COUNTRY GARDEN
Holdings Company Limited
碧桂園控股有限公司

COUNTRY GARDEN 碧桂園
给您一个五星级的家

Annual Report 2024

Stock Code： 2007
(Incorporated in the Cayman Islands with limited liability)

WHAT IS COUNTRY GARDEN

Country Garden is a high-tech conglomerate working for society's happiness.

We are committed to robotics and technology-enabled construction

The rapidly evolving, diverse technologies have culminated in the age of robotics. We commit ourselves to this wave of technological innovation by recruiting diverse talents. We draw on their expertise and harness the power of technology to create a better life for society and add impetus to the country's technological advancement and quality development.

We established Bright Dream Robotics to develop and apply construction robots, raising the level of intelligentization of construction work.

We set up a technology-enabled construction group to develop a smart construction system that encompasses construction robots, a new type of prefabricated construction, smart equipment and digitalization through building information modeling (BIM). The effort aims at a perfect combination of workplace safety, quality, efficiency, environmental protection and technology. The company is also developing the businesses of general contracting and labour sub-contracting as it initiates and promotes a transformation in the traditional construction sector.

We have established Phoenix Management Company to actively expand into light-asset management and construction services. Leveraging the Group's extensive expertise in design, development, cost management, and customer resources accumulated over the years, we analyze market demands and continuously refine our products. By working closely with our partners, we strive to deliver exceptional projects.

We build good housing and good communities

Country Garden devotes itself to China's new type of urbanization. In the spirit of the craftsman, we design and build green, low-carbon, intelligent and safe housing, which comes with exquisite interior decoration, scenic gardens, comprehensive amenities and thoughtful services to the residents. We have converted over 1,400 rural towns to modern cities across the country, and more than five million people have chosen to make their homes in housing estates developed by Country Garden. We are proud to have contributed to the urbanization and modernization of our country.

We fulfil social responsibility

We join charitable causes to promote common prosperity. Since its establishment, Country Garden, together with its founder, have donated a cumulative total of over RMB10 billion to charity and carried out its work in poverty alleviation and rural revitalization in 57 counties in 16 provinces across the country, benefitting 490,000 people. It will build on its achievements in poverty alleviation by helping to turn villages into harmonious and good places to live and work, thus contributing to rural revitalization.

Established in 1992, Country Garden was listed on the Stock Exchange of Hong Kong in 2007. Country Garden fosters loyalty to the Communist Party of China and patriotism in its corporate culture. It aspires to be a conscientious, socially responsible and transparent company that works diligently for China's modernization and the Chinese Dream of national rejuvenation.

Country Garden — We are here to make society a better place.

Design Concept

With the use of technology-rich and artistic lines and graphics, it signifies that the Group's business is able to keep pace with high-tech development while meeting the increasing quality demands of customers, implying that Country Garden will, as always, move with the times and emerge even stronger.

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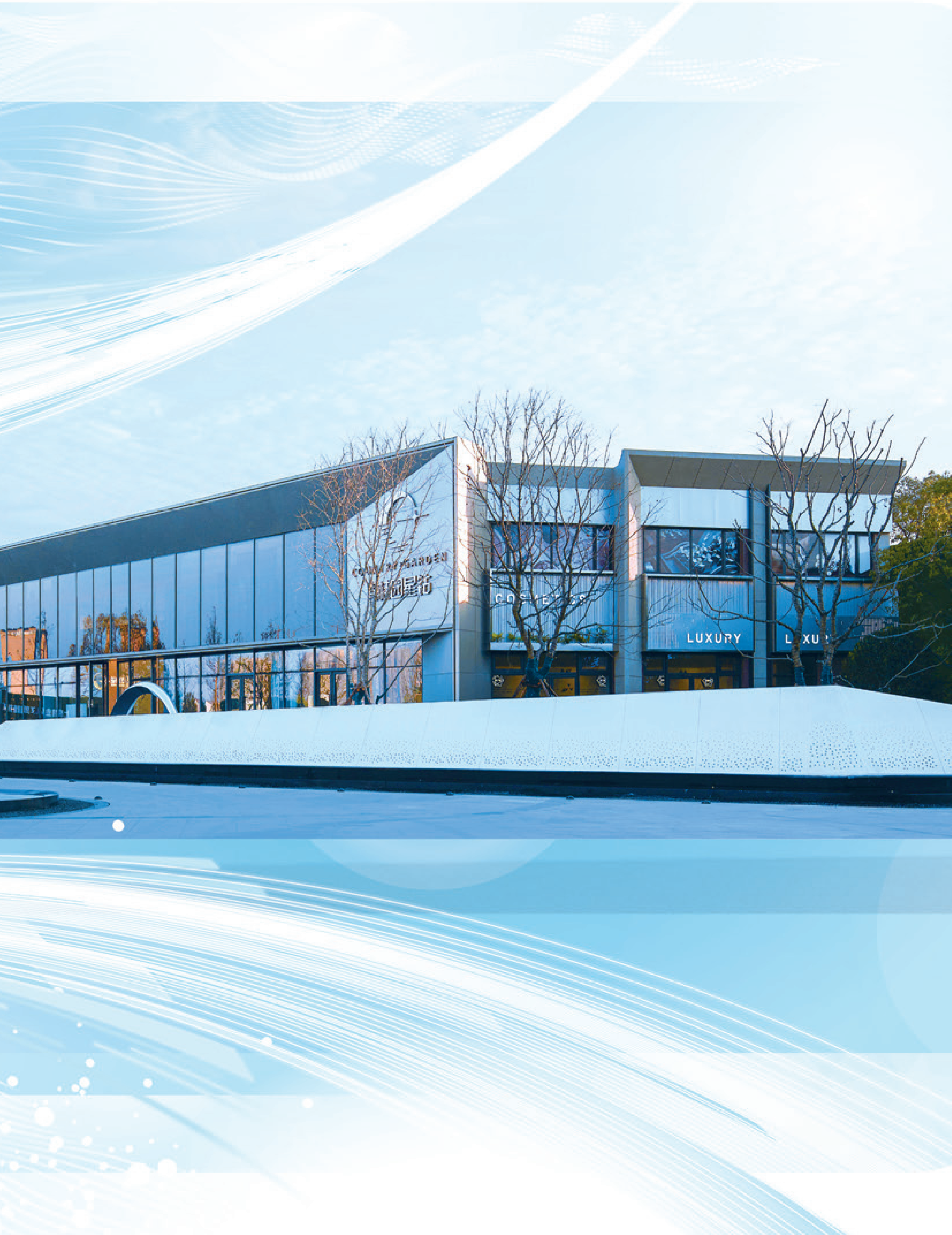
CORPORATE OVERVIEW


LUXURY

CORPORATE PROFILE

Country Garden Holdings Company Limited (stock code: 2007.HK) is one of the China's largest residential property developers that capitalizes on urbanization. With centralized management and standardization, the Group runs the businesses of property development, construction, interior decoration, property investment, and the development and management of hotels. Country Garden offers a broad range of products to cater for diverse demands, namely residential projects such as townhouses, condominiums, car parks and retail shop spaces. The Group also develops and manages hotels at some of its property projects with the aim of enhancing the properties' marketability. The Group's other businesses are robotics and light-asset entrusted management and construction services.

Since its establishment, Country Garden has been benefitting from China's thriving economy. Its business presence has been extended from Guangdong province to other economically vibrant regions of the country. Country Garden had projects of property development and operation in a number of locations of strategic importance in all the provinces, municipalities and autonomous regions of the country by the end of 2024.

Looking ahead, Country Garden will continue to consolidate its various community-based businesses that centre around its real estate business by integrating community resources. Specifically, it will build businesses that can meet all the needs in the entire human life cycle. All this can unlock the value of all of the Group's businesses and contribute to the urbanization and modernization of our country.


THE ART BAY
柏悅前灣

CORE VALUE

1

Value:

A transparent company with a conscience and social responsibility

2

Vision:

Country Garden is a diversified technology company that creates a happy life for the world

3

Corporate Mission:

Make the world a better place for having us in it

THE COUNTRY GARDEN THAT I DREAM OF

- This is a company that brings together the best and the brightest
- This is a place where smart people come to excel
- This is a school where we learn to make ourselves better
- This is a big, happy family
- This is a company that values integrity, proper procedure, and the law
- This is a company of reason, always willing to correct itself
- This is a fair company, where hard work brings rewards
- This is a company that knows how to win, how to learn from experience, and apply what it learns
- This is a company that creates a happy life for the world
- This company is good for the community, good for the economy, and good for its employees
- This is a company that the public knows and loves
- This is a company that is always striving for progress and for humanity

YEUNG Kwok Keung

4

Corporate Spirit:

Good for people and good for society

5

Brand:

Five-star living for you

CORPORATE INFORMATION

DIRECTORS

Executive Directors

Ms. YANG Huiyan *(Chairman)*
Mr. MO Bin *(President)*
Ms. YANG Ziying
Dr. CHENG Guangyu
Ms. WU Bijun
Mr. SU Baiyuan (resigned on 1 November 2024)

Non-executive Director

Mr. CHEN Chong

Independent Non-executive Directors

Dr. HAN Qinchun (appointed on 15 March 2024)
Mr. WANG Zhijian (appointed on 15 March 2024)
Mr. TUO Tuo (appointed on 15 March 2024)
Mr. TO Yau Kwok (resigned on 1 November 2024)
Mr. LAI Ming, Joseph (resigned on 15 March 2024)
Mr. SHEK Lai Him, Abraham
(resigned on 15 March 2024)
Mr. TONG Wui Tung (resigned on 15 March 2024)

CHIEF FINANCIAL OFFICER

Ms. WU Bijun

JOINT COMPANY SECRETARIES

Mr. LEUNG Chong Shun
Mr. LUO Jie

AUTHORIZED REPRESENTATIVES

Ms. YANG Huiyan
Mr. MO Bin
Mr. LUO Jie *(alternate to Mr. MO Bin)*
Ms. MA Shichao *(alternate to Ms. YANG Huiyan)*
(resigned on 20 August 2024)

AUDIT COMMITTEE

Mr. WANG Zhijian
(appointed as Chairman on 15 March 2024)
Dr. HAN Qinchun (appointed on 15 March 2024)
Mr. TUO Tuo (appointed on 15 March 2024)
Mr. LAI Ming, Joseph (resigned on 15 March 2024)
Mr. SHEK Lai Him, Abraham
(resigned on 15 March 2024)
Mr. TONG Wui Tung (resigned on 15 March 2024)

REMUNERATION COMMITTEE

Mr. TUO Tuo
(appointed as Chairman on 15 March 2024)
Ms. YANG Huiyan
Mr. MO Bin
Dr. HAN Qinchun (appointed on 15 March 2024)
Mr. WANG Zhijian (appointed on 15 March 2024)
Mr. TONG Wui Tung (resigned on 15 March 2024)
Mr. LAI Ming, Joseph (resigned on 15 March 2024)
Mr. SHEK Lai Him, Abraham
(resigned on 15 March 2024)

NOMINATION COMMITTEE

Ms. YANG Huiyan *(Chairman)*
Mr. WANG Zhijian (appointed on 15 March 2024)
Mr. TUO Tuo (appointed on 15 March 2024)
Mr. LAI Ming, Joseph (resigned on 15 March 2024)
Mr. TONG Wui Tung (resigned on 15 March 2024)

CORPORATE GOVERNANCE COMMITTEE

Ms. YANG Huiyan *(Chairman)*
Mr. MO Bin
Dr. CHENG Guangyu

ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

Ms. YANG Huiyan *(Chairman)*
Mr. MO Bin
Dr. CHENG Guangyu
Dr. HAN Qinchun (appointed on 15 March 2024)
Mr. WANG Zhijian (appointed on 15 March 2024)
Mr. TUO Tuo (appointed on 15 March 2024)
Mr. LAI Ming, Joseph (resigned on 15 March 2024)
Mr. SHEK Lai Him, Abraham
(resigned on 15 March 2024)
Mr. TONG Wui Tung (resigned on 15 March 2024)

EXECUTIVE COMMITTEE

Ms. YANG Huiyan *(Chairman)*
Mr. MO Bin
Ms. YANG Ziying
Dr. CHENG Guangyu

FINANCE COMMITTEE*

Ms. WU Bijun *(Chairman)*
Ms. YANG Huiyan
Mr. MO Bin
Ms. YANG Ziying
Dr. CHENG Guangyu

* Other two members are senior management of the finance centre of the Company

REGISTERED OFFICE

Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN THE PRC

Country Garden Centre
No. 1 Country Garden Road
Beijiao Town, Shunde District, Foshan
Guangdong Province 528312
The PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suite 1702, 17/F.
Dina House, Ruttonjee Centre
11 Duddell Street
Central, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Suntera (Cayman) Limited
Suite 3204, Unit 2A, Block 3
Building D, P.O. Box 1586
Gardenia Court, Camana Bay
Grand Cayman, KY1-1100
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

PRINCIPAL BANKERS

(In Alphabetical Order)

Agricultural Bank of China Limited
Bank of Beijing Co., Ltd.
Bank of China (Hong Kong) Limited
Bank of China Limited
China CITIC Bank Corporation Limited
China Construction Bank Corporation
China Development Bank Corporation
China Everbright Bank Company Limited
China Guangfa Bank Co., Ltd.
China Merchants Bank Co., Ltd.
China Minsheng Banking Corp., Ltd.
China Zheshang Bank Co., Ltd.
Chong Hing Bank Limited
CIMB Bank Berhad
CMB Wing Lung Bank Limited
Hang Seng Bank Limited
Industrial and Commercial Bank of China Limited
Industrial Bank Co., Ltd.
Malayan Banking Berhad
Ping An Bank Company Limited
Postal Savings Bank of China
Shanghai Pudong Development Bank Co., Ltd.
Standard Chartered Bank (Hong Kong) Limited
The Bank of East Asia, Limited
The Hongkong and Shanghai Banking Corporation Limited

AUDITOR

ZHONGHUI ANDA CPA Limited
Certified Public Accountants
Registered Public Interest Entity Auditor

LEGAL ADVISORS

As to Hong Kong law:

Woo Kwan Lee & Lo
Iu, Lai & Li

As to PRC law:

King & Wood Mallesons
Guangdong GuoDing Law Firm
DeHeng Law Offices
Dentons Law Firm
Grandall Law Firm

STOCK CODES

Stock Exchange	2007
Reuters	2007.HK
Bloomberg	2007 HK Equity

WEBSITE

http://www.countrygarden.com.cn

PERFORMANCE

CHAIRMAN STATEMENT

2024 was as challenging for the industry as ever. Although the market as a whole was still facing challenges such as declining sales rate and credit crunch in the market, we were excited to see some positive signals in the market. Benefitting from a raft of supportive policies from the government that promote sales, optimise supply and demand, and boost confidence, transaction volumes are gradually picking up in some core cities. Despite the constant pressure on the industry in general, these positive signals indicate that the industry is expected to usher in new development opportunities after the adjustment.

In the latest Report on the Work of the Government, the government reiterated its objective of “stemming the downturn and restoring stability”, and that it would apply an appropriately accommodative monetary policy. Through measures such as introducing city-specific policies on adjusting or reducing property transaction restrictions, properly controlling the supply of new land for real estate projects, and facilitating the purchase of commodity housing stock, it is expected to better balance supply and demand in the market, provide stronger support for sound development of the industry, foster a new development model for the real estate sector, and meet people’s demand for high-quality housing. Looking ahead to 2025, the external policy environment will continue to improve, and the Company will continue to work on the strategy of “guaranteeing delivery, stabilising capital and debt, and maintaining operation”.

Guaranteeing delivery remains our top priority. For the year ended 31 December 2024 (the “Year”), the Group recorded approximately RMB252.8 billion in revenue, and the Group and its joint ventures and associates together delivered a total of over 380,000 housing units, with delivered GFA of approximately 46.08 million square meters, covering 242 cities in 31 provinces. The Company will continue to implement the operation strategy of extreme income and expenditure, and ensure the efficient use of available resources through rolling budget management, strict control of each and every expense, and monthly review and adjustment. Meanwhile, the Company will actively respond to various supportive policies of the national and local governments, and revitalise resources through all kinds of acquisition and reserve policies to support the smooth delivery.

YANG
Huiyan
Chairman

On stabilising capital and debt, the Company's utmost concern was the debt risk resolution. At the beginning of 2025, the Company announced a series of progress including the key terms of the offshore debt restructuring and made substantial breakthroughs in the offshore debt restructuring work. Moreover, the Company actively responded to the urban real estate financing coordination mechanism, continued to promote projects to enter the white list, and obtained new project financing and extension of existing loans, in order to gain more time and space for the project operation and delivery. Through the active communication with stakeholders to explore various proactive debt management initiatives, including the overall restructuring of offshore debts, the reasonable extension of debt maturity and the moderate reduction of finance costs, the Company is gradually realising a healthy and sustainable capital structure.

On maintaining operation, the Company continued its commitment to maintaining the stability and continuity of its operations, and its core management team was united, stable and of one mind. During the Year, the Group and its joint ventures and associates together achieved contracted sales attributable to the shareholders of the Company of approximately RMB47.2 billion, with contracted sales GFA attributable to the shareholders of the Company of approximately 4.92 million square meters. In respect of expense control, the Company adapted to the current market changes and operational focus, and continued to optimise its organisational structure. During the Year, the administrative expenses decreased by 27.4% as compared to last year, showcasing the sustainable improvement in operational efficiency. On the sales side, the Company adhered to the refined control of "one strategy for one real estate project", and formulated reasonable sales prices and supply plans by taking into account the actual situation of the local market as well as the respective capital and debt profile of projects. Such initiatives were to ensure that the projects maintain a reasonable rate of flow and maximise the asset value, and to manage its balance sheet in a proactive manner.

CHAIRMAN STATEMENT

The real estate industry is undergoing a profound transformation. In the latest Report on the Work of the Government, the government explicitly mentioned the need to foster a new development model for the real estate sector, meet people's demand for high-quality housing, and build quality homes that are safe, comfortable, eco-friendly, and smart. In response to changes in market demand, the industry is gradually moving towards a new pattern of industrialised competition, which also puts forward higher requirements on the core competitiveness of developers.

In the process of industry transformation, the Company has developed a smart construction system that encompasses construction robots, a new type of prefabricated construction, smart equipment and digitalisation through building information modeling (BIM). The effort aimed at a perfect combination of safety, quality, environmental protection and efficiency, thereby steadily improving the cost control capability of the development business. Meanwhile, the Company has vigorously expanded its light asset escrow and agency construction business, continuously promoted product iterations and upgrades to meet demand for higher-quality housing, and provided strong support for market analysis and improvement of product system for the development business. At present, these two businesses have achieved independent market-oriented operation and closely followed the market dynamics in their respective fields, and are expected to synergise deeply and form a strong joint force with the development business. We firmly believe that the business layout of "One Core and Two Wings" can continuously enhance the Company's ability to reduce cost, improve product quality and provide better services, create a unique competitive advantage for the Company, and help the Company stand out in future market competition.

Faith guides the way in a boundless journey! No matter how great the difficulties are, we firmly believe that as long as we stay confident and actively find a way out, we can strive ahead. Even though the road ahead may not be smooth, the Company can grow amidst twists and turns and move forward through challenges. The advancement of Country Garden cannot be separated from the guidance and support of regulatory authorities, the trust and assistance of financial institutions, the joint efforts with partners, the trust and companionship of investors, and, most importantly, the care and understanding of all homeowners. On behalf of the Board of Country Garden, I would like to express our heartfelt gratitude and highest respect to everyone!

Yang Huiyan
Country Garden Holdings Company Limited
Chairman

Foshan, Guangdong Province, The PRC, 28th March 2025

Country Garden • Shatian Biguiyuan, Dongguan (Guangdong)

BUSINESS OVERVIEW

PROPERTY DEVELOPMENT

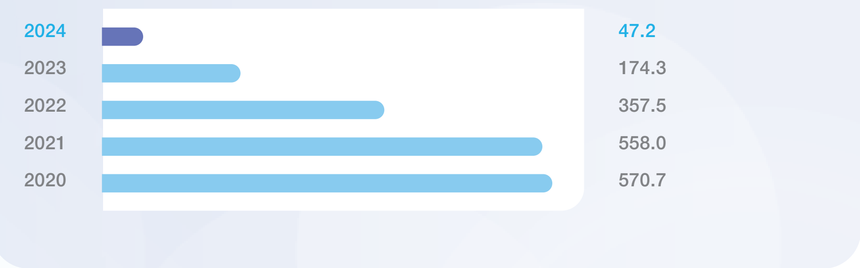
Contracted Sales

In 2024, the Group together with its joint ventures and associates achieved contracted sales attributable to the shareholders of the Company of approximately RMB47.17 billion with contracted sales GFA attributable to the shareholders of the Company of approximately 4.92 million sq.m.

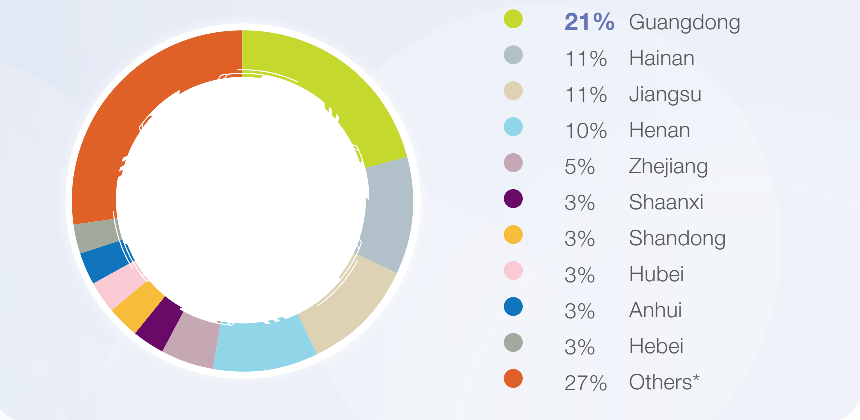
In 2024, the attributable contracted sales outside Guangdong Province was around 79% of that of the Group, reflecting the Group's efforts in geographic diversification.

In terms of tier cities, around 54% of the attributable contracted sales in Mainland China was contributed by projects located in tier 3&4 cities targeting tier 3&4 cities, around 30% was contributed by projects located in tier 2 cities targeting tier 2 cities and 16% was contributed by the others.

Attributable contracted sales (RMB billion)

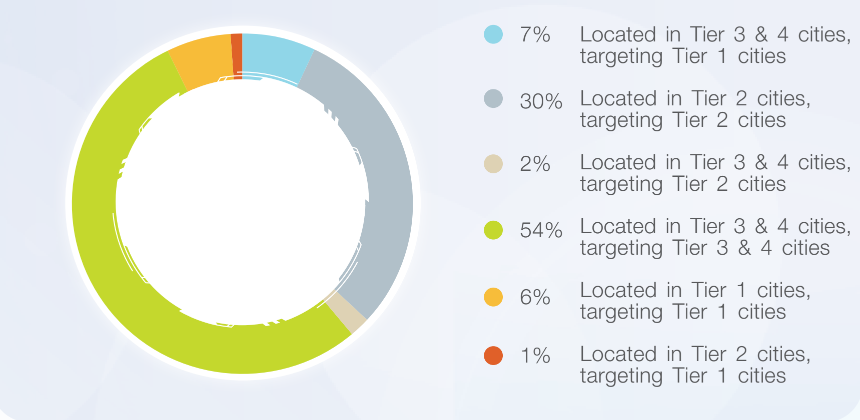


Geographical breakdown of contracted sales In 2024
(By Attributable Value)

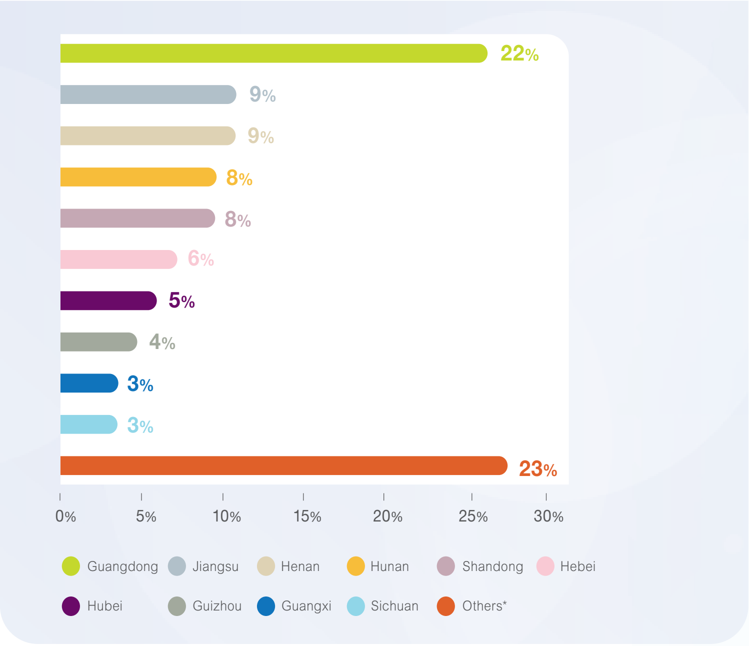


Note: Others* include Malaysia, Hunan, Shanxi, Shanghai, Sichuan, Xinjiang, Thailand, Liaoning, Beijing, Gansu, Fujian, Hong Kong, Indonesia, Guangxi, Guizhou, United States, Yunnan, Jiangxi, Qinghai, Inner Mongolia, Chongqing, India, Australia, Heilongjiang, Tianjin, Jilin, New Zealand, Ningxia.

Contracted sales breakdown in Mainland China by city type in 2024 (By Attributable Value)

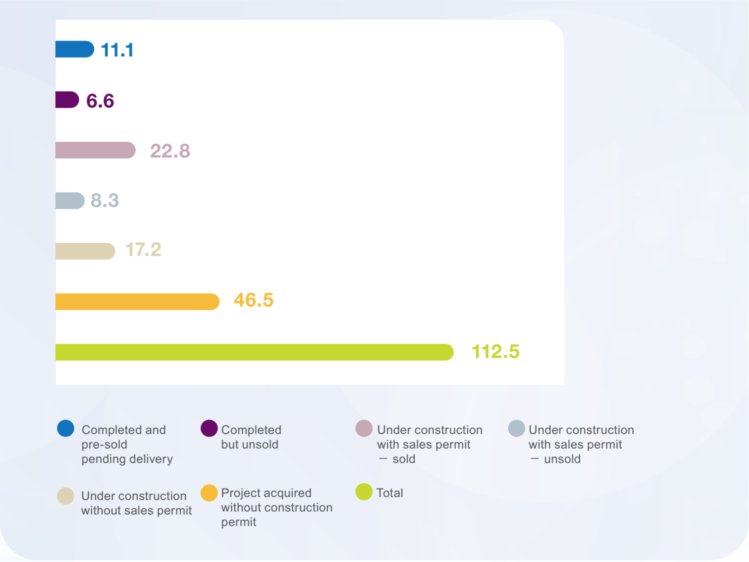


Landbank breakdown by province in Mainland China (By attributable GFA)



Others* include Liaoning, Shaanxi, Anhui, Hainan, Shanxi, Jiangxi, Xinjiang, Zhejiang, Gansu, Mongolia, Yunnan, Chongqing, Tianjin, Fujian, Beijing, Jilin, Qinghai, Heilongjiang, Ningxia, Shanghai, Tibet.

Attributable landbank GFA breakdown by development stage in Mainland China (million sq.m.)



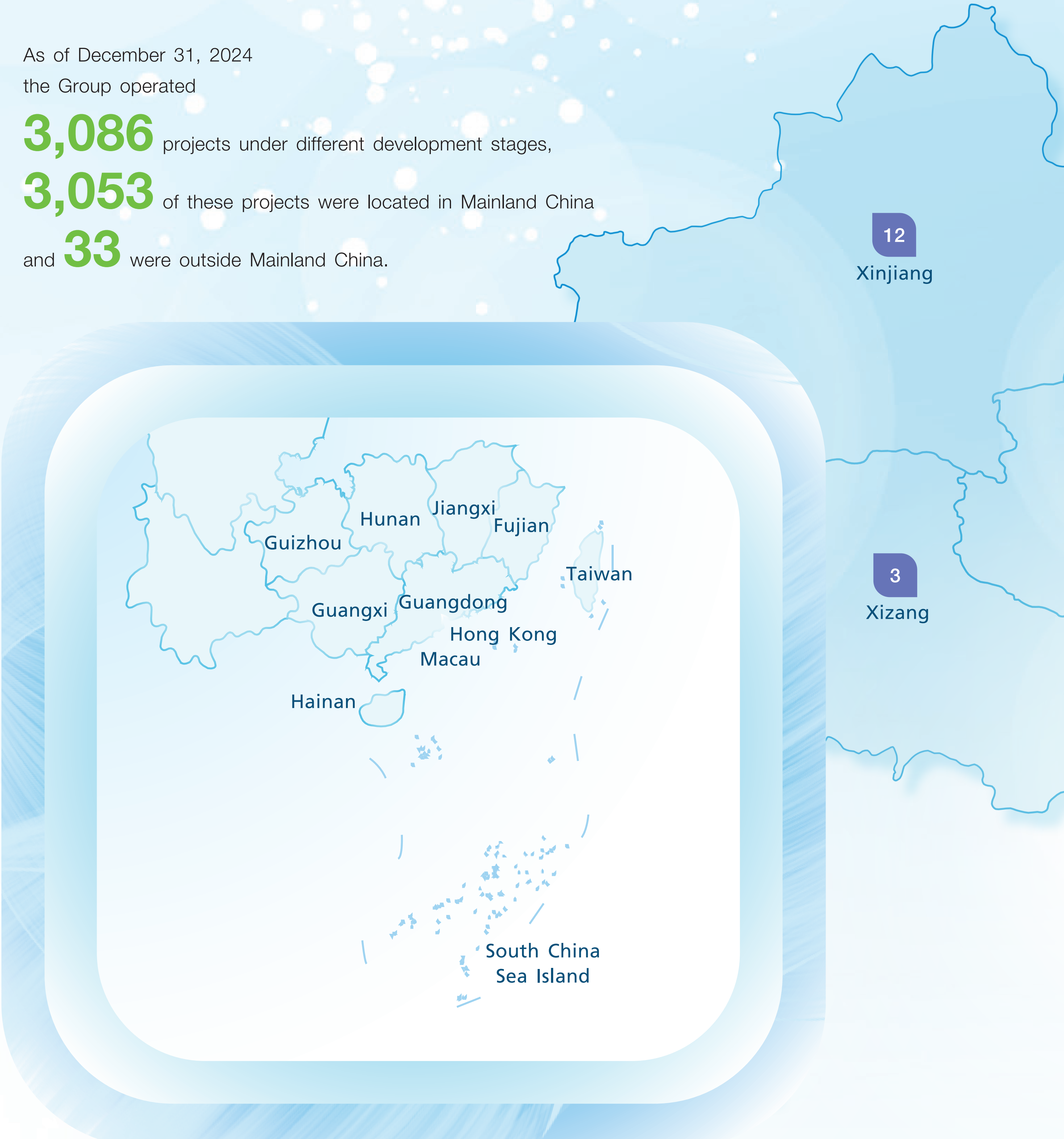
Landbank — Mainland China

As of December 31, 2024 the acquired attributable GFA in Mainland China together with its joint venture and associates was 112.5 million sq.m.78% of the landbank was located outside of Guangdong province.

BUSINESS OVERVIEW

Project Location

As of December 31, 2024
the Group operated
3,086 projects under different development stages,
3,053 of these projects were located in Mainland China
and **33** were outside Mainland China.



