and bank balances	**(27,290,854)**	(26,020,603)
Net debt	**12,410,784**	17,543,560
Capital represented by total equity	**37,551,063**	38,129,516
Net gearing ratio	**33.1%**	46.0%

The Group targets to maintain a net gearing ratio to be in line with the expected changes in economic and financial conditions. The Group's overall strategy on capital management remains unchanged throughout the year.

47. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY

47.1 Categories of financial instruments

	2024 RMB'000	2023 RMB'000
Financial assets		
Financial assets at amortized cost#	**32,105,085**	30,825,181
Financial liabilities		
Financial liabilities at amortized cost^	**58,346,520**	66,426,956
Other financial liabilities*	**24,791**	36,151

\# including trade and other receivables, amounts due from associates, joint ventures and non-controlling shareholders and cash and bank balances.

^ including trade payables, other payables and accruals, amounts due to associates, joint ventures, non-controlling shareholders and other related companies, bank and other borrowings and guaranteed notes and corporate bonds.

* representing lease liabilities

47.2 Financial results by financial instruments

	2024 RMB'000	2023 RMB'000
Interest income or (expenses) on:		
Financial assets at amortized cost	**222,817**	372,321
Financial liabilities at amortized cost	**(1,691,569)**	(2,210,810)
Other financial liabilities	**(870)**	(1,161)

47. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY (CONTINUED)

47.3 Fair value measurement

(a) *Financial instruments not measured at fair value*

Financial instruments not measured at fair value include trade and other receivables, amounts due from/to associates, joint ventures, non-controlling shareholders and other related companies, cash and bank balances, trade payables, other payables and accruals, bank and other borrowings and guaranteed notes and corporate bonds.

Due to their short-term nature, the carrying values of trade and other receivables, amounts due from/to associates, joint ventures and non-controlling shareholders (the portion which are due for repayment within one year), cash and bank balances, trade payables, other payables and accruals approximate their fair values.

For disclosure purpose, the fair values of bank and other borrowings and an amount due to a related company which was due for repayment after one year are not materially different from their carrying values. Those fair values have been determined by using discounted cash flow model and are classified as Level 3 in the fair value hierarchy. Significant inputs include the discount rates used to reflect the credit risks of the Group.

The fair values of guaranteed notes and corporate bonds are determined with reference to quotation published by leading financial market data providers or quoted market prices available on the relevant stock exchanges, as appropriate. The fair value measurement of these financial instruments is within Level 1 of the fair value hierarchy and are disclosed in note 32.

48. FINANCIAL RISK MANAGEMENT

48.1 Financial risk management objectives and policies

The Group's activities expose it to a variety of financial risks which comprise market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. Risk management is carried out by key management under the policies approved by the board of directors. The Group does not have written risk management policies. However, the directors and senior management of the Group meet regularly to identify and evaluate risks and to formulate strategies to manage financial risks.

48. FINANCIAL RISK MANAGEMENT (CONTINUED)

48.2 Market risk

(a) Foreign currency risk

Currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group mainly operates in Hong Kong and the PRC, the functional currency of the Company and its subsidiaries are HK$ and RMB. The Group is exposed to currency risk arising from fluctuations on foreign currencies against the functional currencies of the group entities. Currently the Group does not have foreign currency hedging policy but the management continuously monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

The Group continues to conduct its sales mainly in RMB and make payments in RMB. The Group's borrowings were mainly denominated in HK$, US$ and RMB. The directors consider that a natural hedge mechanism existed to certain extent and the Group's exposure on foreign currency risk is not significant. The Group would, however, closely monitor the volatility of the RMB exchange rate.

The overall exposure in respect of the carrying amounts of the Group's foreign currency denominated financial assets and liabilities in net position as at 31 December 2024 and 2023 were as follows:

	2024 **RMB'000**	2023 RMB'000
Net financial liabilities		
US$	**(3,748,734)**	(3,626,135)
RMB	**(10,271,330)**	(4,473,464)

As HK$ is pegged to US$, the Group does not have material exchange risk exposure on such currencies.

The following sensitivity analysis, determined based on the assumed percentage changes in foreign currency exchange rates taking place at the beginning of the financial year and held constant throughout the year, demonstrates the Group's exposure to a reasonably possible change in RMB exchange rate against the HK$ on the Group's net asset position denominated in RMB as at 31 December 2024 and 2023 (in practice, the actual trading results may differ from the sensitivity analysis below and the difference could be material):

	2024 **RMB'000**	2023 RMB'000
(Decrease)/Increase in profit for the year and retained profits		
RMB against HK$		
– strengthen by 5%	**(513,567)**	(223,673)
– weaken by 5%	**513,567**	223,673

The changes in the exchange rates do not affect the Group's other components of equity.

48. FINANCIAL RISK MANAGEMENT (CONTINUED)

48.2 Market risk (Continued)

(b) Interest rate risk

Interest rate risk relates to the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rate. The Group's interest rate risk mainly arises from lease liabilities, bank and other borrowings, guaranteed notes and corporate bonds and certain balances with associates, joint ventures, non-controlling shareholders and other related companies. Balances arranged at variable rates and fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk respectively. Details of the Group's lease liabilities, bank and other borrowings, guaranteed notes and corporate bonds and balances with associates, joint ventures, non-controlling shareholders and other related companies at the end of the reporting period are disclosed in notes 37(a), 31, 32, 24, 25, 26 and 27 respectively.

The Group's bank balances also expose it to cash flow interest rate risk due to the fluctuation of the prevailing market interest rate on bank balances. The directors consider the Group's exposure on bank deposits is not significant as interest-bearing deposits are within short maturity periods in general.

In addition, lease liabilities which are fixed rate instruments are insensitive to changes in interest rates and a change in interest rate at the end of the reporting period would not affect the Group's profit or loss.

The management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

The following sensitivity demonstrates the Group's exposure to a reasonably possible change in interest rates on its floating rate borrowings with all other variables held constant at the end of the reporting period (in practice, the actual trading results may differ from the sensitivity analysis below and the difference could be material):

	2024 **RMB'000**	2023 RMB'000
(Decrease)/Increase in profit after tax and retained profits		
+ 50 basis point ("bp") (2023: 50 bp)	**(2,579)**	(3,215)
– 10 bp (2023: 10 bp)	**516**	643

The changes in interest rates do not affect the Group's other components of equity. The above sensitivity analysis is prepared based on the assumption that the borrowing period of the balances outstanding at the end of the reporting period resembles that of the corresponding financial year.

48. FINANCIAL RISK MANAGEMENT (CONTINUED)

48.3 Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group. The Group's exposure to credit risk mainly arises from granting credit to customers in the ordinary course of its operations and from its investing activities. The Group is also exposed to credit risk arising from the provision of financial guarantees.

The carrying amounts of trade and other receivables, amounts due from associates, joint ventures, non-controlling shareholders, cash and bank balances represent the Group's maximum exposure to credit risk in respect of these items. The maximum exposure to credit risk in respect of the financial guarantees provided by the Group at the end of the reporting period is disclosed in note 44(a).

The Group limits its exposure to credit risk by rigorously selecting the counterparties and to deal with creditworthy counterparties. Credit risk on cash and bank balances (note 28) is mitigated as cash is deposited with reputable banks and financial institutions. The credit and investment policies have been consistently applied and are considered to have been effective in limiting the Group's exposure to credit risk to a desirable level.

For the years ended 31 December 2024 and 2023, the Group did not have significant concentration of credit risk as its trade and other receivables consist of a large number of customers and debtors. Further quantitative data in respect of the Group's exposure to credit risk arising from trade and other receivables are disclosed in note 22.

In respect of trade receivables, the Group closely monitors the payments from customers in accordance with the payment terms and schedules agreed with the customers. The Group also has other monitoring procedures to ensure follow up action is taken to recover overdue debts. Accordingly, management considers that recoverability concern over those receivables is remote.

In respect of other receivables, amounts due from associates, joint ventures and non-controlling shareholders, the Group considers the background and regularly monitors the financial condition of the counterparties to assess the recoverability of the outstanding balances.

In respect of the guarantee provided for bank loans granted to the joint venture and the associate (note 44(a)), the Group closely monitors the financial condition of the joint venture and the associate and the directors assessed that the risk of default of payment of the outstanding bank loans together with the accrued interest thereon by the joint venture and the associate is remote.

The Group typically provides guarantees to banks or government agencies in connection with the customers' borrowing of mortgage loans to finance their purchase of properties (note 44(a)). If a purchaser defaults on the payment of the mortgage during the period of guarantee, the bank or government agency holding the mortgage may demand the Group to repay the outstanding loan and any interest accrued thereon. Under such circumstances, the Group is able to forfeit the sales deposits received from the purchasers and resell the repossessed properties. As the mortgage loans are generally secured by properties with value higher than the guaranteed amounts, the directors consider the Group would likely recover any loss incurred arising from the guarantees provided by the Group. In this regard, the directors consider that the Group's credit risk on providing guarantees to the purchasers of the Group's properties is significantly reduced and the ECL is insignificant.

48. FINANCIAL RISK MANAGEMENT (CONTINUED)

48.3 Credit risk (Continued)

Impairment under ECL model

As disclosed in note 4.10(ii), the Group recognizes loss allowance for ECL on debt instruments carried at amortized cost. The Group applies simplified approach to measure ECL on trade receivables; and general approach to measure ECL on other receivables, amounts due from associates, joint ventures and non-controlling shareholders and cash and bank balances. Under the simplified approach, the Group measures loss allowance at an amount equal to lifetime ECL. Under the general approach, the Group applies the "3-stage" impairment model for ECL measurement based on change in credit risk since initial recognition as follows:

– Stage 1: If the credit risk of the financial instrument has not increased significantly since initial recognition, the financial instrument is included in Stage 1.

– Stage 2: If the credit risk of the financial instrument has increased significantly since initial recognition but is not deemed to be credit-impaired, the financial instrument is included in Stage 2.

– Stage 3: If the financial instrument is credit-impaired, the financial instrument is included in Stage 3.

The ECL for financial instruments in Stage 1 are measured at an amount equal to 12-month ECL whereas the ECL for financial instruments in Stage 2 or Stage 3 are measured at an amount equal to lifetime ECL.

When determining whether the risk of default has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit risk assessment and including forward-looking information.

Having regard to industry practice, relevant regulation and government measures, as well as the background and behavior of the debtors/counterparties, the Group assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due. In addition, the Group considers that a financial asset to be in default when: (i) the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held); or (ii) the financial asset is more than 180 days past due.

The Group has rebutted the presumptions that credit risk has increased significantly since initial recognition when financial assets are more than 30 days past due and that financial assets are in default when they are more than 90 days past due based on the past settlement records of the Group and the industry's practice.

48. FINANCIAL RISK MANAGEMENT (CONTINUED)

48.3 Credit risk (Continued)

Impairment under ECL model (Continued)

At the end of each reporting period, the Group assesses whether a financial asset is credit-impaired. A financial asset is considered credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events:

(a) significant financial difficulty of the debtor;

(b) a breach of contract, such as a default or past due event;

(c) granting a concession to the debtors that the lender would not otherwise consider for economic or contractual reasons relating to the debtor's financial difficulty; or

(d) it is becoming probable that the debtor will enter bankruptcy or other financial reorganization.

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Subsequent recoveries of a financial asset that was previously written off are recognized as a reversal of impairment in profit or loss in the period in which the recovery occurs.

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure of default. The assessment of the probability of default and loss given default is based on historical data and adjusted for forward-looking information through the use of industry trend and experienced credit judgment to reflect the qualitative factors, and through the use of multiple probability-weighted scenarios.

In respect of trade receivables, they are subject to collective assessment using a provision matrix for which the ECL rate is considered to be minimal.

In respect of other receivables, amounts due from associates, joint ventures and non-controlling shareholders, the Group considers the background and regularly monitors the financial condition of the counterparties to assess the recoverability of the outstanding balances. Management does not expect any loss allowance from non-performance by the counterparties and assessed that the ECL in respect of these balances was immaterial. Accordingly, no loss allowance was provided for these balances as at 31 December 2024 and 2023.

48.4 Liquidity risk

Liquidity risk relates to the risk that the Group will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group is exposed to liquidity risk in respect of settlement of trade and other payables including amounts due to related companies and its financing obligations, and also in respect of its cash flow management. The Group's objective is to maintain prudent liquidity risk management which is to maintain sufficient cash and bank balances as well as to make available of fund through adequate amounts of committed credit facilities and the ability to close out market positions. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term. The Group has gained multiple accesses to funds from both investors and financial institutions in the PRC and international market to meet its requirements in working capital, refinancing and project development. The liquidity policies have been consistently applied and are considered to have been effective in managing liquidity risk.

48. FINANCIAL RISK MANAGEMENT (CONTINUED)

48.4 Liquidity risk (Continued)

The following tables summarize the remaining contractual maturities at the end of the reporting period of the Group's financial liabilities based on agreed scheduled repayment dates set out in the agreements or the repayment schedules agreed with the banks and other lenders.

	Carrying amount RMB'000	Total contractual undiscounted cash flow RMB'000	On demand or within 1 year RMB'000	1 to 2 years RMB'000	2 to 5 years RMB'000	Over 5 years RMB'000
As at 31 December 2024						
Non-derivatives						
Bank borrowings	30,119,589	32,751,867	9,912,963	10,052,845	10,188,820	2,597,239
Other borrowings	800,000	813,393	813,393	–	–	–
Guaranteed notes and corporate bonds	8,782,049	9,156,551	3,052,684	4,846,523	1,257,344	–
Trade payables, other payables and accruals	12,843,464	12,843,464	12,843,464	–	–	–
Amounts due to associates	155,166	155,166	155,166	–	–	–
Amounts due to joint ventures	255,857	255,857	255,857	–	–	–
Amounts due to non-controlling shareholders	5,129,250	5,132,621	5,132,621	–	–	–
Amounts due to related companies	261,145	267,550	189,683	77,867	–	–
	58,346,520	61,376,469	32,355,831	14,977,235	11,446,164	2,597,239
Lease liabilities	24,791	25,936	9,680	8,348	7,908	–
	58,371,311	61,402,405	32,365,511	14,985,583	11,454,072	2,597,239
Financial guarantees issued – Maximum amount guaranteed	–	16,151,578	16,151,578	–	–	–

48. FINANCIAL RISK MANAGEMENT (CONTINUED)

48.4 Liquidity risk (Continued)

	Carrying amount RMB'000	Total contractual undiscounted cash flow RMB'000	On demand or within 1 year RMB'000	1 to 2 years RMB'000	2 to 5 years RMB'000	Over 5 years RMB'000
As at 31 December 2023						
Non-derivatives						
Bank borrowings	31,308,813	33,979,951	11,644,166	12,008,442	10,010,520	316,823
Other borrowings	3,600,000	4,585,372	173,380	173,380	1,400,286	2,838,326
Guaranteed notes and corporate bonds	8,655,350	9,425,543	270,143	1,263,622	7,891,778	–
Trade payables, other payables and accruals	16,615,572	16,615,572	16,615,572	–	–	–
Amounts due to associates	43,411	43,411	43,411	–	–	–
Amounts due to joint ventures	269,054	269,054	269,054	–	–	–
Amounts due to non-controlling shareholders	5,673,611	5,673,611	5,673,611	–	–	–
Amounts due to related companies	261,145	271,114	189,683	3,564	77,867	–
	66,426,956	70,863,628	34,879,020	13,449,008	19,380,451	3,155,149
Lease liabilities	36,151	38,101	12,476	9,547	14,828	1,250
	66,463,107	70,901,729	34,891,496	13,458,555	19,395,279	3,156,399
Financial guarantees issued – Maximum amount guaranteed	–	24,286,413	24,286,413	–	–	–

As disclosed in note 48.3, it is not probable that guarantees provided would result in significant financial impact to the Group including credit loss and liquidity risk.

49. PARTICULARS OF PRINCIPAL SUBSIDIARIES

The following are the particulars of the principal subsidiaries at 31 December 2024 which, in the opinion of the directors of the Company, principally affect the results, assets or liabilities of the Group. To give details of other subsidiaries would, in the opinion of the Company's directors, result in particulars of excessive length.

Name of subsidiaries	Place of incorporation/ operation	Class of shares held	Paid up issued/ registered capital	Percentage of issued/ registered capital held by the Company		Principal activities
				Directly	Indirectly	
Best Beauty Investments Limited	British Virgin Islands	Ordinary	1 share of US$1 each	–	100%	Investment holding
Big Leader International Limited	Hong Kong	Ordinary	HK$1	–	51%	Investment holding
Capital Way Investment Limited	Hong Kong	Ordinary	HK$1	–	100%	Investment holding
China Overseas Grand Oceans Finance IV (Cayman) Limited (COGO Finance IV)	Cayman Islands	Ordinary	1 share of US$1 each	100%	–	Fund-raising
China Overseas Grand Oceans Investments Limited	Hong Kong	Ordinary	HK$1	100%	–	Investment holding
China Overseas Grand Oceans Property Group Company Limited (COGO Properties)	PRC^	Paid up capital	RMB6,007,630,879	–	100%	Investment holding and property development
China Overseas Yin Chuan Investments Limited	Hong Kong	Ordinary	HK$1	–	100%	Investment holding
Citirich International Limited (Citirich)	Hong Kong	Ordinary	HK$1	–	100%	Investment holding
East Pacific (H.K.) Limited	Hong Kong	Ordinary	HK$1	–	100%	Investment holding
Ever United Development Limited	Hong Kong	Ordinary	HK$1	100%	–	Financing and investment
Global East Development Limited	Hong Kong	Ordinary	HK$1	–	100%	Investment holding
Grand Success Group Holdings Limited	Hong Kong	Ordinary	HK$1	–	100%	Investment holding

49. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Name of subsidiaries	Place of incorporation/ operation	Class of shares held	Paid up issued/ registered capital	Percentage of issued/ registered capital held by the Company Directly	Indirectly	Principal activities
Grand Will Asia Pacific Limited	Hong Kong	Ordinary	HK$1	–	100%	Investment holding
Grandca International Limited	Hong Kong	Ordinary	HK$1	–	100%	Investment holding
Grandwide (H.K.) Limited	Hong Kong	Ordinary	HK$1	–	100%	Investment holding
Greatbo (H.K.) Limited	Hong Kong	Ordinary	HK$1	–	100%	Investment holding
Great Kind Development Limited	Hong Kong	Ordinary	HK$1	–	100%	Investment holding
Jet Pacific Investment Limited	Hong Kong	Ordinary	HK$1	–	100%	Investment holding
Longwide Holdings Limited	Hong Kong	Ordinary	HK$1	–	100%	Investment holding
Main Lucky International Limited	Hong Kong	Ordinary	HK$1	–	100%	Investment holding
Max Pacific Investment Limited	Hong Kong	Ordinary	HK$1	–	100%	Investment holding
Moonstar Development Limited	Hong Kong	Ordinary	HK$1	–	100%	Investment holding
Pacific King Holdings Limited	Hong Kong	Ordinary	HK$1	–	100%	Investment holding
Pandue Investments Limited	British Virgin Islands	Ordinary	100 shares of US$1 each	100%	–	Investment holding
Sino Global Development Limited	Hong Kong	Ordinary	HK$1	–	100%	Investment holding
Talent Race Holdings Limited	Hong Kong	Ordinary	HK$1	–	100%	Investment holding
Top Wonder International Limited	Hong Kong	Ordinary	HK$1	–	100%	Investment holding
Well Great (H.K.) Limited	Hong Kong	Ordinary	HK$1	–	100%	Investment holding
World Dynasty Limited	Hong Kong	Ordinary	HK$1	–	100%	Investment holding
World United International Limited	Hong Kong	Ordinary	HK$1	–	100%	Investment holding

49. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Name of subsidiaries	Place of incorporation/ operation	Class of shares held	Paid up issued/ registered capital	Percentage of issued/ registered capital held by the Company		Principal activities
				Directly	Indirectly	
上海中海宏洋置業有限公司	PRC#	Paid up capital	RMB15,000,000	–	100%	Investment holding
中海宏洋地產（合肥）有限公司	PRC^	Paid up capital	RMB580,000,000	–	100%	Property development
中海宏洋地產（銀川）有限公司	PRC*	Paid up capital	RMB20,000,000	–	85%	Property development
中海宏洋地產（揚州）有限公司	PRC^	Paid up capital	RMB1,000,000,000	–	100%	Property development
中海宏洋地產（鹽城）有限公司	PRC^	Paid up capital	RMB1,086,339,800	–	100%	Property development
中海宏洋置地（鹽城）有限公司	PRC^	Paid up capital	RMB350,000,000	–	51%	Property development
中海宏洋置業（常州）有限公司	PRC^	Paid up capital	RMB1,000,000,000	–	100%	Property development
中海宏洋（南通）投資開發有限公司	PRC^	Paid up capital	RMB750,000,000	–	100%	Property development
北京中京藝苑置業有限公司	PRC#	Paid up capital	RMB30,000,000	–	100%	Property investment and property leasing
北京快樂城堡購物中心有限公司	PRC#	Paid up capital	RMB10,000,000	–	100%	Property leasing
北京通惠房地產開發有限責任公司	PRC#	Paid up capital	RMB100,000,000	–	100%	Property development
呼和浩特光大環城建設開發有限公司	PRC#	Paid up capital	RMB120,000,000	–	80%	Property development
呼和浩特市中海宏洋地產有限公司	PRC#	Paid up capital	RMB50,000,000	–	100%	Property development
呼和浩特市榮城房地產開發有限公司	PRC#	Paid up capital	RMB15,000,000	–	100%	Property development
南寧中海宏洋房地產有限公司 (COGO Nanning)	PRC#	Paid up capital	RMB20,000,000	–	100%	Property development
深圳市建地投資有限公司	PRC#	Paid up capital	RMB10,000,000	–	100%	Investment holding
廣州市光大花園房地產開發有限公司	PRC*	Paid up capital	RMB20,000,000	–	100%	Property development

49. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Name of subsidiaries	Place of incorporation/ operation	Class of shares held	Paid up issued/ registered capital	Percentage of issued/ registered capital held by the Company		Principal activities
				Directly	Indirectly	
蘭州中海宏洋房地產開發有限公司	PRC#	Paid up capital	RMB1,000,000,000	–	100%	Property development
吉林市中海宏洋房地產開發有限公司	PRC#	Paid up capital	RMB50,000,000	–	100%	Property development
吉林市中海海華房地產開發有限公司	PRC#	Paid up capital	RMB50,000,000	–	85%	Property development
南寧中海宏洋置業有限公司	PRC^	Paid up capital	RMB1,700,000,000	–	100%	Property development
紹興中海宏洋地產有限公司	PRC#	Paid up capital	RMB50,000,000	–	100%	Property development
揚州中海宏洋置業有限公司	PRC#	Paid up capital	RMB50,000,000	–	100%	Property development
揚州中潤置業有限公司	PRC^	Paid up capital	RMB758,000,000	–	100%	Property development
汕頭市中海宏洋地產有限公司	PRC#	Paid up capital	RMB230,000,000	–	100%	Property development
汕頭市中海宏洋置業有限公司 (Shantou Zhiye)	PRC#	Paid up capital	RMB50,000,000	–	100%	Property development
中海宏洋地產(徐州)有限公司	PRC^	Paid up capital	RMB238,650,000 (2023: RMB126,150,000)	–	100%	Property development
中海宏洋(鹽城)房地產開發有限公司	PRC*	Paid up capital	RMB20,000,000	–	100%	Property development
中海宏洋地產(黃山)有限公司	PRC*	Paid up capital	US$2,500,000	–	55%	Property development
中海潤洋置業(揚州)有限公司	PRC^	Paid up capital	US$60,000,000	–	100%	Property development
中海宏洋(深圳)投資集團有限公司 (CGOSIL)	PRC^	Paid up capital	RMB600,000,000	–	100%	Property development
中海瘦西湖房地產揚州有限公司	PRC#	Paid up capital	RMB240,000,000	–	70%	Property development
揚州市江都區信泰置業有限公司	PRC#	Paid up capital	RMB185,600,000	–	100%	Property development

49. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Name of subsidiaries	Place of incorporation/ operation	Class of shares held	Paid up issued/ registered capital	Percentage of issued/ registered capital held by the Company Directly	Indirectly	Principal activities
中海宏洋地產汕頭投資有限公司 (Shantou COGO)	PRC#	Paid up capital	RMB370,000,000	–	100%	Property development
汕頭中海宏洋南濱置業發展有限公司	PRC#	Paid up capital	RMB10,000,000	–	100%	Hotel operation
汕頭市潮琿房地產有限公司	PRC#	Paid up capital	RMB20,000,000	–	51%	Property development
汕頭市金平區中信房產開發有限公司	PRC#	Paid up capital	RMB10,000,000	–	70%	Property development
中海宏洋惠州控股有限公司	PRC#	Paid up capital	RMB200,000,000	–	100%	Property development
惠州市中海宏洋地產有限公司	PRC#	Paid up capital	RMB200,000,000	–	100%	Property development
中海宏洋惠州城市建設開發有限公司	PRC#	Paid up capital	RMB130,000,000	–	100%	Property development
惠州盈通投資有限公司	PRC#	Paid up capital	RMB60,000,000	–	100%	Property development
中海宏洋惠州湯泉開發有限公司	PRC^	Paid up capital	RMB60,000,000	–	100%	Property development and hotel operation
南昌宏洋地產有限公司	PRC#	Paid up capital	RMB20,000,000	–	100%	Property development
中海宏洋廬山西海(九江)投資有限公司	PRC#	Paid up capital	RMB800,000,000	–	100%	Property development and hotel operation
九江市深水灣投資有限公司	PRC#	Paid up capital	RMB10,000,000	–	100%	Property development
九江市桃花里投資有限公司	PRC#	Paid up capital	RMB10,000,000	–	100%	Property development
九江市溪谷投資有限公司	PRC#	Paid up capital	RMB10,000,000	–	100%	Property development
九江市納帕谷投資有限公司	PRC#	Paid up capital	RMB10,000,000	–	100%	Property development
淄博中海海頤置業有限公司	PRC^	Paid up capital	RMB338,360,000	–	100%	Property development

49. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Name of subsidiaries	Place of incorporation/ operation	Class of shares held	Paid up issued/ registered capital	Percentage of issued/ registered capital held by the Company Directly	Indirectly	Principal activities
中海淄博置業有限公司	PRC^	Paid up capital	HK$770,000,000	–	100%	Property development
濰坊中海興業房地產有限公司	PRC*	Paid up capital	RMB50,000,000	–	100%	Property development
中海宏洋置業（徐州）有限公司	PRC#	Paid up capital	RMB60,000,000	–	34%+	Property development
西寧中海宏洋房地產開發有限公司	PRC#	Paid up capital	RMB20,000,000	–	100%	Property development
贛州中海海創房地產有限公司	PRC*	Paid up capital	RMB19,230,769 (2023: RMB10,000,000)	–	100%	Property development
中海海華南通地產有限公司	PRC#	Paid up capital	RMB20,000,000	–	100%	Property development
合肥中海宏洋海東房地產開發有限公司	PRC^	Paid up capital	RMB10,000,000	–	100%	Property development
合肥中海宏洋海創房地產開發有限公司	PRC#	Paid up capital	RMB10,000,000	–	100%	Property development
揚州海龍置業有限公司	PRC#	Paid up capital	RMB50,000,000	–	100%	Property development
揚州海富置業有限公司	PRC#	Paid up capital	RMB50,000,000	–	100%	Property development
包頭市中海宏洋地產有限公司	PRC^	Paid up capital	RMB10,000,000	–	60%	Property development
蘭州中海海富房地產開發有限公司	PRC#	Paid up capital	RMB10,000,000	–	100%	Property development
包頭市宏洋海富地產有限公司	PRC#	Paid up capital	RMB10,000,000	–	100%	Property development
贛州中海海華房地產有限公司	PRC#	Paid up capital	RMB10,000,000	–	100%	Property development
鹽城潤洋置業有限公司	PRC#	Paid up capital	RMB20,000,000	–	100%	Property development
南通市華璽房地產有限公司	PRC#	Paid up capital	RMB20,000,000	–	30%+	Property development

49. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Name of subsidiaries	Place of incorporation/ operation	Class of shares held	Paid up issued/ registered capital	Percentage of issued/ registered capital held by the Company Directly	Indirectly	Principal activities
吉林市中海海富房地產開發有限公司	PRC^	Paid up capital	RMB10,000,000	–	100%	Property development
吉林市中海海悦房地產開發有限公司	PRC^	Paid up capital	RMB10,000,000	–	100%	Property development
銀川中海海華置業有限公司	PRC#	Paid up capital	RMB10,000,000	–	100%	Property development
柳州中海宏洋房地產有限公司	PRC#	Paid up capital	RMB28,571,429	–	70%	Property development
蘭州中海環宇商業運營管理有限公司	PRC#	Paid up capital	RMB1,000,000	–	100%	Provision of property management services
濟寧中海宏洋地產有限公司	PRC#	Paid up capital	RMB20,000,000	–	100%	Property development
合肥中海宏洋海悦房地產開發有限公司	PRC#	Paid up capital	RMB50,000,000	–	100%	Property development
呼和浩特市海巍地產有限公司	PRC#	Paid up capital	RMB10,000,000	–	100%	Property development
合肥中海宏洋海華房地產開發有限公司	PRC#	Paid up capital	RMB10,000,000	–	100%	Property development
合肥中海宏洋海晟房地產開發有限公司	PRC#	Paid up capital	RMB20,000,000	–	60%	Property development
合肥中海宏洋海宸房地產開發有限公司	PRC#	Paid up capital	RMB20,000,000	–	60%	Property development
南寧中海宏洋海悦房地產有限公司	PRC#	Paid up capital	RMB33,333,333	–	60%	Property development
蘭州中海海通房地產開發有限公司	PRC#	Paid up capital	RMB16,666,667	–	60%	Property development
蘭州中海海創房地產開發有限公司	PRC#	Paid up capital	RMB50,000,000	–	100%	Property development
揚州市海盛房地產開發有限公司	PRC#	Paid up capital	RMB20,000,000	–	100%	Property development
南通市中海海盛房地產開發有限公司	PRC#	Paid up capital	RMB10,000,000 (2023: RMB370,000,000)	–	60%	Property development

49. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Name of subsidiaries	Place of incorporation/ operation	Class of shares held	Paid up issued/ registered capital	Percentage of issued/ registered capital held by the Company Directly	Indirectly	Principal activities
南通市中海海通房地產開發有限公司	PRC#	Paid up capital	RMB10,000,000 (2023: RMB220,000,000)	–	60%	Property development
南通市中海海潤房地產開發有限公司	PRC#	Paid up capital	RMB10,000,000 (2023: RMB60,000,000)	–	60%	Property development
常州市海盛房地產開發有限公司	PRC#	Paid up capital	RMB20,000,000	–	100%	Property development
中海宏洋恒華置業(常州)有限公司	PRC*	Paid up capital	RMB625,000,000	–	100%	Property development
濟寧中海宏洋置業有限公司	PRC#	Paid up capital	RMB10,000,000	–	100%	Property development
徐州海創置業有限公司	PRC#	Paid up capital	RMB10,000,000	–	100%	Property development
中海投資渭南有限公司	PRC^	Paid up capital	RMB300,000,000	–	100%	Property development
渭南中海興業置業有限公司	PRC#	Paid up capital	RMB400,000,000	–	100%	Property development
渭南中海興華置業有限公司	PRC#	Paid up capital	RMB20,000,000	–	100%	Property development
清遠市中海宏洋房地產開發有限公司	PRC#	Paid up capital	RMB10,000,000	–	100%	Property development
揚州市海創房地產開發有限公司	PRC#	Paid up capital	RMB20,000,000	–	100%	Property development
桂林中海宏洋房地產有限公司	PRC#	Paid up capital	RMB20,000,000	–	100%	Property development
深圳市創史企業管理有限公司	PRC#	Paid up capital	RMB400,000,000	–	51%	Investment holding
南寧市平德房地產開發有限公司	PRC*	Paid up capital	RMB500,000,000	–	41%+	Property development
徐州海麗置業有限公司	PRC^	Paid up capital	RMB270,000,000	–	100%	Property development
泉州市中海宏洋海創房地產開發有限公司	PRC^	Paid up capital	RMB10,000,000	–	100%	Property development
吉林市中海海盛房地產開發有限公司	PRC#	Paid up capital	RMB10,000,000	–	100%	Property development

49. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Name of subsidiaries	Place of incorporation/ operation	Class of shares held	Paid up issued/ registered capital	Percentage of issued/ registered capital held by the Company		Principal activities
				Directly	Indirectly	
中海宏洋地產(九江)有限公司	PRC^	Paid up capital	RMB360,000,000	–	100%	Property development
呼和浩特市宏洋海江地產有限公司	PRC#	Paid up capital	RMB10,000,000	–	100%	Property development
呼和浩特市宏洋海川地產有限公司	PRC#	Paid up capital	RMB10,000,000	–	100%	Property development
包頭市宏洋海創地產有限公司	PRC#	Paid up capital	RMB10,000,000	–	100%	Property development
銀川中海海盛置業有限公司	PRC#	Paid up capital	RMB10,000,000	–	100%	Property development
銀川中海海悦置業有限公司	PRC#	Paid up capital	RMB10,000,000	–	100%	Property development
吉林市海慧房地產開發有限公司	PRC#	Paid up capital	RMB20,000,000	–	51%	Property development
吉林市海通房地產開發有限公司	PRC#	Paid up capital	RMB10,000,000	–	100%	Property development
合肥中海海榮房地產有限責任公司	PRC#	Paid up capital	RMB1,100,000,000	–	60%	Property development
合肥中海海瑞房地產開發有限公司 (Hefei Hairui)	PRC#	Paid up capital	RMB100,000,000	–	100%	Property development
合肥中海海惠房地產有限公司	PRC#	Paid up capital	RMB10,000,000	–	100%	Property development
金華中海宏洋地產有限公司	PRC^	Paid up capital	RMB500,000,000	–	100%	Property development
天水中海宏洋房地產開發有限公司	PRC#	Paid up capital	RMB10,000,000	–	100%	Property development
中海海富地產(九江)有限公司	PRC^	Paid up capital	RMB619,800,000 (2023: RMB573,000,000)	–	100%	Property development
丹陽海盛房地產開發有限公司	PRC*	Paid up capital	RMB410,000,000	–	100%	Property development
泰州市中海潤泰置業有限公司	PRC*	Paid up capital	RMB517,000,000	–	85%	Property development
鹽城匯海置業有限公司	PRC#	Paid up capital	RMB20,000,000	–	100%	Property development

49. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Name of subsidiaries	Place of incorporation/ operation	Class of shares held	Paid up issued/ registered capital	Percentage of issued/ registered capital held by the Company Directly	Indirectly	Principal activities
鹽城潤海置業有限公司	PRC#	Paid up capital	RMB20,000,000	–	100%	Property development
汕頭市海學房地產開發有限公司	PRC#	Paid up capital	RMB510,000,000	–	100%	Property development
惠州市海平地產有限公司	PRC#	Paid up capital	RMB800,000,000	–	60%	Property development
惠州市海平置業有限公司 (Huizhou Haiping Real Estate)	PRC#	Paid up capital	RMB1,200,000,000	–	100%	Property development
濰坊中海海盛地產有限公司	PRC^	Paid up capital	RMB10,000,000	–	100%	Property development
唐山市中海宏洋房地產開發有限公司	PRC^	Paid up capital	RMB10,000,000	–	100%	Property development
唐山市中海海富房地產開發有限公司	PRC^	Paid up capital	RMB400,000,000	–	100%	Property development
廊坊市宏洋房地產開發有限公司	PRC#	Paid up capital	RMB10,000,000	–	100%	Property development
遵義海盛置業有限公司	PRC#	Paid up capital	RMB16,666,700	–	70%	Property development
遵義中海海潤置業有限公司	PRC#	Paid up capital	RMB10,000,000	–	80%	Property development
株洲中海宏洋地產有限公司	PRC^	Paid up capital	RMB500,000,000	–	70%	Property development
株洲中海宏洋商業發展有限公司	PRC^	Paid up capital	RMB14,285,715	–	70%	Property development
常州市中海海潤房地產開發有限公司	PRC#	Paid up capital	RMB20,000,000	–	100%	Property development
惠州市海盛房地產開發有限公司	PRC^	Paid up capital	RMB10,000,000	–	100%	Property development
中海宏洋海富(合肥)房地產開發有限公司	PRC*	Paid up capital	RMB100,000,000 (2023: RMB50,000,000)	–	100%	Property development
合肥中海海飛房地產有限公司	PRC#	Paid up capital	RMB10,000,000	–	100%	Property development
合肥中海海駿房地產有限公司	PRC#	Paid up capital	RMB10,000,000	–	100%	Property development
安慶中海宏洋房地產開發有限公司	PRC#	Paid up capital	RMB10,000,000	–	100%	Property development

49. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Name of subsidiaries	Place of incorporation/ operation	Class of shares held	Paid up issued/ registered capital	Percentage of issued/ registered capital held by the Company Directly	Indirectly	Principal activities
滁州中海宏洋房地產有限公司	PRC#	Paid up capital	RMB10,000,000	–	100%	Property development
蘭州中海海潤房地產開發有限公司	PRC#	Paid up capital	RMB10,000,000	–	100%	Property development
西寧中海海潤房地產開發有限公司	PRC#	Paid up capital	RMB20,000,000	–	100%	Property development
贛州中海海富房地產有限公司	PRC#	Paid up capital	RMB10,000,000	–	100%	Property development
揚州海發地產置業有限公司	PRC#	Paid up capital	RMB200,000,000	–	99.5%	Property development
泰州潤通房地產開發有限公司	PRC#	Paid up capital	RMB1,573,656,263	–	70%	Property development
鹽城海洲置業有限公司	PRC#	Paid up capital	RMB700,000,000	–	45%+	Property development
鹽城旭邦置業有限公司	PRC#	Paid up capital	RMB200,000,000	–	46%+	Property development
泉州市中海海悦房地產開發有限公司	PRC#	Paid up capital	RMB210,000,000	–	100%	Property development
惠州市海嘉房地產開發有限公司	PRC#	Paid up capital	RMB310,000,000	–	50%+	Property development
湛江市海通房地產開發有限公司	PRC#	Paid up capital	RMB300,000,000	–	50%+	Property development
濰坊海慧地產有限公司	PRC#	Paid up capital	RMB10,000,000	–	100%	Property development
臨沂海晟地產有限公司	PRC#	Paid up capital	RMB10,000,000	–	100%	Property development
徐州海鑫置業有限公司	PRC#	Paid up capital	RMB10,000,000	–	100%	Property development
徐州潤耀地產有限公司	PRC#	Paid up capital	RMB450,000,000	–	67%	Property development
淮安潤欣置業有限公司	PRC#	Paid up capital	RMB10,000,000 (2023: Nil)	–	100%	Property development
淮安淮潤地產有限公司	PRC*	Paid up capital	RMB1,600,000,000	–	51%	Property development

49. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Name of subsidiaries	Place of incorporation/ operation	Class of shares held	Paid up issued/ registered capital	Percentage of issued/ registered capital held by the Company Directly	Indirectly	Principal activities
紹興中海海富置業有限公司	PRC#	Paid up capital	RMB10,000,000	–	100%	Property development
金華海盛置業有限公司 (Jinhua Haisheng)	PRC#	Paid up capital	RMB600,000,000	–	100% (2023: 50%)	Property development
義烏海創房地產開發有限公司	PRC#	Paid up capital	RMB900,000,000	–	100%	Property development
常州市中海海澄房地產開發有限公司 (Changzhou Haicheng)	PRC#	Paid up capital	RMB800,000,000	–	100% (2023: 51%)	Property development
常州市中海海泓房地產有限公司 (Changzhou Haihong)	PRC#	Paid up capital	RMB700,000,000	–	100% (2023: 51%)	Property development
徐州威拓房地產開發有限公司	PRC#	Paid up capital	RMB400,000,000	–	66%	Property development
深圳市中宏低碳建築科技有限公司	PRC^	Paid up capital	RMB20,000,000	–	100%	Advisory services
南通市海洲房地產開發有限公司	PRC#	Paid up capital	RMB122,500,000	–	60%	Property development
汕頭市海富房地產有限公司	PRC#	Paid up capital	RMB600,000,000	–	100%	Property development
淄博中海宏洋房地產開發有限公司	PRC#	Paid up capital	RMB10,000,000 (2023: Nil)	–	100%	Property development
南寧中海宏洋海怡房地產有限公司	PRC#	Paid up capital	RMB20,000,000	–	100%	Property development
南寧中海宏洋海璟房地產有限公司	PRC#	Paid up capital	RMB20,000,000	–	100%	Property development
合肥啟盛房地產開發有限公司 (Hefei Qisheng)	PRC#	Paid up capital	RMB2,000,000,000	–	34%+	Property development
贛州中海海蓉房地產有限公司	PRC#	Paid up capital	RMB10,000,000 (2023: Nil)	–	100%	Property development
贛州中海海悦房地產有限公司	PRC#	Paid up capital	RMB10,000,000 (2023: Nil)	–	100%	Property development

49. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Name of subsidiaries	Place of incorporation/ operation	Class of shares held	Paid up issued/ registered capital	Percentage of issued/ registered capital held by the Company Directly	Indirectly	Principal activities
合肥啟璋房地產開發有限公司	PRC#	Paid up capital	RMB360,000,000	–	60%	Property development
合肥啟寧房地產開發有限公司	PRC#	Paid up capital	RMB1,000,000,000	–	60%	Property development
南通市海誠房地產開發有限公司	PRC#	Paid up capital	RMB580,000,000 (2023: RMB460,000,000)	–	60%	Property development
泉州市海宸房地產開發有限公司	PRC#	Paid up capital	RMB10,000,000	–	100%	Property development
泉州市中海宏洋海盛房地產開發有限公司	PRC#	Paid up capital	RMB10,000,000	–	100%	Property development
中宏海創(泉州)工程管理有限公司@	PRC^	Paid up capital	RMB30,000,000	–	100%	Property development
合肥方啟璟興置業有限責任公司@	PRC#	Paid up capital	RMB400,000,000	–	50%+	Property development

@ These companies were newly established or invested during the year ended 31 December 2024.

^ The companies are established in the PRC as wholly-foreign-owned enterprises.

* The companies are established in the PRC as sino-foreign equity joint ventures.

The companies are established in the PRC as limited liability companies.

+ The Group directly or indirectly holds 50% or less of the equity interests in these companies, which have been accounted for as subsidiaries of the Company, as the Group exercises control to direct the relevant activities unilaterally in accordance with respective cooperation agreements and/or the articles of association of these companies.

None of the subsidiaries had any debt securities in issue as at 31 December 2024 and 2023 except for (i) Shantou Zhiye, CGOSIL, Hefei Hairui and COGO Properties which had issued instruments as set out in note 31(a); (ii) COGO Finance IV which had issued the 2021 Guaranteed Notes as set out in note 32(a); and (iii) COGO Properties which has issued several corporate bonds as set out in 32(b) respectively.

50. PARTICULARS OF ASSOCIATES

The particulars of the associates as at 31 December 2024 are as follows:

Name of associates	Place of incorporation/ operation	Class of shares held	Paid up issued/ registered capital	Percentage of issued/ registered capital held by the Company		Principal activities
				Directly	Indirectly	
中信房地產汕頭華鑫有限公司	PRC#	Paid up capital	RMB10,000,000	–	30%	Property development
汕頭市金城花園房地產有限公司	PRC#	Paid up capital	RMB10,000,000	–	45%	Property development
鹽城海建置業有限公司	PRC#	Paid up capital	RMB20,000,000	–	35%	Property development
鹽城悅宸房地產開發有限公司	PRC#	Paid up capital	RMB620,000,000 (2023: Nil)	–	33%	Property development
惠州市海瓏房地產開發有限公司	PRC#	Paid up capital	RMB250,000,000	–	50%	Property development
淄博海創置業有限公司	PRC#	Paid up capital	RMB35,294,100	–	49%	Property development
合肥潤蓬房地產開發有限公司	PRC#	Paid up capital	RMB360,000,000	–	40%	Property development

\# The companies are established in the PRC as limited liability companies.