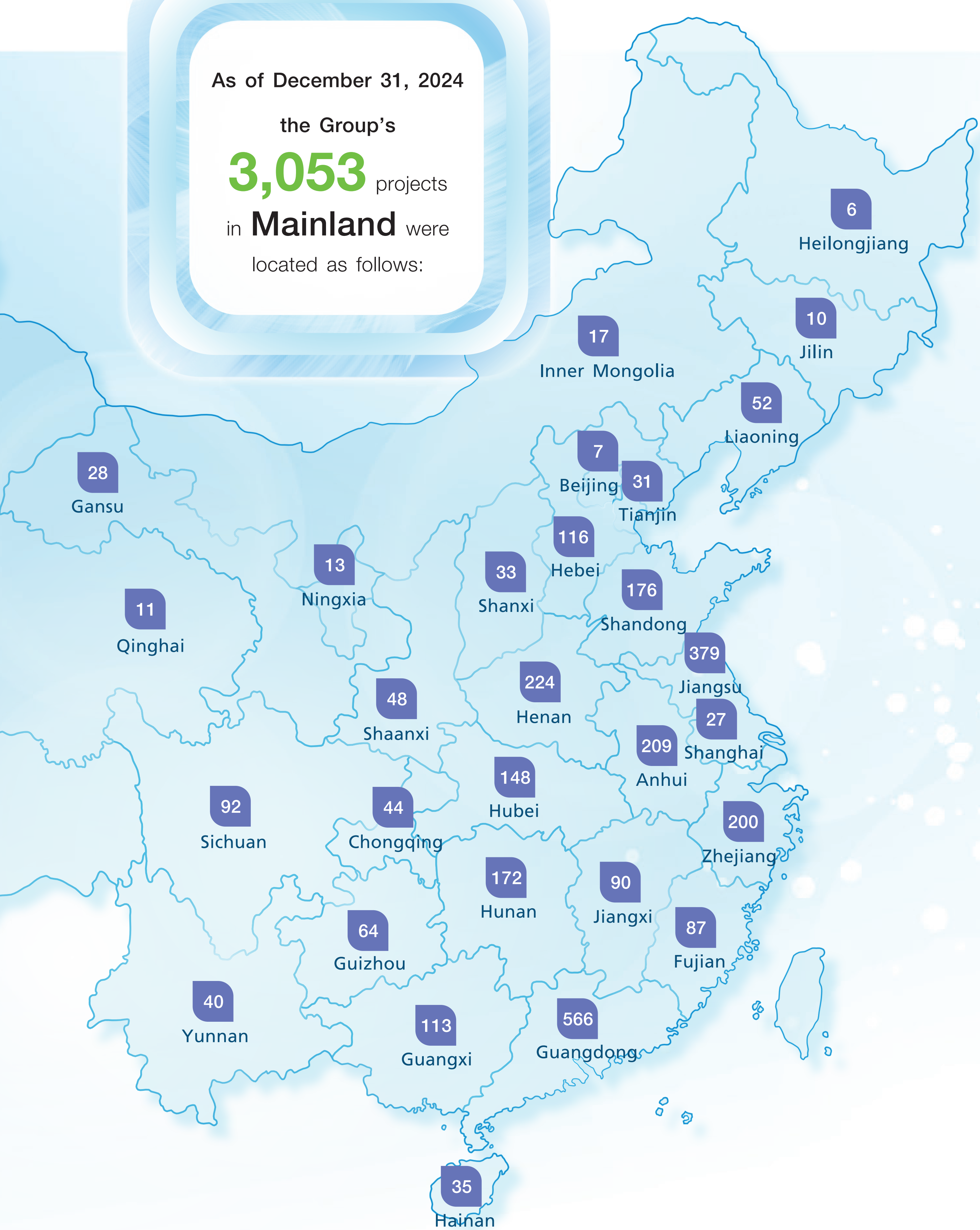
As of December 31, 2024

the Group's

3,053 projects

in **Mainland** were

located as follows:



BUSINESS OVERVIEW

Top 50 Projects of Equity Contract Sales in Mainland China In 2024[1]

Serial number	Project	City (District)	Aggregate saleable GFA for entire project
			sq.m.
1	Puyan Country Garden (浦沿碧桂園)	Hangzhou (Binjiang)	51,207
2	Haikou Hainan Heart (海口海南之心)	Haikou (Meilan)	1,761,492
3	Country Garden — Haitang Prosperity (碧桂園 • 海棠盛世)	Lingshui (Lingshui)	627,316
4	Shaoguan Country Garden — Sun Palace (韶關碧桂園 • 太陽城)	Shaoguan (Wujiang)	3,735,129
5	Country Garden — Haiyi Peninsula (碧桂園 • 海逸半島)	Dongfang (Dongfang)	264,317
6	Country Garden — Harmony in the world (碧桂園 • 和世界)	Beijing (Tongzhou)	162,943
7	Country Garden — Golden Beach (碧桂園 • 金沙灘)	Lin'gao (Lin'gao)	708,339
8	Country Garden- Begonia Cloud Villa (碧桂園 • 海棠雲墅)	Sanya (Haitang)	32,200
9	Country Garden — Qiwasong (碧桂園齊瓦頌)	Sanya (Haitang)	96,321
10	Country Garden — Phoenix City (碧桂園 • 鳳凰城)	Zhenjiang (Jurong)	6,530,105
11	Haikou Binhai International (海口濱海國際)	Haikou (Meilan)	706,505
12	Country Garden — Sanyuanli (碧桂園 • 三元裏)	Urumqi (Tianshan)	449,130
13	Country Garden — Central Garden (碧桂園 • 中央公園)	Zhengzhou (Zhongmu)	688,180
14	Country Garden — Xinglong Lake (碧桂園 • 興隆湖畔)	Wanning (Wanning)	126,490
15	Country Garden — Ten Miles Golden Beach (碧桂園 • 十里金灘)	Yantai (Haiyang)	3,120,817
16	Country Garden-Ten Miles Silver Beach, Victoria Harbour Peninsula (碧桂園 • 十里銀灘維港半島)	Huizhou (Huidong)	975,807
17	Country Garden-Ten Miles Silver Beach with Haiyun Mountain (碧桂園 • 十里銀灘伴海雲山)	Huizhou (Huidong)	323,955
18	Country Garden — Yunding (碧桂園 • 雲頂)	Zhengzhou (High tech)	94,714
19	Ganyu Country Garden Genting (贛榆碧桂園雲頂)	Lianyungang (Ganyu)	216,505
20	Country Garden — Gaoxin Cloud Villa (碧桂園 • 高新雲墅)	Xi'an (Chang'an)	295,569
21	Country Garden-Cloud Lake Tianjing (碧桂園 • 雲湖天境)	Zhengzhou (Gaoxin)	85,297
22	Country Garden — Zique Terrace (碧桂園 • 紫闕臺)	Ningbo (Cixi)	315,287
23	Huizhou Country Garden Tonghu Innovation Town (惠州碧桂園潼湖創新小鎮)	Huizhou (Zhongkai)	450,702
24	Country Garden — South Railway Station New Town (碧桂園 • 南站新城)	Huizhou (Huiyang)	601,941
25	Country Garden — New Moon Time (碧桂園 • 新月時光)	Changzhou (Wujin)	185,183
26	Country Garden — Jiuxi Terrace (碧桂園 • 玖璽臺)	Luoyang (Luolong)	189,106

Completed property developments[2]				Properties under development[3]			Properties for future development[4]
Total completed saleable GFA	Total saleable GFA sold and delivered	Total saleable GFA pre-sold pending delivery	Completion date	Total saleable GFA under development	Total saleable GFA pre-sold	Actual/ Estimated pre-sale commencement date	GFA for future development
sq.m.	sq.m.	sq.m.		sq.m.	sq.m.		sq.m.
				51,207	51,207	2023/11/11	—
544,054	412,454	116,192	2024/12/31	256,075	127,795	2020/12/23	904,111
155,785	129,801	14,647	2024/9/25	71,314	28,328	2021/5/26	430,103
2,638,343	2,628,171	4,467	2024/11/26	316,184	152,773	2022/11/25	845,910
249,648	222,131	19,543	2024/1/30	14,669	13,105	2021/8/30	—
				162,943	82,006	2021/12/12	—
708,339	670,442	791	2021/9/17				—
32,200	27,000		2023/10/24				—
96,321	88,307	1,193	2023/4/25				—
5,205,771	5,046,024	295	2024/12/5	233,162	41,042	2022/5/24	1,091,172
646,590	642,167	1,738	2022/12/15	16,443	2,370	2021/9/27	43,472
				176,942	125,814	2021/10/22	281,157
556,808	486,005	1,372	2024/7/16				131,372
109,224	57,231	21,825	2022/6/30	17,266	2,682	2021/8/26	—
995,126	929,797	100	2020/8/4	177,015		4th Quarter, 2026	1,930,220
135,069	73,979	1,509	2024/7/24	306,829	3,713	2021/9/24	373,736
91,448	72,073	3,126	2023/11/9	21,173	423	2021/7/7	189,088
94,714	85,437		2024/12/26				—
69,940	58,711		2023/9/28	38,269	20,579	2021/12/29	108,296
145,702	145,382		2024/4/30	149,866	125,877	2022/4/29	—
				85,297	20,476	2023/6/9	—
315,287	274,355		2024/7/24				—
275,777	252,995	231	2023/8/4				174,925
469,751	375,081	11,560	2024/11/13	132,191		4th Quarter, 2025	—
90,186	49,258	1,340	2024/9/10	25,073	1,994	2023/9/1	71,264
189,106	179,764	279	2024/3/1				—

BUSINESS OVERVIEW

Serial number	Project	City (District)	Aggregate saleable GFA for entire project
			sq.m.
27	Country Garden Phoenix City (碧桂園鳳凰城)	Baoji (Weibin)	1,089,446
28	Country Garden — Phoenix City (碧桂園•鳳凰城)	Zhongshan (South District)	1,040,109
29	Country Garden Lakeside City (碧桂園濱湖城)	Hefei (Chaohu)	893,925
30	Country Garden-Park Academy (碧桂園•公園學府)	Maoming (Maonan)	310,224
31	Country garden — Ten Miles Beach Victoria Harbour (碧桂園•十里銀灘維港灣)	Huizhou (Huidong)	1,151,849
32	Country Garden — Duhui Jin (碧桂園•都薈錦)	Nantong (Tongzhou)	115,546
33	Country Garden — Yujing Stage (碧桂園•瑜璟臺)	Dongguan (ChashanTown)	254,367
34	Country Garden — Yunyue Bizhen (碧桂園•雲樾碧臻)	Foshan (Nanhai)	253,832
35	Country Garden — City Light (碧桂園•城市之光)	Huizhou (Daya Bay)	80,882
36	Country Garden — Hallmark 1923 (碧桂園•名門1923)	Changzhou (Bell Tower)	91,143
37	Country Garden — Yumen Grace Garden (碧桂園•虞門雅苑)	Suzhou (Changshu)	42,353
38	Shaoguan Country Garden (韶關碧桂園)	Shaoguan (Zhenjiang)	3,901,618
39	Country Garden Central (碧桂園中心)	Zhengzhou (Jinshui)	58,218
40	Country Garden — Golden Era (碧桂園•黃金時代)	Wuhu (Jiujiang)	135,301
41	Lanzhou Country Garden (蘭州碧桂園)	Lanzhou (Chengguan)	3,877,335
42	Country Garden — School Family (碧桂園•學府世家)	Hanzhong (Nanzheng)	175,896
43	Zengcheng Country Garden Center (增城碧桂園中心)	Guangzhou (Zengcheng)	87,903
44	Country Garden — Yingbin Mansion (碧桂園•迎賓府)	Cangzhou (Canal)	123,763
45	Country Garden — The capital (碧桂園•首府)	Shantou (Chaoyang)	303,088
46	Country garden — JunShang Mansion (碧桂園•珺尚府)	Yancheng (Tinghu)	179,936
47	Country Garden — Financial City (碧桂園•金融城)	Guangzhou (Tianhe)	40,526
48	Shan Yue Cloud Garden (山樾雲庭)	Suzhou (Huqiu)	61,931
49	Country Garden — Rishengchang Lingfeng Garden (碧桂園•日昇昌領峰花園)	Huizhou (Huicheng)	144,290
50	Country Garden — Shilijiangwan (碧桂園•十里江灣)	Jieyang (Rongcheng)	314,676

Note:
(1) All the GFAs displayed in this section are attributable to the owners of the Company.
(2) Based on the measurement reports from relevant government departments.
(3) Based on the actual measurements by the project management department of the Group.
(4) GFA for future development"" for each project is the GFA expected to be built.

Completed property developments[2]				Properties under development[3]			Properties for future development[4]
Total completed saleable GFA	Total saleable GFA sold and delivered	Total saleable GFA pre-sold pending delivery	Completion date	Total saleable GFA under development	Total saleable GFA pre-sold	Actual/ Estimated pre-sale commencement date	GFA for future development
sq.m.	sq.m.	sq.m.		sq.m.	sq.m.		sq.m.
626,417	622,262	2,162	2024/11/29	147,864	90,953	2021/12/14	320,746
751,492	717,191	31,101	2024/12/31	171,499	95,304	2021/6/25	117,118
893,925	880,532	12,105	2020/9/5				—
74,111		67,737	2024/12/30	92,758	61,409	2021/11/11	143,355
852,165	824,996	821	2023/4/21				299,684
39,376	38,798		2024/6/21	21,692	16,484	2023/4/18	60,531
153,716	111,537	396	2024/12/3	100,650	7,303	2022/10/20	—
253,832	233,653	1,254	2024/11/28				—
80,882	69,021		2021/6/25				—
73,376	58,431	637	2024/9/29	17,767		2024/6/30	—
42,353	36,591	85	2023/9/13				—
3,440,532	3,439,424	178	2023/11/14	172,336	61,866	2021/3/12	316,908
				58,218	8,031	2021/8/6	—
96,462	85,981	90	2024/12/28	38,839	28,933	2021/12/14	—
3,751,524	3,473,443	264,520	2023/6/26	125,810	101,821	2020/11/18	—
119,969	111,976	5,963	2024/12/17	30,843	14,322	2021/8/24	25,084
87,903	64,185	362	2022/5/10				—
				123,763	116,954	2021/7/30	—
257,533	255,251	472	2023/6/30	45,556	25,871	2021/12/13	—
177,965	162,514	261	2024/6/29	1,971	1,971	2020/12/25	—
				40,526	3,468	2024/9/3	—
59,060	43,752	5,600	2021/12/24	2,871		2021/4/1	—
144,290	124,054	1,416	2023/7/13				—
119,096	119,096		2019/12/27	69,821	54,585	2023/1/11	125,759

BUSINESS OVERVIEW

Landbank GFA breakdown by location in Mainland China[1]

		Completed property developments[2]			Properties under development[3]		Properties for future development[4]
Province/Location	Aggregate saleable GFA	Total completed saleable GFA	Total saleable GFA sold and delivered	Total saleable GFA pre-sold pending delivery	Total saleable GFA under development	Total saleable GFA pre-sold	GFA for future development
	sq.m.	sq.m.	sq.m.	sq.m.	sq.m.	sq.m.	sq.m.
Guangdong	142,656,358	121,640,166	118,271,405	1,695,360	8,739,117	2,412,555	12,277,075
Jiangsu	58,375,683	49,463,979	47,736,645	632,680	4,993,970	1,893,231	3,917,734
Anhui	44,103,677	41,991,494	41,606,118	107,304	1,358,608	660,183	753,575
Henan	37,079,479	28,512,375	27,002,135	1,188,058	5,454,223	3,514,177	3,112,881
Hunan	36,971,762	28,620,473	27,468,174	711,429	3,778,203	2,039,583	4,573,086
Shandong	29,327,486	21,868,661	20,685,178	917,380	3,561,898	2,194,061	3,896,927
Hubei	27,673,210	22,984,444	22,474,432	298,354	1,770,131	576,675	2,918,635
Guangxi	22,066,124	19,051,669	18,406,722	582,682	1,709,428	969,239	1,305,027
Zhejiang	19,460,896	18,151,853	17,725,661	116,881	1,308,929	619,902	114
Guizhou	17,774,396	13,374,186	12,821,206	151,372	1,681,821	232,057	2,718,389
Hebei	15,330,095	10,861,169	9,153,180	1,534,330	2,967,166	1,794,855	1,501,760
Liaoning	14,969,848	12,577,773	12,059,516	305,530	1,218,314	486,126	1,173,761
Sichuan	14,146,831	11,691,810	10,918,374	710,553	1,258,976	919,694	1,196,045
Shaanxi	11,670,173	8,934,749	8,850,712	46,324	1,605,965	826,412	1,129,459
Jiangxi	11,452,979	9,842,585	9,454,792	320,917	1,152,497	600,888	457,897
Hainan	9,135,291	7,056,825	6,641,329	240,942	700,780	291,182	1,377,686
Fujian	8,676,263	8,215,039	8,044,974	16,978	436,247	171,805	24,977
Gansu	7,972,627	7,195,845	6,532,456	602,328	440,969	267,546	335,813
Shanxi	7,226,140	5,093,130	4,903,027	72,027	1,265,660	787,399	867,350
Chongqing	6,447,243	5,767,863	5,654,697	73,229	467,594	229,792	211,786
Yunnan	4,840,666	3,903,206	3,828,967	18,821	507,840	248,646	429,620
Inner Mongolia	4,793,749	3,794,955	3,478,895	278,726	621,324	258,448	377,470
Tianjin	3,705,778	3,015,043	2,965,597	11,814	308,662	218,505	382,073
Xinjiang	3,501,340	1,815,098	1,612,437	185,784	409,177	282,996	1,277,065
Qinghai	2,049,841	1,832,798	1,795,913	21,540	151,172	94,916	65,871
Ningxia	1,441,805	1,322,201	1,264,326	53,927	119,604	119,088	0
Jilin	1,265,527	1,185,459	977,460	151,388	51,333	17,841	28,735
Shanghai	1,162,797	1,113,501	1,011,735	4,685	49,296	46,937	0
Heilongjiang	999,758	898,422	821,356	1,832	101,336	0	0
Beijing	666,399	345,338	288,545	21,116	164,910	82,006	156,151
Tibet	164,259	154,254	153,527	0	10,005	0	0
Total	567,108,480	472,276,363	454,609,491	11,074,291	48,365,155	22,856,745	46,466,962

Note:
(1) All the GFAs displayed in this section are attributable to the owners of the Company.
(2) Based on the measurement reports from relevant government departments.
(3) Based on the actual measurements by the project management department of the Group.
(4) "GFA for future development" for each project is the GFA expected to be built.

FIVE YEARS FINANCIAL SUMMARY

Consolidated Results

	2020 RMB million	2021 RMB million	2022 RMB million	2023 RMB million	2024 RMB million
Revenue	462,856	523,064	430,371	401,015	252,756
Profit/(loss) before income tax	85,529	68,949	5,361	(167,253)	(22,369)
Income tax expense	(31,411)	(27,967)	(8,323)	(33,709)	(12,776)
Profit/(loss) for the year	54,118	40,982	(2,962)	(200,962)	(35,145)
Profit/(loss) attributable to:					
Owners of the Company	35,022	26,797	(6,052)	(178,400)	(32,835)
Non-controlling interests	19,096	14,185	3,090	(22,562)	(2,310)
	54,118	40,982	(2,962)	(200,962)	(35,145)
Earnings/(losses) per share:					
Basic (RMB Yuan)	1.62	1.22	(0.26)	(6.49)	(1.19)

Consolidated Financial Position

	2020 RMB million	2021 RMB million	2022 RMB million	2023 RMB million	2024 RMB million
Non-current assets	273,653	234,428	207,385	136,805	118,958
Current assets	1,742,156	1,713,937	1,537,082	1,156,187	916,885
Current liabilities	1,492,959	1,378,905	1,231,209	1,126,245	942,750
Net current assets/ (liabilities)	249,197	335,032	305,873	29,942	(25,865)
Total assets less current liabilities	522,850	569,460	513,258	166,747	93,093
Non-current liabilities	265,847	268,833	203,685	78,138	41,839
Equity attributable to owners of the Company	175,102	198,736	203,623	25,947	(7,185)
Non-controlling interests	81,901	101,891	105,950	62,662	58,439
Total equity	257,003	300,627	309,573	88,609	51,254

MANAGEMENT DISCUSSION AND ANALYSIS

Country Garden Xi'nanshangcheng, Guiyang (Guizhou)

FINANCIAL REVIEW

Revenue

The Group's revenue was primarily derived from two business segments as follows: Property development and Technology-enabled construction. Revenue of the Group decreased by 37.0% to approximately RMB252,756 million in 2024 from approximately RMB401,015 million in 2023. 97.2% of the Group's revenue was generated from the sales of properties (2023: 97.6%), and 2.8% from Technology-enabled construction and Others segments (2023: 2.4%).

The Group recorded revenue of

approximately RMB **252,756** million

Revenue generated from property development was

approximately RMB **245,719** million

Property Development

Due to the decrease in GFA delivered, revenue generated from property development decreased by 37.2% to approximately RMB245,719 million in 2024 from approximately RMB391,251 million in 2023. The recognised average selling price of property delivered (value-added taxes not included) was approximately RMB7,872 per sq.m. in 2024.

Technology-enabled Construction

Technology-enabled Construction revenue from external parties decreased by 36.3% to approximately RMB3,432 million in 2024 from approximately RMB5,391 million in 2023, primarily due to the decrease in new construction volume resulting from sluggish market of real estate.

Others

Others segment mainly includes property investment and hotel operation. Revenue from external parties of others segment decreased by 17.6% to approximately RMB3,605 million in 2024 from approximately RMB4,373 million in 2023.

Selling and marketing costs and Administrative expenses

The Group strictly implemented measures to reduce non-core and non-essential operating expenses. Selling and marketing costs and administrative expenses decreased by 40.2% to approximately RMB10,783 million in 2024 from approximately RMB18,033 million in 2023.

Finance Costs — Net

The Group recorded net finance costs of approximately RMB6,449 million in 2024 (2023: approximately RMB5,458 million).

In 2024, the Group recorded net foreign exchange losses of approximately RMB1,761 million (2023: approximately RMB2,361 million) and finance income of approximately RMB526 million (2023: approximately RMB2,106 million). Interest expenses amounted to approximately RMB12,937 million in 2024 (2023: approximately RMB13,008 million), of which approximately RMB7,723 million had been capitalised on qualifying assets (2023: approximately RMB7,805 million).

Loss Attributable to Owners of the Company

In 2024, the loss attributable to owners of the Company was approximately RMB32,835 million, representing a decrease of 81.6% compared with approximately RMB178,400 million in 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

Liquidity, Financial and Capital Resources

Cash position

As at 31 December 2024, the Group's total cash (equals to the sum of cash and cash equivalents and restricted cash) amounted to approximately RMB29,897 million (31 December 2023: approximately RMB63,816 million), including approximately RMB6,362 million in cash and cash equivalents and approximately RMB23,535 million in restricted cash.

As at 31 December 2024, 87.3% (31 December 2023: 95.4%) of the Group's total cash was denominated in Renminbi and 12.7% (31 December 2023: 4.6%) was denominated in other currencies (mainly US dollars, HK dollars and Malaysian Ringgit).

Debt Composition

As at 31 December 2024, the Group's bank and other borrowings, senior notes, corporate bonds and convertible bonds amounted to approximately RMB153,954 million, RMB73,084 million, RMB19,759 million and RMB6,691 million respectively (31 December 2023: approximately RMB155,752 million, RMB68,367 million, RMB19,359 million and RMB6,171 million respectively).

For bank and other borrowings, approximately RMB137,413 million, RMB16,541 million and RMB nil will be repayable within 1 year, between 1 and 5 years and beyond 5 years respectively (31 December 2023: approximately RMB114,665 million, RMB38,550 million and RMB2,537 million respectively). As at 31 December 2024 and 31 December 2023, the majority of the bank and other borrowings were secured by certain properties, investment properties, equipment and financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income of the Group and secured by the equity interests of certain group companies, and/or guaranteed by the Group.

As at 31 December 2024, the total debt increased to approximately RMB253,488 million, from approximately RMB249,649 million as at 31 December 2023.

Capital Gearing Ratio

The capital gearing ratio is calculated by dividing the net debt by total capital. Net debt equals to total debt (representing bank and other borrowings, senior notes, corporate bonds and convertible bonds) net of total cash (including cash and cash equivalent and restricted cash). Total capital is calculated by adding total equity and net debt. The Group's capital gearing ratio increased from approximately 67.7% as at 31 December 2023 to approximately 81.4% as at 31 December 2024.

Key Risk Factors and Uncertainties

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

Risks Pertaining to the Property Market and Operation

The Group's businesses and prospects are largely dependent on the performance of the property market in mainland China. The property market in mainland China has entered an unprecedented adjustment cycle, with significant changes in market supply and demand and changes in the government's financial, economic, monetary, industrial and environmental conservation policies. The Group is also susceptible to the economic situation, market environment, consumer confidence and other factors, and there is mounting pressure on its business operations. The gross profit margins of the real estate business declined significantly, and the Group was faced with substantial losses. As such, the Group has tried every possible means to rescue itself by looking at the issue from the perspective of development and combining various favourable policies at present with a view to resolutely completing the task of guaranteeing delivery, so as to provide a basis for the Group to gradually resume the normal operation of its projects. In the meantime, the Group has been suffering from a large debt burden, the overload of resources by creditors such as financial institutions, partners and investors, the impact of negative public opinion on the brand, and the impact of the judicial environment on the performance of the management team, which have brought about a number of adverse impacts on the Group's sustainable operation.

Interest Rate Risk

The Group's bank and other borrowings mainly bear floating rates. As at 31 December 2024, the weighted average borrowing cost of the Group's total debt was 5.17%, decreased by 56 basic points as compared with that as at 31 December 2023.The Group has implemented certain interest rate management which includes, among others, close monitoring of interest rate movements and refinancing on existing banking facilities and entering into new banking facilities when good pricing opportunities arise.

Foreign Exchange Risk

The Group's foreign exchange exposure is mainly derived from the borrowings denominated in USD and HKD. The Group has been paying closely attention to the fluctuation of the foreign exchange rate and actively taking measures to mitigate the risk of exchange rate fluctuation.

Liquidity Risk

The Group is facing phased liquidity pressure. In light of the current liquidity position, the Group has undertaken a number of plans and measures to mitigate the liquidity pressure and to improve the financial position of the Group, details of which are set out in note 2.1(iii) to the "NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS" in this report.

MANAGEMENT DISCUSSION AND ANALYSIS

Guarantees

As at 31 December 2024, the Group had guarantees in respect of mortgage facilities for certain property buyers amounting to approximately RMB259,095 million (31 December 2023: approximately RMB357,125 million).

Pursuant to the terms of the guarantees, upon default in mortgage payments by these buyers, the Group is responsible for repaying the outstanding mortgage principals together with accrued interest and penalty owed by the defaulted buyers to the banks, and the Group is entitled to take over the legal title and possession of the related properties. The guarantees were to be discharged upon the earlier of: (i) issuance of the real estate ownership certificate which are generally available within three months after the buyers take possession of the relevant properties; and (ii) the satisfaction of mortgage loans by the property buyers.

In addition, as at 31 December 2024, the Group had provided guarantees amounting to approximately RMB6,185 million (31 December 2023: approximately RMB7,169 million) for certain liabilities of the joint ventures and associates of the Group.

Material acquisitions and disposals of subsidiaries, associates and joint ventures, and other significant transactions

1. ***Disposal of approximately 1.79% equity interest in Zhuhai Wanda Commercial Management Group Co., Ltd.***

   On 13 December 2023, Gold Ease Global Limited ("**Gold Ease**") (an indirect wholly-owned subsidiary of the Company), Country Garden Real Estate Group Co., Ltd. (an indirect wholly-owned subsidiary of the Company), Foshan Shunde Lizhan Enterprise Management Co., Ltd. (an indirect wholly-owned subsidiary of the Company), Dalian Wanda Commercial Management Group Co., Ltd. ("**Wanda Commercial Management Group**") and Zhuhai Wanying Enterprise Management Co., Ltd. ("**Zhuhai Wanying**") entered into an agreement (as amended by the supplemental agreement dated 24 September 2024) in relation to the disposal of approximately 1.79% equity interest in Zhuhai Wanda Commercial Management Group Co., Ltd. (the "**Target Company**") by Gold Ease to Zhuhai Wanying or the designated party of Wanda Commercial Management Group, Zhuhai Wanying or the Target Company, at a consideration of RMB3,068,518,970 (the "**2023 Second Disposal**"). The 2023 Second Disposal was entered into as part of the Group's means to resolve the phased liquidity pressure. As at the date of this report, this transaction has been completed.

   For further details, please refer to the announcements of the Company dated 14 December 2023, 3 January 2024 and 24 September 2024.

2. ***Cooperation Agreement in relation to the development of the White Goose Pond International Financial Center located in the core area of Baietan Business District, Liwan District, Guangzhou***

On 23 March 2024, Guangzhou Xingchengsi Trading Co., Ltd. (an indirect non-wholly-owned subsidiary of the Company) ("**Guangzhou Xingchengsi**") entered into a cooperation agreement (the "**Cooperation Agreement**") with Guangdong Zhongwei Investment Control Technology Group Co., Ltd. ("**Guangdong Zhongwei**") and Guangzhou Jinsi Real Estate Development Co., Ltd. (the "**Project Company**") in relation to the joint construction and development of the White Goose Pond International Financial Center (the "**Building**") on a piece of land titled Plot AF020106 located in the core area of Baietan Business District, Liwan District, Guangzhou, with a site area of 13,968 square meters (the "**Guangzhou Property**"), for sale through the Project Company (the "**Project**").

Pursuant to the Cooperation Agreement, Guangzhou Xingchengsi was deemed to have provided a fund of RMB3.1 billion to the Project Company, and Guangdong Zhongwei agreed to provide further funding of approximately RMB2.8 billion in aggregate for the Project in return for, among other things (i) the entitlement to the units of the Building and the relevant sale proceeds calculated based on the proportion of the fundings actually provided by Guangzhou Xingchengsi or Guangdong Zhongwei (as the case may be) to the Project Company; (ii) the voting rights in the Project Company proportionate to Guangdong Zhongwei's entitlement ratio; and (iii) ultimately 100% of the equity interest in the Project Company when Guangzhou Xingchengsi's entitlement to the units of the Building and the relevant sale proceeds has substantially been realised. The introduction of Guangdong Zhongwei as a partner for the joint development of the Guangzhou Property was a timely and much-needed solution to the difficulties faced by the Group in realising the Guangzhou Property.

In addition, Guangzhou Xingchengsi and Guangdong Zhongwei also entered into a supplemental agreement on 23 March 2024 to set out further provisions in respect of the potential impact of the mortgage of the Guangzhou Property as security for the medium-term notes due 2025 in the amount of RMB1.7 billion issued by Country Garden Real Estate Group Co., Ltd. (a fellow subsidiary of the Company) in 2023 for a term from 12 April 2023 to 30 June 2027 on the performance of the Cooperation Agreement.

For further details, please refer to the announcements of the Company dated 24 March 2024 and 28 March 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

3. Disposal of approximately 1.56% equity interest in Changxin Technology Group Co., Ltd.

On 27 December 2024, Foshan Nanhai District Huibi No. 5 Equity Investment Partnership (Limited Partnership) ("**Foshan Nanhai**") (an indirect non-wholly owned limited partnership of the Company) as vendor, Hefei Jianchang Equity Investment Partnership Enterprise (Limited Partnership) ("**Hefei Jianchang**") as purchaser and Changxin Technology Group Co., Ltd. ("**Changxin Technology**") as target company entered into the share transfer agreement in relation to the disposal of approximately 1.56% equity interest in Changxin Technology by Foshan Nanhai to Hefei Jianchang, at a total consideration of RMB2.0 billion (the "**2024 Disposal**"). The 2024 Disposal was entered into as part of the Group's means to resolve the phased liquidity pressure. As at the date of this report, this transaction has been completed.

For further details, please refer to the announcement of the Company dated 27 December 2024.

Employees and Remuneration Policy

Human resource has always been the most valuable resource of the Group. As at 31 December 2024, the Group had approximately 22,794 full-time employees.

Employees are rewarded on a performance related basis, together with reference to the profitability of the Group, remuneration benchmarks in the industry, and prevailing market conditions within the general framework of the Group's salary and bonus system. The Group is subject to social insurance contribution plans or other pension schemes organised by the regional governments and is required to pay on behalf of the employees a monthly social insurance premium covering pension insurance, medical insurance, unemployment insurance and housing fund or to contribute regularly to other mandatory provident fund schemes on behalf of the employees. As at the date of this report, there were no significant labor disputes which adversely affect or are likely to have an adverse effect on the operations of the Group.

In order to achieve sustainable development and corporate core advantage, the Group is establishing a "Corporate University". All employees from different levels and different fields can all have opportunities to receive training, including Leadership Development Program, New Staff Campaign and On-the-job Training. All the projects are aimed at enabling employees to become senior management and inter-disciplinary talent and form a perfect HR training system of the Group.

The Group has approved and/or adopted certain share option schemes and share award scheme, details can be referred in the sections headed "EMPLOYEE INCENTIVE MECHANISMS" in "Report of the Directors" of this report.

Forward Looking

In recent years, China's property sector has experienced volatile adjustments and encountered unprecedented difficulties. Accompanied with sales plunge in the industry, insufficient consumer confidence and difficulties in obtaining financing have presented significant challenges to the operation and survival of enterprises. The Group's liquidity is under unprecedented pressure with a dual tightening of sales and financing.

The Group has always been committed to doing the right things and adhering to prudent financial policies and risk control measure in the face of new challenges and market changes. Facing such an extremely difficult situation industry-wide, the Group spared no effort to shoulder its social responsibility, actively respond and fully ensure its delivery. On the basis of delivering over 600,000 units of properties throughout the year 2023, the Group, together with its joint ventures and associates, delivered over 380,000 units of properties in 2024, continuously being the industry leader of delivery of properties.

In the future, the Group will continue to do its utmost to ensure the safety of cash flow, intensify efforts to revitalize under-performing assets, further streamline its organizational structure and strengthen expense controls, and actively consider taking various debt management measures to resolve periodic liquidity pressure. With the development of a smart construction system and the vigorous expansion of its light asset escrow and agency construction business, the Group will continue to explore new models for real estate development through the new strategy of "One Core and Two Wings", giving full play to the advantages of the entire industry chain.

The long road to success is indeed as hard as iron, but now we must start from scratch. Despite the current difficulties, the Group will continue to ensure delivery with a high sense of responsibility and make every effort to reverse the situation. The Group firmly believes that the real estate industry will eventually return to stable and healthy after undergoing such difficult adjustments. With the concerted efforts of the entire Group and the help and support of all parties, the Group will be able to navigate through predicaments and set sail again.


湖光山麓

GOVERNANCE

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

YANG Huiyan
楊惠妍

Executive Directors

YANG Huiyan (楊惠妍), aged 43, was appointed as an executive Director in December 2006 and a Vice Chairman in March 2012, was re-designated from a Vice Chairman to a Co-Chairman in December 2018, and succeeded the position of the Chairman on 1 March 2023. Ms. YANG is also a chairman of the Nomination Committee, the Corporate Governance Committee, the Environmental, Social and Governance Committee, the Executive Committee and a member of the Remuneration Committee and the Finance Committee, and a director of various members of the Group. Ms. YANG graduated from Ohio State University with a bachelor degree in marketing and logistics and she also obtained an EMBA degree from Tsinghua University in 2019. Ms. YANG joined the Group in 2005 and has successively held key management positions in critical business departments such as investment planning center, procurement department, human resource management center and digital management center. During the tenure as a Co-Chairman of the Company, Ms. YANG jointly managed the day-to-day work of the Group with Mr. YEUNG Kwok Keung, the then Chairman of the Company, and has been responsible for the Group's strategic investments and new business exploration based on the existing business, contributing to the Company's sustainable development. Since the succession as the Chairman, Ms. YANG is responsible for leading the Board and managing the overall businesses of the Group. Ms. YANG is a director of Concrete Win Limited, the substantial shareholder of the Company, which has an interest in the shares and underlying shares in the Company which falls to be disclosed to the Company under Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance. Ms. YANG was appointed as the chairman and a non-executive director of Country Garden Services Holdings Company Limited, a company whose shares are listed on the Stock Exchange, in March 2018. Ms. YANG was awarded "China Charity Award Special Contribution Award" in 2008, "China Poverty Alleviation Award Contribution Award" in 2019 and "The 11th China Charity Award Individual Donor Award" in 2021. Ms. YANG is the sister of Ms. YANG Ziying, an executive Director; and the wife of Mr. CHEN Chong, a non-executive Director.

MO Bin
莫斌

MO Bin (莫斌), aged 58, was appointed as the President and an executive Director in July 2010. Mr. MO is also a member of the Remuneration Committee, the Corporate Governance Committee, the Environmental, Social and Governance Committee, the Executive Committee and the Finance Committee and a director of several members of the Group. Mr. MO was also appointed as the Chairman of the Group's Tengyue Building Technology Group in May 2023. Mr. MO graduated from Hengyang Institute of Technology (currently known as University of South China) with a bachelor degree in industrial and civil architecture. He obtained his postgraduate degree from Zhongnan University of Economics and Law and is a professor-grade senior engineer. Mr. MO is primarily responsible for the management of daily operation and general administration of the Group. Prior to joining the Group, Mr. MO was employed by an internationally competitive construction and property group in Mainland China, China Construction, in a number of senior positions since 1989, most recently as a director and general manager of China Construction Fifth Division. Mr. MO has over 35 years of extensive experience in property development, construction business, construction management, marketing, cost control and corporate management. Mr. MO won the 1st place of "Best CEO — Property (Combined)/(Buy-Side)/(Sell-Side)" at the "2019 All-Asia Executive Team" and the 1st place of "Best CEO — Property (Sell-side)" at the "2020 All-Asia Corporate Executive Team" organised by financial magazine, Institutional Investor.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

YANG Ziying
楊子瑩

YANG Ziying (楊子瑩), aged 37, was appointed as an executive Director in May 2011. Ms. YANG is also a member of the Executive Committee and the Finance Committee. Ms. YANG graduated from Ohio State University with a bachelor degree in psychology. Ms. YANG joined the Group in 2008 as an assistant to the chairman. Currently, she is primarily responsible for overseeing the finance of the Group, including offshore and onshore financing, and responsible for the enhancement of the product competitiveness of the Group. Prior to joining the Group, Ms. YANG worked in a renowned global investment bank. Ms. YANG is the sister of Ms. YANG Huiyan, the Chairman, an executive Director and the controlling Shareholder; and a sister-in-law of Mr. CHEN Chong, a non-executive Director.

CHENG Guangyu
程光煜

CHENG Guangyu (程光煜), aged 44, is an executive vice president of the Company and CEO of Country Garden Property Group, was appointed as an executive Director and as a member of Finance Committee in December 2022 and was further appointed as a member of the Corporate Governance Committee, the Environmental, Social and Governance Committee and the Executive Committee in March 2023. Dr. CHENG graduated from Tsinghua University with a bachelor's and doctoral degree in civil engineering in 2002 and 2007 respectively, and from Guanghua School of Management of Peking University with an EMBA degree in 2015. Dr. CHENG joined the Group in 2007 and has been responsible for overall operation management and sustainable development of property projects in certain regions under his supervision from 2012 to 2014. During the period from 2014 to 2023, Dr. CHENG has been responsible for the overall sales and marketing management, branding management, investment planning management, product design management and operating management of the Group. Dr. CHENG was appointed as the CEO of Country Garden Property Group in May 2023, is responsible for the overall management of property development business of the Group. Dr. CHENG has over 17 years of experience in management of property development.

WU Bijun
伍碧君

WU Bijun (伍碧君), aged 51, being the Company's vice president and the Chief Financial Officer, was appointed as an executive Director in December 2022. Ms. WU is also the chairman of the Finance Committee and the general manager of the centre of finance of the Company, and a director of various members of the Group. Ms. WU graduated from the Department of Public Finance and Taxation of Zhongnan University of Finance and Economics (currently known as Zhongnan University of Economics and Law) with a bachelor's degree of economics majoring in public finance in 1995, and obtained an EMBA degree from China Europe International Business School in 2015. She is qualified as a Chinese certified public accountant and a Chinese certified tax agent. Ms. WU is mainly responsible for offshore restructuring of the Group. Prior to joining the Group in 2005, Ms. WU worked at Hubei Branch of China Construction Bank and was responsible for accounting and auditing management. From 1999 to 2002, Ms. WU was the chief auditor of Guangdong Foshan Zhixin Certified Public Accountants Co., Ltd. and was responsible for reviewing the auditor's reports. From 2002 to 2005, Ms. WU worked at Shunde Finance Bureau and was responsible for the financial management of foreign investment enterprises. Since joining the Group in 2005, Ms. WU has been mainly responsible for the financial management of the Group. Ms. WU has 19 years of experience in the management of real estate financial resources and approximately 29 years of experience in financial management. Ms. WU won the 1st place of "Best CFO — Property (Combined)/(Sell-Side)" at the "2019 All-Asia Executive Team" and the 1st place of "Best CFO — Property (Sell-Side)" at the "2020 All-Asia Corporate Executive Team" organized by financial magazine, Institutional Investor.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

CHEN Chong
陳翀

Non-executive Director

CHEN Chong (陳翀), aged 46, was appointed as a non-executive Director in December 2016. Mr. CHEN graduated from Tsinghua University with a bachelor of science in chemistry and obtained a master of science in biological sciences research from Royal Holloway and Bedford New College, University of London. Mr. CHEN also obtained an EMBA degree and a doctoral degree in energy & environmental engineering from Tsinghua University in 2016 and 2024 respectively. In 2015, Mr. CHEN was appointed as the first president of the Overseas Study Youth Association of Guangdong Province and was a member of the 12th Guangdong Provincial Committee of the Chinese People's Political Consultative Conference. Mr. CHEN was elected as a member of the 13th Standing Committee of the All-China Youth Federation since 2020 and currently being the president of Guoqiang Foundation. Mr. CHEN is the husband of Ms. YANG Huiyan, the Chairman, an executive Director and the controlling Shareholder; and a brother-in-law of Ms. YANG Ziying, an executive Director.

Independent Non-executive Directors

HAN Qinchun (韓秦春), aged 66, was appointed as an independent non-executive Director on 15 March 2024 and is currently a member of the Audit Committee, the Remuneration Committee and the Environmental, Social and Governance Committee. Dr. HAN obtained a doctorate degree in philosophy in urban economics and management from The University of Hong Kong in 1998 and a bachelor's degree in planning from Xi'an University of Architecture and Technology in 1982. Dr. HAN has rich experience in the PRC property sector, financial investment, equity capital market and listed companies' management. From 2000 to 2006, Dr. HAN worked in securities and investment in Bank of China International Holdings Limited, Agricultural Bank of China Securities Limited (now known as Agricultural Bank of China International Holdings Limited) and Everbright Securities Company (Hong Kong) Limited. From 2006 to 2010, Dr. HAN served as the vice-chairman and co-president and executive director of Hong Long Holdings Limited (now known as LET Group Holdings Limited), a company listed on the Main Board of the Stock Exchange (stock code: 1383). Over the past three years, Dr. HAN served as an independent non-executive director of Lingbao Gold Group Company Ltd., a company listed on the Main Board of the Stock Exchange (stock code: 3330), for nine years and is currently an independent non-executive director of companies listed on the Main Board of the Stock Exchange, namely Xinda Investment Holdings Limited (stock code: 1281), Guangdong — Hong Kong Greater Bay Area Holdings Limited (stock code: 1396) and Sunfonda Group Holdings Limited (stock code: 1771). Dr. HAN is also the founder and chairman of Hong Kong Private Markets Limited, a fintech company in Hong Kong, since 2014.

HAN Qinchun
韓秦春

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

WANG Zhijian
王志健

WANG Zhijian (王志健), aged 46, was appointed as an independent non-executive Director on 15 March 2024 and is currently the chairman of the Audit Committee and a member of the Remuneration Committee, the Nomination Committee and the Environmental, Social and Governance Committee. Mr. WANG obtained a bachelor's degree in arts and a master's degree in business administration from Sun Yat-sen University in 2001 and 2015 respectively. He is a certified public accountant in the PRC, a certified public accountant in Australia and an intermediate economist, and has obtained a Fund Practitioner Qualification Certificate. From 2019 to 2021, Mr. WANG served as the person in charge of Guangzhou office and director of client development of Resources Global Professionals (Beijing) Co., Ltd. Mr. WANG is currently the financial controller of Corestone (Guangzhou) Investment Development Co., Ltd.

TUO Tuo
脱脱

TUO Tuo (脱脱), aged 45, was appointed as an independent non-executive Director on 15 March 2024 and is currently the chairman of the Remuneration Committee and a member of the Audit Committee, the Nomination Committee and the Environmental, Social and Governance Committee. Mr. TUO obtained a bachelor's degree in law from Peking University in 2001, a master's degree in banking and finance laws from the University of London in the United Kingdom in 2003 and a master's degree in law from the University of Pennsylvania in the United States in 2009. From 2004 to 2008, Mr. TUO served as a lawyer at the Beijing representative office of Baker McKenzie. From 2011 to 2021, Mr. TUO served as a senior partner/lawyer of Beijing Dacheng Law Offices, LLP. Mr. TUO is currently a director, a partner, a senior vice president, the general counsel of the Baoyun Group and the general manager of Guizhou Baoyun, and the president of Baoyun Vineyard.

Joint Company Secretaries

LEUNG Chong Shun (梁創順), aged 59, was appointed as the company secretary of the Company on 1 October 2016 and remained as the joint company secretary from March 2019. Mr. LEUNG graduated from the University of Hong Kong in November 1988 where he was awarded a bachelor degree of Laws with honors. He is qualified as solicitor in both Hong Kong and England and has been a practicing lawyer in Hong Kong since 1991.

LUO Jie (羅杰), aged 45, was appointed as a joint company secretary of the Company in March 2019. Mr. LUO graduated from Sun Yat-sen University in June 2002 where he was awarded a bachelor of Laws degree. He graduated from The Chinese University of Hong Kong in 2008 where he was awarded a Juris Doctor degree, and obtained the Postgraduate Certificate in Laws (PCLL) from the University of Hong Kong in 2009, followed by being awarded an MBA degree by the Hong Kong University of Science and Technology in 2022. He passed the National Judicial Examination of the PRC in 2005 and obtained the Legal Profession Qualification Certificate. He is qualified as a solicitor in Hong Kong since 2011. He joined the Company in May 2017 and was appointed as the joint company secretary in March 2019.

Senior Management

DING Jie (丁杰), aged 40, is a vice president. Mr. DING obtained his doctoral degree in structural engineering, and is a first-class national registered structural engineer. He has long been engaged in work related to the safety and reliability of building structures. Mr. DING joined the Group in June 2015 and has served as deputy general manager of projects, general manager of projects, regional executive president and regional president successively. He was appointed as a vice president of the Group and the president of the Guangqing region in April 2021, the president of the Group's Tengyue Building Technology Group in June 2022, and the chairman of the Group's Bozhilin Robotics Ltd. in September 2022. He is responsible for the works related to building construction and intelligent construction of the Group.

HUANG Yuzang (黃宇奘), aged 49, is a vice president. Mr. HUANG graduated from Zhejiang University with a bachelor's degree in architecture and from Peking University with a master's degree in geography (city and urban planning), and obtained an EMBA degree from Cheung Kong Graduate School of Business. He is a first-class national registered architect. Prior to joining the Group, Mr. HUANG worked in Hong Kong Huayi Design Consultants (Shenzhen) Limited as the managing director and a design director. Mr. HUANG has 25 years of experience in architecture design with extensive practical experience in engineering and acquired dozens of awards both in Mainland China and overseas with his advanced design ideas. Mr. HUANG was recognised as "The First Top Ten Young Architect of Shenzhen", "The Ninth Chinese Architecture Academy Young Architect" and "New Real Estate Architect for the year of 2014". Mr. HUANG joined the Group in March 2015 and was responsible for the design system as the chief designer of the Group. Mr. HUANG was appointed as the general manager of the cost management center of the Group in January 2019 and was responsible for the Group's construction cost, construction tendering and cost management, and was appointed as the president of Anhui region of the Group during the period from February 2020 to April 2021, and was appointed as the general manager of the managed and constructed management company of the Group in September 2023.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

LI Xiaolin (黎曉林), aged 53, is a vice president. Mr. LI graduated from Department of Civil Engineering of Tsinghua University and Guanghua School of Management of Peking University with a bachelor degree of architecture and structural engineering with EMBA respectively, and is a qualified PRC architecture engineer and a qualified real estate appraiser in the PRC. Prior to joining the Group in 2008, Mr. LI worked in Zhuhai Zhuguang Architecture Design Engineering Company and was responsible for architecture design, as well as in various property developers, namely China Vanke Co., Ltd., Zhongshan Paramount Development Co., Ltd., and New Home (Zhuhai) Real Estate Co. Ltd., and was responsible for property development and management. Since 2008, Mr. LI has been responsible for the overall operation, management and sustainable development of property projects in certain regions of the Group. He has been successively served as the regional president of the Hunan region, Hunan and Chongqing region, Hunan Chongqing Sichuan and Jiangxi Region. Mr. LI was appointed as a vice president of the Group in 2013, and was served as the general manager of the human resource management centre, the general manager of the operation center and the general manager of the digital management center of the Group since 2020, and currently serves as the general manager of general management center of the Group. Mr. LI has 27 years of experience in the management of property development.

YANG Lixing (楊麗興), aged 54, is a vice president. Ms. YANG graduated from South China University of Technology majoring in management. Ms. YANG joined the Group in 1992 and has been responsible for procurement management of the Group. Ms. YANG was appointed as the vice president in September 2014 as well as the general manager of the tendering and procurement management center of the Group in November 2021. Ms. YANG was appointed as the president of the general manager of the procurement center of the Group during the period from September 2014 to November 2021. Ms. YANG has 30 years of experience in the procurement management for real estate.

LI Jing (李靜), aged 45, is a vice president. Ms. LI graduated from Northwest University of Political Science and Law with a bachelor's degree in law, Sun Yat-sen University with a master's degree in public administration, Jinan University with a doctoral degree in Journalism. Prior to joining the Group, she worked for the China Communist Youth League Guangdong Committee and the Guangzhou Municipal People's Procuratorate. Ms. LI joined the Group in October 2017 and served as the general manager of the brand and social responsibility center. Ms. LI currently serves as a vice president and the general manager of group general office of general management center of the Group, director of the rural revitalization office.

OUYANG Baokun (歐陽寶坤), aged 55, is a vice president. Mr. OUYANG obtained his master's degree of laws in U.S. legal studies from Touro College in the U.S. as well as bachelor's degree in Chinese law studies from Sun Yat-sen University. He has obtained the lawyer qualification certificate issued by Ministry of Justice of the PRC. From 1991 to 2007, Mr. OUYANG worked at Shunde Economic Law Firm and Guoqiang Hongye Law Firm in Guangdong as a lawyer and a partner lawyer respectively. Meanwhile, he was employed as a legal advisor by the Group in charge of the legal affairs of the Group. Since 2007, he joined the Group and was appointed as a vice general manager of the Investment Center of the Group, the general manager of the Huidong Country Garden Project, and the general manager of the Investment Center of the Group. He has also been serving as the regional president of Zhejiang region and Fujian region, etc., responsible for the overall operation and administrative management of the regions. Mr. OUYANG was appointed as the vice president of the Group in December 2017, was served as the general manager of the legal department of the Group in December 2023, and was appointed as the general manager of the legal & supervision center of the Group in March 2025. Mr. OUYANG has 30 years of experience in property investment, development and its relevant business.

CORPORATE GOVERNANCE REPORT

The Group continues to improve its corporate governance practices, emphasising the attainment and maintenance of a quality Board, sound risk management and internal controls, and high transparency and accountability to the Shareholders. The Board and the management are committed to the principles of good corporate governance consistent with prudent management and enhancement of shareholder value. The Board believes that good corporate governance will bring long-term benefits to the Shareholders and the Group.

Corporate Governance Practices

As described in this report, the Company has applied the principles to its corporate governance structure and practices and has complied with the code provisions of the Corporate Governance Code under Appendix C1 to the Listing Rules throughout the year ended 31 December 2024, save and except for the code provision C.5.1 of Part 2 of the Corporate Governance Code. Due to the dynamic nature of the offshore debt restructuring of the Group and the numerous emerging issues requiring Board approval in relation thereto, for the sake of efficiency, only one Board meeting was held and twenty-two written Board resolutions were passed by all Directors to approve the affairs of the Group during the year. Sufficient measures have been taken to ensure that there was efficient communication among the Directors.

As disclosed in the interim report of the Company for the six months ended 30 June 2024, following the expiration date of the directors and officers liability insurance of last year (i.e. 21 May 2024), the Company was unable to make appropriate insurance arrangements in respect of legal actions arising from the conduct of its directors committed on or after 22 May 2024 as it takes time to discuss with insurance companies to provide the Company with a comprehensive and feasible insurance. The Company has subsequently entered into an appropriate insurance agreement with effect from 1 March 2025 which through the retroactive date clause provides appropriate insurance coverage on Directors' and officers' liabilities in respect of any legal actions taken against the Directors and senior management arising out of corporate activities from 22 May 2024 to 31 December 2024. In addition, the annual general meeting of the Company for the year ended 31 December 2023 was not held within six months after the end of the year ended 31 December 2023 due to the delay in the publication of the annual results of the Group for the year ended 31 December 2023 and the despatch of the annual report for the year ended 31 December 2023.

Compliance with the Model Code

The Company has adopted the Model Code as the code of conduct for dealing in securities of the Company by the Directors. After specific enquiry, all Directors confirmed that they have complied with the required standard regarding securities transactions set out therein throughout the year ended 31 December 2024. No incident of non-compliance was noted by the Company in 2024. Relevant employees who are likely to be in possession of inside information of the Group are also subject to compliance with written guidelines on no less exacting terms than the Model Code.

Strategic Planning

The Group has been committed to implementing a strategic management system which identifies and assesses potential opportunities and challenges, so as to formulate a long-term development strategy and a planned course of action. The strategy management department of the Group is responsible for organizing strategy research and discussions. At the start of every year, senior management of the Group reviews and develops the medium to long term strategic planning of the Group as well as annual budget planning.

CORPORATE GOVERNANCE REPORT

Board of Directors

Composition

As at 31 December 2024, the Board consisted of five executive Directors, namely, Ms. YANG Huiyan (Chairman), Mr. MO Bin (President), Ms. YANG Ziying, Dr. CHENG Guangyu and Ms. WU Bijun, one non-executive Director, namely, Mr. CHEN Chong and three independent non-executive Directors, namely, Dr. HAN Qinchun, Mr. WANG Zhijian and Mr. TUO Tuo. A list of the Directors and their roles and functions is published on the websites of the Stock Exchange and of the Company respectively.

Dr. HAN Qinchun, Mr. WANG Zhijian and Mr. TUO Tuo were appointed as independent non-executive Directors on 15 March 2024. Each of them has obtained the legal advice referred to in Rule 3.09D of the Listing Rules on 14 March 2024 and has each confirmed that he understood his obligations as a Director.

Ms. YANG Huiyan is the sister and the wife of Ms. YANG Ziying and Mr. CHEN Chong respectively. Save as disclosed above, none of the other Directors has or maintains any family or other material/relevant relationship with any of the other Directors.

Independent Non-executive Directors

The independent non-executive Directors are of sufficient number and calibre for their views to carry weight. The functions of independent non-executive Directors include:

- bringing an independent view and judgement at Board meetings;
- taking the lead where potential conflicts of interests arise;
- serving on Board committees if invited; and
- scrutinizing the Company's performance and monitoring performance reporting.

The independent non-executive Directors have made a positive contribution to the development of the Company's strategies and policies through independent, constructive and informed comments. They benefit the Board and the Board committees by their skills, expertise, varied backgrounds and qualifications through regular attendance and active participation at the meetings of the Board and the Board committees.

In addition to the regular Board meetings, the Chairman met with the independent non-executive Directors without the presence of other Directors during the year ended 31 December 2024.

Composition of the Board is disclosed, and the independent non-executive Directors are identified, in all corporate communications to the Shareholders.

Confirmation of Independence

The independence of the independent non-executive Directors has been assessed in accordance with the applicable Listing Rules. Each of the independent non-executive Directors has made an annual written confirmation of independence pursuant to rule 3.13 of the Listing Rules. The Company is of the view that all independent non-executive Directors meet the guidelines for assessing independence set out in rule 3.13 of the Listing Rules and are independent.

Board Diversity Policy

The Board has adopted a board diversity policy effective as from 6 August 2013, and has updated the policy on 25 March 2021 and 13 December 2022. The Company takes into consideration the benefits of various aspects of diversity, including but not limited to gender, age, culture, ethnicity, education background, skills, knowledge, professional experience and other factors that may be relevant from time to time towards achieving a diversified Board. Appointment to the Board is based on merit and attributes that the selected candidates will bring to the Board to complement and expand the competencies, experience and perspectives of the Board as a whole, support good decision making in view of the core businesses and the corporate strategy of the Company, and support succession planning and development of the Board.

In addition, the Company recruits and elects suitable persons as Director candidates in accordance with the nomination policy of the Company so as to comprehensively achieve the Board's decision making and supervisory functions. The Company may also train their executives as Director candidates by assigning the executives different jobs through job rotation, going abroad and being directors of subsidiaries. To maintain the professional and experience inheritance of the Directors, the Company plans the succession for the Board through taking into account the nomination policy as a reference, inviting current Directors to recommend suitable candidates, and considering the Company's executives as well as the Director candidates recommended by Shareholders and will measure the gender diversity of the succession pipeline. The Board is not a single gender board currently. Details on the gender ratio in workforce (including Senior Management) of the Group, together with relevant data, are set out as below diagram. The Company will continue to monitor and evaluate the diversity policy from time to time to ensure its continued effectiveness.

As at 31 December 2024, an analysis of the Board composition based on the range of diversity perspectives is set out as follows:

Number of Directors	Gender	Designation	Age Group	Years of Service	Skills and Knowledge
9			>=60		Legal
8	Female		50–59	>5	Investment development management
7		Executive Director			Administration and business management
6					
5				>2–5	Financial management
4		Non-executive Director	40–49		
3	Male				Development strategy and marketing management
2		Independent Non-executive Director		0–2	
1			30–39		Property development, construction and building construction management

CORPORATE GOVERNANCE REPORT

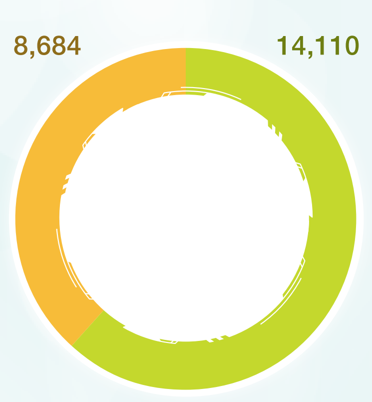
Each of the Board members possessed different skills and knowledge, including property development, construction and building construction management, development strategy and marketing management, financial management, administration and business management, investment development management and legal, etc. The Board is characterized by significant diversity in terms of gender, age, designation, length of service, skills and knowledge. The Board reviewed the implementation and effectiveness of the board diversity policy of the Company on an annual basis.

In 2024, the Company's gender diversity in the workforce is set out as follows:

THE NUMBER OF EMPLOYEES		2024 NUMBER OF EMPLOYEES (PERSON)	PERCENTAGE (%)
Total number of employees		22,794	100%
By gender	Male	14,110	61.90%
	Female	8,684	38.10%
By age	30 and below	5,519	24.21%
	31–40	12,570	55.15%
	41–50	3,405	14.94%
	51 and above	1,300	5.70%
By grade	Staff-level employees	16,585	72.76%
	Middle Management	5,976	26.22%
	Senior Management	233	1.02%
By employment type	Full-time	22,794	100%
	Part-time	0	0%
	Others	0	0%
By geographical region	Mainland China	21,940	96.25%
	Hong Kong, Macao and Taiwan	18	0.08%
	Oversea	836	3.67%

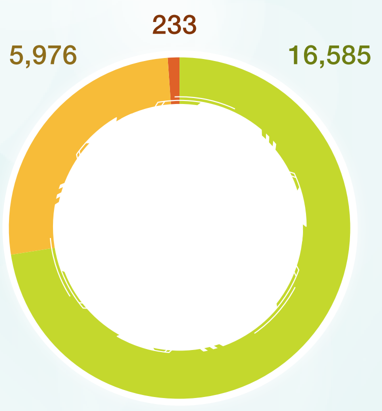
TALENT TEAM

BY GENDER



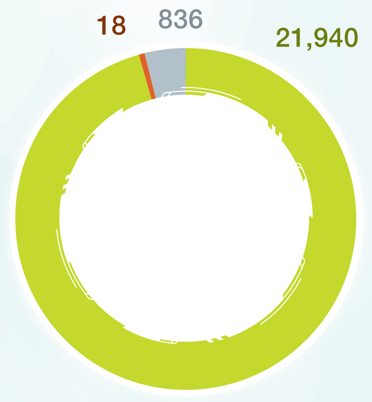
61.90% Male
38.10% Female

BY GRADE



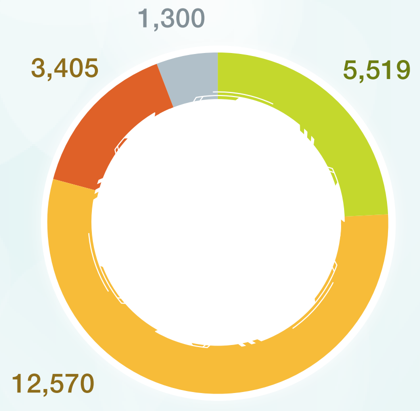
72.76% Staff-level employees
26.22% Middle management
1.02% Senior management

BY REGION



96.25% Mainland China
0.08% Hong Kong, Macao and Taiwan
3.67% Oversea

BY AGE



24.21% ≤30
55.15% 31–40
14.94% 41–50
5.70% ≥51

CORPORATE GOVERNANCE REPORT

Roles and Functions of the Board and the Management

The Board assumes responsibility for leadership and control of the Company and is collectively responsible for directing and supervising the Company's affairs. The Board is fully responsible for the formulation of business policies and strategies in relation to the business operation of the Group, including dividend policy and risk management strategies. The management is delegated the authority and responsibilities by the Board for the day-to-day management and operation of the Group.

Appointment, Continuation of Appointment and Re-election of Directors

All executive Directors have entered into service contracts with the Company, the non-executive Director and all independent non-executive Directors have entered into letters of appointment with the Company with a specific term of two years setting out key terms and conditions of their appointments. All Directors are subject to retirement in accordance with the Articles of Association.

According to the Articles of Association, (i) any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of members after his appointment and be subject to re-election at such meeting; (ii) any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election; and (iii) at each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement at an annual general meeting at least once every three years. As such, no Directors have a term of appointment longer than three years.

Board Meetings

According to the Corporate Governance Code, the Board should hold at least four meetings a year at approximately quarterly intervals. Additional meetings would be arranged, if and when required. The date of each meeting is decided in advance to enable the Directors to attend the meeting in person. For those Directors who are not able to attend these meetings in person, participation by telephone conference is available.

Notice of at least 14 days shall be given for a regular Board meeting to give all Directors an opportunity to attend. The draft of the agenda of the Board meeting shall be sent together with the notice of the Board meeting to the Directors so as to allow the Directors to have sufficient time to propose matters for inclusion in the agenda. For all other Board meetings, reasonable notice will be given. To ensure that all Directors are properly informed about the matters to be discussed at each regular Board meeting, documents in relation to the regular Board meeting are sent to each Director at least three days prior to the meeting.

If a substantial Shareholder or a Director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter will be dealt with by a physical Board meeting rather than a written resolution.

The joint company secretaries of the Company prepare detailed minutes of each Board meeting and Board committee meeting. After the meeting, draft and final versions of the minutes would be sent to the Directors for comment and records respectively as soon as practicable. Minutes of the meetings are kept by the Listing Company Secretariat of the Company and are open for inspection by any Director on reasonable notice.

During the year ended 31 December 2024, the Directors have made active contribution to the affairs of the Group. Due to the dynamic nature of the offshore debt restructuring of the Group and the numerous emerging issues requiring Board approval in relation thereto, for the sake of efficiency, only one Board meeting was held to, among other things, review and approve the postponement of publication of the annual results of the Group for the year ended 31 December 2023 and twenty-two written Board resolutions were passed by all Directors to approve other affairs of the Group during the year. Sufficient measures have been taken to ensure that there was efficient communication among the Directors.

Attendance Record of Directors

The attendance record of Directors at the meetings of the Board and the Board committees held during the year ended 31 December 2024 is set out below:

	Number of meetings attended/Number of meetings held for the year ended 31 December 2024					
Directors	Board	Audit Committee	Nomination Committee	Remuneration Committee	Corporate Governance Committee	Environmental, Social and Governance Committee
Executive Directors						
Ms. YANG Huiyan (Chairman)	1/1	N/A	1/1	1/1	1/1	1/1
Mr. MO Bin (President)	1/1	N/A	N/A	1/1	1/1	1/1
Ms. YANG Ziying	1/1	N/A	N/A	N/A	N/A	N/A
Dr. CHENG Guangyu	1/1	N/A	N/A	N/A	1/1	1/1
Ms. WU Bijun	1/1	N/A	N/A	N/A	N/A	N/A
Mr. SU Baiyuan[Note 1]	1/1	N/A	N/A	N/A	N/A	N/A
Non-executive Director						
Mr. CHEN Chong	1/1	N/A	N/A	N/A	N/A	N/A
Independent non-executive Directors						
Dr. HAN Qinchun[Note 2]	1/1	2/2	N/A	1/1	N/A	1/1
Mr. WANG Zhijian[Note 3]	1/1	2/2	1/1	1/1	N/A	1/1
Mr. TUO Tuo[Note 4]	1/1	2/2	1/1	1/1	N/A	1/1
Mr. LAI Ming, Joseph[Note 3]	N/A	N/A	N/A	N/A	N/A	N/A
Mr. SHEK Lai Him, Abraham[Note 2]	N/A	N/A	N/A	N/A	N/A	N/A
Mr. TONG Wui Tung[Note 4]	N/A	N/A	N/A	N/A	N/A	N/A
Mr. TO Yau Kwok[Note 1]	1/1	N/A	N/A	N/A	N/A	N/A

CORPORATE GOVERNANCE REPORT

Note 1: Mr. SU Baiyuan and Mr. TO Yau Kwok resigned as executive Director and independent non-executive Director respectively with effect from 1 November 2024.

Note 2: Mr. SHEK Lai Him, Abraham resigned as independent non-executive Director, members of Audit Committee, Remuneration Committee and Environmental, Social and Governance Committee with effect from 15 March 2024. Dr. HAN Qinchun was appointed as independent non-executive Director, the members of the aforementioned Board committees with effect from 15 March 2024.

Note 3: Mr. LAI Ming, Joseph resigned as independent non-executive Director, chairman of Audit Committee as well as a member of Nomination Committee, Remuneration Committee and Environmental, Social and Governance Committee with effect from 15 March 2024. Mr. WANG Zhijian was appointed as independent non-executive Director, the chairman and members of the aforementioned Board committees with effect from 15 March 2024.

Note 4: Mr. TONG Wui Tung resigned as independent non-executive Director, chairman of Remuneration Committee as well as a member of Audit Committee, Nomination Committee and Environmental, Social and Governance Committee with effect from 15 March 2024. Mr. TUO Tuo was appointed as independent non-executive Director, the chairman and members of the aforementioned Board committees with effect from 15 March 2024.

Access to Information

All Directors are kept informed on a timely basis of major changes that may have affected the Group's business, including those changes to relevant rules and regulations and are able to make further enquiries when necessary. Sufficient explanation and information have been provided to the Board by the management to enable the Board to make an informed assessment of financial and other information put before it for approval. They also have unrestricted access to the advice and services of the joint company secretaries of the Company, who are responsible for providing the Directors with board papers and related materials. A monthly update which gives a balanced and concise assessment of the Company's performance, position and prospects in sufficient details is provided to all Directors to enable the Board as a whole and each Director to discharge his or her duty. The Board has also agreed that the Directors may seek independent professional advice in performing their Directors' duties at the Company's expense.

Directors and Officers Liability Insurance

As disclosed in the interim report of the Company for the six months ended 30 June 2024, following the expiration date of the directors and officers liability insurance of last year (i.e. 21 May 2024), the Company was unable to make appropriate insurance arrangements in respect of legal actions arising from the conduct of its directors committed on or after 22 May 2024 as it takes time to discuss with insurance companies to provide the Company with a comprehensive and feasible insurance.

The Company has subsequently entered into an appropriate insurance agreement with effect from 1 March 2025 which through the retroactive date clause provides appropriate insurance coverage on Directors' and officers' liabilities in respect of any legal actions taken against the Directors and senior management arising out of corporate activities from 22 May 2024 to 31 December 2024. The insurance coverage and amount will be reviewed on an annual basis.

Directors' Training and Professional Development

Every newly appointed Director has been given a comprehensive, formal and tailored induction on appointment. Subsequently, the Directors will receive updates on the Listing Rules, legal and other regulatory requirements and the latest development of the Group's business and are encouraged to participate in continuous professional development to develop their knowledge and skills. During the year ended 31 December 2024, the Directors have participated in continuing professional development ("**CPD**"). All current Directors have provided the Company with their records of training received for the year. A summary of their records of training is provided as follows:

Directors	Types of CPD	Subject of CPD
	(Note 1)	(Note 2)
Executive Directors		
Ms. YANG Huiyan	1, 2	A, B
Mr. MO Bin	1, 2	A, B
Ms. YANG Ziying	1, 2	A, B
Dr. CHENG Guangyu	1, 2	A, B
Ms. WU Bijun	1, 2	A, B
Non-executive Director		
Mr. CHEN Chong	1, 2	A, B
Independent non-executive Directors		
Dr. HAN Qinchun (appointed on 15 March 2024)	2	A, B
Mr. WANG Zhijian (appointed on 15 March 2024)	2	A, B
Mr. TUO Tuo (appointed on 15 March 2024)	2	A, B

Note 1:

1 Attending in-house briefings/trainings, seminars, conferences or forums

2 Reading newspapers, journals and updates

Note 2:

A. Businesses related to the Company

B. Laws, rules and regulations, accounting standards

CORPORATE GOVERNANCE REPORT

Chairman and President

The roles of the Chairman and the President are separated to reinforce independence, accountability and responsibility. During the year ended 31 December 2024, Ms. YANG Huiyan, the Chairman, was responsible for the formulation of development strategies, investment decision making, overall project planning at the Group level, leading the Board and ensuring that the Board functions properly and effectively, whilst Mr. MO Bin, the President, was responsible for the management of the daily operation and general administration of the Group. Their respective responsibilities are clearly established and defined by the Board in writing.

In performing the role of Chairman, Ms. YANG Huiyan was responsible for, among other things:

- ensuring that good corporate governance practices and procedures are established;
- ensuring that all Directors are properly briefed on issues arising at Board meetings and that all Directors receive, in a timely manner, adequate information which must be accurate, clear, complete and reliable;
- encouraging all Directors to make a full and active contribution to the Board's affair and to voice their concerns even with different views, allowing sufficient time for discussion of issues, ensuring that Board decisions fairly reflect the Board's consensus, and taking the lead to ensure that the Board acts in the best interests of the Group;
- ensuring that appropriate steps are taken to provide effective communication with the Shareholders and their views are communicated to the Board as a whole; and
- promoting a culture of openness and debate by facilitating the effective contribution of non-executive Director and independent non-executive Directors in particular and ensuring constructive relations among executive Directors, non-executive Director and independent non-executive Directors.

In performing the role of President, Mr. MO Bin was responsible for, among other things:

- organizing and managing the Group's business;
- leading the corporate team to implement the strategies and plans established by the Board; and
- coordinating overall daily business operations of the Group.

Board Committees

The Board has established seven committees with specific written terms of reference to oversee particular aspects of the Company's affairs.

Audit Committee

The Audit Committee was established in December 2006 with written terms of reference, which are posted on the websites of the Stock Exchange and of the Company respectively. On 15 March 2024, Mr. LAI Ming, Joseph resigned as the chairman of the Audit Committee, Mr. SHEK Lai Him, Abraham and Mr. TONG Wui Tung resigned as the members of the Audit Committee. Mr. WANG Zhijian was appointed as the chairman of the Audit Committee, Dr. HAN Qinchun and Mr. TUO Tuo were appointed as members of Audit Committee on the same date. As at 31 December 2024, all the members of the Audit Committee are independent non-executive Directors, namely Mr. WANG Zhijian, Dr. HAN Qinchun and Mr. TUO Tuo. Mr. WANG Zhijian, who has appropriate professional accounting qualifications and financial management expertise as required under the Listing Rules, was appointed as the chairman of the Audit Committee. None of the members of the Audit Committee is a former partner of the auditors of the Company.

The principal duties of the Audit Committee include, among other things: (i) being primarily responsible for making recommendations to the Board on the appointment, re-appointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and any questions of its resignation or dismissal; (ii) reviewing and monitoring the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards; (iii) developing and implementing a policy on engaging an external auditor to supply non-audit services; (iv) monitoring the integrity of the Company's financial statements and the annual report and accounts, half-year report and, if prepared for publication, quarterly reports, before submission of the financial statements and reports to the Board, and reviewing significant financial reporting judgements contained in them; (v) reviewing the Company's financial control, risk management and internal control systems; and (vi) discussing the risk management and internal control systems with management to ensure that management has performed its duty to have effective systems.