51. PARTICULARS OF JOINT VENTURES

The particulars of the joint ventures as at 31 December 2024 are as follows:

Name of joint ventures	Place of incorporation/ operation	Class of shares held	Paid up issued/ registered capital	Percentage of issued/ registered capital held by the Company Directly	Indirectly	Principal activities
上海金鶴數碼科技發展有限公司	PRC*	Paid up capital	US$2,400,000	–	65%^	Property investment and property leasing
汕頭中海凱旋置業有限公司	PRC#	Paid up capital	RMB102,040,816	–	51%^	Property development
南京崇茂置業有限公司	PRC#	Paid up capital	RMB45,000,000	–	49.5%^	Investment holding
湛江市海創房地產開發有限公司	PRC#	Paid up capital	RMB600,000,000	–	50%^	Property development
湛江市金順房地產開發有限公司	PRC#	Paid up capital	RMB370,000,000	–	50%^	Property development
泰州城茂房地產開發有限公司	PRC#	Paid up capital	RMB300,000,000	–	24.75%^	Property development

* The company is established in the PRC as sino-foreign equity joint venture.

\# The companies are established in the PRC as a limited liability companies.

^ The Group exercises joint control to direct the relevant activities which require unanimous consent with other joint venture partners in accordance with the respective joint venture agreements and/or the articles of association of these companies, and accordingly, these companies have been accounted for as joint ventures of the Group.

Five Year Financial Summary

CONSOLIDATED RESULTS

	For the year ended 31 December				
	2024	2023	2022	2021	2020
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	**45,895,252**	56,408,144	57,492,018	53,830,471	42,909,060
Profit before income tax	**2,160,744**	4,122,713	5,978,711	10,149,386	9,539,835
Income tax expense	**(944,903)**	(2,097,753)	(2,922,587)	(4,504,484)	(4,935,694)
Profit for the year	**1,215,841**	2,024,960	3,056,124	5,644,902	4,604,141
Profit/(Loss) for the year attributable to:					
Owners of the Company	**954,050**	2,301,686	3,150,440	5,050,575	4,374,765
Non-controlling interests	**261,791**	(276,726)	(94,316)	594,327	229,376
	1,215,841	2,024,960	3,056,124	5,644,902	4,604,141

CONSOLIDATED ASSETS AND LIABILITIES

	At 31 December				
	2024	2023	2022	2021	2020
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Total assets	**129,182,894**	152,030,454	180,781,831	198,786,421	167,413,497
Total liabilities	**(91,631,831)**	(113,900,938)	(143,380,679)	(163,030,162)	(140,177,115)
	37,551,063	38,129,516	37,401,152	35,756,259	27,236,382
Equity attributable to owners of the Company	**31,395,867**	31,303,532	29,942,196	28,727,889	24,133,225
Non-controlling interests	**6,155,196**	6,825,984	7,458,956	7,028,370	3,103,157
	37,551,063	38,129,516	37,401,152	35,756,259	27,236,382

Particulars of Major Properties & Property Interests

(A) PROPERTY HELD FOR OWN USE

Name/Location	Category	Approximate GFA (sq.m.)	Attributable Interest	Lease Term
2F, 3F, 3AF and 23F, **CITIC City Plaza** 1093 Shennan Zhong Road, Futian District, Shenzhen, Guangdong Province, the PRC	Office	6,603	100%	Medium
18F and 19F, **CITIC City Plaza 2** Wenming Yi Road, Huicheng District, Huizhou, Guangdong Province, the PRC	Office	3,065	100%	Medium
Commercial Tower, Central Mansion No. 150, Qingnian Zhong Road, Chongchuan District, Nantong, Jiangsu Province, the PRC	Office	3,234	100%	Medium
Room 2307, 2501-2506 and 2508 **China Overseas Building** **(No. 9 Office Building)** No. 139 Jilin Street, Jilin, Jilin Province, the PRC	Office	1,319	100%	Medium
Room 501, 502, 601 and 602 **The Azure-Cai Fu Plaza** Annan Road, Saihan District, Hohhot, Inner Mongolia Autonomous Region, the PRC	Office	2,081	100%	Medium
China Overseas Plaza (Office Building) Floor 33, No. 1129 Mogao Avenue, Anning District, Lanzhou, Gansu Province, the PRC	Office	2,277	100%	Medium

(A) PROPERTY HELD FOR OWN USE (CONTINUED)

Name/Location	Category	Approximate GFA (sq.m.)	Attributable Interest	Lease Term
Zhonghai Longcheng Garden Building 19, Junction of Longcheng Avenue and Songshan Road, Xinbei District, Changzhou, Jiangsu Province, the PRC	Office	1,478	100%	Medium
Wanjin Garden Building S1, Wanjin Garden, Northeast Corner of Junction of Longchuan Road and Xidi Road, Baohe District, Hefei, Anhui Province, the PRC	Office	1,889	100%	Medium
Da Guan Tian Xia No. 5716, Dongfang Road, Gaoxin District, Weifang, Shandong Province, the PRC	Office	3,960	100%	Medium
Hairong Court Building 6, Hairong Court, Mengshui Town, Zhoucun District, Zibo, Shandong Province, the PRC	Office	2,393	100%	Medium
Room 101, Building 8, China Overseas Kaixuan Garden No.1, Kaifang Avenue South Road, Chengnan New District, Yancheng, Jiangsu Province, the PRC	Office	1,265	100%	Medium

(A) PROPERTY HELD FOR OWN USE (CONTINUED)

Name/Location	Category	Approximate GFA (sq.m.)	Attributable Interest	Lease Term
Floor 2, Business Center International Community Junction of Wudu Avenue and Xingguo Road, Zhanggong District, Ganzhou, Jiangxi Province, the PRC	Office	2,382	100%	Medium
Lushan Xihai Hotel Lushan Xihai Scenic Area, Jiujiang, Jiangxi Province, the PRC	Hotel	32,016	100%	Medium
Huizhou Tangquan Hotel No. 298 Huizhou Avenue Tangquan Section, Huicheng District, Huizhou, Guangdong Province, the PRC	Hotel	31,720	100%	Medium
Shantou Nanbin Hotel Haojiang District, Shantou, Guangdong Province, the PRC	Hotel	17,614	100%	Medium
Shantou Chaoyue Hotel Haojiang District, Shantou, Guangdong Province, the PRC	Hotel	2,645	100%	Medium

(B) PROPERTY HELD FOR INVESTMENT

Name/Location	Category	Approximate GFA (sq.m.)	Attributable Interest	Lease Term
Office units, No. 1 Building, China Overseas International Center No. 28 Pinganlixi Avenue, Xicheng District, Beijing, the PRC	Office	40,923	100%	Medium
Jin Xin Building (Room 204, 207 and 208) Jinsha Road, Longhu District, Shantou, Guangdong Province, the PRC	Office	1,326	100%	Medium
China Overseas Plaza Office No.1129, Mogao Avenue, Anning District, Lanzhou, Gansu Province, the PRC	Office	55,129	100%	Medium
China Overseas Plaza - Mall (Universal City) Anning District, Lanzhou, Gansu Province, the PRC	Commercial	66,300	100%	Medium
China Overseas Plaza - Shopping Street (Universal City) No. 1131-1149 Mogao Avenue, Anning District, Lanzhou, Gansu Province, the PRC	Commercial	10,960	100%	Medium
China Overseas Plaza No. 7 Community, Jiangbei, Jiangbei Street, Huicheng District, Huizhou, Guangdong Province, the PRC	Commercial	21,838	100%	Medium

(B) PROPERTY HELD FOR INVESTMENT (CONTINUED)

Name/Location	Category	Approximate GFA (sq.m.)	Attributable Interest	Lease Term
Central Mansion Baohe District, Hefei, Anhui Province, the PRC	Commercial	11,992	100%	Medium
Royal Villa South of Dengdian Road, West of Shancha Road, Shushan District, Hefei, Anhui Province, the PRC	Residential	18,255	100%	Medium
The Azure East of Xingan South Road, Hohhot, Inner Mongolia Autonomous Region, the PRC	Office	13,943	100%	Medium
Left Bank West of Fu Bilie Road, North of Yinhe North Road, Saihan District, Hohhot, Inner Mongolia Autonomous Region, the PRC	Commercial	26,129	100%	Medium
Central Park Baohe District, Hefei, Anhui Province, the PRC	Office	17,591	100%	Medium
The Phoenix West of Fenghuang Road, North of Zhongwu Avenue, Tianning District, Changzhou, the PRC	Commercial	15,118	100%	Medium

(C) PROPERTY HELD AS INVENTORIES

(I) PROPERTIES UNDER DEVELOPMENT

Name/Location	Intended Usage	Approximate Total Site Area (sq.m.)	Approximate GFA (sq.m.)	Attributable Interest	Stage of Completion	Commencement Date	Estimated Completion Date
Celestial Heights North of Shangzhou Road, East of Xianhu Avenue, Qingxiu District, Nanning, Guangxi Zhuang Autonomous Region, the PRC	Residential	80,600	125,200	60%	Superstructure in progress	2019.09	1st half of 2026
Harrow Community East of Lunggang Avenue, South of Sanhe Road, Yining District, Nanning, Guangxi Zhuang Autonomous Region, the PRC	Residential/ Commercial	15,600	44,200	41%	Superstructure in progress	2019.10	2nd half of 2025
City Plaza Huicheng District, Huizhou, Guangdong Province, the PRC	Commercial	5,500	34,000	100%	Superstructure in progress	2020.01	2nd half of 2025
Glory Lake The Pu Yue West of Yingbin Road Central, East of Zhengyang Road, Wenchang Lake District, Zibo, Shandong Province, the PRC	Residential/ Commercial	77,400	162,100	100%	Superstructure in progress	2020.07	2nd half of 2025
Glorious Palace Tangcun Huangbeikeng Road, Xiaojinkou Street Office, Huicheng District, Huizhou, Guangdong Province, the PRC	Residential/ Commercial	42,700	170,400	60%	Superstructure in progress	2020.11	2nd half of 2025
Gorgeous Mansion East of Kaichuang Road, North of Yandu Road, Yandu District, Yancheng, Jiangsu Province, the PRC	Residential	600	2,000	100%	Superstructure in progress	2021.03	2nd half of 2025

(C) PROPERTY HELD AS INVENTORIES (CONTINUED)

(I) PROPERTIES UNDER DEVELOPMENT (CONTINUED)

Name/Location	Intended Usage	Approximate Total Site Area (sq.m.)	Approximate GFA (sq.m.)	Attributable Interest	Stage of Completion	Commencement Date	Estimated Completion Date
Megacity Times Raolibei Road, Tongqiao Town, Zhongkai District, Huizhou, Guangdong Province, the PRC	Residential/ Commercial	18,000	67,200	100%	Superstructure in progress	2021.04	2nd half of 2025
International Community West of Guihua Second Road, North of Lianxi Avenue, Lianxi District, Jiujiang, Jiangxi Province, the PRC	Residential	39,000	96,500	100%	Superstructure in progress	2021.05	2nd half of 2026
Cozy Land Luozhuang District, Linyi, Shandong Province, the PRC	Residential/ Commercial	13,200	44,600	100%	Superstructure in progress	2021.05	2nd half of 2025
The Rivera North City Longhu District, Shantou, Guangdong Province, the PRC	Residential/ Commercial	23,000	124,300	100%	Superstructure in progress	2021.06	1st half of 2026
Elite Palace No.94, Shidai Avenue, Chengzhong District, Xining, Qinghai Province, the PRC	Residential/ Commercial	127,700	407,700	100%	Superstructure in progress	2021.07	2nd half of 2027
Tai Ping Guan Zhi Taiping Lake Town, Huangshan District, Anhui Province, the PRC	Residential/ Commercial	449,700	249,500	55%	Superstructure in progress	2021.08	2nd half of 2029

(C) PROPERTY HELD AS INVENTORIES (CONTINUED)

(I) PROPERTIES UNDER DEVELOPMENT (CONTINUED)

Name/Location	Intended Usage	Approximate Total Site Area (sq.m.)	Approximate GFA (sq.m.)	Attributable Interest	Stage of Completion	Commencement Date	Estimated Completion Date
Majestic Mansion Junction of Yandi Da Dao and Liyunan Road, Tianyuan District, Zhuzhou, Hunan Province, the PRC	Residential/ Commercial	23,900	69,900	70%	Superstructure in progress	2021.08	2nd half of 2025
Central Mansion No.57, Fuqian Road, Huai'an District, Huai'an, Jiangsu Province, the PRC	Residential/ Commercial	17,100	56,900	100%	Superstructure in progress	2021.09	1st half of 2026
Future land Gulou District, Xuzhou, Jiangsu Province, the PRC	Residential/ Commercial	27,900	88,800	100%	Superstructure in progress	2021.09	2nd half of 2025
Lake City Mansion New Huaihai Road, Quanshan District, Xuzhou, Jiangsu Province, the PRC	Residential	45,200	133,800	67%	Superstructure in progress	2021.12	2nd half of 2025
Mansion One South of Longwei Road, West of Baoxing Road, Yandu District, Yancheng, Jiangsu Province, the PRC	Residential/ Commercial	39,300	120,000	45%	Superstructure in progress	2021.12	2nd half of 2027
Jiangnan Countryard South of Binhe Road, West of Shu'an Road, Guangling District, Yangzhou, Jiangsu Province, the PRC	Residential/ Commercial	76,500	170,200	100%	Superstructure in progress	2021.12	1st half of 2026

(C) PROPERTY HELD AS INVENTORIES (CONTINUED)

(I) PROPERTIES UNDER DEVELOPMENT (CONTINUED)

Name/Location	Intended Usage	Approximate Total Site Area (sq.m.)	Approximate GFA (sq.m.)	Attributable Interest	Stage of Completion	Commencement Date	Estimated Completion Date
Upper East East of Kunpeng Road, South of Chengdong Avenue, Xuzhou, Jiangsu Province, the PRC	Residential	29,100	95,800	66%	Superstructure in progress	2022.02	2nd half of 2025
Huizhou Tangquan 298 Huizhou Road, Huicheng District, Huizhou, Guangdong Province, the PRC	Residential/ Commercial	29,100	59,900	100%	Superstructure in progress	2022.03	2nd half of 2026
New City of China Xinpuxin District, Zunyi, Guizhou Province, the PRC	Residential/ Commercial	8,800	26,000	70%	Superstructure in progress	2022.04	1st half of 2026
Royal Mansion Southwest of Junction of Ba Zhong Nan Road and Daoxiang Road, Nanqiao District, Chuzhou, Anhui Province, the PRC	Residential/ Commercial	134,000	366,900	100%	Superstructure in progress	2022.06	2nd half of 2027
China Overseas Platinum Garden 66 Mingle Road, Qilihe District, Lanzhou, Gansu Province, the PRC	Residential/ Commercial	68,000	306,300	60%	Superstructure in progress	2022.06	2nd half of 2027
Genius Garden South of Wangshe Road, East of Beijing Road, Zibo Economic and Technological Development Zone, Shandong Province, the PRC	Residential/ Commercial	62,900	241,200	100%	Superstructure in progress	2022.10	2nd half of 2026

(C) PROPERTY HELD AS INVENTORIES (CONTINUED)

(I) PROPERTIES UNDER DEVELOPMENT (CONTINUED)

Name/Location	Intended Usage	Approximate Total Site Area (sq.m.)	Approximate GFA (sq.m.)	Attributable Interest	Stage of Completion	Commencement Date	Estimated Completion Date
One Sino Residences North of Minzu Avenue, Qingxiu District, Nanning, Guangxi Zhuang Autonomous Region, the PRC	Residential	30,700	83,300	100%	Superstructure in progress	2022.11	1st half of 2025
The Platinum Pleased Mansion 8 Mingle Road, Qilihe District, Lanzhou, Gansu Province, the PRC	Residential/ Commercial	9,000	42,800	100%	Superstructure in progress	2022.12	2nd half of 2027
Skyline No. 221, Furong Road Economic and Technological Development Zone, Hefei, Anhui Province, the PRC	Residential/ Commercial	96,200	284,900	34%	Superstructure in progress	2023.01	2nd half of 2025
Platinum Garden East of Longxiang Road, South of Ludong Road, No. 1 Anci District, Langfang, Hebei Province, the PRC	Residential/ Commercial	23,500	63,000	100%	Superstructure in progress	2023.01	1st half of 2025
Hills Scenery East of Shilun Road, North of Bayi Road, Chongchuan District, Nantong, Jiangsu Province, the PRC	Residential	43,200	111,500	60%	Superstructure in progress	2023.04	1st half of 2026
Master Mansion East of Chongye Second Road, South of Gaoxin North Street, Hi-and-New Tech Park, Weinan, Shaanxi Province, the PRC	Residential/ Commercial	47,700	185,000	100%	Superstructure in progress	2023.04	1st half of 2026

(C) PROPERTY HELD AS INVENTORIES (CONTINUED)

(I) PROPERTIES UNDER DEVELOPMENT (CONTINUED)

Name/Location	Intended Usage	Approximate Total Site Area (sq.m.)	Approximate GFA (sq.m.)	Attributable Interest	Stage of Completion	Commencement Date	Estimated Completion Date
Maple Palace Junction of Zhengtong Road and Xueyuan Road, Lunan District, Tangshan, Hebei Province, the PRC	Residential/ Commercial	58,000	118,600	100%	Superstructure in progress	2023.05	2nd half of 2025
The Metropolis Junction of Huazhong East Road and Duxiu Avenue, Yingjiang District, Anqing, Anhui Province, the PRC	Residential/ Commercial	79,100	255,000	100%	Superstructure in progress	2023.06	2nd half of 2027
Mount And Lake Intersection of Sakura Road and Acalamus Road, Feixi County, Hefei, Anhui Province, the PRC	Residential	34,000	97,100	60%	Superstructure in progress	2023.06	2nd half of 2025
River View Mansion South of 40M Guihua Road, East of Hadaqin Road, Xincheng District, Hohhot, Inner Mongolia Autonomous Region, the PRC	Residential/ Commercial	47,700	120,300	100%	Superstructure in progress	2023.06	1st half of 2025
Golden Coast Hepu Longhutan, Haojiang District, Shantou, Guangdong Province, the PRC	Residential/ Commercial	573,100	1,281,600	100%	Superstructure in progress	2023.06	2nd half of 2027
The Platinum Pleased Mansion Qinzhou District, Tianshui, Gansu Province, the PRC	Residential/ Commercial	35,000	122,800	100%	Superstructure in progress	2023.06	2nd half of 2026

(C) PROPERTY HELD AS INVENTORIES (CONTINUED)

(I) PROPERTIES UNDER DEVELOPMENT (CONTINUED)

Name/Location	Intended Usage	Approximate Total Site Area (sq.m.)	Approximate GFA (sq.m.)	Attributable Interest	Stage of Completion	Commencement Date	Estimated Completion Date
Sea Advanced Collection South of Houhai Road, East of Yuewu Lane, Jinfeng District, Yinchuan, Ningxia Hui Autonomous Region, the PRC	Residential/ Commercial	78,500	189,500	100%	Superstructure in progress	2023.06	2nd half of 2025
Honor Mainstays No.219, Chengde North Road, Qingjiangpu District, Huai'an, Jiangsu Province, the PRC	Residential/ Commercial	119,600	383,200	51%	Superstructure in progress	2023.09	2nd half of 2027
Royal Mansion South of Fenghuang West Road, West of Jiangzhou South Road, Taizhou Economic and Technological Development Zone, Taizhou, Jiangsu Province, the PRC	Residential/ Commercial	34,700	106,200	70%	Superstructure in progress	2023.09	1st half of 2026
Origin of City West of Yingbin Road, South of Yulong Road, Tinghu District, Yancheng, Jiangsu Province, the PRC	Residential/ Commercial	23,300	93,700	46%	Superstructure in progress	2023.09	1st half of 2026
Jewel Manor Intersection of Susong Road and Yushui Road, Hefei, Anhui Province, the PRC	Residential	59,600	184,500	60%	Superstructure in progress	2023.10	1st half of 2026
The Paragon (previously named "Da Guan Tian Xia") No. 12345, Baotong East Street, Gaoxin District, Weifang, Shandong Province, the PRC	Residential/ Commercial	101,900	282,800	100%	Superstructure in progress	2023.10	2nd half of 2025

(C) PROPERTY HELD AS INVENTORIES (CONTINUED)

(I) PROPERTIES UNDER DEVELOPMENT (CONTINUED)

Name/Location	Intended Usage	Approximate Total Site Area (sq.m.)	Approximate GFA (sq.m.)	Attributable Interest	Stage of Completion	Commencement Date	Estimated Completion Date
The Riviera South of Baisha River, East of Fengshan Road, Fangzi District, Weifang, Shandong Province, the PRC	Residential	12,000	32,400	100%	Superstructure in progress	2023.10	2nd half of 2025
Zhenru Mansion West of Huanan Road, South of Zhenxing Road, Huanan Xin District, Danyang, Jiangsu Province, the PRC	Residential	36,800	100,600	100%	Superstructure in progress	2023.11	2nd half of 2026
River View Mansion West of Xingjiang Road, South of Yunqiu Road, Shuixi Town, Zhanggong District, Ganzhou, Jiangxi Province, the PRC	Residential/ Commercial	89,600	210,300	100%	Superstructure in progress	2023.12	2nd half of 2025
Elegance Mansion East of Litang Road, South of Yanziling Road, Tianyuan District, Zhuzhou, Hunan Province, the PRC	Residential/ Commercial	62,900	225,700	70%	Superstructure in progress	2023.12	2nd half of 2026
Private Mansion Shanzai Community, Luoshan Street, Jinjiang, Quanzhou, Fujian Province, the PRC	Residential/ Commercial	62,300	138,600	100%	Superstructure in progress	2023.12	1st half of 2025
Master Mansion Dongxing Community, Chengdong Street, Fengze District, Quanzhou, Fujian Province, the PRC	Residential/ Commercial	34,000	111,600	100%	Superstructure in progress	2023.12	2nd half of 2025