The Audit Committee may seek any necessary information from employees within its terms of reference and obtain independent professional advice, at the Company's expense, to perform its responsibilities if it considers necessary. During the year ended 31 December 2024, the Audit Committee held two meetings and passed four written resolutions by all members, has duly discharged the above-mentioned duties. The attendance record of individual Directors at the Audit Committee meetings is set out on page 51 of this annual report.

CORPORATE GOVERNANCE REPORT

Nomination Committee

The Nomination Committee was established in March 2012 with written terms of reference, which are posted on the websites of the Stock Exchange and of the Company respectively. On 15 March 2024, Mr. LAI Ming, Joseph and Mr. TONG Wui Tung resigned as the members of the Nomination Committee. Mr. WANG Zhijian and Mr. TUO Tuo were appointed as members of Nomination Committee on the same date. As at 31 December 2024, the Nomination Committee was chaired by an executive Director, Ms. YANG Huiyan and consisted of two other members, who were independent non-executive Directors being Mr. WANG Zhijian and Mr. TUO Tuo.

The principal duties of the Nomination Committee include, among other things: (i) reviewing the policy concerning diversity of board members and the structure, size and composition of the Board and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy; (ii) developing and maintaining a policy for the nomination of board members which includes the nomination procedures and the process and criteria adopted by the Nomination Committee to identify, select and recommend candidates for directorship during the year and reviewing periodically the policy and the progress made towards achieving the objectives set in the policy; (iii) identifying individuals suitably qualified to become Board members and selecting or making recommendations to the Board on the selection of individuals nominated for directorships; (iv) assessing the independence of independent non-executive Directors; and (v) making recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors.

On 6 December 2018, the Nomination Committee and the Board respectively adopted the nomination policy of the Company:

Objectives

- The Nomination Committee shall nominate suitable candidates to the Board for it to consider and make recommendations to Shareholders for election as Directors at general meetings for appointment or re-appointment or appointment as Directors to fill casual vacancies or as an addition to the existing Board.

- The Nomination Committee may, as it considers appropriate, nominate a number of candidates more than the number of Directors to be appointed or re-appointed at a general meeting, or the number of casual vacancies to be filled.

- The Nomination Committee should ensure the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business.

Selection Criteria

- The factors to be used as reference by the Nomination Committee in assessing the suitability of a proposed candidate include:

  (i) reputation for integrity;

  (ii) accomplishment and experience in different industries;

  (iii) commitment in respect of available time and relevant interest;

  (iv) independence;

  (v) diversity in all its aspects, including but not limited to gender, age (18 years or above), cultural and educational background, ethnicity, qualifications, professional experience, skills, knowledge, independence and length of service;

  (vi) for proposed independent non-executive Directors who will be holding their seventh (or more) listed company directorship, whether the individuals would still be able to devote sufficient time to the board (including whether the individuals have extensive experience in corporate governance of listed companies, are familiar with the management of listed companies, have close and good communication with the management and other independent non-executive Directors, can make the management decision of the Company work properly, are a chairman of the board or chief executive officer or full time executive director of other listed companies, the business activity of other listed companies in which the individuals hold directorship, etc.); and

  (vii) other factors considered to be relevant by the Nomination Committee on a case-by-case basis, including the requirements and restrictions as stated in the Listing Rules.

  These factors are for reference only, and not meant to be exhaustive and decisive. The Nomination Committee has the discretion to nominate any person, as it considers appropriate.

- Retiring Directors are eligible for nomination by the Nomination Committee and recommendation by the Board to stand for re-election at a general meeting.

- Proposed candidates will be asked to submit the necessary personal information in a prescribed form, together with their written consent to be appointed as a Director and to the public disclosure of their personal data on any documents or the relevant websites for the purpose of or in relation to their standing for election as a Director.

- The Nomination Committee may request candidates to provide additional information and documents, if considered necessary.

CORPORATE GOVERNANCE REPORT

Nomination Procedures

- The secretary of the Nomination Committee or the joint company secretaries of the Company shall call a meeting of the Nomination Committee, and invite nominations of candidates from Board members if any, for consideration by the Nomination Committee prior to its meeting. The Nomination Committee may also identify candidates pursuant to the criteria set out above and put forward candidates who are not nominated by Board members.

- The Nomination Committee may use any process it deems appropriate to evaluate the candidates pursuant to the criteria set out above, which may include personal interviews, background checks, presentations or written submissions by the candidates and third party references.

- For filling a casual vacancy and for addition to the existing Board, the Nomination Committee shall make recommendations for the Board's consideration, approval and appointment. Any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting after his appointment and be subject to re-election at such meeting and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election. For proposing candidates to stand for election at a general meeting, the Nomination Committee shall make nominations to the Board for its consideration and recommendation to the Shareholders.

- In case of election at a general meeting, until the issue of the Shareholder circular, the nominated persons shall not assume that they have been proposed by the Board to stand for election at the general meeting.

- In order to provide information of the candidates nominated by the Board to stand for election at a general meeting, a circular will be sent to Shareholders by the Company. The names, brief biographies (including qualifications and relevant experience), independence, proposed remuneration and any other information, as required pursuant to the applicable laws, rules and regulations (including the Listing Rules), of the proposed candidates will be included in the circular to Shareholders. In addition, where a new Director is appointed or re-designated, the Company will announce the change as soon as practicable and include details of the relevant Director as required pursuant to the Listing Rules.

- The Shareholders may propose a person for election as a Director, details of which are set out in the "Procedures for Shareholders to Propose a Person for Election as a Director" of the Company. A Shareholder can serve a notice at the registered office, head office or the registration office (such place as the Board may from time to time determine to keep a branch register of members and where (except the Board otherwise directs) the transfer or other documents of title are to be lodged for registration and are to be registered) of the Company within the lodgement period of its intention to propose a resolution to elect certain person(s) as a Director, without the Board's recommendation or the Nomination Committee's nomination, other than those candidates set out in the Shareholder circular. The particulars of the candidates so proposed will be sent to all Shareholders for information by a supplementary circular.

- A candidate is allowed to withdraw his candidature at any time before the general meeting by serving a notice in writing to the joint company secretaries of the Company.

- The Board shall have the final decision on all matters relating to its recommendation of candidates to stand for election at any general meeting. The ultimate responsibility for selection and appointment of Directors rest with the entire Board.

The Nomination Committee may seek any necessary information from employees within its terms of reference and obtain independent professional advice, at the Company's expense, to perform its responsibilities if it considers necessary. During the year ended 31 December 2024, the Nomination Committee held one meeting and passed one written resolutions by all members, and has duly discharged the above-mentioned duties. The attendance of individual Directors at the Nomination Committee meeting is set out on page 51 of this annual report.

Remuneration Committee

The Remuneration Committee was established in December 2006 with written terms of reference, which are posted on the websites of the Stock Exchange and of the Company respectively. On 15 March 2024, Mr. TONG Wui Tung resigned as the chairman of the Remuneration Committee and Mr. LAI Ming, Joseph and Mr. SHEK Lai Him, Abraham resigned as the members of the Remuneration Committee. Mr. TUO Tuo was appointed as the chairman of the Remuneration Committee and Dr. HAN Qinchun and Mr. WANG Zhijian were appointed as the members of the Remuneration Committee on the same date. As at 31 December 2024, the Remuneration Committee was chaired by an independent non-executive Director, Mr. TUO Tuo and consisted of four other members, of whom two were executive Directors being Ms. YANG Huiyan and Mr. MO Bin, and two were independent non-executive Directors being Dr. HAN Qinchun and Mr. WANG Zhijian.

The principal duties of the Remuneration Committee include, among other things: (i) making recommendations to the Board on the Company's policy and structure for all Directors' and senior management's remuneration; (ii) reviewing and approving the management's remuneration proposals with reference to the Board's corporate goals and objectives; (iii) making recommendations to the Board on the remuneration packages of individual executive Directors, non-executive Director and senior management with reference to their performance and terms of the service contracts; and (iv) review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules.

The Remuneration Committee may consult the Chairman or the President about its remuneration proposals for the other executive Directors and senior management, seek any necessary information from senior management within its terms of reference and obtain independent professional advice, at the Company's expense, to perform its responsibilities if it considers necessary. During the year ended 31 December 2024, the Remuneration Committee held one meeting and passed one written resolutions by all members, and has duly discharged its duties, including but not limited to: (i) approving the new independent non-executive Directors' remuneration proposals; and (ii) reviewing of no grant of share options proposals. The attendance of individual Directors at the Remuneration Committee meeting is set out on page 51 of this annual report.

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During the year ended 31 December 2024, there has been no grants under the Share Option Schemes or the Share Award Scheme, and there were no material matters relating to the Share Option Schemes and the Share Award Scheme which required review or approval by the Remuneration Committee.

The Company has adopted a formal and transparent policy on remuneration of Directors and senior management (the "**Remuneration Policy**"). The Remuneration Policy was established by the Human Resources Department and Finance Department of the Company, and reviewed and approved by the Remuneration Committee and the Board. The Remuneration Policy may be revised by the Human Resources Department and Finance Department of the Group with reference to corporate policies and objectives, market research, market conditions, industry practices and other factors. All revisions of the Remuneration Policy will be subject to the review and approval of the Remuneration Committee and the Board. The Remuneration Committee is also responsible for annual review of the Remuneration Policy and the procedure for setting the policy. Under the Remuneration Policy, the remuneration packages of Directors and senior management shall be recommended by the Remuneration Committee to the Board (and to be reviewed and adjusted periodically) with reference to the following factors:

- remuneration packages of similar positions of other companies engaging in similar businesses and of similar size;

- business needs, general economic conditions and changes in the relevant human resources market;

- personal experience, level of responsibility, job complexity, time commitment, years of service and personal potential;

- any discretionary bonuses, performance bonuses, share awards, etc. for executive Directors and senior management should be linked to the financial performance of the Group and their individual performance, and the Chairman or President or independent professional advice should be consulted to ensure fairness of the remuneration packages and compliance with established policy and guidelines; remuneration levels should be sufficient to attract and retain executive Directors and senior management to supervise and run the Company without paying more than necessary;

- remuneration of non-executive Directors should be determined with reference to their workload, responsibilities and remuneration paid to other non-executive directors by organizations of similar size and nature; and

- no Directors should be involved in deciding that Director's own remuneration.

Under the Remuneration Policy, the remuneration packages of the employees other than Directors and senior management shall be viewed and adjusted periodically by the Human Resources Department and Finance Department of the Group with reference to the following factors:

— salary adjustment based on up-to-market information, including the competitive positioning, the cost of living and the projected pay increase in the similar business:

— to establish indicators to evaluate performance and profitability of each department and individual of the Group, and distribute the appropriate level of bonuses, cash bonuses and grant share awards according to the terms of Share Award Scheme;

— distribution to individual employees are guided by divisional and individual performances, where managers may make adjustments to account for other factors, including overall total compensation position (i.e. base salary plus bonuses and share awards, etc.), internals pay levels and external remuneration benchmarks; and

— no employees should be involved in deciding that employee's own remuneration.

The remuneration of the members of the senior management (other than Directors) by band for the year ended 31 December 2024 is set out below:

RMB	Number of members of senior management
2,000,001 to 3,000,000	3
3,000,001 to 4,000,000	1
6,000,001 to 7,000,000	2

Corporate Governance Committee

The Corporate Governance Committee was established in March 2012 with written terms of reference. As at 31 December 2024, the members of the Corporate Governance Committee were all executive Directors, namely Ms. YANG Huiyan, Mr. MO Bin and Dr. CHENG Guangyu. Ms. YANG Huiyan was the chairman of the Corporate Governance Committee.

CORPORATE GOVERNANCE REPORT

The principal duties of the Corporate Governance Committee include, among other things: (i) developing and reviewing the Company's policies and practices on corporate governance and making recommendations to the Board; (ii) reviewing and monitoring the training and continuous professional development of Directors and senior management; (iii) reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements; (iv) developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to the Group's employees and Directors; and (v) reviewing the Company's compliance with the Corporate Governance Code and disclosure in the Corporate Governance Report.

The Corporate Governance Committee may seek any necessary information from employees within its terms of reference and obtain independent professional advice, at the Company's expense, to perform its responsibilities if it considers necessary. During the year ended 31 December 2024, the Corporate Governance Committee held one meeting and has duly discharged the above-mentioned duties. The attendance of individual Directors at the Corporate Governance Committee meeting is set out on page 51 of this annual report.

Environmental, Social and Governance Committee

The Environmental, Social and Governance Committee was established in May 2020 with written terms of reference. On 15 March 2024, Mr. LAI Ming, Joseph, Mr. SHEK Lai Him, Abraham and Mr. TONG Wui Tung resigned as members of the Environmental, Social and Governance Committee. Dr. HAN Qinchun, Mr. WANG Zhijian and Mr. TUO Tuo were appointed as members of the Environmental, Social and Governance Committee on the same date. As at 31 December 2024, the Environmental, Social and Governance Committee was chaired by an executive Director, Ms. YANG Huiyan and consisted of five other members, of whom two were executive Directors being Mr. MO Bin and Dr. CHENG Guangyu, and three were independent non-executive Directors being Dr. HAN Qinchun, Mr. WANG Zhijian and Mr. TUO Tuo.

The principal duties of the Environmental, Social and Governance Committee include, among other things: (i) formulating and reviewing the Group's environmental, social and governance ("**ESG**") liabilities, vision, strategies, structure, principles and policies; (ii) monitoring the channels and means of communication with the Group's stakeholders; (iii) reviewing key ESG trends and related risks and opportunities, and assess the adequacy and effectiveness of the Group's ESG structure and business model; (iv) overseeing the Group's sustainability performance; (v) overseeing the funding of the initiatives on corporate social responsibilities; and (vi) reviewing and recommending to the Board for approval of the annual Environmental, Social and Governance Report of the Company.

The Environmental, Social and Governance Committee may seek any necessary information from employees within its terms of reference and it is authorised by the Board to obtain external legal or other independent professional advice and to invite outsiders with relevant experience and expertise to attend the meetings if required. During the year ended 31 December 2024, the Environmental, Social and Governance Committee held one meeting. The attendance of individual Directors at the Environmental, Social and Governance Committee meetings is set out on page 51 of this annual report.

Executive Committee

The Executive Committee was established in June 2014 with written terms of reference. As at 31 December 2024, the members of the Executive Committee were all executive Directors, namely Ms. YANG Huiyan, Mr. MO Bin, Ms. YANG Ziying and Dr. CHENG Guangyu. Ms. YANG Huiyan was appointed as the chairman of the Executive Committee.

The principal duties of the Executive Committee include, among other things: (i) discussing and making decisions on matters relating to the management and operations of the Company including but not limited to corporate matters, financial/treasury planning and to form strategy; (ii) considering and making recommendations to the Board on acquisitions of or investments in business or projects; and (iii) reviewing and discussing any other matters as may from time to time be delegated by the Board.

The Executive Committee may seek any necessary information from senior management within its terms of reference and obtain independent professional advice, at the Company's expense, to perform its responsibilities if it considers necessary. During the year ended 31 December 2024, the Executive Committee has passed three resolutions (by way of written resolutions or by way of meetings) and has duly discharged the above-mentioned duties.

Finance Committee

The Finance Committee was established in August 2014 with written terms of reference. As at 31 December 2024, the Finance Committee consisted of seven members, of whom five were executive Directors being Ms. YANG Huiyan, Mr. MO Bin, Ms. YANG Ziying, Dr. CHENG Guangyu and Ms. WU Bijun, and the two other members are senior management of the finance centre of the Company. Ms. WU Bijun was appointed as the chairman of the Finance Committee.

The principal duties of the Finance Committee include, among other things: (i) approving the opening and cancelling of bank/securities accounts in name of the Company ("**Accounts**") and the changing of authorised signatories of the Accounts and dealing with any other matters from time to time in relation to the Accounts; (ii) executing any matters in relation to buy-back of shares of the Company pursuant to the authorisation granted by the Board from time to time and the mandate given by the Shareholders; and (iii) executing any matters in relation to the employees' share incentive scheme pursuant to the authorisation granted by the Board from time to time (unless otherwise provided for under Chapter 17 of the Listing Rules).

The Finance Committee may seek any necessary information from senior management within its terms of reference and obtain independent professional advice, at the Company's expense, to perform its responsibilities if it considers necessary. During the year ended 31 December 2024, no meeting was held by the Finance Committee.

CORPORATE GOVERNANCE REPORT

Joint Company Secretaries

Mr. LEUNG Chong Shun and Mr. LUO Jie are joint company secretaries of the Company. Mr. LEUNG Chong Shun is a practicing lawyer in Hong Kong and is not a full-time employee of the Company. Mr. LUO Jie is a full-time employee of the Company. They are responsible for advising the Board on corporate governance and Hong Kong legal matters.

During the year ended 31 December 2024, the primary contact person of the Company with Mr. LEUNG Chong Shun is Mr. LUO Jie, the head of the Listing Company Secretariat of the Company. Mr. LEUNG Chong Shun and Mr. LUO Jie have confirmed that they have taken no less than 15 hours of relevant professional training during the year ended 31 December 2024.

Risk Management and Internal Control Systems

The Board has the overall responsibility for maintaining sound and effective risk management and internal control systems to safeguard the Group's assets and the Shareholders' interests, as well as, with the Audit Committee and the Risk Management Internal Committee, reviewing the effectiveness of these systems. The Group's risk management and internal audit department is delegated with responsibility to ensure and maintain sound risk management and internal control systems by continuously reviewing and monitoring the operation of the risk management and internal control systems and procedures so as to manage rather than eliminate the risk of failure to achieve business objectives and ensure that they can provide reasonable and not absolute assurance against material misstatement or loss and to manage risks of failure in the Group's operational systems.

Risk Management and Internal Control

Objectives

The risk management and internal control systems are designed and implemented to achieve the following business objectives:

- evaluating and determining the nature and extent of the risks (including ESG risks) that the Company is willing to take in achieving its strategic objectives
- effectiveness and efficiency of operations
- reliability of financial reporting
- compliance with applicable laws and regulations

Group Risk Management Framework

The Group's risk management and internal control systems were developed by making reference to the Internal Control Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("**COSO**"). The Group's risk management and internal control systems consist of eight interdependent integrated components. They jointly ensure the operation of the Group's risk management and internal control systems. These components are internal environment, objective setting, event identification, risk assessment, risk response, control activities, information and communication, and monitoring.

In order to enhance the effectiveness of the risk management and internal control systems, as well as to improve the level of management and risk response ability of the Group, the Board announced the establishment of the Risk Management Internal Committee on 13 May 2015. The Risk Management Internal Committee is authorized by the Audit Committee to deal with the Group's risk management matters, including overseeing the effectiveness of the Group's strategies and risk management system. On this basis, the Board established a risk management structure which consists of three levels, i.e. the Risk Management Internal Committee, risk management execution party and risk management monitoring party. The chart below shows the organization structure of the Group's risk management framework.

CORPORATE GOVERNANCE REPORT

The roles of the key parties in our risk management structure are outlined below:

Risk Management Internal Committee (Decision Making)

- Establish and update the Company's risk management policies

- Review the Company's risk appetite, risk management strategies and risk management framework, and report the review results to the Audit Committee and provide recommendations for improvement

- Set up risks identification, assessment and management procedures

- Oversee the implementation of risk management policies and compliance with relevant statutory rules and regulations

- Report any significant risk management issues to the Audit Committee and the suggested solutions

- Review the results of the stress-testing for the major risks (including ESG risks) and the assessment on the Company's capability to withstand the stressed conditions particularly in terms of profitability, capital adequacy and liquidity

- Perform other relevant duties as requested by the Audit Committee

Management at the Group's Headquarters (Execution)

Senior management (President and Vice Presidents) are responsible for group-level risk management:

- Responsible for the design and implementation of the overall risk management systems, including organizing and coordinating cross-functional risk management work, as well as providing professional advice to significant decisions which involve considerable risks (including ESG risks)

- Under the organization and coordination of senior management, the respective functional centers participate in cross-divisional and other relevant risk management activities

Management at the subsidiaries of the Group (Execution)

- Management as divided by areas, projects, subsidiaries and branches are responsible for risk management at the respective level

- Under the organization and coordination of the Risk Management Internal Committee of the Group, the management staff members who are responsible for risk management at subsidiary level carry out risk management activities at business level according to the risk management procedures

The Group's Risk Management and Internal Audit Department (Monitoring)

- Monitor, review and evaluate the operation of risk management by the Group and its subsidiaries

Review of the Risk Management and Internal Control Systems

During the year ended 31 December 2024, the Group continued to enhance its risk management framework and internal control mechanisms. The risk management and internal audit department executed annual plans to systematically conduct internal risk identification across 6 major business areas and 15 key business processes. The in-depth review focused on critical objectives of "ensuring project delivery and sustaining operations," evaluating and streamlining related business processes. This process identified enterprise-level risks in fund operations management, asset management, and corporate legal affairs management. Remediation plans were formulated to address gaps and weaknesses uncovered during internal control reviews, while continuous improvements were made to IT system controls to strengthen process monitoring and risk management during operational execution.

The risk management and internal audit department compiled monthly risk summary reports for timely submission to the Risk Management Internal Committee, ensuring efficient risk information communication and response. The risk management and internal audit department also has conducted follow-up reviews periodically to ensure remedial actions are taken on a timely basis, and has reported the results of the follow-up reviews to the Audit Committee.

The Board, in conjunction with the Audit Committee and the Risk Management Internal Committee, annually assessed and reviewed the effectiveness of the Group's risk management and internal control systems and procedures for the relevant financial year covering all material controls, including financial, operational and compliance control and considered the adequacy of resources, qualifications and experience of staff of the Group's accounting, internal audit and financing reporting function, and their training programmes and budget, as well as those relating to the Company's ESG performance and reporting. The risk management and internal control systems were considered effective and adequate.

During the year ended 31 December 2024, the Audit Committee and the Risk Management Internal Committee have reviewed reports from the Group's risk management and internal audit department with their findings and recommendations for improvement. The external auditors have also reported any observations they identified in the course of their work to the Group, and are satisfied that there is an ongoing process in place for identifying, evaluating and managing the significant risks faced by the Group.

During the year ended 31 December 2024, the Group has implemented procedures and internal controls for the handling and dissemination of inside information. In particular, the Group:

- has conducted its affairs with close regard to the disclosure requirement under the Listing Rules as well as the "Guidelines on Disclosure of Inside Information" published by the Securities and Futures Commission in June 2012;

- has established its own disclosure obligation procedures, which set out the procedures and controls for the assessment of potential inside information and the handling and dissemination of inside information. The procedures have been communicated to the senior management and staff of the Company, and their implementation was monitored by the Company; and

- has made broad, non-exclusive disclosure of information to the public through channels such as financial reports, public announcements and its website.

CORPORATE GOVERNANCE REPORT

Whistleblower Policy and Anti-Corruption Policy

The Group has established a whistleblower policy since 2008 and updated the policy in 2022. Whistleblowing channels are published in all workplace. The policy is to facilitate employees, partners and customers to report complaints and internal malpractices anonymously and confidentially to the Risk Control Audit and Supervision Centre or the Audit Committee of the Company via telephone, Email or mail. The Group will review, investigate and follow up these complaints. Once cases are verified, investigation results will be reported to the senior management of the Group and the Board. If there is sufficient evidence to prove that the reported matter is suspected to constitute a crime, the Group will transfer the case to relevant judicial department for their handling, and will cooperate with the relevant judicial department to carry out investigation.

The Group always upholds a culture of transparency and has zero tolerance for fraud and corruption. Details of internal policies on anti-corruption of the Group are set out in the website of the Company.

Mechanism on Independent Views to the Board

According to the written terms of the "Mechanism on Independent Views to the Board" of the Company (the "**Mechanism**"), the Directors may seek independent legal, financial or other professional advice from advisors independent of those advising the Company as and when necessary in appropriate circumstances to enable them to discharge their responsibilities effectively, either on the Company's affairs or in respect of their fiduciary or other duties, at the Company's expense.

To ensure independent views and input are available to the Board, the selection criteria and process of independent non-executive Directors set out in the Company's Nomination Policy and all requirements on independent non-executive Directors set out in the Listing Rules form an integral part of the Mechanism. The independent non-executive Directors shall make a positive contribution to the development of the Company's strategies and policies through independent, constructive and informed comments, as well as benefit the Board and the Board committees by their skills, expertise, varied backgrounds and qualifications through regular attendance and active participation at the meetings of the Board and the Board committees. Their functions include but not limited to bringing an independent view and judgment at Board meetings; taking the lead where potential conflicts of interests arise; serving on Board committees if invited; and scrutinizing the Company's performance and monitoring performance reporting.

The Board reviewed the Mechanism on an annual basis to ensure the implementation and effectiveness of the Mechanism.

Auditor's Remuneration

For the year ended 31 December 2024, the remuneration paid/payable to the auditor of the Company is set out as follows:

Service rendered	RMB million
Audit service for 2024:	
— Annual audit services of the Company (including interim review services)	7

Directors' Responsibility on the Consolidated Financial Statements

The Directors acknowledge their responsibility for preparing the consolidated financial statements for the year ended 31 December 2024, which were prepared in accordance with statutory requirements and applicable accounting standards. The Board aims to present a balanced, clear and understandable assessment of the Group's position and prospects in annual reports, interim reports and other financial disclosures required by the Listing Rules.

The reporting responsibility of the external auditor of the Company on the consolidated financial statements of the Group is set out in the independent auditor's report on pages 108 to 110 of this annual report.

Going Concern and Mitigation Measures

As a result of the matters described in the section headed "Basis for Disclaimer of Opinion — Scope limitation relating to the assessment on the appropriateness of the going concern basis of preparing the Consolidated Financial Statements" in the independent auditor's report on page 108 of this annual report, the Company's independent auditor, ZHONGHUI ANDA CPA Limited (the "**Auditor**"), did not express an opinion on the consolidated financial statements of the Group for the year ended 31 December 2024.

The Auditor stated in the disclaimer of opinion that, in all other respects, the consolidated financial statements of the Group for the year ended 31 December 2024 have been properly prepared in compliance with the disclosure requirements under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

The Directors have given careful consideration to the future liquidity and performance of the Group, its available sources of financing, and various plans and measures formulated by the Group in order to alleviate the liquidity pressure and improve the Group's financial condition, details of which are set out in note 2.1(iii) to the "NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS" in this report. The Directors have reviewed the Group's cash flow projections, which covers a period of not less than 12 months from 31 December 2024, and are of the opinion that the Group will be able to meet its financial obligations as and when they fall due within twelve months from 31 December 2024 in view of such plans and measures. Accordingly, the Directors consider that the preparation of the consolidated financial statements for the year ended 31 December 2024 on a going concern basis is appropriate.

CORPORATE GOVERNANCE REPORT

The Audit Committee has discussed with the Board and the Group's management regarding the going concern issue, and on the basis of the orderly implementation of the plans and measures, agreed with the position taken by the Group's management and the Board regarding the accounting treatment adopted by the Company.

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

Further details on the material uncertainties relating to the Group's going concern and the mitigation measures are set out in note 2.1(iii) to the "NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS" in this report.

Communication with Shareholders

The Board has adopted a shareholders' communication policy and has revised the same in December 2022 to reflect the current practices of the Company to maintain an on-going communication with its Shareholders, which has been posted on the website of the Company. Information shall be communicated to Shareholders and the investors through continuous disclosure of all material information of the Company, periodic disclosure through financial announcements and reports (interim and annual reports) of the Company, newsletters, annual general meetings and other Shareholders' meetings of the Company (if any), and websites of the Stock Exchange and of the Company. Shareholders should direct their questions about their shareholdings or corporate communication to the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited. The general meeting of the Company and the provision of email address of the Investor Relations Department of the Company for shareholders' enquires provided a platform for Shareholders to provide comments and suggestions and exchange views with the Board, and for the Board to solicit and understand the views of the Shareholders. Shareholders are encouraged to provide, among other things, in particular, their email address to the Company in order to facilitate timely and effective communications. The Board reviews the implementation and effectiveness of this policy regularly. In light of the availability of various channels to communicate with the Shareholders, the Board has considered the implementation and effectiveness of the shareholders' communication policy to be effective and adequate during the year.

Dividend Policy

The Board adopted a dividend policy that, in recommending or declaring dividends, the Company shall maintain adequate liquidity for its working capital requirements and for future growth and shall comply with the Articles of Association and all applicable laws and regulations. The Board shall have regard to the following factors of the Group when considering the declaration and payment of dividends:

- past financial results;
- past and forecasted cash flows;
- business conditions and strategies;
- future operations and earnings;
- capital requirements and expenditure plans;
- interests of Shareholders;
- any restrictions on payment of dividends (including contractual restrictions, i.e. from financing-related agreements); and
- any other factors that the Board may consider relevant.

The Company does not have any pre-determined dividend payout ratio. The Board will continually review, revise and update the dividend policy from time to time. If the Board decides to recommend, declare or pay dividends, the form, frequency and amount will depend upon the situation and applicable factors at the relevant time.

The dividend policy does not constitute a legally binding commitment that the Company will distribute any specific amount of dividends, nor will it in any way hold the Company liable to declare dividends at any time or from time to time.

Shareholders' Right

Shareholder(s) holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company can make a written requisition to the Board or the joint company secretaries of the Company to require an extraordinary general meeting to be convened pursuant to Article 58 of the Articles of Association. The written requisition must state the objects of the meeting, and must be signed by the relevant Shareholder(s) and deposited at the registered office of the Company at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands, in addition to the principal place of business in Hong Kong at Suite 1702, 17/F., Dina House, Ruttonjee Centre, 11 Duddell Street, Central, Hong Kong.

CORPORATE GOVERNANCE REPORT

If within 21 days of the deposit of the requisition, the Board fails to proceed to convene an extraordinary general meeting, the relevant Shareholder(s) himself (themselves) may convene a physical meeting at only one location which will be the principal meeting place (as defined in Article 59(2) of the Articles of Association), and all reasonable expenses incurred by the relevant Shareholder(s) as a result of the failure of the Board to convene a meeting shall be reimbursed to the relevant Shareholder(s) by the Company.

There are no provisions under the Articles of Association or the Companies Act (As revised) of the Cayman Islands regarding procedures for Shareholders to put forward proposals at general meetings other than a proposal of a person for election as Director. Shareholders may follow the procedures set out above to convene an extraordinary general meeting for any business specified in such written requisition.

Shareholders may at any time send their enquiries and concerns in writing to the Board or the joint company secretaries of the Company at the principal place of business in Hong Kong at Suite 1702, 17/F., Dina House, Ruttonjee Centre, 11 Duddell Street, Central, Hong Kong or by email to ir@countrygarden.com.cn.

Constitutional Documents

During the year ended 31 December 2024, there was no change in the Company's constitutional documents.

Investor Relations

As a listed company, the Group respects voices from the Shareholders and the capital market. The Group is constantly committed to enhancing the information transparency and strengthening the level of corporate governance so as to strive for greater value for the Shareholders.

The Group formulated a systematic platform for information disclosure and communication. The Group facilitates communication through various channels such as internet networks, site visits, media interviews, roadshows (online, domestic or international) and meetings, and timely responses to the demand from the Shareholders and investors. For the year ended 31 December 2024, the Group continued to issue monthly newsletters to provide further operating details which improved the quality of information disclosure; the Group continued its close communication with investors by non-trading roadshows, reverse roadshows, and participating in roadshows held by various financial institutions in Asia-Pacific and Europe regions. In the communication process, the Group timely introduced to investors its operating results, development strategy and business updates that enhanced investors' understanding of and confidence in the Group. Meanwhile, the dedicated team of the Group timely summarized and analyzed information of the capital market, and gave feedback to the management in a systematic manner.

Going forward, the dedicated investor relations team will, by way of calls, emails, online interaction platform, meetings, and site visits etc., continue its interaction with investors, listen to opinions from the market, convey information of the Group and protect the long-term trust between investors and the Group. The Directors and employees who have contacts or dialogues with investors, analysts, media or other interested outside parties are required to comply with the disclosure obligations and requirements under the Company's relevant information disclosure policy and other laws and regulations.

REPORT OF THE DIRECTORS

The Board hereby presents the audited consolidated financial statements of the Group for the year ended 31 December 2024.

Principal Activities

The Company is an investment holding company and its subsidiaries are principally engaged in property development, construction, interior decoration, property investment, and the development and management of hotels. The Group offers a broad range of products to cater for diverse demands, namely residential projects such as townhouses, condominiums, car parks and retail shop spaces. The Group also develops and manages hotels at some of its property projects with the aim of enhancing the properties' marketability. The Group's other businesses are robotics and light-asset entrusted management and construction services.

An analysis of the Group's revenue and operating results for the year ended 31 December 2024 by principal activities is set out in note 5 to the audited consolidated financial statements of the Group.

Results

The results of the Group for the year ended 31 December 2024 are set out in the audited consolidated income statement and the audited consolidated statement of comprehensive income of the Group on pages 113 to 114 of this annual report.

Business Review

The business review of the Group for the year ended 31 December 2024 is set out as below:

		Section(s) in this Annual Report	Page No. of this Annual Report
a.	Fair review of the Company's business	Management Discussion and Analysis	26 to 33
b.	Description of the principal risks and uncertainties the Company is facing	Management Discussion and Analysis	26 to 33
c.	Particulars of important events affecting the Company that have occurred since the year ended 31 December 2024 (if any)	Report of the Directors	102 to 103
d.	Indication of likely future development in the Company's business	Chairman Statement and Management Discussion and Analysis	12 to 15 and 26 to 33
e.	Analysis using financial key performance indicators	Five Year Financial Summary and Management Discussion and Analysis	25 and 26 to 33

REPORT OF THE DIRECTORS

		Section(s) in this Annual Report	Page No. of this Annual Report
f.	Discussion on the Company's environmental policies and performance	Country Garden has always strived to operate environmentally, make efficient use of resources and foster a green living environment in property projects that we develop. Minimising adverse impact of construction and development as well as promoting green buildings and green offices are some of our most important environmental responsibilities. We stringently comply with legislations related to environmental protection in markets that we operate in, and take location specific environmental conditions into concern whenever we develop a project, to minimise our impact on the natural environment. Further information about the Company's environmental policies and performance is described in the "2024 Environmental, Social and Governance Report" (a standalone report).	Not applicable
g.	An account of the Company's key relationships with its employees, customers and suppliers and others that have a significant impact on the Company and on which the Company's success depend	Management Discussion and Analysis and Report of the Directors	26 to 33 and 73 to 105
h.	Discussion on the Company's compliance with the relevant laws and regulations that have a significant impact on the Company	Corporate Governance Report and Report of the Directors	45 to 72 and 73 to 105

Final Dividend

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

Property, Plant and Equipment

Details of the movements in property, plant and equipment during the year ended 31 December 2024 are set out in note 6 to the audited consolidated financial statements of the Group.