(C) PROPERTY HELD AS INVENTORIES (CONTINUED)

(I) PROPERTIES UNDER DEVELOPMENT (CONTINUED)

Name/Location	Intended Usage	Approximate Total Site Area (sq.m.)	Approximate GFA (sq.m.)	Attributable Interest	Stage of Completion	Commencement Date	Estimated Completion Date
The One Future Junction of Lion Ridge Road and Jingyi Road, Zhanggong District, Ganzhou, Jiangxi Province, the PRC	Residential/ Commercial	114,700	265,000	100%	Superstructure in progress	2024.03	2nd half of 2026
Central Mansion North of Genghis Khan East Street, East of Wantong Road, Xincheng District, Hohhot, Inner Mongolia Autonomous Region, the PRC	Residential/ Commercial	47,300	124,800	100%	Superstructure in progress	2024.03	1st half of 2026
Metropolis Times Fengman District, Jilin, Jilin Province, the PRC	Residential/ Commercial	46,500	136,200	100%	Superstructure in progress	2024.03	2nd half of 2026
Center Mansion Education Road North, Xuetian River East, Chongchuan District, Nantong, Jiangsu Province, China	Residential/ Commercial	78,400	201,300	60%	Superstructure in progress	2024.03	1st half of 2026
COGO City East of Jinfeng Shiyi Street, North of Jinfeng Shiliu Street, Jinfeng District, Yinchuan, Ningxia Hui Autonomous Region, the PRC	Residential/ Commercial	15,600	17,300	85%	Superstructure in progress	2024.03	1st half of 2025
Zhen Ru Fu South side of Yuhua Road, East side of Jianshe Road, Lubei District, Tangshan, Hebei Province, the PRC	Residential/ Commercial	33,200	62,400	100%	Superstructure in progress	2024.04	1st half of 2025

(C) PROPERTY HELD AS INVENTORIES (CONTINUED)

(I) PROPERTIES UNDER DEVELOPMENT (CONTINUED)

Name/Location	Intended Usage	Approximate Total Site Area (sq.m.)	Approximate GFA (sq.m.)	Attributable Interest	Stage of Completion	Commencement Date	Estimated Completion Date
The Paragon Yard North of the Fourth Road, West of Shuixiao West Road, Yangzijin Street, Yangzhou, Jiangsu Province, China	Residential/ Commercial	48,400	114,100	100%	Superstructure in progress	2024.04	2nd half of 2025
Genius Garden East of Fuzhounan Street, North of Baohu Road, Jinfeng District, Yinchuan, Ningxia Hui Autonomous Region, the PRC	Residential/ Commercial	35,800	87,700	100%	Superstructure in progress	2024.05	2nd half of 2025
UniMall Fengman District, Jilin, Jilin Province, the PRC	Residential/ Commercial	20,500	61,800	100%	Superstructure in progress	2024.05	2nd half of 2026
Around the World North of Baotong Street, West of Jinma Road, Gaoxin District, Weifang, Shandong Province, the PRC	Commercial	39,000	118,500	100%	Superstructure in progress	2024.06	2nd half of 2026
Loong Mansion South of Huaihaixi Road, West of Meijian Road, Quanshan District, Xuzhou, Jiangsu Province, the PRC	Residential/ Commercial	17,800	61,500	100%	Superstructure in progress	2024.08	2nd half of 2025
Central Manor Eestnorth of Junction of Baohe Avenue and Qimen Road, Hefei, Anhui Province, the PRC	Residential	30,200	97,700	100%	Superstructure in progress	2024.09	2nd half of 2025

(C) PROPERTY HELD AS INVENTORIES (CONTINUED)

(I) PROPERTIES UNDER DEVELOPMENT (CONTINUED)

Name/Location	Intended Usage	Approximate Total Site Area (sq.m.)	Approximate GFA (sq.m.)	Attributable Interest	Stage of Completion	Commencement Date	Estimated Completion Date
Unique Palace Westnorth of Junction of Peihua Road and Hongyu Street, Jinfeng District, Yinchuan, Ningxia Hui Autonomous Region, the PRC	Residential/ Commercial	92,800	178,400	100%	Superstructure in progress	2024.09	1st half of 2026
Central Mansion East of Dengfeng Avenue, North of Zanxian Road, Zhanggong District, Ganzhou, Jiangxi Province, the PRC	Residential/ Commercial	78,000	181,800	100%	Superstructure in progress	2024.12	2nd half of 2026
Central Manor Westsouth of Junction of Gedadian Road and Shexian Road, Hefei, Anhui Province, the PRC	Residential	30,400	95,600	50%	Superstructure in progress	2024.12	2nd half of 2026

(II) LAND HELD FOR FUTURE DEVELOPMENT

Name/Location	Intended Usage	Approximate Total Site Area (sq.m.)	Approximate GFA (sq.m.)	Attributable Interest	Stage of Completion
Lushan Xihai Jinkou Tourist Town, Jiujiang, Jiangxi Province, the PRC	Residential/ Commercial	1,235,500	656,300	100%	Land under development
Glorioushire North of Wenhu Road, Fengman District, Jilin, Jilin Province, the PRC	Residential/ Commercial	27,900	110,300	100%	Land under development
Fengman District Project #1-2 Fengman District, Jilin, Jilin Province, the PRC	Residential/ Commercial	42,900	104,300	100%	Land under development

(C) PROPERTY HELD AS INVENTORIES (CONTINUED)

(II) LAND HELD FOR FUTURE DEVELOPMENT (CONTINUED)

Name/Location	Intended Usage	Approximate Total Site Area (sq.m.)	Approximate GFA (sq.m.)	Attributable Interest	Stage of Completion
Zhuzhou Zhonghai Park Junction of Yandi Da Dao and Liyunan Road, Tianyuan District, Zhuzhou, Hunan Province, the PRC	Residential	30,300	107,200	70%	Land under development
Zhuzhou Zhonghai Jiuyue Junction of Yandi Da Dao and Liyunan Road, Tianyuan District, Zhuzhou, Hunan Province, the PRC	Residential	112,100	382,200	70%	Land under development
Zhuzhou Zhonghai Universal City Junction of Yandi Da Dao and Liyunan Road, Tianyuan District, Zhuzhou, Hunan Province, the PRC	Commercial	51,200	187,900	70%	Land under development
International Community West of Guihua Second Road, North of Lianxi Avenue, Lianxi District, Jiujiang, Jiangxi Province, the PRC	Residential/ Commercial	337,500	767,700	100%	Land under development
Zhonghai Jindi Duhui Garden South of Huguang Fast Track, Xiashan District, Zhanjiang, Guangdong Province, the PRC	Residential/ Commercial	26,800	114,100	50%	Land under development
Jinfeng District Project #3 East of Fenghuangbei Street, Jinfeng District, Yinchuan, Ningxia Hui Autonomous Region, the PRC	Residential/ Commercial	46,500	108,100	100%	Land under development

(C) PROPERTY HELD AS INVENTORIES (CONTINUED)

(II) LAND HELD FOR FUTURE DEVELOPMENT (CONTINUED)

Name/Location	Intended Usage	Approximate Total Site Area (sq.m.)	Approximate GFA (sq.m.)	Attributable Interest	Stage of Completion
Anning District Project #1 Anning District, Lanzhou, Gansu Province, the PRC	Residential/ Commercial	37,400	113,900	100%	Land under development
Quanshan District Project #2 South of Huaihaixi Road, West of Hanshan Road, Quanshan District, Xuzhou, Jiangsu Province, the PRC	Residential/ Commercial	21,500	58,600	100%	Land under development
Anning District Project #2 Anning District, Lanzhou, Gansu Province, the PRC	Residential/ Commercial	39,600	146,800	100%	Land under development
Anning District Project #3 Anning District, Lanzhou, Gansu Province, the PRC	Residential/ Commercial	17,500	59,100	100%	Land under development

(C) PROPERTY HELD AS INVENTORIES (CONTINUED)

(III) COMPLETED PROPERTIES HELD FOR SALE/OCCUPATION

Name/Location	Category	Approximate Contracted Area (sq.m.) (excluding Car Park)	Attributable Interest
COGO City East of Jinfeng Shiyi Street, South of Liu Pan Mountain Road, Jinfeng District, Yinchuan, Ningxia Hui Autonomous Region, the PRC	Residential/ Commercial	40,700	85%
Jiang Nan Mansion North of Guihua Road, East of Wancheng North Road, Changzhou Economic Development Zone, Changzhou, Jiangsu Province, the PRC	Residential/ Commercial	22,100	100%
World Masterpiece South of Changrong Road, East of Hengtanghe East Road, Qinglong Street, Tianning District, Changzhou, Jiangsu Province, the PRC	Residential/ Commercial	38,600	100%
International Community South of Jinqiao Road, Xingning District, Nanning, Guangxi Zhuang Autonomous Region, the PRC	Commercial	22,500	100%
Harrow Community East of Lunggang Avenue, South of Sanhe Road, Yining District, Nanning, Guangxi Zhuang Autonomous Region, the PRC	Residential/ Commercial	84,100	41%
Celestial Heights North of Shangzhou Road, East of Xianhu Avenue, Qingxiu District, Nanning, Guangxi Zhuang Autonomous Region, the PRC	Residential	74,900	60%

(C) PROPERTY HELD AS INVENTORIES (CONTINUED)

(III) COMPLETED PROPERTIES HELD FOR SALE/OCCUPATION (CONTINUED)

Name/Location	Category	Approximate Contracted Area (sq.m.) (excluding Car Park)	Attributable Interest
Lake Palace North of Sanding Road, West of Yuxiang Road, Liangqing District, Nanning, Guangxi Zhuang Autonomous Region, the PRC	Residential/ Commercial	33,100	100%
Cullinan No.38 Jinglan Road, Yufeng District, Liuzhou, Guangxi Zhuang Autonomous Region, the PRC	Residential/ Commercial	50,900	70%
China Overseas Platinum Garden 66 Mingle Road, Qilihe District, Lanzhou, Gansu Province, the PRC	Residential/ Commercial	57,100	60%
La Cite Jingyuan Road, Chengguan District, Lanzhou, Gansu Province, the PRC	Residential/ Commercial	22,000	100%
The Platinum Mansion Jianxi Road West, Qilihe District, Lanzhou, Gansu Province, the PRC	Residential/ Commercial	20,700	100%
The Platinum Pleased Mansion 8 Mingle Road, Qilihe District, Lanzhou, Gansu Province, the PRC	Residential/ Commercial	20,800	100%
Elite Palace No.94, Shidai Avenue, Chengzhong District, Xining, Qinghai Province, the PRC	Residential/ Commercial	33,600	100%

(C) PROPERTY HELD AS INVENTORIES (CONTINUED)

(III) COMPLETED PROPERTIES HELD FOR SALE/OCCUPATION (CONTINUED)