Borrowings

Details of the borrowings during the year ended 31 December 2024 are set out in note 23 to the audited consolidated financial statements of the Group.

Share Capital

Details of the movements in the share capital of the Company during the year ended 31 December 2024 are set out in note 24 to the audited consolidated financial statements of the Group.

Convertible Bonds

On 21 November 2018, the Company, Smart Insight International Limited (the "**Issuer**", a wholly-owned subsidiary of the Company), J.P. Morgan Securities plc, Goldman Sachs (Asia) L.L.C and The Hongkong and Shanghai Banking Corporation Limited (the "**Joint Lead Managers**") entered into an agreement, under which the Joint Lead Managers agreed to subscribe for the 4.50% secured guaranteed convertible bonds due 2023 to be issued by the Issuer in the aggregate principal amount of HKD7,830 million (the "**2023 Convertible Bonds**"). On 5 December 2018, the Issuer issued the 2023 Convertible Bonds in the principal amount of HKD7,830 million. The 2023 Convertible Bonds are listed on SGX. The 2023 Convertible Bonds have matured on 5 December 2023 and were defaulted. The conversion period under the terms of the 2023 Convertible Bonds has expired.

Please refer to the announcements of the Company dated 21 November 2018, 22 November 2018, 12 December 2018, 24 May 2019, 12 September 2019, 1 June 2020, 15 September 2020, 2 June 2021, 13 September 2021, 6 December 2021 and 6 June 2022, and the circular of the Company dated 11 April 2019 for further details.

On 20 January 2022, the Company, the Issuer and UBS AG Hong Kong Branch (the "**Sole Bookrunner**") entered into an agreement, under which the Sole Bookrunner agreed to subscribe for the 4.95% secured guaranteed convertible bonds due 2026 to be issued by the Issuer in the aggregate principal amount of HKD3,900 million (the "**2026 Convertible Bonds**"). On 28 January 2022, the Issuer issued the 2026 Convertible Bonds in the principal amount of HKD3,900 million. The 2026 Convertible Bonds are listed on SGX. There was no change to the conversion price of the 2026 Convertible Bonds since 13 June 2022. Accordingly, as at the date of this report, based on the total outstanding principal amount of the 2026 Convertible Bonds of HKD3,900 million, the 2026 Convertible Bonds may be converted into the maximum number of 492,424,242 Shares at the latest modified conversion price of HKD7.92 per Share (as last adjusted on 13 June 2022) during the conversion period under the terms of the 2026 Convertible Bonds. No bondholders have exercised their conversion right under the 2026 Convertible Bonds during the year ended 31 December 2024. As at 31 December 2024, the 2026 Convertible Bonds were cross-defaulted.

REPORT OF THE DIRECTORS

Please refer to the announcements of the Company dated 21 January 2022 and 6 June 2022 for further details.

Details of convertible bonds are set out in note 22 to the audited consolidated financial statements of the Group, which form part of the disclosure in this report of the Directors.

Equity Linked Agreements

Save as disclosed in the sections headed "Convertible Bonds" and "Employee Incentive Mechanisms", no equity linked agreements were entered into during or subsisted at the end of the year ended 31 December 2024.

Directors' Right to Acquire Shares or Debentures

Save as disclosed in the section headed "Employee Incentive Mechanisms", at no time during the year ended 31 December 2024 was the Company, any of its subsidiaries, fellow subsidiaries or its holding companies 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 body corporate.

Distributable Reserves

As at 31 December 2024, the Company has no distributable reserve (2023: Nil).

Details of the movements in reserves during the year ended 31 December 2024 are set out in note 43 to the audited consolidated financial statements of the Group.

Donations

The total donations made by the Group during the year ended 31 December 2024 amounted to approximately RMB0.48 million (2023: approximately RMB64 million).

Permitted Indemnity Provision

The Articles of Association provide that every Director is entitled to be indemnified out of the assets of the Company against all losses and damages which he/she may sustain or incur in or about the execution of the duties of his/her office or otherwise in relation thereto.

The Group has taken out and maintained directors' liability insurance for the year ended 31 December 2024, which provides appropriate cover for the Directors.

The permitted indemnity provisions were in force during the year ended 31 December 2024 for the benefit of the Directors.

Five Years Financial Summary

A five years financial summary of the Group is set out on page 25 of this annual report.

Major Customers and Suppliers

For the year ended 31 December 2024, revenue attributable to the largest customer of the Group amounted to approximately 0.39% of the total revenue of the year and the five largest customers of the Group accounted for less than 30% of the Group's revenue of the year.

For the year ended 31 December 2024, purchases attributable to the largest supplier of the Group amounted to approximately 2.19% of the total purchases in the year and the five largest suppliers of the Group accounted for less than 30% of the Group's purchases in the year.

Directors' and Shareholders' Interests in Suppliers and Customers of the Group

The Directors, their close associates and the Shareholders (who to the knowledge of the Directors own more than 5% of the issued Shares) did not have any interests in the five largest customers and suppliers of the Group for the year ended 31 December 2024.

Management Contracts

No contracts other than employment contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended 31 December 2024.

Directors and Directors' Service Contracts

The Directors during the year ended 31 December 2024 and up to the date of this annual report are:

Executive Directors

Ms. YANG Huiyan *(Chairman)*
Mr. MO Bin *(President)*
Ms. YANG Ziying
Dr. CHENG Guangyu
Ms. WU Bijun
Mr. SU Baiyuan (resigned on 1 November 2024)

Non-executive Director

Mr. CHEN Chong

Independent non-executive Directors

Dr. HAN Qinchun (appointed on 15 March 2024)
Mr. WANG Zhijian (appointed on 15 March 2024)
Mr. TUO Tuo (appointed on 15 March 2024)
Mr. TO Yau Kwok (resigned on 1 November 2024)
Mr. LAI Ming, Joseph (resigned on 15 March 2024)
Mr. SHEK Lai Him, Abraham (resigned on 15 March 2024)
Mr. TONG Wui Tung (resigned on 15 March 2024)

In accordance with article 83(3) of the Articles of Association, Dr. HAN Qinchun, Mr. WANG Zhijian and Mr. TUO Tuo who were appointed as independent non-executive Directors to fill casual vacancies on the Board with effect from 15 March 2024 will hold office only until the 2025 AGM and, being eligible, offer themselves for re-election at the 2025 AGM.

REPORT OF THE DIRECTORS

In accordance with article 84 of the Articles of Association, Ms. YANG Huiyan, Mr. MO Bin and Ms. YANG Ziying shall retire from office by rotation and, being eligible, offer themselves for re-election at the 2025 AGM.

No Director proposed for re-election at the 2025 AGM has entered into a service contract with the Company or any of its subsidiaries which is not determinable by the employing company within one year without payment of compensation other than statutory compensation.

Changes to Information in Respect of Directors

In accordance with rule 13.51B(1) of the Listing Rules, the changes to information required to be disclosed by the Directors pursuant to paragraphs (a) to (e) and (g) of rule 13.51(2) during the year ended 31 December 2024 and up to the date of this report are set out below:

1. **Directors' service agreement and remuneration**

   The emoluments of the independent non-executive Directors are determined with reference to their important duties in the Company, workload, the Company's remuneration policy and the prevailing market conditions. After reviewing these factors, the Remuneration Committee and the Board have approved appropriate adjustment to their director's fee on 28 March 2025.

   According to the above approval, each of the following independent non-executive Directors has entered into director's supplemental letters of appointment with the Company. Under the supplemental letters of appointment, the latest annual salary as an independent non-executive Director has been adjusted as follows (with effect from 1 April 2025):

Director	Annual Salary Before Adjustment RMB million	Annual Salary After Adjustment RMB million
Dr. HAN Qinchun	0.24	0.36
Mr. WANG Zhijian	0.24	0.36
Mr. TUO Tuo	0.24	0.36

Directors' and Senior Management's Emoluments and Five Highest Paid Individuals

Details of the remuneration of the Directors and senior management, together with those of the five highest paid individuals of the Group for the year ended 31 December 2024 are set out in note 30 and note 45 to the audited consolidated financial statements of the Group and the section headed "Board Committees — Remuneration Committee" under the corporate governance report.

The emolument payable to the Directors (including salary and other benefits) are recommended by the Remuneration Committee of the Company for the Board's approval, having regard to the Group's results, Directors' performance, duties, etc.

Directors' Interests in Contracts of Significance

Save as disclosed under the section headed "Connected Transactions and Continuing Connected Transactions" and note 42 to the audited consolidated financial statements of the Group, no transactions, arrangements or contracts of significance in relation to the Company's business to which the Company, any of its subsidiaries, its fellow subsidiaries or its holding companies was a party and in which a Director or his or her connected entities had a material interest, whether directly or indirectly, subsisted at the end of or at any time during the year ended 31 December 2024.

Directors' and Their Close Associates' Interests in Competing Business

On 21 July 2021, the Company entered into, inter alia, a deed of non-competition and indemnity (the "**Deed**") with Ms. YANG Huiyan ("**Ms. YANG**") (the then co-chairman and current chairman of the Board, executive Director and controlling Shareholder) to replace the original deeds of non-competition (the "**Original Deeds of Non-Competition**") entered into on 29 March 2007 with Mr. YEUNG Kwok Keung ("**Mr. YEUNG**"), Ms. YANG and other then relevant covenantors (including Qingyuan CG and Qingyuan Country Cultural Development Co., Ltd.) prior to the listing of the Shares in 2007. The Deed has been considered and passed in the extraordinary general meeting of the Company on 22 December 2021 (the "**Effective Date**"), and the Original Deeds of Non-Competition were terminated at the same time. For the sake of completeness, a deed of non-competition and indemnity was similarly entered into by the Company with Mr. YEUNG (the then chairman of the Board and executive Director) on 21 July 2021 and approved on 22 December 2021, but has since automatically terminated when Mr. YEUNG ceased to be the chairman of the Board and executive Director, and ceased to be binding on Qingyuan CG and Qingyuan Country Cultural Development Co., Ltd. (both being close associates of Mr. YEUNG), on 1 March 2023.

Ms. YANG has unconditionally and irrevocably undertaken and warranted under the Deed that, after the Effective Date, she will not, and will procure any of her respective close associates (other than members of the Group) not to, (i) participate in or operate any business which directly or indirectly competes or may compete with business from time to time engaged in by the Group, other than: (a) the Group's business; (b) investment which is not in the nature of a "business"; (c) business which the Group has newly engaged in that was not a restricted business and she or her close associates have hitherto carried on or participated in or been interested in; and (d) any business segment or market which the Group will not invest in, as approved by a board committee comprising independent non-executive directors who do not have an interest in the business opportunity (the "**Independent Board**") ((a)-(d) collectively, the "**Exempted Business**") (the "**Restricted Business**"), or (ii) hold any interests or rights in any companies or businesses (other than the Group and the Exempted Business) which directly or indirectly so compete or may compete with the business of the Group except where they hold less than 5% of the total issued share capital in any company which competes with the business of the Group and have no right to appoint the majority of the board of directors thereof.

Besides, the Deed also formulates a competing business opportunity review mechanism, which requires Ms. YANG and her close associates to first refer new business opportunity of the Restricted Business to the Company. In case the Company declines such business opportunity, Ms. YANG and her close associates are entitled to accept such business opportunity upon passing the competing business opportunity review mechanism (including the approval by the Independent Board). Similarly, in case any restricted business opportunity offered by a third party is declined by the Company or the Company intends to sell a project and Ms. YANG or her close associates wish(es) to accept, they could participate in or operate the relevant Restricted Business upon passing the competing business opportunity review mechanism (including the approval by the Independent Board). For those Restricted Business participated or operated by Ms. YANG or her close associates upon passing the competing business opportunity review mechanism, the Company shall have the pre-emptive right thereof.

REPORT OF THE DIRECTORS

Pursuant to the Deed, the independent non-executive Directors shall review, at least once every year, the performance of the Deed by Ms. YANG to confirm that she has complied with the terms of the Deed. The Company has received confirmation letter from Ms. YANG on the compliance with the terms of the Deed by herself and her close associates, confirming that all conditions and terms of the Deed have been complied with during the year ended 31 December 2024. In particular, Ms. YANG has used the competing business opportunity review mechanism under the Deed for 64 new business opportunities during the year ended 31 December 2024 in addition to 12 new business opportunities in both 2023 and 2022 respectively, and 1 share investment business opportunity of China Resources Vanguard (Holding) Company Limited ("**Vanguard**") in 2021. For details regarding description of previous new business opportunities and the decision of the Independent Board in rejecting the business opportunities, please refer to the section headed "Directors' and Their Close Associates' Interests in Competing Business" in the report of the Directors in the Annual Reports 2021, 2022 and 2023 of the Company.

All of the 64 new business opportunities during the year ended 31 December 2024 involve the purchase, holding and operation of certain real estates, shops, parking spaces etc. by various subsidiaries of CG Services. The total value of those real estates, shops and parking spaces is approximately RMB1.2 billion, 62 of which are used to offset the debts of the debtors of various subsidiaries of CG Services, whereas 2 of which are new business opportunities purchased from certain independent third parties with the plan for business use, future public sales or as designated housing for eligible employees of the CG Services Group. Taking into account of, among other things, the unclear outlook of the current real estate industry adjustment period, the liquidity risks of the relevant debtors, the Company's operating risks and cash flows, the fact that the Company's capital shall first be used in the development of its major property business and to secure capital turnover, the total business volume, potential return and profit margin of the relevant business opportunities, and the fact that the geographical locations of the business opportunities of the relevant real estates, shops and parking spaces do not constitute substantial competition, the Independent Board has passed resolutions to review and decide that the Company would not participate in such new business opportunities, and approved that Ms. YANG or her close associate be entitled to participate in or operate such business opportunities pursuant to the terms of the Deed. As such, CG Services Group has participated in or operated such business opportunities. Ms. YANG has also requested the variation or substitution of certain assets of a debtor of a subsidiary of CG Services (from the total amount of approximately RMB5.30 million to RMB5.33 million) in 1 business opportunity which was approved under the competing business opportunity review mechanism to be transferred to the subsidiary of CG Services for use to offset debts back in June 2023. The adjustment was due to the assets being found to be connected with fund supervision accounts which rendered the assets difficult for destocking and risky and unsuitable for debt repayment. The Independent Board has passed resolutions to review and approve such variation or substitution of assets.

Despite the above engagement of new business opportunities by subsidiaries of CG Services, and in light of the factors considered by the Independent Board, the Company is independent of businesses of CG Services and Vanguard, and the Company and each of CG Services and Vanguard operate their respective businesses at arm's length for their own interests. For details regarding the Company's independence from CG Services, please refer to the section headed "Relationship with our Controlling Shareholders" in the listing documents of CG Services.

Ms. YANG hereby declares that she has complied with all conditions and terms of the Deed during the year ended 31 December 2024. The independent non-executive Directors have reviewed the confirmation letter from Ms. YANG, and assessed whether Ms. YANG and her close associates have complied with the Deed, and are satisfied that Ms. YANG has complied with the terms of the Deed during the year ended 31 December 2024.

Save as disclosed above, as at 31 December 2024, none of the Directors and their close associates were considered to be interested in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

Connected Transactions and Continuing Connected Transactions

Details of connected transactions and continuing connected transactions not exempted under Chapter 14A of the Listing Rules entered into or subsisting (in the case of continuing connected transactions entered into in previous years) in the year ended 31 December 2024 are disclosed below.

(1) Connected Transactions

There were no connected transactions of the Company which were required by the Listing Rules to be disclosed during the year ended 31 December 2024.

(2) Continuing Connected Transactions

During the year ended 31 December 2024, the Company has entered into certain transactions which constitute continuing connected transactions (as defined in the Listing Rules) of the Company. Pursuant to the disclosure requirements in the annual report under rules 14A.49 and 14A.71 of the Listing Rules, details of these transactions are set out below:

(a) Agreements of Continuing Connected Transactions

(i) Design Services Agreement

Pursuant to the design services further supplemental agreement dated 22 August 2017 and the 2018 Design Services Supplemental Agreement dated 21 March 2018 entered into between Shunde Country Garden and Elite Architectural, Elite Architectural agreed to provide survey work, property design and interior design services to the Group on terms no less favourable than those available to independent third parties for three years commencing from 1 January 2017 to 31 December 2019 which later extended for a further term of one year commencing on 1 January 2020 by virtue of the 2018 Design Services Supplemental Agreement.

The engagement pursuant to the 2018 Design Services Supplemental Agreement expired on 31 December 2020. Accordingly, on 4 December 2020, Elite Architectural and Shunde Country Garden entered into a further supplemental agreement ("**2020 Design Services Supplemental Agreement**"), pursuant to which the 2018 Design Services Supplemental Agreement was extended for a further term of three years commencing on 1 January 2021.

The engagement pursuant to the 2020 Design Services Supplemental Agreement expired on 31 December 2023. Accordingly, on 29 December 2023, Elite Architectural and Shunde Country Garden entered into a further supplemental agreement ("**2023 Design Services Supplemental Agreement**"), pursuant to which the 2020 Design Services Supplemental Agreement was extended for a further term of three years commencing on 1 January 2024 with annual caps for the fees for the relevant transactions being approximately RMB500 million, RMB450 million and RMB450 million respectively for each of the three years ending 31 December 2026. For the year ended 31 December 2024, the total amount of survey work, property design and interior design services charged by Elite Architectural amounted to RMB251 million.

REPORT OF THE DIRECTORS

Shunde Country Garden is a wholly-owned subsidiary of the Company, and Ms. YANG Meirong (Ms. YANG Huiyan and Ms. YANG Ziying's aunt) indirectly owned more than 50% interest in Elite Architectural. Ms. YANG Huiyan is the Chairman and an executive Director and Ms. YANG Ziying is an executive Director, Elite Architectural is therefore a majority-controlled company indirectly held by a relative of Ms. YANG Huiyan and Ms. YANG Ziying, and a deemed connected person of the Company under the Listing Rules. Transactions contemplated under the 2023 Design Services Supplemental Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

(ii) *Property Management Services Framework Agreement*

As disclosed in the Company's announcement dated 19 March 2018, the Company proposed to spin-off and separately list CG Services, engaging in the property management business of the Group then, on the main board of the Stock Exchange by way of introduction (the "**Spin-off**"). CG Services was listed on the main board of the Stock Exchange on 19 June 2018. Following the completion of the Spin-off, CG Services has become a 30%-controlled company indirectly held by Ms. YANG Huiyan, the Chairman, an executive Director and the controlling Shareholder. As such, CG Services is an associate of Ms. YANG Huiyan and thus a connected person of the Company.

On 1 June 2018, the Company entered into a property management services framework agreement with CG Services, which sets out the principal terms of the property management services to be provided by CG Services and its subsidiaries (collectively, the "**CG Services Group**") to the Group immediately after the Spin-off, in respect of the unsold property units and the sold property units prior to the agreed delivery date set out in the relevant property purchase contract for projects developed by the Group and managed by CG Services Group, for a term commencing on 19 June 2018 until 31 December 2020 (the "**2018 Property Management Services Framework Agreement**").

Since the 2018 Property Management Services Framework Agreement expired on 31 December 2020, the Company entered into a new property management services framework agreement with CG Services on 4 December 2020 (the "**2020 Property Management Services Framework Agreement**"), for a term commencing on 1 January 2021 until 31 December 2023, which has been approved by the independent shareholders of CG Services.

Since the 2020 Property Management Services Framework Agreement expired on 31 December 2023, the Company entered into a new property management services framework agreement with CG Services on 29 December 2023 (the "**2023 Property Management Services Framework Agreement**"), for a term commencing on 1 January 2024 until 31 December 2026. The annual caps of transactions contemplated under the 2023 Property Management Services Framework Agreement are respectively RMB440 million, RMB410 million and RMB370 million for each of the three years ending 31 December 2026. For the year ended 31 December 2024, the value of the property management services provided by the CG Services Group to the Group was RMB215 million.

Since CG Services is a connected person of the Company, transactions between the Group and the CG Services Group under the 2023 Property Management Services Framework Agreement therefore constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

(iii) Non-property Owner Value-added Services Framework Agreement

On 18 September 2018, the Company entered into a sales and leasing agency services framework agreement with CG Services, which sets out the principal terms for the provision of sales and leasing agency services in respect of unsold parking spaces of the Group and provision of sales agency services in respect of unsold property units of the Group (the "**Sales and Leasing Agency Services**"), by the CG Services Group to the Group for a term commencing on 18 September 2018 until 31 December 2020 (the "**2018 Sales and Leasing Agency Services Framework Agreement**").

Since the 2018 Sales and Leasing Agency Services Framework Agreement expired on 31 December 2020, the Company entered into a new sales and leasing agency services framework agreement with CG Services on 4 December 2020 (the "**2020 Sales and Leasing Agency Services Framework Agreement**"), for a term commencing on 1 January 2021 until 31 December 2023, which has been approved by independent shareholders of CG Services.

The consultancy and other services framework agreement dated 1 June 2018 (the "**2018 Consultancy and Other Services Framework Agreement**") and consultancy and other services supplemental agreement dated 18 September 2018 (the "**2018 Consultancy and Other Services Supplemental Agreement**") were entered into between the Company and CG Services, which set out the principal terms of the consultancy and other services to be provided by CG Services Group to the Group, such as consultancy services to the on-site sales office of the Group and cleaning services for the properties developed by the Group before delivery to homeowners, for a term commencing on 19 June 2018 until 31 December 2020.

The advertising and domestic services framework agreement dated 23 August 2019 (the "**Advertising and Domestic Services Framework Agreement**") was entered into between the Company and CG Services, which set out the principal terms for the provision of advertising services (which comprise installation, maintenance and dismantling services) by the CG Services Group to the Group in relation to advertisements to be displayed at certain advertising spaces located in the common areas of the property projects managed by the CG Services Group (the "**Advertising Services**") and domestic services including home cleaning, household appliances cleaning, garden maintenance, home maintenance and other domestic services by the CG Services Group to the purchasers of property units of the Group (the "**Domestic Services**"), for a term commencing on 23 August 2019 until 31 December 2020.

On 18 March 2020, the Company entered into an elevators installation and other services framework agreement with CG Services (the "**Elevators Installation and Other Services Framework Agreement**"), which sets out the principal terms for provision of elevator products installation, supporting services and other services to be provided by the CG Services Group to the Group (the "**Elevators Installation Services**"), for a term commencing on 18 March 2020 until 31 December 2020.

REPORT OF THE DIRECTORS

Since the 2018 Consultancy and Other Services Framework Agreement, 2018 Consultancy and Other Services Supplemental Agreement, Advertising and Domestic Services Framework Agreement and Elevators Installation and Other Services Framework Agreement expired on 31 December 2020, the Company entered into a new consultancy and other services framework agreement with CG Services on 4 December 2020 (the "**2020 Consultancy and Other Services Framework Agreement**"), which sets out the principal terms for provision of the consultancy services, the Advertising Services, the Domestic Services, the Elevators Installation Services and other services (including technology services, after-sales maintenance and warranty services for houses and buildings, turnkey furnishing services, hotel management services, institutional food services, disinfection and pest control services and other services) to be provided by the CG Services Group to the Group, for a term commencing on 1 January 2021 until 31 December 2023, which has been approved by independent shareholders of CG Services.

As the 2020 Sales and Leasing Agency Services Framework Agreement and the 2020 Consultancy and Other Services Framework Agreement expired on 31 December 2023, the Company entered into a new non-property owner value-added services framework agreement with CG Services on 29 December 2023 (the "**2023 Non-property Owner Value-added Services Framework Agreement**"), which sets out the principal terms for provision of the consultancy services (including (i) select and employ office managers to reside in the sales office and provide consulting services; (ii) assist the Group in establishing the management system, operating procedures and work plans for sales office services, special service projects, asset management services and other services, and guide the Group's staff to carry out concierge reception, visit reception, water bar services, order maintenance, environmental maintenance, greenery maintenance, hydro-power engineering maintenance, model room management, property inspection, land reclamation, cleaning, asset management services and other services; and (iii) provide engineering services to the Group), the Sales and Leasing Agency Services, the Advertising Services, the Elevators Installation Services and other services (including technology services, after-sales maintenance and warranty services for buildings, turnkey furnishing services and pest control services and other services) to be provided by the CG Services Group to the Group, for a term commencing on 1 January 2024 until 31 December 2026. The annual caps of transactions contemplated under the 2023 Non-property owner Value-added Services Framework Agreement are respectively RMB340 million, RMB250 million and RMB220 million for each of the three years ending 31 December 2026. For the year ended 31 December 2024, the fees payable by the Group to the CG Services Group under the 2023 Non-property Owner Value-added Services Framework Agreement was RMB274 million.

Since CG Services is a connected person of the Company (see above), transactions between the Group and the CG Services Group under the 2023 Non-property Owner Value-added Services Framework Agreement therefore constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

(iv) *Hotel, Engineering and Transportation Services Framework Agreement*

On 4 December 2020, the Company entered into a hotel, engineering and transportation services framework agreement with CG Services, which sets out the principal terms for the provision of hotel accommodation, maintenance on the public facilities, shuttle-bus transportation services and other services by the Group to the CG Services Group for a term commencing on 1 January 2021 until 31 December 2023 (the "**2020 Hotel, Engineering and Transportation Services Framework Agreement**").

Since the 2020 Hotel, Engineering and Transportation Services Framework Agreement expired on 31 December 2023, the Company entered into a hotel, engineering and transportation services framework agreement with CG Services on 29 December 2023 (the "**2023 Hotel, Engineering and Transportation Services Framework Agreement**") for a term commencing on 1 January 2024 until 31 December 2026. The annual caps of transactions contemplated under the 2023 Hotel, Engineering and Transportation Services Framework Agreement are respectively RMB45 million, RMB45 million and RMB45 million for each of the three years ending 31 December 2026. For the year ended 31 December 2024, the value of the hotel, engineering and transportation services provided by the Group to the CG Services Group was RMB42 million.

Since CG Services is a connected person of the Company (see above), transactions between the Group and the CG Services Group under the 2023 Hotel, Engineering and Transportation Services Framework Agreement therefore constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

The above continuing connected transactions are all subject to the reporting, annual review and announcement requirements but exempted from independent Shareholders' approval requirement under the Listing Rules.

(b) Annual Review of Continuing Connected Transactions

Pursuant to rule 14A.55 of the Listing Rules, all independent non-executive Directors have reviewed the continuing connected transactions subsisting in the year ended 31 December 2024 as set out under sub-section (a) above and confirmed that the continuing connected transactions have been entered into:

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

(ii) on normal commercial terms or better or, if there were not sufficient comparable transactions to judge whether they were on normal commercial terms or better, on terms no less favourable to the Group than terms available to or from (as appropriate) independent third parties; and

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

REPORT OF THE DIRECTORS

For the purpose of rule 14A.56 of the Listing Rules, ZHONGHUI ANDA CPA Limited, the auditor of the Company, has provided a letter to the Board, confirming that nothing has come to their attention that causes them to believe that the continuing connected transactions:

(i) have not been approved by the Board;

(ii) were not, in all material respects, in accordance with the pricing policies of the Group if the transactions involve the provision of goods or services by the Group;

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

(iv) have exceeded the cap.

(c) Others

The connected transactions and continuing connected transactions disclosed above also constitute related party transactions under the Hong Kong Financial Reporting Standards. A summary of significant related party transactions made during the year ended 31 December 2024 is disclosed in note 42 to the financial statements.

Certain items under note 42(a) to the financial statements also constitute connected or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

The Board confirms that the Company has complied with the disclosure requirements as required by the Listing Rules in relation to the aforementioned connected or continuing connected transactions.

Save as disclosed above and under note 42 to the audited consolidated financial statements of the Group, no contract of significance was entered into or subsisting (i) between the Company or any of its subsidiaries and the controlling Shareholder or any of its subsidiaries, (ii) for the provision of services to the Company or any of its subsidiaries by the controlling Shareholder or any of its subsidiaries.

Employee Incentive Mechanisms

For the purpose of rewarding the contribution of the Senior Management (including the executive Directors of the Company who are also Senior Management) and employees of the Group engaging in profitable property development projects of the Group, two incentive mechanisms (as amended from time to time) (the "**Incentive Mechanisms**") were adopted by the Group (with the latest versions being adopted on 27 December 2019 and 18 September 2020 respectively), which respectively concern property development projects located in the Mainland China and property development projects located in Hong Kong and other overseas jurisdictions (the "**Property Development Projects**"). Under the Incentive Mechanisms, in general, Senior Management and employees will primarily be provided with cash rewards, calculated with reference to net profits generated from the Property Development Projects and the Group's internal rate of return. A portion of these cash rewards will then be used as either (i) the consideration for the exercise of the share options to be granted to them by the Company under the terms of the Share Option Schemes (in respect of certain executive Directors of the Company who are also Senior Management) or (ii) the consideration for the purchase of Shares (i.e. the share awards) (in respect of Senior Management who are not Directors and employees of the Company).

(i) **Share Award Scheme**

The aforementioned share awards to the Senior Management who are not Directors and employees of the Company are funded by existing Shares, and shall be distributed in accordance with the Principles for Employees' Shares Conversion Rights (as amended from time to time) adopted by the Group on 11 February 2015 (the "**Share Award Scheme**"). The Share Award Scheme has no fixed expiry date.

According to the trust deed approved by the Board on 27 January 2015, the trustee of the Share Award Scheme is Power Great Enterprises Limited ("**Power Great**"), a wholly-owned subsidiary of the Company.

The following is a summary of the principal terms of the Share Award Scheme:

(a) Purpose of the Share Award Scheme

The purpose of the Share Award Scheme is to align with the Incentive Mechanisms so that the Senior Management who are not Directors and employees of the Group may receive cash awards under the Incentive Mechanisms in exchange for the existing Shares, thereby incentivising those who have served the Group loyally for a long time and at the same time created better efficiency and made great contribution to the Group.

(b) Eligible Participants

The eligible participants are Senior Management who are not Directors and employees of the Group.

(c) Total Number of Shares held by Power Great under the Share Award Scheme

As the grantees of the Share Award Scheme are using a portion of their cash rewards received under the Incentive Mechanisms to purchase Shares, the Share Award Scheme did not specify a maximum number of Shares that can be used. As at the date of this report, Power Great held a cumulative total of 283,259,032 Shares available for use under the Share Award Scheme (which includes Shares that have been granted to the relevant employees with the registration and transfer procedures yet to be completed) (as of 1 January 2024: 283,259,032; as of 31 December 2024: 283,259,032), representing 1.01% of the issued Shares as at the date of this report.

(d) Number of Shares to be Granted to each Participant and the Grant Price of Shares

As the grantees of the Share Award Scheme are using a portion of their cash rewards received under the Incentive Mechanisms to purchase Shares, the Share Award Scheme did not specify the maximum entitlement of each participant and there is no separate amount payable by them on application or acceptance of the award. The Group calculates the number of Shares that can be obtained by the relevant participants by dividing the relevant portion of the after-tax cash rewards allocated to the relevant participants under the Incentive Mechanisms in exchange for share awards by the grant price of Shares specified in the Share Award Scheme.

The grant price of Shares under the Share Award Scheme shall be the higher of:

(i) the closing price of the Shares for the last trading day of the calendar month in which the date of grant falls; and

(ii) the average closing price of the Shares for the last 5 trading days of the calendar month in which the date of grant falls.

"Date of grant" means the date of approval by the Board or its authorized persons (being the president and chief financial officer of the Group). If such dates fall within the black-out period (if any) under the Listing Rules, the date of grant shall be the working day immediately following the black-out period.

(e) Lock-up Period

The Shares granted under the Share Award Scheme are subject to a lock-up period of 5 years from the date of grant (the "**Lock-up Period**"). On the date of grant, the beneficial interest in the Shares will be transferred to the relevant participants, provided that the Shares will be held and managed by Power Great as trustee, and Power Great as the registered Shareholder. The management of the Group may adjust the Lock-up Period according to the timing of settlement of the Property Development Projects or other reasons that are beneficial to the incentive of employees.

After the end of the Lock-up Period, if the relevant participants can satisfy the terms and requirements of the Incentive Mechanisms, the Group will discharge the trust in respect of all the relevant Shares and arrange for the transfer and registration procedures to transfer the legal interest in the Shares to the relevant participants.

If the relevant participant fails to satisfy the terms and requirements of the Incentive Mechanisms, including death, voluntary resignation or being dismissed due to work error (including but not limited to violation of the Company's regulations, damaging the Company's interests, dereliction of duty, corruption and bribery, etc.) prior to the satisfaction of the terms and requirements of the Incentive Mechanisms, the relevant participant shall transfer the beneficial interest in all the relevant Shares to Power Great at a consideration of HKD1.00.

During the year ended 31 December 2024, Power Great as the trustee of the Share Award Scheme had not purchased any Share from the market, and had not acquired any Share by any other means. During the year ended 31 December 2024, no Shares were granted under the Share Award Scheme. Details of movements in the share awards are as follows:

	Share awards							
Category of grantees	Outstanding as at 1 January 2024[1]	Granted during the year	Vested during the year	Lapsed during the year	Outstanding as at 31 December 2024	Grant price per Share HKD	Date of grant	Lock-up period Expiry Date
Director								
Dr. CHENG Guangyu	1,757,149	0	0	0	1,757,149	2.92–7.00	11.02.2015–23.03.2017	10.02.2020–22.03.2022
Five highest paid individuals during the financial year (in aggregate)	14,922,453	0	0	0	14,922,453	3.066–16.82	11.02.2015–22.07.2019	10.02.2020–21.07.2024
Other grantees (in aggregate)	149,067,390	0	0	312,992	148,754,398	2.92–16.82	11.02.2015–05.12.2019	10.02.2020–04.12.2024

Note:

1. These Shares were held and managed by Power Great as trustee and registered holder pursuant to the terms of the Share Award Scheme.

Share Option Schemes

(a) 2007 Share Option Scheme

On 20 March 2007, the 2007 Share Option Scheme was approved and adopted by the then Shareholders for a period of 10 years commencing on the adoption date. The 2007 Share Option Scheme has expired on 19 March 2017. A summary of the principal terms of the 2007 Share Option Scheme is set out as follows:

(i) Purpose of the 2007 Share Option Scheme

The purpose of the 2007 Share Option Scheme was to provide incentives to the participants.

(ii) Eligible Participants

The participants of the 2007 Share Option Scheme were employees of the Company and its subsidiaries including the executive Directors and non-executive Directors.

REPORT OF THE DIRECTORS

(iii) ***Grant of Options***

The Board was entitled at any time, within 10 years after the date of adoption of the 2007 Share Option Scheme, to make an offer of the grant of an option to any participant. Following the date of expiry of the 2007 Share Option Scheme, no subsequent options may be granted under the 2007 Share Option Scheme.

(iv) ***Payment on Acceptance of Option Offer***

HKD1.00 was payable by the participant to the Company on acceptance of the option offer as consideration for the grant within 28 days from the date upon which the option offer was made.

(v) ***Subscription Price of Shares***

The subscription price of an option to subscribe for Shares granted pursuant to the 2007 Share Option Scheme was the highest of:

- the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date on which an option offer was made to a participant, which had to be a business day;
- the average of the closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date on which an option offer was made; and
- the nominal value of a Share.

(vi) ***Maximum Number of Shares Available for Subscription***

The total number of Shares which might be issued upon exercise of all options to be granted under the 2007 Share Option Scheme must not in aggregate exceed 10% of the total number of Shares in issue immediately following completion of the global offering and the capitalization issue of the Company. The 10% limit might be refreshed with the approval by ordinary resolution of the Shareholders. The maximum number of Shares which might be issued upon exercise of all outstanding options granted and yet to be exercised under the 2007 Share Option Scheme must not exceed 30% of the issued share capital of the Company from time to time. As at 19 March 2017 (the date of expiry of the 2007 Share Option Scheme), a total of 1,636,000,000 Shares (including options to subscribe for 14,061,871 Shares that have been granted but not yet lapsed or exercised as at that date) (representing approximately 7.66% of the issued share capital of the Company as at 19 March 2017) were available for issue under the 2007 Share Option Scheme. As at the date of this report, 3,922,138 options granted under the 2007 Share Option Scheme remained outstanding. The number of Shares available for issue upon exercise of all these options represented approximately 0.01% of the issued share capital of the Company as at the date of this report.

(vii) Maximum Entitlement of Shares of each Participant

- The total number of Shares issued and to be issued upon exercise of all options granted under the 2007 Share Option Scheme and any other share option schemes of the Company to each participant (including both exercised and outstanding options) in any 12-month period shall not exceed 1% of the total number of Shares in issue.

- Where Shares issued and to be issued upon exercise of all options already granted and to be granted under the 2007 Share Option Scheme and any other share option scheme of the Company (including options exercised, cancelled and outstanding) to a participant who is a substantial Shareholder or an independent non-executive Director, or any of his or her associate in the 12-month period up to and including the date of grant, (1) representing in aggregate more than 0.1% of the total number of Shares in issue; and (2) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HKD5,000,000, the proposed grant of option must be approved by the Shareholders by poll in general meeting.

(viii) Option Period

The exercise period of any option granted under the 2007 Share Option Scheme was not longer than 10 years from the date of grant of the relevant option. The Board had the authority to determine the minimum period for which an option had to be held before it could be exercised.

During the year ended 31 December 2024, details of movements in the share options under the 2007 Share Option Scheme are as follows:

	Options to subscribe for Shares								
Category of grantees	Outstanding at 1 January 2024	Granted during the year[1]	Exercised during the year	Cancelled during the year	Lapsed during the year	Outstanding at 31 December 2024	Exercise price per Share HKD	Date of grant	Exercisable period
Other participants[2]	1,506,227	–	–	–	–	1,506,227	3.332	16.03.2016	16.03.2021–15.03.2026
	1,599,861	–	–	–	–	1,599,861	3.106	11.05.2016	11.05.2021–10.05.2026
	816,050	–	–	–	–	816,050	3.740	19.08.2016	19.08.2021–18.08.2026
Total	3,922,138	–	–	–	–	3,922,138			

Notes:

1. The 2007 Share Option Scheme has expired on 19 March 2017. Following the date of expiry of the 2007 Share Option Scheme, no subsequent options may be granted under the 2007 Share Option Scheme. During the year ended 31 December 2024, no share options were granted by the Company in accordance with the terms of the 2007 Share Option Scheme. Therefore, the total number of Shares which may be issued in respect of share options granted under the 2007 Share Option Scheme during the year divided by the weighted average number of Shares in issue during the year is zero.

2. The "Other participants" are former Directors.

3. As at 1 January 2024 and 31 December 2024, the number of share options available for grant under the 2007 Share Option Scheme was zero since the 2007 Share Option Scheme has expired on 19 March 2017.

REPORT OF THE DIRECTORS

(b) 2017 Share Option Scheme

In view of the expiry of the 2007 Share Option Scheme on 19 March 2017, the 2017 Share Option Scheme was approved and adopted by the Shareholders at the annual general meeting of the Company held on 18 May 2017 for the period of 10 years commencing on the adoption date and ending 17 May 2027. A summary of the principal terms of the 2017 Share Option Scheme is set out as follows:

(i) Purpose of the 2017 Share Option Scheme

The purpose is to provide the people and the parties working for the interests of the Group with an opportunity to obtain equity interest in the Company, thus linking their interest with the interest of the Group and thereby providing them with incentives to work better for the interest of the Group and/or rewards for their contribution and support to the Group.

(ii) Eligible Participants

The following persons are eligible to participate in the 2017 Share Option Scheme:

- any executive or non-executive directors (including certain Senior Management who were also executive Directors of the Company at the time of grant) of each member of the Group and their associates; and
- any full-time employees of each member of the Group.

(iii) Grant of Options

The Board shall be entitled at any time and from time to time, within 10 years after the date of adoption of the 2017 Share Option Scheme, to make an offer of the grant of an option to any participant.

(iv) Payment on Acceptance of Option Offer

HKD1.00 is payable by the participant to the Company on acceptance of the option offer as consideration for the grant within 28 days from the date upon which the option offer is made.

(v) Subscription Price of Shares

The subscription price of an option to subscribe for Shares granted pursuant to the 2017 Share Option Scheme shall be at least the highest of:

- the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a business day;
- the price being the average of the closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the 5 business days immediately preceding the date of grant; and
- the nominal or par value of a Share on the date of grant.

(vi) Maximum Number of Shares Available for Subscription

- The total number of Shares which may be issued upon exercise of all options to be granted under the 2017 Share Option Scheme and any other share option schemes of the Company shall not in aggregate exceed 10% of the total number of Shares in issue as at the adoption date (the "**Original Scheme Limit**"), unless the Company obtains an approval from its Shareholders pursuant to the scheme rules of the 2017 Share Option Scheme.

- The Company may seek approval of its Shareholders in general meeting for refreshing the Original Scheme Limit.

- The maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the 2017 Share Option Scheme and any other share option schemes of the Company must not exceed 30% of the total number of Shares in issue from time to time.

- As at the date of this report, a total number of 2,060,979,578 Shares (including options to subscribe for 12,148,780 Shares that have been granted but not yet exercised or cancelled) (representing approximately 7.36% of the issued share capital of the Company as at the date of this report) were available for issue under the 2017 Share Option Scheme.

(vii) Maximum Entitlement of Shares of each Participant

- Unless approved by the Shareholders, the total number of Shares issued and to be issued upon exercise of all options granted under the 2017 Share Option Scheme or any other share option schemes of the Company to each participant (including exercised, cancelled and outstanding options) in any 12-month period shall not exceed 1% of the total number of Shares in issue.

- Where any proposed grant of options would result in Shares issued and to be issued upon exercise of all options already granted and to be granted under the 2017 Share Option Scheme and any other share option scheme of the Company (including options exercised, cancelled and outstanding) to a participant who is a substantial Shareholder or an independent non-executive Director, or their respective associates in the 12-month period up to and including the date of grant, (1) representing in aggregate more than 0.1% of the total number of Shares in issue; and (2) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HKD5,000,000, the proposed grant of option must be approved by the Shareholders by poll in general meeting.

REPORT OF THE DIRECTORS

(viii) Option Period

The period within which the options must be exercised will be specified by the Company at the time of grant. This period shall not be longer than 10 years from the date of grant, but subject to the provisions for early termination thereof under the 2017 Share Option Scheme. The Board may also provide restrictions on the exercise of an option during the period an option may be exercised. Unless otherwise determined by the Board and specified in the offer letter at the time of the grant, there is neither any performance target that needs to be achieved by the grantee before an option can be exercised nor any minimum period for which an option must be held before the option can be exercised.

During the year ended 31 December 2024, details of movements in the share options under the 2017 Share Option Scheme are as follows:

	Options to subscribe for Shares								
Category and/or name of grantees	Outstanding at 1 January 2024	Granted during the year[1]	Exercised during the year	Cancelled during the year	Lapsed during the year	Outstanding at 31 December 2024	Exercise price per Share HKD	Date of grant	Exercisable period
Director									
Mr. SU Baiyuan[2]	1,135,435	–	–	–	–	1,135,435	8.250	22.05.2017	22.05.2022–21.05.2027
	526,868	–	–	–	–	526,868	16.460	21.03.2018	21.03.2023–20.03.2028
	320,165	–	–	–	–	320,165	12.408	09.05.2019	09.05.2024–08.05.2029
	176,545	–	–	–	–	176,545	10.040	12.05.2020	12.05.2025–11.05.2030
	901,113	–	–	–	–	901,113	9.730	26.03.2021	26.03.2026–25.03.2031
Sub-total	3,060,126	–	–	–	–	3,060,126			

Category and/or name of grantees	Options to subscribe for Shares						Exercise price per Share HKD	Date of grant	Exercisable period
	Outstanding at 1 January 2024	Granted during the year[1]	Exercised during the year	Cancelled during the year	Lapsed during the year	Outstanding at 31 December 2024			
Other participants[3]	1,573,688	–	–	–	–	1,573,688	8.250	22.05.2017	22.05.2022–21.05.2027
	978,409	–	–	–	–	978,409	10.100	24.08.2017	24.08.2022–23.08.2027
	659,817	–	–	–	–	659,817	12.980	08.12.2017	08.12.2022–07.12.2027
	421,667	–	–	–	–	421,667	16.460	21.03.2018	21.03.2023–20.03.2028
	258,092	–	–	–	–	258,092	16.280	10.05.2018	10.05.2023–09.05.2028
	202,300	–	–	–	–	202,300	12.240	22.08.2018	22.08.2023–21.08.2028
	619,907	–	–	–	–	619,907	9.654	06.12.2018	06.12.2023–05.12.2028
	414,881	–	–	–	–	414,881	12.044	25.03.2019	25.03.2024–24.03.2029
	429,995	–	–	–	–	429,995	12.408	09.05.2019	09.05.2024–08.05.2029
	1,039,436	–	–	–	–	1,039,436	9.834	23.08.2019	23.08.2024–22.08.2029
	639,140	–	–	–	–	639,140	11.092	05.12.2019	05.12.2024–04.12.2029
	346,922	–	–	–	–	346,922	10.040	12.05.2020	12.05.2025–11.05.2030
	480,615	–	–	–	–	480,615	10.160	24.07.2020	24.07.2025–23.07.2030
	379,388	–	–	–	–	379,388	10.332	03.12.2020	03.12.2025–02.12.2030
	644,397	–	–	–	–	644,397	9.730	26.03.2021	26.03.2026–25.03.2031
Sub-total	9,088,654	–	–	–	–	9,088,654			
Total	12,148,780	–	–	–	–	12,148,780			

REPORT OF THE DIRECTORS

Notes:

1. During the year ended 31 December 2024, no share options were granted by the Company to eligible person in accordance with the terms of the 2017 Share Option Scheme. Therefore, the total number of Shares which may be issued in respect of share options granted under the 2017 Share Option Scheme during the year divided by the weighted average of Shares in issue during the year is zero and the total number of Shares which may be issued in respect of share options granted under all the Share Option Schemes divided by the weighted average of Shares in issue during the year is also zero.

2. Mr. SU Baiyuan resigned as executive Director on 1 November 2024.

3. The "Other participants" are former Directors.

4. As at 1 January 2024 and 31 December 2024, the number of Shares available for grant under the 2017 Share Option Scheme was 2,048,830,798 Shares.

The Board will continue to monitor the Share Option Schemes and Share Award Scheme for motivating the eligible person, Senior Management and employees of the Group and consider when it may be appropriate and/or desirable to modify or replace the schemes with and/or adopt any other incentive scheme.

Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures

The Directors and chief executive of the Company who held office at 31 December 2024 had the following interests in the shares, underlying shares and debentures of the Company and its associated corporation (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code:

Long positions in the Shares, underlying Shares and debentures of the Company

Name of Directors	Capacity	Number of Shares held	Number of underlying Shares held under equity derivatives	Total	Percentage of total issued Shares as at 31 December 2024	Amount of debentures held
Ms. YANG Huiyan	Interest of controlled corporation	14,539,618,535[1]	–	14,539,618,535	51.94%	–
Mr. MO Bin	Beneficial owner	86,591,006	–	86,591,006	0.30%	USD 30,000,000
Ms. YANG Ziying	Interest of controlled corporation	–	–	–	–	USD 18,000,000[2]
Dr. CHENG Guangyu	Beneficial owner	12,338,951	1,757,149[3]	14,096,100	–	–
	Interest of spouse	17,307,339[4]	–	17,307,339	–	–
				31,403,439	0.11%	
Ms. WU Bijun	Beneficial owner	–	–	–	–	USD 500,000
Mr. CHEN Chong	Interest of spouse	14,539,618,535[5]	–	14,539,618,535	51.94%	–

Notes:

1. These Shares represent Shares held by Concrete Win Limited in which Ms. YANG Huiyan beneficially owns the entire issued share capital.

2. The amount of debentures represents the debentures held by Shiny Dragon Assets Limited in which Ms. YANG Ziying beneficially owns the entire issued share capital.

3. The relevant interests are share awards granted pursuant to the Share Award Scheme. The grant date was prior to appointment of Dr. CHENG Guangyu as Director on 20 December 2022.

4. These Shares represent Shares held by Ms. ZUO Ying who is the spouse of Dr. CHENG Guangyu.

5. These Shares represent Shares held by Ms. YANG Huiyan who is the spouse of Mr. CHEN Chong.

Save as disclosed above, during the year ended 31 December 2024, none of the Directors and chief executive of the Company who held office at 31 December 2024 had any interests in the shares, underlying shares and debentures of the Company and its associated corporation (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, in particular, none of the Directors, their spouse or children under the age of 18 had any rights to subscribe for equity or debt securities of the Company, nor has any of them exercised such rights.

Interests and Short Positions of Shareholders Disclosable Under the SFO

As at 31 December 2024, according to the register kept by the Company under Section 336 of the SFO, the following company, other than the Directors and chief executive of the Company, had long positions of 5% or more in the Shares and underlying Shares which fell to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO:

Long positions in the Shares

Name of Shareholders	Capacity	Number of ordinary Shares held	Percentage of total issued Shares[1] as at 31 December 2024
Concrete Win Limited	Beneficial owner	14,539,618,535[2]	51.94%

Notes:

1. As at 31 December 2024, the total number of the issued Shares is 27,988,507,946 Shares.

2. These Shares are held by Concrete Win Limited, the entire issued share capital of which is beneficially owned by Ms. YANG Huiyan.

REPORT OF THE DIRECTORS

Save as disclosed above, the Company has not been notified by any other person (other than the Directors and chief executive of the Company) who had an interest or short positions of 5% or more in the Shares and underlying Shares for the year ended 31 December 2024 which fell to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO.

Purchase, Sale or Redemption of Listed Securities

Neither the Company nor any of its subsidiaries has purchased, bought back, sold or redeemed any of the Shares or listed securities during the year ended 31 December 2024.

For details of additions by the Company or any of its subsidiaries of its corporate bonds during the year ended 31 December 2024, please refer to the note 21 to the "Notes to the Consolidated Financial Statements" of this annual report.

Pre-Emptive Rights

There are no provisions for pre-emptive rights under the Articles of Association or the law of the Cayman Islands, being the jurisdiction in which the Company was incorporated, under which the Company would be obliged to offer new Shares on a pro-rata basis to the existing Shareholders.

Disclosure under Rule 13.18 of the Listing Rules

On 21 October 2020, the Company, as the borrower, entered into a facility agreement (the "**2020 Facility Agreement**") with various financial institutions as original lenders (the "**2020 Original Lenders**") and Bank of China (Hong Kong) Limited as the facility agent, pursuant to which the 2020 Original Lenders have agreed to make available a dual tranche term loan facilities with a lender accession option denominated in HKD and USD in an amount of HKD8,133.3 million and USD453 million, respectively (collectively, the "**2020 Loans**") to the Company for a term of 48 months commencing from the date of the 2020 Facility Agreement. The 2020 Loans obtained under the 2020 Facility Agreement were to be applied by the Company for refinancing in full the loan made available to the Company pursuant to a facility agreement dated 8 December 2016 and refinancing any other existing offshore financial indebtedness of the Group and financing costs and expenses incurred under the 2020 Facility Agreement. Pursuant to the terms of the 2020 Facility Agreement, among others, (i) Ms. YANG Huiyan and Mr. YEUNG Kwok Keung, in aggregate, shall be the largest beneficial owner of the entire issued share capital of the Company; (ii) Ms. YANG Huiyan and Mr. YEUNG Kwok Keung, in aggregate, shall beneficially own at least 40% of the entire issued share capital of the Company; (iii) Ms. YANG Huiyan and Mr. YEUNG Kwok Keung shall have control over the Company; and (iv) either Mr. YEUNG Kwok Keung or Ms. YANG Huiyan shall be the chairperson of the Board. Failure to comply with any of the above requirements will constitute a prepayment event under the 2020 Facility Agreement.

On 22 July 2021, the Company, as the borrower, entered into a facility agreement (the "**2021 Facility Agreement**") with various financial institutions as the original lenders (the "**2021 Original Lenders**"), pursuant to which the 2021 Original Lenders have agreed to make available a dual tranche term loan facilities denominated in HKD and USD in an amount of HKD6,076 million and USD559 million, respectively (collectively, the "**2021 Loans**") to the Company for a term of 48 months commencing from the date of the 2021 Facility Agreement. The 2021 Loans obtained under the 2021 Facility Agreement were to be applied by the Company for refinancing in full the loan made available to the Company pursuant to a facility agreement dated 17 October 2017 and refinancing any other existing offshore financial indebtedness of the Group and financing costs and expenses incurred under the 2021 Facility Agreement. Pursuant to the terms of the 2021 Facility Agreement, among others, (i) Ms. YANG Huiyan and Mr. YEUNG Kwok Keung, in aggregate, shall be the largest beneficial owner of the entire issued share capital of the Company; (ii) Ms. YANG Huiyan and Mr. YEUNG Kwok Keung, in aggregate, shall beneficially own at least 40% of the entire issued share capital of the Company; (iii) Ms. YANG Huiyan and Mr. YEUNG Kwok Keung shall have control over the Company; and (iv) either Mr. YEUNG Kwok Keung or Ms. YANG Huiyan shall be the chairperson of the Board. Failure to comply with any of the above requirements will constitute a prepayment event under the 2021 Facility Agreement.

On 26 December 2022, the Company, as the borrower, entered into a facility agreement (the "**2022 Facility Agreement**") with various financial institutions as the original lenders (the "**2022 Original Lenders**"), and Industrial and Commercial Bank of China (Asia) Limited as the facility agent, pursuant to which the 2022 Original Lenders have agreed to make available a dual tranche term loan facilities denominated in HKD and USD in a total amount of USD280 million (collectively, the "**2022 Loans**") to the Company for a term of 36 months commencing from the date of the 2022 Facility Agreement. The 2022 Loans obtained under the 2022 Facility Agreement were to be applied by the Company for refinancing in full the HKD and USD dual tranche term loan facilities made available to the Company pursuant to a facility agreement dated 28 December 2018 and thereafter for financing costs and expenses incurred under the 2022 Facility Agreement. Pursuant to the terms of the 2022 Facility Agreement, among others, (i) Ms. YANG Huiyan and Mr. YEUNG Kwok Keung, in aggregate, shall be the largest beneficial owner of the entire issued share capital of the Company; (ii) Ms. YANG Huiyan and Mr. YEUNG Kwok Keung, in aggregate, shall beneficially own (whether directly or indirectly) at least 40% of the entire issued share capital of the Company; (iii) Ms. YANG Huiyan and Mr. YEUNG Kwok Keung shall have control over the Company; and (iv) either Mr. YEUNG Kwok Keung or Ms. YANG Huiyan shall be the chairperson of the Board. Failure to comply with any of the above requirements will constitute a prepayment event under the 2022 Facility Agreement.

REPORT OF THE DIRECTORS

On 26 January 2023, the Company, as the borrower, entered into a facility agreement (the "**2023 First Facility Agreement**") with China Minsheng Banking Corp., Ltd. Hong Kong Branch as the original lender (the "**2023 First Original Lender**"), pursuant to which the 2023 First Original Lender has agreed to make available a term loan facility of the RMB equivalent of up to USD50 million (the "**2023 First Loan**") to the Company for a term of 36 months commencing from the first drawing of the 2023 First Loan. The 2023 First Loan obtained under the 2023 First Facility Agreement was to be applied by the Company for financing general working capital requirements of the Group, including but not limited to refinancing outstanding indebtedness. Pursuant to the terms of the 2023 First Facility Agreement, the Company has undertaken to the 2023 First Original Lender that among others, (i) Ms. YANG Huiyan and Mr. YEUNG Kwok Keung, in aggregate, shall be the largest beneficial owner of the entire issued share capital of the Company; (ii) Ms. YANG Huiyan and Mr. YEUNG Kwok Keung, in aggregate, shall beneficially own (whether directly or indirectly) at least 40% of the entire issued share capital of the Company; (iii) Ms. YANG Huiyan and Mr. YEUNG Kwok Keung shall have control over the Company; and (iv) either Mr. YEUNG Kwok Keung or Ms. YANG Huiyan shall be the chairperson of the Board.

On 31 March 2023, the Company, as the borrower, entered into a facility agreement (the "**2023 Second Facility Agreement**") with Tai Fung Bank Limited as the lender (the "**2023 Second Original Lender**"), pursuant to which the 2023 Second Original Lender has agreed to make available a term loan facility in the amount of HKD950 million (the "**2023 Second Loan**") to the Company for a term of 36 months commencing from the date of first drawing of the 2023 Second Loan. The 2023 Second Loan obtained under the 2023 Second Facility Agreement was to be applied by the Company for financing general working capital requirements of the Group, including financing the development of the real estate development projects of the Group in the PRC. Pursuant to the terms of the 2023 Second Facility Agreement, among others, (i) Mr. YEUNG Kwok Keung and Ms. YANG Huiyan, in aggregate, directly or indirectly, shall be the largest beneficial owner of the entire issued share capital of the Company; (ii) Mr. YEUNG Kwok Keung and Ms. YANG Huiyan, in aggregate, directly or indirectly, shall beneficially own 40% or more of the entire issued share capital of the Company; (iii) Mr. YEUNG Kwok Keung and Ms. YANG Huiyan, acting jointly, shall have control over the Company; or (iv) either Mr. YEUNG Kwok Keung or Ms. YANG Huiyan shall be the chairperson of the Board. Failure to comply with any of the above requirements will constitute a prepayment event under the 2023 Second Facility Agreement.

On 14 July 2023, the Company, as the borrower, entered into a facility agreement (the "**2023 Third Facility Agreement**") with Chong Hing Bank Limited as the lender (the "**2023 Third Original Lender**"), pursuant to which the 2023 Third Original Lender has agreed to make available a term loan facility in the equivalent amount of USD35 million (the "**2023 Third Loan**") to the Company for a term of 36 months commencing from the date on which the 2023 Third Loan was made. The 2023 Third Loan obtained under the 2023 Third Facility Agreement was to be applied by the Company for financing general working capital requirements of the Group, including financing the development of real estate developments or projects of the Group in the PRC. Pursuant to the terms of the 2023 Third Facility Agreement, among others, (i) Mr. YEUNG Kwok Keung and Ms. YANG Huiyan, in aggregate, shall be the single largest shareholder of the Company; (ii) Mr. YEUNG Kwok Keung and Ms. YANG Huiyan, in aggregate, directly or indirectly, shall hold the beneficiary interest in not less than 40% of the issued share capital of the Company; (iii) Mr. YEUNG Kwok Keung and Ms. YANG Huiyan, in aggregate, shall have the power to decide the management and policies of the Company (whether through the ownership of voting capital, by contract or otherwise); or (iv) either Mr. YEUNG Kwok Keung or Ms. YANG Huiyan shall be the chairman of the Board. Failure to comply with any of the above requirements will constitute a prepayment event under the 2023 Third Facility Agreement.

On 20 July 2023, the Company, as the borrower, entered into a facility agreement (the "**2023 Fourth Facility Agreement**") with various financial institutions as the original lenders (the "**2023 Fourth Original Lenders**") and Bank of China (Hong Kong) Limited as the facility agent, pursuant to which the 2023 Fourth Original Lenders have agreed to make available a dual-tranche term loan facilities (with a lender accession option in the amount of USD11,200,000) denominated in HKD and USD in an amount of HKD3,583,020,000 and USD388,660,000, respectively (the "**2023 Fourth Loans**") to the Company for a term of 30 months commencing from the date of the 2023 Fourth Facility Agreement. The 2023 Fourth Loans obtained under the 2023 Fourth Facility Agreement was to be applied by the Company for refinancing in full the HKD and USD dual-tranche term loan facilities made available to the Company pursuant to the 2019 Facility Agreement; and thereafter for reimbursing the Company of part or all of the amount funded by the Company's own source for the repayment of the 2019 Facility Agreement. Pursuant to the terms of the 2023 Fourth Facility Agreement, among others, (i) Mr. YEUNG Kwok Keung and Ms. YANG Huiyan, in aggregate, shall be the largest beneficial owner of the entire issued share capital of the Company; (ii) Mr. YEUNG Kwok Keung and Ms. YANG Huiyan, in aggregate, shall beneficially own (whether directly or indirectly) at least 40% of the entire issued share capital of the Company; (iii) Mr. YEUNG Kwok Keung and Ms. YANG Huiyan shall have control over the Company; and (iv) either Mr. YEUNG Kwok Keung or Ms. YANG Huiyan shall be the chairperson of the Board. Failure to comply with any of the above requirements will constitute a prepayment event under the 2023 Fourth Facility Agreement.

Disclosure under Rule 13.19 of the Listing Rules

Offshore liability

The Company announced on 10 October 2023 that it had not made a due payment in the principal amount of HKD470 million under certain of its indebtedness, and the Company also expected that it would not be able to meet all of its offshore payment obligations when due or within the relevant grace periods, including but not limited to those under the USD notes issued by the Company. Such non-payment might lead to relevant creditors of the Group demanding acceleration of payment of the relevant indebtedness owed to them or pursuing enforcement action. Since then, the Company has actively pursued offshore liability management measures and is in the process of developing a holistic solution in a fair and equitable manner to achieve a sustainable capital structure, while respecting the existing legal status and ranking in right of payment of all creditors.

REPORT OF THE DIRECTORS

As disclosed in the announcement of the Company dated 9 January 2025, as of 31 December 2023, in relation to offshore debts, the Group had total attributable interest-bearing liabilities (excluding accrued interest) of approximately USD16.4 billion, which comprise of (i) outstanding principal amount of USD senior notes and HKD convertible notes issued by the Group of approximately USD10.3 billion; (ii) outstanding principal amount of three syndicated loans of the Company of approximately USD3.6 billion (the "**Existing Syndicated Loan Debts**"); (iii) outstanding principal amount of shareholder loans advanced to the Company by its controlling Shareholder over the period of December 2021 to September 2023 of approximately USD1.1 billion (the "**Shareholder Loans**"); and (iv) outstanding principal amount of other secured and unsecured debts of approximately USD1.4 billion. The Company has reached an understanding with the co-ordination committee consisting of seven eminent banks that are long-term business partners of the Group who collectively hold or control approximately 48% of the Existing Syndicated Loan Debts on the key terms of its non-binding restructuring proposal (the "**Restructuring Proposal**"), which, if implemented, would enable the Group to achieve significant deleveraging, with a targeted reduction of indebtedness up to USD11.6 billion. It also includes a maturity extension of up to 11.5 years and a reduction in funding costs, with a targeted decrease in the weighted average borrowing cost from approximately 6% per annum before the restructuring to approximately 2% per annum post-restructuring. Further, the controlling Shareholder is also considering converting the Shareholder Loans into shares of the Company or its subsidiaries, subject to terms to be agreed upon.

For further details of the offshore indebtedness of the Group and the Restructuring Proposal as a holistic solution to address the Group's offshore indebtedness, please refer to the announcements of the Company dated 10 October 2023, 16 January 2024, 28 February 2024, 4 March 2024, 28 March 2024, 7 April 2024, 17 May 2024, 6 June 2024, 27 June 2024, 29 July 2024, 30 September 2024, 31 December 2024, 9 January 2025, 20 January 2025 and 21 January 2025.

Onshore liability

As disclosed in the announcement of the Company dated 21 January 2025, the Group is negotiating with relevant financial institutions in respect of cross-defaulted onshore loans in an aggregate amount of approximately RMB28.7 billion which may be repayable in the year ending 31 December 2025. A vast majority of the onshore loans are backed by assets as security which made such negotiations possible.

Important events after the financial year end date

Debt restructuring

As disclosed in the announcement of the Company dated 10 October 2023, the Group has been facing phased liquidity pressure and expected that it would not be able to meet all of its offshore payment obligations when due or within the relevant grace periods. Such non-payment might lead to relevant creditors of the Group demanding acceleration of payment of the relevant indebtedness owed to them or pursuing enforcement action. Since then, the Company has actively pursued offshore liability management measures and is in the process of developing a holistic solution in a fair and equitable manner to achieve a sustainable capital structure, while respecting the existing legal status and ranking in right of payment of all creditors.

As disclosed in the announcement of the Company dated 9 January 2025, the Company is pleased to announce the key terms of its Restructuring Proposal, such proposal forms the framework for further negotiations and detailed documentation and aims at implementing a successful restructuring of the Group's offshore indebtedness. If successfully implemented, the restructuring proposal will enable the Group to achieve significant deleveraging, with a targeted reduction of indebtedness up to USD11.6 billion, a maturity extension of up to 11.5 years and a targeted decrease in the weighted average borrowing cost from approximately 6% per annum before the restructuring to approximately 2% per annum post-restructuring. As a result, the Group will have a more sustainable capital structure, allowing it to focus on delivering housing units, continuing its business operations, preserving asset value, and implementing a business and asset disposal strategy which it believes has the best potential to maximise value for all stakeholders. For further details of the offshore indebtedness of the Group and the restructuring proposal as a holistic solution to address the Group's offshore indebtedness, please refer to the announcements of the Company dated 10 October 2023, 16 January 2024, 28 February 2024, 4 March 2024, 28 March 2024, 7 April 2024, 17 May 2024, 6 June 2024, 27 June 2024, 29 July 2024, 30 September 2024, 31 December 2024, 9 January 2025, 20 January 2025 and 21 January 2025.

Winding-up petition

A winding-up petition dated 27 February 2024 was filed by Ever Credit Limited (the "**Petitioner**") at the High Court of the Hong Kong Special Administrative Region (the "**High Court**") against the Company, in relation to the non-payment of a term loan facility between the Petitioner as lender and the Company as borrower in the principal amount of approximately HK$1.6 billion, plus accrued interest. The Company has been opposing the petition vigorously and proactively communicating with the Petitioner on its debt restructuring plan. The hearing of the petition has been adjourned several times to 26 May 2025. No winding-up order has been granted by the High Court to wind up the Company as at the date of this report. For further details of the winding-up petition, please refer to the announcements of the Company dated 28 February 2024, 4 March 2024, 17 May 2024, 6 June 2024, 29 July 2024, 9 January 2025 and 20 January 2025.

Suspension and resumption of trading in the Shares

Due to the continuous volatility of the industry and the Group's ongoing debt restructuring work, the Group needed more time to collect information to make appropriate accounting estimates and judgments and to carefully assess its current and future financial resources and financial obligations for the finalisation of the Group's results for the financial year ended 31 December 2023 (the "**2023 Annual Results**"). As such, the Company was not able to publish the 2023 Annual Results by 31 March 2024 in compliance with the Listing Rules, and trading in the Shares on the Stock Exchange was suspended with effect from 2 April 2024. The Company was also unable to publish the interim results of the Group for the six months ended 30 June 2024 (the "**2024 Interim Results**") by 31 August 2024 pursuant to the Listing Rules. The 2023 Annual Results and the 2024 Interim Results were subsequently published on 14 January 2025.

On 21 January 2025, the Company has fulfilled all requirements prescribed under the resumption guidance from the Stock Exchange dated 24 June 2024 (including, (i) publication of all outstanding financial results required under the Listing Rules and address any audit modifications; (ii) demonstrating the Company's compliance with Rule 13.24 of the Listing Rules; and (iii) informing the market of all material information for the Company's shareholders and other investors to appraise the Company's position), and trading in the Shares on the Stock Exchange has since resumed. For further details on the fulfilment of the resumption guidance, please refer to the announcement of the Company dated 21 January 2025.

REPORT OF THE DIRECTORS

Corporate Governance

Principal corporate governance practices adopted by the Company are set out in the Corporate Governance Report contained in this annual report.

Sufficiency of Public Float

Rules 8.08(1)(a) and (b) of the Listing Rules require there to be an open market in the securities for which listing is sought and for a sufficient public float of an issuer's listed securities to be maintained. This normally means that (i) at least 25% of the issuer's total number of issued shares must at all times be held by the public; and (ii) where an issuer has more than one class of securities apart from the class of securities for which listing is sought, the total amount of securities of the issuer held by the public (on all regulated market(s) including the Stock Exchange) at the time of listing must be at least 25% of the issuer's total number of issued shares.

However, the class of securities for which listing is sought must not be less than 15% of the issuer's total number of issued shares for issuers having an expected market capitalization at the time of listing of not less than HKD125 million (the requirement was HKD50 million at the time of listing of the Company).

The Group has applied to the Stock Exchange to request the Stock Exchange to exercise, and the Stock Exchange exercised its discretion under rule 8.08(1)(d) of the Listing Rules to accept a lower public float percentage of the Company of 15% (assuming the over-allotment option would not be exercised) or such higher percentage of 16.87%, which represented the issued share capital as would have been held by the public in the event that the whole or a part of the over-allotment option had been exercised (the over-allotment option was exercised by the Company, which had an expected market capitalization at the time of listing of over HKD10,000 million), on the basis that the Stock Exchange was satisfied that the number of Shares concerned and the extent of their distribution would enable the market to operate properly with the lower percentage, and on the condition that the Company would make appropriate disclosure of the lower prescribed percentage of public float in the prospectus of the Company issued on 3 April 2007 and confirm the sufficiency of public float in its successive annual reports after listing. At the time of listing of the Company on 20 April 2007, the market capitalization of the Company exceeded HKD10,000 million.

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this annual report, the Directors confirm that the Company has maintained the amount of public float as required under the Listing Rules.

Auditor

Messrs. PricewaterhouseCoopers resigned as the auditor of the Company with effect from 3 September 2024. The Board has resolved to appoint ZHONGHUI ANDA CPA Limited as the new auditor of the Company to fill the casual vacancy following the resignation of Messrs. PricewaterhouseCoopers with effect from 5 September 2024 and to hold office until the conclusion of 2025 AGM pursuant to article 155 of the Articles of Association. For further details, please refer to the announcement of the Company dated 4 September 2024.

The consolidated financial statements for the year ended 31 December 2024 have been audited by ZHONGHUI ANDA CPA Limited.

Professional Tax Advice Recommended

If the Shareholders are unsure about the taxation implications of purchasing, holding, disposing of, dealing in, or the exercise of any rights in relation to the Shares, they are advised to consult an expert.