Name/Location	Category	Approximate Contracted Area (sq.m.) (excluding Car Park)	Attributable Interest
Master Mansion East of Chongye Second Road, South of Gaoxin North Street, Hi-and-New Tech Park, Weinan, Shaanxi Province, the PRC	Residential/ Commercial	24,000	100%
Lushan Xihai Jinkou Tourist Town, Jiujiang, Jiangxi Province, the PRC	Residential	65,800	100%
International Community West of Guihua Second Road, North of Lianxi Avenue, Lianxi District, Jiujiang, Jiangxi Province, the PRC	Residential	40,600	100%
Majestic Mansion Junction of Yandi Da Dao and Liyunan Road, Tianyuan District, Zhuzhou, Hunan Province, the PRC	Residential/ Commercial	57,500	70%
The Paragon South of Jiangyang Middle Road, West of Zongsan Road, Yangzhou Economic and Technological Development Zone, Yangzhou, Jiangsu Province, the PRC	Residential/ Commercial	36,100	100%
Gorgeous Mansion East of Kaichuang Road, North of Yandu Road, Yandu District, Yancheng, Jiangsu Province, the PRC	Residential	33,700	100%

(C) PROPERTY HELD AS INVENTORIES (CONTINUED)

(III) COMPLETED PROPERTIES HELD FOR SALE/OCCUPATION (CONTINUED)

Name/Location	Category	Approximate Contracted Area (sq.m.) (excluding Car Park)	Attributable Interest
Platinum Mansion 02-03-05 Zhongxin, Binhaixincheng Nanbinpian District, Haojiang District, Shantou, Guangdong Province, the PRC	Residential	44,800	100%
Golden Coast Hepu Longhutan, Haojiang District, Shantou, Guangdong Province, the PRC	Residential	71,700	100%
La Cite Haojiang District, Shantou, Guangdong Province, the PRC	Residential/ Commercial	23,300	100%
Guan Lan Fu Xincheng Xinxipian District, East Coast, Shantou, Guangdong Province, the PRC	Residential	41,000	100%
Guan Yun Fu Xinxipian District, East Coast, Shantou, Guangdong Province, the PRC	Residential	55,500	100%
The Peninsula Alishan Road, Longhu District, Shantou, Guangdong Province, the PRC	Residential/ Commercial	41,200	100%
The Rivera North City Longhu District, Shantou, Guangdong Province, the PRC	Residential/ Commercial	103,000	100%

(C) PROPERTY HELD AS INVENTORIES (CONTINUED)

(III) COMPLETED PROPERTIES HELD FOR SALE/OCCUPATION (CONTINUED)

Name/Location	Category	Approximate Contracted Area (sq.m.) (excluding Car Park)	Attributable Interest
Huizhou Tangquan 298 Huizhou Road, Huicheng District, Huizhou, Guangdong Province, the PRC	Residential/ Commercial	20,700	100%
Harbour City Xuri Road, Huicheng District, Huizhou, Guangdong Province, the PRC	Residential/ Commercial	29,100	100%
City Plaza Huicheng District, Huizhou, Guangdong Province, the PRC	Commercial	50,500	100%
Glorious Palace Tangcun Huangbeikeng Road, Xiaojinkou Street Office, Huicheng District, Huizhou, Guangdong Province, the PRC	Residential/ Commercial	40,800	60%
Megacity Times Raolibei Road, Tongqiao Town, Zhongkai District, Huizhou, Guangdong Province, the PRC	Residential/ Commercial	25,200	100%
Lakeside Style Town Wenchang Lake Tourist Town, Zibo, Shandong Province, the PRC	Residential/ Commercial	42,000	100%

(C) PROPERTY HELD AS INVENTORIES (CONTINUED)

(III) COMPLETED PROPERTIES HELD FOR SALE/OCCUPATION (CONTINUED)

Name/Location	Category	Approximate Contracted Area (sq.m.) (excluding Car Park)	Attributable Interest
Genius Garden South of Wangshe Road, East of Beijing Road, Zibo Economic and Technological Development Zone, Shandong Province, the PRC	Residential/ Commercial	28,300	100%
Maple Palace Junction of Zhengtong Road and Xueyuan Road, Lunan District, Tangshan, Hebei Province, the PRC	Residential/ Commercial	23,500	100%
Uni **(previously named "Around the World")** Huizhan Street, Fengman District, Jilin, Jilin Province, the PRC	Commercial	24,300	100%
Glorioushire North of Wenhu Road, Fengman District, Jilin, Jilin Province, the PRC	Residential/ Commercial	100,400	100%
Marina One Yuecheng District, Shaoxing, Zhejiang Province, the PRC	Residential	26,700	100%
Central Park East of Longhua South Street, North of Linjiang East Road, Wucheng Xincheng District, Jinhua, Zhejiang Province, the PRC	Residential/ Commercial	69,800	100%
Central Mansion Plot C, Central District, Yiwu City Economic and Technological Development Zone, Zhejiang Province, the PRC	Residential/ Commercial	48,600	100%

(D) PROPERTY HELD UNDER JOINT VENTURE

(I) PROPERTY HELD FOR INVESTMENT

Name/Location	Category	Approximate GFA (sq.m.)	Attributable Interest	Lease Term
China Overseas Jinhe Information Technology Park No. 10, Lane 198, Zhangheng Road, Shanghai Zhangjiang Hi-tech Park, Pudong District, Shanghai, the PRC	Office	16,381	65%	Medium

(II) PROPERTIES UNDER DEVELOPMENT

Name/Location	Category	Approximate Total Site Area (sq.m.)	Approximate GFA (sq.m.)	Attributable Interest	Stage of Completion	Commencement Date	Estimated Completion Date
Jinmao Palace North of Zhoushanhe Road, East of Hailingnan Road, Gaoxin District, Taizhou, Jiangsu Province, the PRC	Residential/ Commercial	58,900	121,200	24.75%	Superstructure in progress	2021.03	1st half of 2025
We Love City No. 1, Zhongjin, Haitou Street, Xiashan District, Zhanjiang, Guangdong Province, the PRC	Residential/ Commercial	18,000	73,500	50%	Superstructure in progress	2021.05	1st half of 2025
Glorious City No.7, Jichang Road, Xiashan District, Zhanjiang, Guangdong Province, the PRC	Residential/ Commercial	60,400	202,700	50%	Superstructure in progress	2023.10	1st half of 2028

(D) PROPERTY HELD UNDER JOINT VENTURE (CONTINUED)

(III) COMPLETED PROPERTIES HELD FOR SALE/OCCUPATION

Name/Location	Category	Approximate Contracted area (sq.m.) (excluding Car Park)	Attributable Interest
Jinmao Palace North of Zhoushanhe Road, East of Hailingnan Road, Gaoxin District, Taizhou, Jiangsu Province, the PRC	Residential/ Commercial	58,600	24.75%

(E) PROPERTY HELD UNDER ASSOCIATE

(I) PROPERTIES UNDER DEVELOPMENT

Name/Location	Category	Approximate Total Site Area (sq.m.)	Approximate GFA (sq.m.)	Attributable Interest	Stage of Completion	Commencement Date	Estimated Completion Date
Jade Park East of Binhe Road, Zichuan District, Zibo, Shandong Province, the PRC	Residential/ Commercial	82,200	260,300	49%	Superstructure in progress	2022.06	1st half of 2027
Guan Shan Li Intersection of Sakura Road and Acalamus Road, Feixi County, Hefei, Anhui Province, the PRC	Residential	36,900	132,900	40%	Superstructure in progress	2023.08	2nd half of 2025
Palace of light (previously named "He Guang Chen Yue") South of Yandu Road, West of Kaichuang Road, Yandu District, Yancheng, Jiangsu Province, the PRC	Residential/ Commercial	45,000	178,800	33%	Superstructure in progress	2024.03	1st half of 2028

(E) PROPERTY HELD UNDER ASSOCIATE (CONTINUED)

(II) COMPLETED PROPERTIES HELD FOR SALE/OCCUPATION

Name/Location	Category	Approximate Contracted area (sq.m.) (excluding Car Park)	Attributable Interest
Jade Park East of Binhe Road, Zichuan District, Zibo, Shandong Province, the PRC	Residential/Commercial	35,100	49%

Glossary

Board	the board of Directors
CEO	the chief executive officer of the Company
CG Code	Corporate Governance Code in Appendix C1 to the Listing Rules
COHL	China Overseas Holdings Limited, a company incorporated in Hong Kong with limited liability and a controlling shareholder of COLI
COLI	China Overseas Land & Investment Limited, a company incorporated in Hong Kong with limited liability and whose shares are listed on the Main Board of the Stock Exchange (stock code: 688), which holds approximately 39.63% of the issued share capital of the Company as at the date of this annual report
COLI Group	COLI and its subsidiaries from time to time
Companies Ordinance	Companies Ordinance, Chapter 622 of the Laws of Hong Kong
Company	China Overseas Grand Oceans Group Limited, a company incorporated in Hong Kong with limited liability and whose shares are listed on the Main Board of the Stock Exchange (stock code: 81)
Company Secretary	the company secretary of the Company
COPH	China Overseas Property Holdings Limited, a company incorporated in the Cayman Islands with limited liability and whose shares are listed on the Main Board of the Stock Exchange (stock code: 2669), being a subsidiary of COHL
COPH Group	COPH and its subsidiaries from time to time
CSC	China State Construction International Holdings Limited, a company incorporated in the Cayman Islands with limited liability and whose shares are listed on the Main Board of the Stock Exchange (stock code: 3311), being a subsidiary of COHL
CSC Group	CSC and its subsidiaries (excluding listed subsidiary(ies)) from time to time
CSCD	China State Construction Development Holdings Limited, a company incorporated in the Cayman Islands with limited liability and whose shares are listed on the Main Board of the Stock Exchange (stock code: 830), being a subsidiary of CSC
CSCD Group	CSCD and its subsidiaries from time to time

CSCEC	中國建築集團有限公司 (China State Construction Engineering Corporation), a state-owned corporation organised and existing under the laws of the PRC, which is the holding company of CSCECL
CSCECL	中國建築股份有限公司 (China State Construction Engineering Corporation Limited), a joint stock company incorporated in the PRC which is an intermediate holding company of COLI
CSCECL Group	CSCECL and its subsidiaries (excluding COHL, COLI, CSC, CSCD, COPH and their respective subsidiaries) from time to time
Director(s)	the director(s) of the Company
GFA	gross floor area
Group	the Company and its subsidiaries from time to time
Hong Kong	the Hong Kong Special Administrative Region of the PRC
Listing Rules	the Rules Governing the Listing of Securities on the Stock Exchange
Macau	the Macao Special Administrative Region of the PRC
Mainland, Mainland China, PRC	the People's Republic of China
Model Code	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
SFO	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
Share(s)	the ordinary share(s) of the Company
sq.m.	square meter
Stock Exchange	The Stock Exchange of Hong Kong Limited
%	per cent.

Note: This section is not applicable to the section "Independent Auditor's Report" and the consolidated financial statements of the Group in this annual report.

* English or Chinese translations are for identification only (as the case may be).

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