Closure of Registers of Members

For the purposes of determining the Shareholders' eligibility to attend, speak and vote at the 2025 AGM, the registers of members of the Company ("**Registers of Members**") will be closed as appropriate as set out below:

Latest time to lodge transfer documents for registration with the Company's branch share registrar and transfer office in Hong Kong	At 4:30 p.m. on Wednesday, 28 May 2025
Record Date	Thursday, 29 May 2025
Closure of the Registers of Members	Thursday, 29 May 2025 to Thursday, 5 June 2025 (both days inclusive)

For purposes mentioned above, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than the aforementioned latest time.

For and on behalf of the Board
YANG Huiyan
Chairman

Foshan, Guangdong Province, the PRC, 28 March 2025

FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

中汇
ZHONGHUI

TO THE SHAREHOLDERS OF COUNTRY GARDEN HOLDINGS COMPANY LIMITED
(Incorporated in the Cayman Islands with limited liability)

Disclaimer of Opinion

We were engaged to audit the consolidated financial statements of Country Garden Holdings Company Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 111 to 221, which comprise the consolidated statement of financial position as at 31 December 2024, consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. In all other respects, in our opinion, the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Disclaimer of Opinion

Scope limitation relating to the assessment on the appropriateness of the going concern basis of preparing the Consolidated Financial Statements

We draw attention to note 2.1(iii) to the consolidated financial statements, which mention that the Group incurred a loss attributable to owners of the Company of approximately RMB32.8 billion for the year ended 31 December 2024. As at 31 December 2024, the Group had net current liabilities of approximately RMB25.9 billion and total debt of approximately RMB253.5 billion, out of which approximately RMB226.8 billion was included in current liabilities, while its total cash (including cash and cash equivalents and restricted cash) amounted to approximately RMB29.9 billion. As at 31 December 2024, the Group had certain indebtedness, including senior notes, corporate bonds, convertible bonds and bank and other borrowings, with an aggregated carrying amount of approximately RMB188.2 billion that were defaulted or cross-defaulted. The above events or conditions indicate the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern and, therefore, that the Group may not be able to realise its assets and discharge its liabilities in the normal course of business.

In view of the above circumstances, the directors of the Company (the "Directors") have been undertaking a number of plans and measures to mitigate the liquidity pressure and improve its financial position, details of which are set out in note 2.1(iii) to the consolidated financial statements. To assess the appropriateness of the going concern basis, the management of the Group prepared a cash flow forecast ("Cash Flow Forecast"), which takes into account the effects of the success in implementing and completing the aforesaid plans and measures as scheduled notwithstanding the inherent uncertainties associated with the outcome of these plans and measures. In particular, the positive outcome of the Cash Flow Forecast is significantly influenced by the success of the proposed restructuring plan for the Group's offshore liabilities (the "Proposed Debt Restructuring"). Based on the result of the Cash Flow Forecast, the Directors are of the opinion that the Group will have sufficient working capital to meet its financial obligations as and when they fall due in the foreseeable future and therefore, the Group has the ability to continue as a going concern and will continue its operations for at least 12 months from 31 December 2024. Accordingly, the Directors are of the view that it is appropriate to prepare the consolidated financial statements on a going concern basis.

In respect of the Proposed Debt Restructuring, we were advised by management that the Group is still engaging in active and constructive dialogues with its creditors to implement a holistic restructuring plan, however, no definite agreements have been reached between the Group and the relevant creditors. Accordingly, we were unable to obtain sufficient appropriate audit evidence that we considered necessary to evaluate the Group's ability to implement and complete the Proposed Debt Restructuring to the extent necessary based on the Cash Flow Forecast.

In view of the above scope limitation, there were no other alternative procedures that we could perform to satisfy ourselves that the Group would be able to implement its plans and measures, as a result, we were unable to obtain sufficient appropriate evidence we considered necessary to conclude whether the use of the going concern basis of accounting to prepare the consolidated financial statements is appropriate.

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

Responsibilities of Directors for the Consolidated Financial Statements

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors 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.

INDEPENDENT AUDITOR'S REPORT

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

Our responsibility is to conduct an audit of the Group's consolidated financial statements in accordance with Hong Kong Standards on Auditing issued by the HKICPA and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

ZHONGHUI ANDA CPA Limited
Certified Public Accountants
Tse Kit Yan
Audit Engagement Director
Practising Certificate Number P08158

Hong Kong, 28 March 2025

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 31 December	
	Note	2024 RMB million	2023 RMB million
Non-current assets			
Property, plant and equipment	6	21,077	22,694
Investment properties	7	15,687	16,625
Intangible assets		776	1,004
Right-of-use assets		6,317	5,671
Properties under development	8	9,751	13,282
Investments in joint ventures	9(b)	29,621	31,023
Investments in associates	9(c)	15,910	17,680
Financial assets at fair value through other comprehensive income	10	4,627	7,408
Trade and other receivables	13	783	848
Deferred income tax assets	27	14,409	20,570
		118,958	136,805
Current assets			
Properties under development	8	465,996	657,167
Completed properties held for sale	11	112,271	75,855
Inventories	12	4,996	7,806
Trade and other receivables	13	267,649	299,294
Contract assets and contract acquisition costs	14	10,137	15,943
Prepaid income tax		17,238	24,618
Financial assets at fair value through profit or loss	17	8,701	11,688
Restricted cash	15	23,535	56,686
Cash and cash equivalents	16	6,362	7,130
		916,885	1,156,187
Current liabilities			
Contract liabilities	19	281,988	489,021
Trade and other payables	18	394,857	408,378
Current income tax liabilities		38,918	36,131
Senior notes	20	73,084	68,367
Corporate bonds	21	9,607	3,170
Convertible bonds	22	6,691	6,171
Bank and other borrowings	23	137,413	114,665
Lease liabilities		192	282
Derivative financial instruments		—	60
		942,750	1,126,245
Net current (liabilities)/assets		(25,865)	29,942
Total assets less current liabilities		93,093	166,747

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 31 December	
	Note	2024 RMB million	2023 RMB million
Non-current liabilities			
Corporate bonds	21	10,152	16,189
Bank and other borrowings	23	16,541	41,087
Lease liabilities		2,324	1,722
Deferred government grants		136	194
Deferred income tax liabilities	27	12,686	18,946
		41,839	78,138
Equity attributable to owners of the Company			
Share capital and premium	24	50,783	50,783
Other reserves	26	27,933	25,373
Accumulated losses	26	(85,901)	(50,209)
		(7,185)	25,947
Non-controlling interests		58,439	62,662
Total equity		51,254	88,609
Total equity and non-current liabilities		93,093	166,747

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

The financial statements on pages 111 to 221 were approved by the Board of Directors on 28 March 2025 and were signed on its behalf.

MO Bin
Director

YANG Ziying
Director

CONSOLIDATED INCOME STATEMENT

		Year ended 31 December	
	Note	2024 RMB million	2023 RMB million
Revenue	5	252,756	401,015
Cost of sales	29	(254,443)	(494,624)
Gross loss		(1,687)	(93,609)
Other income and losses — net	28	(2,207)	(10,331)
Losses arising from changes in fair value of and transfers to investment properties	7	(818)	(1,326)
Selling and marketing costs	29	(5,892)	(11,292)
Administrative expenses	29	(4,891)	(6,741)
Research and development expenses	29	(301)	(1,404)
Net impairment losses on financial assets and guarantees	3(a)(iii)	(1,902)	(37,243)
Operating loss		(17,698)	(161,946)
Finance income	31	526	2,106
Finance costs	31	(6,975)	(7,564)
Finance costs — net	31	(6,449)	(5,458)
Share of results of joint ventures and associates	9(b), 9(c)	1,778	151
Loss before income tax		(22,369)	(167,253)
Income tax expenses	32	(12,776)	(33,709)
Loss for the year		(35,145)	(200,962)
Loss attributable to:			
— Owners of the Company		(32,835)	(178,400)
— Non-controlling interests		(2,310)	(22,562)
		(35,145)	(200,962)
Losses per share attributable to owners of the Company (expressed in RMB yuan per share)			
Basic	35	(1.19)	(6.49)
Diluted	35	(1.19)	(6.49)

The above consolidated income statement should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Year ended 31 December 2024 RMB million	2023 RMB million
Loss for the year		**(35,145)**	(200,962)
Other comprehensive income/(loss)			
Items that will not be reclassified to profit or loss:			
— Changes in fair value of financial assets at fair value through other comprehensive income	26	**39**	(1,418)
— Revaluation gains on investment properties upon transfers from right-of-use assets	26	**–**	13
Items that may be reclassified to profit or loss:			
— Deferred gains on cash flow hedges		**–**	115
— Deferred costs of hedging		**–**	266
— Currency translation differences		**(275)**	(552)
Total other comprehensive loss for the year, net of tax		**(236)**	(1,576)
Total comprehensive loss for the year		**(35,381)**	(202,538)
Total comprehensive loss attributable to:			
— Owners of the Company		**(33,077)**	(179,451)
— Non-controlling interests		**(2,304)**	(23,087)
		(35,381)	(202,538)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company					
	Share capital and premium RMB million (Note 24)	Other reserves RMB million (Note 26)	Accumulated losses RMB million (Note 26)	Total RMB million	Non-controlling interests RMB million	Total equity RMB million
Balance at 1 January 2024	50,783	25,373	(50,209)	25,947	62,662	88,609
Comprehensive (loss)/income						
Loss for the year	–	–	(32,835)	(32,835)	(2,310)	(35,145)
Other comprehensive (loss)/income	–	(108)	(134)	(242)	6	(236)
Total comprehensive loss for the year	–	(108)	(32,969)	(33,077)	(2,304)	(35,381)
Transactions with owners in their capacity as owners						
Capital injections from non-controlling interests	–	–	–	–	645	645
Transfer to statutory reserve	–	2,745	(2,745)	–	–	–
Dividends	–	–	–	–	(2,773)	(2,773)
Employee share schemes						
– Value of employee services (note 25)	–	241	–	241	–	241
Non-controlling interests arising from business combinations (note 41)	–	–	–	–	179	179
Disposals of subsidiaries (note 40)	–	(22)	22	–	92	92
Changes in ownership interests in subsidiaries without change of control (note 39)	–	(296)	–	(296)	(62)	(358)
Total transactions with owners	–	2,668	(2,723)	(55)	(1,919)	(1,974)
Balance at 31 December 2024	50,783	27,933	(85,901)	(7,185)	58,439	51,254

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company					
	Share capital and premium RMB million (Note 24)	Other reserves RMB million (Note 26)	Retained earnings/ (accumulated losses) RMB million (Note 26)	Total RMB million	Non-controlling interests RMB million	Total equity RMB million
Balance at 1 January 2023	50,536	23,830	129,257	203,623	105,950	309,573
Comprehensive loss						
Loss for the year	—	—	(178,400)	(178,400)	(22,562)	(200,962)
Other comprehensive (loss)/income	—	(1,053)	2	(1,051)	(525)	(1,576)
Total comprehensive loss for the year	—	(1,053)	(178,398)	(179,451)	(23,087)	(202,538)
Transactions with owners in their capacity as owners						
Capital reduction from non-controlling interests	—	—	—	—	(3,559)	(3,559)
Transfer to statutory reserve	—	1,093	(1,093)	—	—	—
Issue of shares as a result of placing (note 24)	247	—	—	247	—	247
Dividends	—	—	—	—	(10,018)	(10,018)
Employee share schemes						
— Value of employee services (note 25)	—	390	—	390	—	390
Non-controlling interests arising from business combinations	—	—	—	—	2,015	2,015
Disposals of subsidiaries	—	(25)	25	—	(1,107)	(1,107)
Changes in ownership interests in subsidiaries without change of control	—	1,138	—	1,138	(7,532)	(6,394)
Total transactions with owners	247	2,596	(1,068)	1,775	(20,201)	(18,426)
Balance at 31 December 2023	50,783	25,373	(50,209)	25,947	62,662	88,609

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED CASH FLOW STATEMENT

		Year ended 31 December	
		2024	2023
	Note	**RMB million**	RMB million
Cash flows from operating activities			
Cash generated from/(used in) operations	34(a)	**6,232**	(53,717)
Income tax paid		**(4,287)**	(12,056)
Interest paid	34(b)	**(5,225)**	(10,360)
Net cash used in operating activities		**(3,280)**	(76,133)
Cash flows from investing activities			
Net cash inflow on business combinations	41	**22**	833
Proceeds from disposals of property, plant and equipment		**511**	760
Net cash inflow on disposals of subsidiaries	40	**759**	1,798
Purchases of property, plant and equipment		**(41)**	(553)
Proceeds from disposals of investment properties		**15**	61
Purchases of intangible assets		**—**	(154)
Purchases of right-of-use assets		**—**	(218)
Net (payments)/proceeds for investments in joint ventures		**(2)**	742
Net proceeds for investments in associates		**103**	999
Proceeds from disposals of financial assets at fair value through other comprehensive income		**2,869**	735
Purchases of financial assets at fair value through profit or loss		**(143)**	(1,190)
Proceeds from disposals of financial assets at fair value through profit or loss		**831**	900
Interest received	31	**526**	1,358
Dividend income from joint ventures and associates		**602**	3,472
Net cash generated from investing activities		**6,052**	9,543

CONSOLIDATED CASH FLOW STATEMENT

	Note	Year ended 31 December 2024 RMB million	2023 RMB million
Cash flows from financing activities			
Capital withdrawals from non-controlling interests		–	(3,559)
Net cash outflow on transactions with non-controlling interests		(358)	(3,019)
Repurchases and repayments of senior notes	34(b)	–	(3,760)
Issue of corporate bonds	34(b)	466	2,117
Repayments and early redemption of corporate bonds	34(b)	(874)	(14,743)
Settlement of derivative financial instruments	34(b)	–	(181)
Payments for principal portion of leases	34(b)	(236)	(179)
Dividends to non-controlling interests		(558)	(107)
Proceeds from bank and other borrowings	34(b)	8,572	24,543
Repayments of bank and other borrowings	34(b)	(10,541)	(55,552)
Net cash used in financing activities		(3,529)	(54,440)
Net decrease in cash and cash equivalents		(757)	(121,030)
Cash and cash equivalents at the beginning of the year		7,130	128,281
Exchange losses on cash and cash equivalents		(11)	(121)
Cash and cash equivalents at the end of the year	16	6,362	7,130

The above consolidated cash flow statement should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 General information

Country Garden Holdings Company Limited (the "Company") was incorporated in the Cayman Islands on 10 November 2006 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands.

The address of the Company's registered office is Cricket Square, Hutchins Drive, P.O. Box 2681 Grand Cayman, KY1-1111 Cayman Islands. The Company is engaged in investment holding and its subsidiaries (collectively, the "Group") are principally engaged in the property development, construction, interior decoration, property investment, and the development and management of hotels.

The parent undertaking of the Company is Concrete Win Limited, whose registered office address is Palm Grove House, P.O. Box 438, Road Town, Tortola, British Virgin Islands.

The shares of the Company are listed on Stock Exchange.

These consolidated financial statements are presented in Renminbi ("RMB"), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on 28 March 2025.

2 Summary of material accounting policies

This note provides a list of the material accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

(i) Compliance with Hong Kong Financial Reporting Standards ("HKFRSs") and the Hong Kong Companies Ordinance

The consolidated financial statements of the Group have been prepared in accordance with applicable HKFRSs and disclosure requirements under the Hong Kong Companies Ordinance Cap. 622.

(ii) Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except for financial assets at fair value through profit or loss ("FVTPL"), financial assets at fair value through other comprehensive income ("FVOCI"), derivative financial instruments and investment properties, which are carried at fair value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 Summary of material accounting policies *(Continued)*

2.1 Basis of preparation *(Continued)*

(iii) Going concern basis

For the year ended 31 December 2024, the Group recorded a loss of RMB35,145 million and a loss attributable to owners of the Company of RMB32,835 million. As at 31 December 2024, the Group had net current liabilities of RMB25,865 million and borrowings in the forms of senior notes, convertible bonds, corporate bonds and bank and other borrowings amounted to RMB253,488 million in aggregate, of which RMB226,795 million were included in current liabilities, while the Group's cash and cash equivalents amounted to RMB6,362 million and restricted cash amounted to RMB23,535 million.

As at 31 December 2024, an aggregate amount of RMB188,193 million of the Group's indebtedness was defaulted or cross-defaulted. In addition, a winding-up petition dated 27 February 2024 was filed by one of the Group's creditors (the "Petitioner") at the High Court of the Hong Kong Special Administrative Region against the Company, in relation to the non-payment of a term loan facility between the Petitioner as lender and the Company as borrower in the principal amount of approximately HK$1.6 billion, plus accrued interest. The hearing of the Petition is adjourned to 26 May 2025.

All of the above events and conditions indicated the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern.

In view of such circumstances, the directors of the Company have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern for at least 12 months from 31 December 2024, taking into account the following plans and measures:

(a) The Group will actively resolve its phased liquidity pressure by adopting various debt management measures, including:

- during the year, the Group successfully negotiated with the bondholders of certain domestic corporate bonds to adjust part of the principal and interest due in 2024 under the original overall extension plan to be repaid between March and June 2025, while continuing to promote comprehensive and long-term debt solutions;

- the Group, together with its financial advisers, has been actively pushing forward a proposed restructuring of the offshore liabilities of the Group and has announced the key terms of its restructuring proposal on 9 January 2025. The Group is actively engaging with its major creditors to negotiate the restructuring terms, aiming to reach an agreement as soon as practicable;

2 Summary of material accounting policies *(Continued)*

2.1 Basis of preparation *(Continued)*

(iii) Going concern basis *(Continued)*

(b) The Group will continue to actively adjust its sales activities to respond to market changes and capture demands. The Group believes after undergoing adjustments, the PRC real estate market is expected to usher in new development opportunities. Therefore, the Group will adhere to the refined control of "one strategy for one real estate project", and formulate reasonable sales prices and supply plans by taking into account the actual situation of the local market and each project, in order to achieve its budgeted sales volume and cash collection;

(c) The Group will closely monitor the progress of construction of its property development projects according to the delivery plans, maintain continuous communication with major contractors and suppliers, and negotiate payment arrangements to ensure construction progress is completed as planned;

(d) The Group will actively respond to various supportive policies of the national and local governments, revitalise resources through all kinds of acquisition and reserve policies, and consider disposing of assets when necessary to generate more cash inflows; and

(e) The Group will adapt to current market changes and operational focus, continue to optimise its organisational structure and strictly control various non-core and non-essential operating expenses, to improve operational efficiency continuously.

The directors of the Company have reviewed the Group's cash flow projections, which covers a period of not less than 12 months from 31 December 2024. The directors of the Company are of the opinion that, considering the anticipated cash inflows to be generated from the Group's operations taking into account reasonably possible changes in operation performance, its cost control measures, as well as the above-mentioned plans and measures, the Group will be able to meet its financial obligations as and when they fall due within twelve months from 31 December 2024. Accordingly, these consolidated financial statements have been prepared on a going concern basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 Summary of material accounting policies *(Continued)*

2.1 Basis of preparation *(Continued)*

(iii) Going concern basis *(Continued)*

Notwithstanding the above, material uncertainties exist as to whether the Group is able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend upon the following:

(a) Successful progression and completion of the above-mentioned debt management measures, which will be subject to various external conditions that are beyond the Group's control, including but not limited to the proposed restructuring of the offshore liabilities of the Group, possible material adverse changes in the market during the process and fulfilment of legal or regulatory requirements;

(b) Successful implementation of the plans and measures to achieve its budgeted sales volume and timely collection of the relevant sales proceeds;

(c) Successful monitoring of the progress of construction of its property development projects according to the delivery plans, conducting commercial negotiations with major contractors and suppliers under acceptable commercial and credit terms, and completing products for delivery to customers as planned;

(d) Successful activating resources and disposing of assets; and

(e) Successful implementation of various measures to further streamline organisational structures and to strictly control various non-core and non-essential operating expenses, to improve operational efficiency.

Should the Group be unable to complete the proposed offshore debt restructuring plan and continue to operate as a going concern, adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effects of these adjustments have not been reflected in these consolidated financial statements.

2 Summary of material accounting policies *(Continued)*

2.1 Basis of preparation *(Continued)*

(iv) New and amended standards adopted by the Group

In the current year, the Group has adopted all the new and revised HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), that are relevant to its operations and effective for its accounting year beginning on 1 January 2024. HKFRSs comprise Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKAS") and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's consolidated financial statements and amounts reported for the current year and prior years.

The Group has not applied the new and revised HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new and revised HKFRSs but is not yet in a position to state whether these new and revised HKFRSs would have a material impact on its results of operations and financial position.

2.2 Subsidiaries

2.2.1 Consolidation

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

(i) Business combinations

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by HKFRSs.

Acquisition-related costs are expensed as incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 Summary of material accounting policies *(Continued)*

2.2 Subsidiaries *(Continued)*

2.2.1 Consolidation *(Continued)*

(i) Business combinations (Continued)

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

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

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

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

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

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

2 Summary of material accounting policies *(Continued)*

2.2 Subsidiaries *(Continued)*

2.2.1 Consolidation (Continued)

(iii) Disposals of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. It means the amounts previously recognised in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs.

2.2.2 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost also 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 dividends 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.

2.3 Associates

An associate is an entity over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. On acquisition of the investment, any difference between the cost of the investment and the entity's share of the net fair value of the investee's identifiable assets and liabilities is accounted for as follows:

- Goodwill relating to an associate is included in the carrying amount of the investment. Amortisation of that goodwill is not permitted.

- Any excess of the entity's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate's profit or loss in the period in which the investment is acquired.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 Summary of material accounting policies *(Continued)*

2.3 Associates *(Continued)*

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

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

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

Gain or losses on dilution of equity interest in associates are recognised in profit or loss.

2.4 Joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. On acquisition of the investment, any difference between the cost of the investment and the entity's share of the net fair value of the investee's identifiable assets and liabilities is accounted for as follows:

- Goodwill relating to a joint venture is included in the carrying amount of the investment. Amortisation of that goodwill is not permitted.

- Any excess of the entity's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the joint venture's profit or loss in the period in which the investment is acquired.

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

2 Summary of material accounting policies *(Continued)*

2.4 Joint arrangements *(Continued)*

The Group determines at each reporting date whether there is any objective evidence that the investment in the joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value and recognises the amount adjacent to 'share of results of joint ventures' in profit or loss.

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

2.5 Segment reporting

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

2.6 Foreign currency translation

(i) Functional and presentation currency

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

(ii) 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 recognised in profit or loss, except when deferred in equity as qualifying cash flow hedges or qualifying net investment hedges.

Foreign exchange gains and losses that relate to cash and cash equivalents are presented in the consolidated income statement within 'finance costs — net'. Foreign exchange gains and losses that relate to borrowings are presented in the consolidated income statement within 'finance costs — net', except when capitalised on the basis set out in note 2.25. All other foreign exchange gains and losses are presented in the consolidated income statement within 'other income and losses — net'.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 Summary of material accounting policies *(Continued)*

2.6 Foreign currency translation *(Continued)*

(iii) Group companies

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

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses for each consolidated income statement and consolidated statement of comprehensive income 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 exchange differences are recognised in other comprehensive income.

2.7 Property, plant and equipment

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

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

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

Buildings and land	20–40 years
Machinery	5–10 years
Transportation equipment	4–10 years
Furniture, fitting and equipment	5–8 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 6).

2 Summary of material accounting policies *(Continued)*

2.7 Property, plant and equipment *(Continued)*

Construction in progress represents the direct costs of construction incurred of property, plant and equipment less any impairment losses. No provision for depreciation is made on construction in progress until such time the relevant assets are completed and put into use. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognised within 'other income and losses — net' in the consolidated income statement.

2.8 Investment properties

Investment properties, principally freehold office buildings, are held for long-term rental yields and are not occupied by the Group. Investment property is initially measured at cost, including related transaction costs and where applicable borrowing costs. Subsequently, they are carried at fair value.

Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If the information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. Changes in fair values are recorded in profit or loss as part of a valuation gain or loss.

If an item of owner-occupied property becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of this item at the date of transfer is treated in the same way as a revaluation under HKAS 16. Any resulting increase in the carrying amount of the property is recognised in profit or loss to the extent that it reverses a previous impairment loss, with any remaining increase recognised in other comprehensive income and increase directly to equity in revaluation surplus within equity. Any resulting decrease in the carrying amount of the property is initially charged in other comprehensive income against any previously recognised revaluation surplus, with any remaining decrease charged to profit or loss. For a transfer from completed properties held for sale or properties under development to investment properties that will be carried at fair value, any difference between the fair value of the property at that date and its previous carrying amount shall be recognised in profit or loss.

The Group shall transfer a property from investment property to property under development when it commences related development with a view to sale. For a transfer from investment property that is carried at fair value to property under development, related property under development shall be recognised at fair value at the transfer date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 Summary of material accounting policies *(Continued)*

2.9 Intangible assets

(i) Goodwill

Goodwill arises on the acquisition of subsidiaries represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identified net assets acquired.

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

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

(ii) Computer software

Acquired computer software programmes are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over the estimated useful lives of 5 to 10 years on a straight-line basis. Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

(iii) Research and development expenses

Research and development expenditures that do not meet the capitalised criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

2.10 Leases

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

Contracts may contain both lease and non-lease components. The Group has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

The Group leases various properties. These property lease agreements do not impose any covenants, but leased properties may not be used as security for borrowing purposes.

2 Summary of material accounting policies *(Continued)*

2.10 Leases *(Continued)*

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

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

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

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

To determine the incremental borrowing rate, the Group:

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

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the group entities use that rate as a starting point to determine the incremental borrowing rate.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 Summary of material accounting policies *(Continued)*

2.10 Leases *(Continued)*

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

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

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

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

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

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term.

2.11 Impairment of non-financial assets

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

2 Summary of material accounting policies *(Continued)*

2.12 Financial assets

(i) Classification

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

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

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

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

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

(ii) Recognition and measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in the consolidated income statement.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 Summary of material accounting policies *(Continued)*

2.12 Financial assets *(Continued)*

(ii) ***Recognition and measurement*** *(Continued)*

Debt instruments

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

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

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

- Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or financial assets at FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL and is not part of a hedging relationship is recognised in profit or loss and presented net in the consolidated income statement within 'other income and losses — net' in the period in which it arises. Interest income from these financial assets is included in the 'finance income'.

Equity instruments

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

Changes in the fair value of financial assets at FVTPL are recognised in 'other income and losses — net' in profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at financial assets at FVOCI are not reported separately from other changes in fair value.

2 Summary of material accounting policies *(Continued)*

2.13 Impairment of financial assets and contract assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and financial assets at FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 3(a)(iii) details how the Group determines whether there has been a significant increase in credit risk.

For contract assets and trade receivables, the Group applies the simplified approach permitted by HKFRS 9 — Financial instruments ("HKFRS 9"), which requires expected lifetime losses to be recognised from initial recognition of the receivables.

2.14 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

2.15 Properties under development

Properties under development are stated at the lower of cost and net realisable value. Net realisable value is determined by reference to the sale proceeds of properties sold in the ordinary course of business, less applicable variable selling expenses and the anticipated costs to completion, or by management estimates based on prevailing marketing conditions.

Development cost of property comprises cost of land use rights, construction costs, depreciation of machinery and equipment, borrowing costs capitalised for qualifying assets and professional fees incurred during the development period. On completion, the properties are transferred to completed properties held for sale.

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 Summary of material accounting policies *(Continued)*

2.16 Completed properties held for sale

Completed properties remaining unsold at year end are stated at the lower of cost and net realisable value.

Cost comprises development costs attributable to the unsold properties.

Net realisable value is determined by reference to the sale proceeds of properties sold in the ordinary course of business, less applicable variable selling expenses, or by management estimates based on prevailing marketing conditions.

2.17 Inventories

Inventories are stated at the lower of cost or net realisable value. Cost is determined using the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses and the anticipated costs to completion.

2.18 Trade and other receivables

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

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.19 Contract related assets and contract liabilities

Upon entering into a contract with a buyer, the Group obtains rights to receive consideration from the buyer and assumes performance obligations to transfer goods or provide services to the buyer. The combination of those rights and performance obligations gives rise to a net asset or a net liability depending on the relationship between the remaining rights and the performance obligations. The contract is an asset and recognised as contract related assets if the measure of the remaining rights exceeds the measure of the remaining performance obligations. Conversely, the contract is a liability and recognised as contract liabilities if the measure of the remaining performance obligations exceeds the measure of the remaining rights.

The Group recognises the incremental costs of obtaining a contract with a buyer as contract acquisition cost within contract related assets if the Group expects to recover those costs.

2 Summary of material accounting policies *(Continued)*

2.20 Cash and cash equivalents

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

2.21 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.

Where any group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the owners of Company until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effect is included in equity attributable to the owners of Company.

2.22 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to construction of hotel properties are included in non-current liabilities as deferred government grants and are credited to profit or loss on a straight-line basis over the expected lives of the related assets when they are completed and ready for use.

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

2.24 Borrowings

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 Summary of material accounting policies *(Continued)*

2.25 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 are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Borrowing costs include interest expense, finance charges in respect of finance lease and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs. The exchange gains and losses that are adjustments to interest costs include the interest rate differences between borrowing costs that would be incurred if the entity had borrowed funds in its functional currency, and the borrowing costs actually incurred on foreign currency borrowings. Such amounts are estimated based on forward currency rates at the inception of the borrowings.

When the construction of the qualifying assets takes more than one accounting period, the amount of foreign exchange differences eligible for capitalisation is determined for each annual period and is limited to the difference between the hypothetical interest amount for the functional currency borrowings and the actual interest incurred for foreign currency borrowings. Foreign exchange differences that did not meet the criteria for capitalisation in previous years should not be capitalised in subsequent years.

2.26 Senior notes

Senior notes issued by the Company that contain both liability and early redemption option (which is not closely related to the host contract) are classified separately into respective items on initial recognition. At the date of issue, both the liability and early redemption option components are recognised at fair value.

In subsequent periods, the debt component of the senior notes is carried at amortised cost using the effective interest method. The early redemption option is measured at fair value with changes in fair value recognised in profit or loss.

Transaction costs that relate to the issue of the senior notes are allocated to the liability and early redemption option components in proportion to their relative fair values. Transaction costs relating to the early redemption option are charged to profit or loss immediately. Transaction costs relating to the debt component are included in the carrying amount of the liability portion and amortised over the period of the senior notes using the effective interest method.

2 Summary of material accounting policies *(Continued)*

2.27 Convertible bonds

The fair value of the liability portion of a convertible bond is determined using a market interest rate for a non-convertible bond with similar terms. This amount is recorded as a liability on an amortised cost basis until conversion or maturity of the bonds. The remaining of the proceeds is allocated to the conversion option. This is recognised and included in shareholders' equity or derivative liability according to the conversion feature embedded. Any directly attributable transaction costs are allocated to the liability and equity or derivative liability component in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a convertible bond is measured at amortised cost using the effective interest method. The equity component of a convertible bond is not re-measured subsequent to initial recognition except on conversion or expiry. The derivative liability component of a convertible bond is measured at fair value with changes in fair value recognised in profit or loss.

2.28 Current and deferred income tax

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

(i) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the date of statement of financial position in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 Summary of material accounting policies *(Continued)*

2.28 Current and deferred income tax *(Continued)*

(ii) Deferred income tax

Inside basis differences

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

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

Outside basis differences

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

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

(iii) Offsetting

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

2 Summary of material accounting policies *(Continued)*

2.29 Employee benefits

Pension obligations

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate fund. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Group contributes on a monthly basis to various defined contribution benefit plans organised by the relevant governmental authorities. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Assets of the plans are held and managed by government authorities and are separated from those of the Group.

2.30 Share-based payments

The Group operates a number of equity-settled, share-based compensation plans, under which the Group receives services from employees as consideration for equity instruments (including shares options and awarded shares) of the Group. The fair value of the employee services received in exchange for the grant of the equity instruments is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the equity instruments granted:

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions.

Non-market performance and service conditions are included in assumptions about the number of equity instruments that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

In addition, in some circumstances employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognising the expense during the period between service commencement period and grant date.

The grant by the Company over its equity instruments to the employees of subsidiaries in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investments in subsidiaries, with a corresponding credit to equity in the parent entity accounts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 Summary of material accounting policies *(Continued)*

2.30 Share-based payments *(Continued)*

At the end of each reporting period, the Group revises its estimates of the number of equity instruments that are expected to vest based on the non-marketing performance and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

When the share options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital.

2.31 Provisions and contingent liabilities

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

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

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

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as a provision.

2.32 Financial guarantee contract liabilities

Financial guarantee contract liabilities are initially recognised at fair value and subsequently measured at the higher of:

- the loss allowance; and
- the amount initially recognised less cumulative amortisation recognised in profit or loss over the terms of the guarantee contracts.

2 Summary of material accounting policies *(Continued)*

2.33 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for the sales of properties and provision of services in the ordinary course of the Group's activities. Revenue is shown, net of discounts and after eliminating sales with the Group companies. The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below.

Revenue from contracts with customers

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

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

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

If contracts involve the sale of multiple services, the transaction price will be allocated to each performance obligation based on their relative stand-alone selling prices. If the stand-alone selling prices are not directly observable, they are estimated based on expected cost plus a margin or adjusted market assessment approach, depending on the availability of observable information.

(i) Sales of properties and rendering of technology-enabled construction services

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 Summary of material accounting policies *(Continued)*

2.33 Revenue recognition *(Continued)*

Revenue from contracts with customers *(Continued)*

(i) Sales of properties and rendering of technology-enabled construction services (Continued)

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

(ii) Hotel operation

Revenue from hotel operation is recognised in the accounting period in which the services are rendered.

Revenue from other sources

Rental income

Rental income from properties leasing under operating leases is recognised on a straight-line basis over the lease terms.

2.34 Interest income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

2.35 Dividend income

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

2.36 Dividend distribution

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

3 Financial risk management

The Group conducts its operations mainly in the PRC and is subject to special considerations and significant risks. These include risks associated with, among others, the political, economic and legal environment, influence of national authorities over pricing regulation and competition in the industry.

The Group's activities expose it to a variety of financial risks: market risk (mainly included foreign exchange risk, cash flow and fair value interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The property industry is highly sensitive to the economic environment in the PRC, which will affect the volumes of property transactions and selling prices. The Group mainly relies on sales of properties and debt financing to fund its operations. The Group has alternative plans (refer to note 3(a)(iv)) to monitor liquidity risk should there be significant adverse changes on the Group's cash flow projections.

(a) Financial risk factors

(i) Foreign exchange risk

The Group's businesses are principally conducted in RMB. The majority of its assets is denominated in RMB. The majority of its non-RMB assets and liabilities are bank deposits and borrowings denominated in Hong Kong Dollar ("HKD") and United States Dollar ("USD"). The Group is subject to foreign exchange risk arising from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the relevant group entity.

The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 Financial risk management *(Continued)*

(a) Financial risk factors *(Continued)*

(i) ***Foreign exchange risk*** *(Continued)*

The aggregated carrying amount of the foreign currency denominated monetary assets and monetary liabilities of group companies at the respective dates of statement of financial position are as follows:

	2024 RMB million	2023 RMB million
Assets		
HKD	**64**	118
USD	**950**	72
Other currencies	**34**	270
	1,048	460
Liabilities		
HKD	**22,573**	21,586
USD	**88,167**	83,780
	110,740	105,366

The following table shows the sensitivity analysis of a 5% change in RMB against the relevant foreign currencies. The sensitivity analysis includes only foreign currency denominated monetary items and adjusts their translation at the year-end for a 5% change in foreign currency rates. Should RMB strengthened/weakened by 5% against the relevant currencies, the effects on profit before tax for the year would be as follows:

	Change of profit before tax — increase/(decrease)	
	2024 RMB million	2023 RMB million
RMB against HKD:		
Strengthened by 5%	**1,125**	1,073
Weakened by 5%	**(1,125)**	(1,073)
RMB against USD:		
Strengthened by 5%	**4,361**	4,185
Weakened by 5%	**(4,361)**	(4,185)

3 Financial risk management *(Continued)*

(a) Financial risk factors *(Continued)*

(ii) Cash flow and fair value interest rate risk

The Group's interest rate risk arises from interest-bearing bank deposits, senior notes, corporate bonds, convertible bonds, bank and other borrowings and lease liabilities. Bank deposits, bank and other borrowings issued at variable rates expose the Group to cash flow interest-rate risk. Senior notes, corporate bonds and convertible bonds issued at fixed rates expose the Group to fair value interest rate risk.

The Group analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration including refinancing, renewal of existing positions and alternative financing. Based on these scenarios, the Group calculates the impact on profit or loss of a defined interest rate shift. For each scenario, the same interest rate shift is used for all currencies. The scenarios are run only for financial liabilities that represent the major interest-bearing positions. The Group applies interest rate swaps to mitigate exposures arising from the fluctuation in interest rate.

The exposure of the Group's total borrowings (notes 20, 21, 22 and 23) and lease liabilities to interest rate changes and the contractual maturity dates of the total borrowings at the end of the year are as follows:

	2024 **RMB million**	2023 RMB million
Variable rate borrowings	**129,110**	132,912
Fixed rate borrowings and lease liabilities		
— repricing or maturity dates:		
1 year or less	**110,342**	91,980
1–2 years	**11,997**	9,938
2–5 years	**4,003**	15,450
Over 5 years	**552**	1,373
	256,004	251,653

As at 31 December 2024, borrowings of the Group which were bearing at floating rates amounted to approximately RMB129,110 million (2023: RMB132,912 million). As at 31 December 2024, should the interest rate be increased/decreased by 50 basis points with all other factors remain unchanged and without taking into account interest capitalisation, the finance costs of the Group would be increased/decreased by approximately RMB646 million (2023: RMB665 million).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 Financial risk management *(Continued)*

(a) Financial risk factors *(Continued)*

(iii) Credit risk

The Group is exposed to credit risk in relation to its trade and other receivables, contract assets, wealth management products and cash deposits with banks.

The carrying amounts of trade and other receivables, contract assets, wealth management products, restricted cash and cash and cash equivalents represent the Group's maximum exposure to credit risk in relation to financial assets.

To manage this risk, bank deposits and wealth management products are mainly placed or entered with state-owned financial institutions and reputable banks which are all high-credit-quality financial institutions. The Group has policies in place to ensure that sales are made to buyers with an appropriate financial strength and appropriate percentage of down payments. It also has other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. For properties that are still under construction and the buyers choose to pay by bank mortgage, the Group typically provides guarantees to banks in connection with the buyers' borrowing of mortgage loans to finance their purchases of the properties. If a buyer defaults on the payment of its mortgage during the term of the guarantee, the bank holding the mortgage may demand the Group to repay the outstanding amount under the loan and any accrued interest thereon. Under such circumstances, the Group is able to retain the buyer's deposits and sell the property to recover any amounts paid by the Group to the bank. Unless the selling price would drop by more than the buyer's deposits received, the Group may not be in a loss position in selling those properties out. In this regard, the directors of the Company consider that the Group's credit risk is largely mitigated. In addition, the Group reviews regularly the recoverable amount of each individual trade receivables and contract assets to ensure that adequate impairment losses are made for irrecoverable amounts. The Group has no significant concentrations of credit risk, with exposure spread over a large number of counterparties and buyers.

The Group has arranged bank financing for certain buyers of property units and provided guarantees to secure obligations of such buyers for repayments. Detailed disclosure of these guarantees is made in note 36.

For other receivables, management makes periodic collective assessments as well as individual assessment on the recoverability of other receivables based on historical settlement records, past experience and available forward-looking information.

3 **Financial risk management** *(Continued)*

(a) **Financial risk factors** *(Continued)*

(iii) Credit risk *(Continued)*

The Group considers the probability of default upon initial recognition of, a financial asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information. In particular, the following indicators are incorporated:

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

i. Trade and other receivables (excluding deposits for acquisitions of companies and prepayments) and contract assets

The Group applies the simplified approach to provide for expected credit losses ("ECL") prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for contract assets and trade receivables.

The Group applies the 12 months expected losses approach to provide for expected credit losses prescribed by HKFRS 9 for other receivables (excluding deposits for acquisitions of companies and prepayments) when there has been no significant increase in credit risk of other receivables since initial recognition. If significant increase in credit risk of other receivables has occurred since initial recognition, then impairment is measured as lifetime expected credit loss according to HKFRS 9 three-stage approach.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 Financial risk management *(Continued)*

(a) Financial risk factors *(Continued)*

(iii) Credit risk (Continued)

i. Trade and other receivables (excluding deposits for acquisitions of companies and prepayments) and contract assets (Continued)

As at 31 December 2024, the aging of trade receivables and the loss allowance provision based on dates of delivery of goods and dates of rendering of services are as follow:

	2024			
Trade receivables	**Within 180 days**	**More than 180 days**	**More than 365 days**	**Total**
Expected loss rate	0.29%	3.98%	32.56%	
Gross carrying amount (RMB million)	21,453	4,954	2,936	29,343
Loss allowance provision (RMB million)	63	197	956	1,216

Other receivables (excluding deposits for acquisitions of companies and prepayments)	**Gross carrying amount (RMB million)**	**Loss allowance provision (RMB million)**	**Expected loss rate**
Stage 1 (12-month ECL)	155,095	1,507	0.97%
Stage 2 (Lifetime ECL (non-credit impaired))	58,774	9,120	15.52%
Stage 3 (Lifetime ECL (credit impaired))	46,123	32,562	70.60%
Total	259,992	43,189	

3 Financial risk management *(Continued)*

(a) Financial risk factors *(Continued)*

(iii) *Credit risk* *(Continued)*

i. Trade and other receivables (excluding deposits for acquisitions of companies and prepayments) and contract assets (Continued)

	2023			
Trade receivables	Within 180 days	More than 180 days	More than 365 days	Total
Expected loss rate	0.24%	3.66%	30.79%	
Gross carrying amount (RMB million)	25,274	4,756	2,757	32,787
Loss allowance provision (RMB million)	61	174	849	1,084

Other receivables (excluding deposits for acquisitions of companies and prepayments)	Gross carrying amount (RMB million)	Loss allowance provision (RMB million)	Expected loss rate
Stage 1 (12-month ECL)	160,469	1,386	0.86%
Stage 2 (Lifetime ECL (non-credit impaired))	68,504	8,776	12.81%
Stage 3 (Lifetime ECL (credit impaired))	47,881	31,352	65.48%
Total	276,854	41,514	

ii. Financial guarantees

The Group applies the 12 months expected credit losses approach to provide for expected credit losses prescribed by HKFRS 9 for financial guarantees when there has been no significant increase in credit risk since the initial recognition of the financial guarantees. As at 31 December 2024, the management has performed an impairment assessment and concluded that there had been no significant increase in credit risk since the initial recognition of the financial guarantees. Accordingly, the loss allowance for financial guarantees provided by the Group is measured at an amount equal to 12 months expected credit losses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 **Financial risk management** *(Continued)*

(a) **Financial risk factors** *(Continued)*

(iii) ***Credit risk*** *(Continued)*

ii. Financial guarantees (Continued)

As at 31 December 2024, the loss allowance provision for trade and other receivables (excluding deposits for acquisitions of companies and prepayments) and financial guarantees reconciles to the opening loss allowance for that provision as follows:

	Trade receivables RMB million	**Other receivables (excluding deposits for acquisitions of companies and prepayments)** RMB million	**Financial guarantees** RMB million	**Total** RMB million
Loss allowance as at 1 January 2023	277	9,437	–	9,714
Provision for loss allowance recognised in profit or loss during the year	807	35,557	879	37,243
Derecognition of other receivables*	–	(3,480)	–	(3,480)
Loss allowance as at 31 December 2023 and 1 January 2024	1,084	41,514	879	43,477
Provision for loss allowance recognised in profit or loss during the year	132	1,675	95	1,902
Loss allowance as at 31 December 2024	**1,216**	**43,189**	**974**	**45,379**

* These other receivables had been settled upon the completion of the business combination.

As at 31 December 2024, the gross carrying amount of trade and other receivables (excluding deposits for acquisitions of companies and prepayments) was RMB289,335 million (2023: RMB309,641 million) and the maximum exposure to loss was RMB244,930 million (2023: RMB267,043 million). The Group made no write-off of trade and other receivables (excluding deposits for acquisitions of companies and prepayments) and contract assets during the year (2023: nil).

3 Financial risk management *(Continued)*

(a) Financial risk factors *(Continued)*

(iv) Liquidity risk

Management aims at maintaining sufficient cash to meet funding requirement for operations and monitors rolling forecasts of the Group's cash on the basis of expected cash flow. The directors of the Company have prepared cash flow projections for the year ending 31 December 2025. Key assumptions used in the preparation of the cash flow projections for the year ending 31 December 2025 are included in note 2.1(iii).

The Group has a number of alternative plans to mitigate the potential impacts on anticipated cash flows should there be significant adverse changes in economic environment (note 2.1(iii)). The Group will base on its assessment of the relevant future costs and benefits to pursue such options as appropriate. The directors of the Company consider that the Group will be able to maintain sufficient financial resources to meet its operation needs.

The table below analyses the Group's non-derivative financial liabilities and net-settled derivative financial liabilities into relevant maturity grouping based on the remaining period at the date of the statement of financial position to the contractual maturity date. Derivative financial liabilities are included in the analysis if their contractual maturities are essential for an understanding of the timing of the cash flows. The amounts disclosed in the table are the contractual undiscounted cash flows and included interest (based on the earliest date on which the Group is required to pay, if applicable).

	Less than 1 year RMB million	Between 1 and 2 years RMB million	Between 2 and 5 years RMB million	Over 5 years RMB million	Total RMB million
At 31 December 2024					
Senior notes	76,688	—	—	—	76,688
Corporate bonds	10,231	9,304	1,391	—	20,926
Convertible bonds	6,935	—	—	—	6,935
Bank and other borrowings	145,064	12,146	5,476	—	162,686
Trade and other payables (excluding other taxes payable and salaries payable)	370,618	—	—	—	370,618
Lease liabilities	484	445	999	2,181	4,109
Total	610,020	21,895	7,866	2,181	641,962

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 Financial risk management *(Continued)*

(a) Financial risk factors *(Continued)*

(iv) Liquidity risk *(Continued)*

	Less than 1 year RMB million	Between 1 and 2 years RMB million	Between 2 and 5 years RMB million	Over 5 years RMB million	Total RMB million
At 31 December 2023					
Senior notes	72,003	—	—	—	72,003
Corporate bonds	3,711	7,303	10,424	—	21,438
Convertible bonds	6,839	—	—	—	6,839
Bank and other borrowings	123,698	23,194	18,916	2,684	168,492
Trade and other payables (excluding other taxes payable and salaries payable)	359,247	—	—	—	359,247
Lease liabilities	500	386	839	1,274	2,999
Derivative financial instruments	60	—	—	—	60
Total	566,058	30,883	30,179	3,958	631,078

(b) 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.

In order to optimise the capital structure, the Group may adjust the amount of dividends paid to shareholders, buy back of shares, issue new shares or sell assets.

The Group monitors capital on the basis of the capital gearing ratio. This ratio is calculated by dividing the net debt by total capital. Net debt equals to total debt (representing bank and other borrowings, senior notes, corporate bonds and convertible bonds) net of total cash (including cash and cash equivalent and restricted cash). Total capital is calculated by adding total equity and net debt.

3 Financial risk management *(Continued)*

(c) Fair value estimation

The table below analyses financial instruments carried or presented at fair value, by level of the inputs to valuation techniques used to measure fair value. The different levels are defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the assets or liabilities, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the assets or liabilities that are not based on observable market data (that is, unobservable inputs) (level 3).

	Level 1 RMB million	Level 2 RMB million	Level 3 RMB million	Total RMB million
At 31 December 2024				
Assets				
Financial assets at FVOCI	6	—	4,621	4,627
Financial assets at FVTPL	135	2,214	6,352	8,701
Total	141	2,214	10,973	13,328

	Level 1 RMB million	Level 2 RMB million	Level 3 RMB million	Total RMB million
At 31 December 2023				
Assets				
Financial assets at FVOCI	35	—	7,373	7,408
Financial assets at FVTPL	241	2,237	9,210	11,688
Total	276	2,237	16,583	19,096
Liabilities				
Derivative financial instruments	—	60	—	60

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 Financial risk management *(Continued)*

(c) Fair value estimation *(Continued)*

(i) Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Valuation techniques used to derive level 2 fair values

For Level 2 financial assets at FVOCI and FVTPL, fair values are generally obtained through the use of valuation methodologies with observable market inputs.

(ii) Financial instruments in level 3

The following table presents the changes in level 3 instruments for the year ended 31 December 2024:

	2024 RMB million	2023 RMB million
Opening balance	16,583	18,864
Additions	–	683
Total gains or losses recognised		
in profit or loss	29	(618)
in other comprehensive income/(loss)	248	(1,598)
Disposals	(5,887)	(748)
Closing balance	10,973	16,583

There is no material unrealised gain or loss recognised in profit or loss for the year ended 31 December 2024 and 2023 attributable to balances held at the end of the reporting period.

There were no changes in valuation techniques during the year.

3 Financial risk management *(Continued)*

(d) Financial instruments by category

	31 December 2024			
	Assets at FVOCI RMB million	Assets at FVTPL RMB million	Assets at amortised cost RMB million	Total RMB million
Assets as per consolidated statement of financial position				
Financial assets at FVOCI	4,627	—	—	4,627
Trade and other receivables (excluding deposits for acquisitions of companies and prepayments)	—	—	244,930	244,930
Restricted cash	—	—	23,535	23,535
Cash and cash equivalents	—	—	6,362	6,362
Financial assets at FVTPL	—	8,701	—	8,701
Total	4,627	8,701	274,827	288,155

	31 December 2023			
	Assets at FVOCI RMB million	Assets at FVTPL RMB million	Assets at amortised cost RMB million	Total RMB million
Assets as per consolidated statement of financial position				
Financial assets at FVOCI	7,408	—	—	7,408
Trade and other receivables (excluding deposits for acquisitions of companies and prepayments)	—	—	267,043	267,043
Restricted cash	—	—	56,686	56,686
Cash and cash equivalents	—	—	7,130	7,130
Financial assets at FVTPL	—	11,688	—	11,688
Total	7,408	11,688	330,859	349,955

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 **Financial risk management** *(Continued)*

(d) **Financial instruments by category** *(Continued)*

	31 December 2024 Liabilities at amortised cost RMB million
Liabilities as per consolidated statement of financial position	
Senior notes	**73,084**
Corporate bonds	**19,759**
Convertible bonds	**6,691**
Bank and other borrowings	**153,954**
Trade and other payables (excluding other taxes payable and salaries payable)	**370,618**
Lease liabilities	**2,516**
Total	**626,622**

	31 December 2023		
	Liabilities at amortised cost RMB million	Liabilities at FVTPL RMB million	Total RMB million
Liabilities as per consolidated statement of financial position			
Senior notes	68,367	—	68,367
Corporate bonds	19,359	—	19,359
Convertible bonds	6,171	—	6,171
Bank and other borrowings	155,752	—	155,752
Trade and other payables (excluding other taxes payable and salaries payable)	359,247	—	359,247
Lease liabilities	2,004	—	2,004
Derivative financial instruments	—	60	60
Total	610,900	60	610,960

4 Critical accounting estimates and judgements

Critical judgments in applying accounting policies

In the process of applying accounting policies, the Directors have made the following judgements that have the most significant effect on the amounts recognised in the consolidated financial statements (apart from those involving estimations, which are dealt with below).

Going concern consideration

In the process of applying Group's accounting policies, apart from those involving estimations, management has prepared the consolidated financial statements on the assumption that Group will be able to operate as a going concern in the coming year, which is a critical judgement that has the most significant effect on the amounts recognised in the consolidated financial statements. The assessment of the going concern assumption involves making a judgement by the Directors, at a particular point of time, about the future outcome of events or conditions which are inherently uncertain. The Directors consider that the Group has the capability to continue as a going concern and the major events or conditions, which may give rise to business risks, that may individually or collectively cast a significant doubt upon the going concern assumption are set out in note 2.1(iii) to the consolidated financial statements.

Key sources of estimation of uncertainty

Estimates and judgements used in preparing the consolidated financial statements are evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that may have a significant effect on the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Estimates for net realisable value of properties under development and completed properties held for sale

The Group assesses the carrying amounts of properties under development and completed properties held for sale according to their net realisable values based on the realisability of these properties. Net realisable value for properties under development is determined by reference to management's estimates of the selling price based on prevailing market conditions, less applicable variable selling expenses and the anticipated costs to completion. Net realisable value for completed properties held for sale is determined by reference to management's estimates of the selling price based on prevailing market conditions, less applicable variable selling expenses.

(b) Estimated impairment of trade and other receivables

The Group estimates loss allowance for expected credit losses for trade receivables and other receivables resulting from expected cash shortfalls. The Group bases the estimates on the information about past events, current conditions and forecasts of future economic conditions. The Group's historical credit loss experience and forecast of economic conditions may not be representative of a counterparty's actual default in the future. If the above conditions were to change, actual provisions would be varied than estimated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 Critical accounting estimates and judgements *(Continued)*

Key sources of estimation of uncertainty *(Continued)*

(c) Current and deferred income tax

Significant judgements are required in determining the provision for income tax. There are many transactions and calculations for which the ultimate determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such difference will impact the income tax and deferred income tax provision in the period in which such determination is made.

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

(d) Land appreciation taxes

PRC land appreciation tax is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including land cost, borrowing costs and all property development expenditures.

The subsidiaries of the Group engaging in property development business in the PRC are subject to land appreciation taxes, which have been included in the income tax expenses. However, the implementation of these taxes varies amongst various PRC cities and the Group has not finalised its land appreciation tax returns with various tax authorities for certain projects. Accordingly, judgement is required in determining the amount of land appreciation and its related taxes payable. The Group recognises these liabilities based on management's best estimates. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the income tax expenses and provisions of land appreciation taxes in the period in which such determination is made.

5 Revenue and segment information

The executive directors of the Company review the Group's internal reporting in order to assess segment performance and allocate resources. The executive directors of the Company have determined the operating segments based on these reports.

During the year, the executive directors of the Company concluded that the Group only has two reportable segments — Property development and Technology-enabled construction. The Others segment mainly includes property investment and hotel operation, which are individually and collectively insignificant for segment reporting purposes.

The executive directors of the Company assess the performance of the operating segments based on a measure of segment results, adjusted by excluding changes in fair value of derivative financial instruments and including share of results of joint ventures and associates.

5 Revenue and segment information *(Continued)*

Segment assets consist primarily of property, plant and equipment, intangible assets, right-of-use assets, investment properties, financial assets at FVOCI, financial assets at FVTPL, properties under development, completed properties held for sale, inventories, investments in joint ventures, investments in associates, receivables, prepaid income tax, contract assets and contract acquisition costs and operating cash. They exclude deferred income tax assets. Segment liabilities consist primarily of operating liabilities. They exclude current income tax liabilities, senior notes, corporate bonds, convertible bonds, bank and other borrowings, derivative financial instruments and deferred income tax liabilities.

Capital expenditure mainly comprises additions to property, plant and equipment (note 6), intangible assets and right-of-use assets, excluding those arising from business combinations.

Revenue consists of the following:

	2024 RMB million	2023 RMB million
Sales of properties	**245,719**	391,251
Rendering of technology-enabled construction services	**3,432**	5,391
Rental income	**1,051**	1,077
Others	**2,554**	3,296
	252,756	401,015

Sales between segments are carried out according to the terms and conditions agreed by the respective segments' management.

The Group's revenue is mainly attributable to the market in Mainland China and over 90% of the Group's non-current assets are located in Mainland China. No geographical information is therefore presented.

The Group has a large number of customers, none of whom contributed 10% or more of the Group's revenue.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5 Revenue and segment information *(Continued)*

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

	Property development RMB million	Technology-enabled construction RMB million	Others RMB million	Total RMB million
Revenue from contracts with customers	245,719	11,541	5,450	262,710
Revenue from other source				
Rental income	–	–	1,051	1,051
Segment revenue	245,719	11,541	6,501	263,761
Inter-segment revenue	–	(8,109)	(2,896)	(11,005)
Revenue from external customers	245,719	3,432	3,605	252,756
Share of results of joint ventures and associates	1,776	–	2	1,778
Losses arising from changes in fair value of and transfers to investment properties	–	–	(818)	(818)
Depreciation and amortisation expenses of property, plant and equipment, intangible assets and right-of-use assets	(585)	(437)	(587)	(1,609)
Net impairment losses on financial assets and guarantees	(1,902)	–	–	(1,902)
Net write-down of properties under development and completed properties held for sale	(4,348)	–	–	(4,348)
Impairment losses on property, plant and equipment	–	–	(19)	(19)
Segment results	(13,268)	(1,012)	(1,700)	(15,980)
At 31 December 2024				
Total segment assets after elimination of inter-segment balances	914,748	21,683	85,003	1,021,434
Investments in joint ventures and associates	44,606	–	925	45,531
Capital expenditure	1,361	111	48	1,520
Total segment liabilities after elimination of inter-segment balances	604,878	25,695	48,924	679,497

5 Revenue and segment information *(Continued)*

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

	Property development RMB million	Technology-enabled construction RMB million	Others RMB million	Total RMB million
Revenue from contracts with customers	391,251	33,971	17,452	442,674
Revenue from other source				
Rental income	—	—	1,077	1,077
Segment revenue	391,251	33,971	18,529	443,751
Inter-segment revenue	—	(28,580)	(14,156)	(42,736)
Revenue from external customers	391,251	5,391	4,373	401,015
Share of results of joint ventures and associates	151	—	—	151
Losses arising from changes in fair value of and transfers to investment properties	—	—	(1,326)	(1,326)
Depreciation and amortisation expenses of property, plant and equipment, intangible assets and right-of-use assets	(561)	(842)	(973)	(2,376)
Net impairment losses on financial assets and guarantees	(37,008)	(22)	(213)	(37,243)
Net write-down of properties under development and completed properties held for sale	(82,354)	—	—	(82,354)
Impairment losses on property, plant and equipment	—	—	(2,077)	(2,077)
Segment results	(155,417)	(750)	(5,615)	(161,782)
At 31 December 2023				
Total segment assets after elimination of inter-segment balances	1,141,720	12,500	118,202	1,272,422
Investments in joint ventures and associates	47,775	—	928	48,703
Capital expenditure	1,025	801	1,004	2,830
Total segment liabilities after elimination of inter-segment balances	820,197	16,791	62,609	899,597

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5 Revenue and segment information *(Continued)*

(a) Substantially all of the Group's revenue from property development is recognised at a point in time.

(b) During the year ended 31 December 2024, the amount of revenue from technology-enabled construction recognised at a point in time and recognised over time are RMB1,650 million (2023: RMB2,712 million) and RMB9,891 million (2023: RMB31,259 million) respectively.

(c) During the year ended 31 December 2024, the amount of revenue from others recognised at a point in time and recognised over time are RMB4,017 million (2023: RMB15,766 million) and RMB1,433 million (2023: RMB1,686 million) respectively.

Reportable segment results are reconciled to loss for the year as follows:

	2024 RMB million	2023 RMB million
Total segment results	**(15,980)**	(161,782)
Changes in fair value of derivative financial instruments	**60**	(13)
Finance costs — net	**(6,449)**	(5,458)
Loss before income tax	**(22,369)**	(167,253)
Income tax expenses	**(12,776)**	(33,709)
Loss for the year	**(35,145)**	(200,962)

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

	2024 RMB million	2023 RMB million
Total segment assets after elimination of inter-segment balances	**1,021,434**	1,272,422
Deferred income tax assets	**14,409**	20,570
Total assets	**1,035,843**	1,292,992
Total segment liabilities after elimination of inter-segment balances	**679,497**	899,597
Current income tax liabilities	**38,918**	36,131
Senior notes	**73,084**	68,367
Corporate bonds	**19,759**	19,359
Convertible bonds	**6,691**	6,171
Bank and other borrowings	**153,954**	155,752
Derivative financial instruments	**—**	60
Deferred income tax liabilities	**12,686**	18,946
Total liabilities	**984,589**	1,204,383

6 Property, plant and equipment

	Buildings and land RMB million	Machinery RMB million	Transportation equipment RMB million	Furniture, fitting and equipment RMB million	Construction in progress RMB million	Total RMB million
Year ended 31 December 2024						
Opening net book amount	16,764	2,412	96	281	3,141	22,694
Acquisitions of subsidiaries (note 41)	52	1	—	3	—	56
Other additions	277	261	3	48	37	626
Transfer	67	—	—	195	(262)	—
Disposals of subsidiaries	(345)	(15)	(1)	(6)	—	(367)
Other disposals	(46)	(180)	(21)	(172)	(9)	(428)
Depreciation	(937)	(547)	(42)	(110)	—	(1,636)
Impairment	(19)	—	—	—	—	(19)
Exchange differences	133	8	9	1	—	151
Closing net book amount	15,946	1,940	44	240	2,907	21,077
At 31 December 2024						
Cost	26,697	4,400	902	2,630	2,907	37,536
Accumulated depreciation and impairment	(10,751)	(2,460)	(858)	(2,390)	—	(16,459)
Net book amount	15,946	1,940	44	240	2,907	21,077
Year ended 31 December 2023						
Opening net book amount	19,205	2,897	256	35	3,208	25,601
Acquisitions of subsidiaries	1,775	66	10	27	289	2,167
Other additions	109	61	49	409	39	667
Transfer	139	—	—	—	(139)	—
Disposals of subsidiaries	(358)	(17)	(2)	(16)	(187)	(580)
Other disposals	(809)	(175)	(10)	(23)	(46)	(1,063)
Depreciation	(1,226)	(417)	(217)	(151)	—	(2,011)
Impairment	(2,055)	—	—	—	(22)	(2,077)
Exchange differences	(16)	(3)	10	—	(1)	(10)
Closing net book amount	16,764	2,412	96	281	3,141	22,694
At 31 December 2023						
Cost	26,709	4,522	1,162	2,622	3,163	38,178
Accumulated depreciation and impairment	(9,945)	(2,110)	(1,066)	(2,341)	(22)	(15,484)
Net book amount	16,764	2,412	96	281	3,141	22,694

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6 Property, plant and equipment *(Continued)*

Depreciation charge was capitalised or expensed in the following categories in the consolidated statement of financial position or the consolidated income statement respectively:

	2024 RMB million	2023 RMB million
Properties under development	**382**	364
Cost of sales	**547**	785
Selling and marketing costs	**91**	96
Administrative expenses and research and development expenses	**616**	766
	1,636	2,011

As at 31 December 2024, buildings with net book value of RMB8,228 million (2023: RMB5,833 million) were pledged as collateral for the Group's bank and other borrowings (note 23).

As at 31 December 2024, title certificates of buildings with net book value of RMB2,601 million (2023: RMB2,860 million) were still in the process of being obtained.

7 Investment properties

	2024 RMB million	2023 RMB million
At 1 January	**16,625**	14,250
Transfer from properties under development, completed properties held for sale and right-of-use assets	**–**	162
Acquisition of subsidiaries	**–**	4,589
Revaluation losses upon transfer from properties under development and completed properties held for sale	**–**	(25)
Revaluation gains upon transfer from right-of-use assets (included in other comprehensive loss)	**–**	18
Fair value changes	**(818)**	(1,301)
Other disposals	**(104)**	(1,048)
Disposals of subsidiaries	**(16)**	(20)
At 31 December	**15,687**	16,625
Losses arising from changes in fair value of and transfer to investment properties recognised in profit or loss:		
— revaluation losses upon transfer of properties under development and completed properties held for sale	**–**	(25)
— fair value changes	**(818)**	(1,301)
	(818)	(1,326)

7 Investment properties *(Continued)*

As at 31 December 2024, investment properties with net book value of RMB1,219 million (2023: RMB1,383 million) were pledged as collateral for the Group's bank and other borrowings (note 23).

The Group's policy is to recognise change of fair value hierarchy levels as of the date of the event or change in circumstances that caused the change. At 31 December 2024 and 2023, the Group only had investment properties measured at level 3 valuation.

Valuation processes of the Group

The Group's investment properties were valued at transfer or business acquisition dates, and at 31 December 2024 and 2023 by an independent and professionally qualified valuer who hold recognised relevant professional qualifications and have recent experience in the locations and segments of the investment properties valued. For all investment properties, their current use equates the highest and best use.

Discussions of valuation processes and results are held between management and the valuers on a semi-annual basis, in line with the Group's interim and annual reporting dates.

At each half year-end, management:

- Verifies all major inputs to the independent valuation reports;
- Assesses property valuations movements when compared to the prior year valuation reports; and
- Holds discussions with the independent valuer.

Valuation techniques

Valuations are based on:

(i) Income capitalisation approach taking into account the current rents of the property interests and the reversionary potentials of the tenancies, term yield and reversionary yield are then applied respectively to derive the market value of the property; or

(ii) Residual method of valuation which is commonly used in valuing development sites by establishing the market value of the properties on an "as-if" completed basis with appropriate deduction on land and construction costs, professional fees, contingency, marketing and legal costs, and interest payments to be incurred as well as anticipated developer's profits.

There were no changes to the valuation techniques during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

7 Investment properties *(Continued)*

Valuation techniques *(Continued)*

Main information about fair value measurements using significant unobservable inputs (level 3)

	Fair value as at 31 December 2024 RMB million	Valuation techniques	Unobservable inputs	Range of unobservable inputs
Completed investment properties	12,674	Income capitalisation	The rate of return/ capitalisation rate	3%–8% per annum
			Monthly rental (RMB/ square meter/month)	10–145
Investment properties under construction	3,013	Residual method	Budgeted construction costs to be incurred (RMB/square meter)	290–8,000
			Remaining percentage to completion	9%–81%
			Anticipated developer's profit margin	5%

	Fair value as at 31 December 2023 RMB million	Valuation techniques	Unobservable inputs	Range of unobservable inputs
Completed investment properties	13,702	Income capitalisation	The rate of return/ capitalisation rate	2.5%–6.5% per annum
			Monthly rental (RMB/ square meter/month)	10–117
Investment properties under construction	2,923	Residual method	Budgeted construction costs to be incurred (RMB/square meter)	1,840–7,860
			Remaining percentage to completion	41%–81%
			Anticipated developer's profit margin	5%–6%

7 Investment properties *(Continued)*

Valuation techniques *(Continued)*

Main information about fair value measurements using significant unobservable inputs (level 3) *(Continued)*

Relationships of unobservable inputs to fair value are as follows:

- The higher rate of return/capitalisation rate, the lower fair value;
- The higher monthly rental, the higher fair value;
- The higher budgeted construction cost to be incurred, the lower fair value;
- The higher remaining percentage to completion, the lower fair value; and
- The higher the anticipated developer's profit margin, the lower fair value.

Amounts recognised in profit or loss for investment properties

	2024 RMB million	2023 RMB million
Rental income (note 5)	1,051	1,077
Direct operating expenses	(463)	(307)
	588	770

Leasing arrangements

The investment properties are generally leased to tenants under operating leases with rentals payable monthly. There are no other variable lease payments that depend on an index or rate.

Although the Group is exposed to changes in the residual value at the end of the current leases, the Group typically enters into new operating leases and therefore will not immediately realise any reduction in residual value at the end of these leases. Expectations about the future residual values are reflected in the fair value of the properties.

For minimum lease payments receivable on leases of investment properties, refer to note 38(b).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

8 Properties under development

	2024 RMB million	2023 RMB million
Properties under development expected to be completed and delivered:		
— Within one operating cycle included under current assets	**465,996**	657,167
— Beyond one operating cycle included under non-current assets	**9,751**	13,282
	475,747	670,449
Amounts comprise:		
— Construction costs including depreciation and staff cost capitalised	**222,627**	292,912
— Land costs	**241,976**	364,092
— Borrowing costs capitalised	**11,144**	13,445
	475,747	670,449

One operating cycle of the Group's property development generally ranges from one to two years.

The capitalisation rate used to determine the amount of interest on general borrowings incurred eligible for capitalisation in 2024 was 5.49% per annum (2023: 5.74% per annum).

The properties under development of the Group are located in:

	2024 RMB million	2023 RMB million
Mainland China	**466,550**	659,065
Australia	**1,528**	2,426
Indonesia	**1,298**	1,129
Thailand	**2,144**	2,973
India	**1,160**	1,442
Others	**3,067**	3,414
	475,747	670,449

As at 31 December 2024, properties under development of RMB126,101 million (2023: RMB140,113 million) were pledged as collateral for the Group's bank and other borrowings (note 23).

9(a) Subsidiaries

The principal subsidiaries at 31 December 2024 are listed in note 44.

The directors of the Company consider that none of the non-controlling interests of the individual subsidiaries were significant to the Group and thus the individual financial information of these subsidiaries are not disclosed.

9(b) Investments in joint ventures

The balance comprises the following:

	2024 RMB million	2023 RMB million
Unlisted investments		
— Share of net assets	**29,445**	30,847
— Notional goodwill	**176**	176
	29,621	31,023

As at 31 December 2024, certain borrowings of joint ventures were guaranteed by the Group (note 36) and/or secured by the Group's certain interests in joint ventures with an aggregate carrying value of RMB602 million (2023: RMB454 million). As at 31 December 2024, there were no significant commitments relating to the Group's interests in the joint ventures.

The directors of the Company consider that none of the joint ventures as at 31 December 2024 and 2023 was significant to the Group and thus the individual financial information of the joint ventures was not disclosed. The summarised financial information of individually immaterial joint ventures on an aggregate basis is as follows:

	2024 RMB million	2023 RMB million
Carrying amount in the consolidated financial statements	**29,621**	31,023
Share of profit for the year	**1,530**	212
Share of total comprehensive income for the year	**1,530**	212

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

9(c) Investments in associates

The balance comprises the following:

	2024 RMB million	2023 RMB million
Unlisted investments		
— Share of net assets	**15,910**	17,680

As at 31 December 2024, certain borrowings of associates were guaranteed by the Group (note 36) and/or secured by the Group's certain interests in associates with an aggregate carrying value of RMB287 million (2023: RMB754 million).

The directors of the Company consider that none of the associates as at 31 December 2024 and 2023 was significant to the Group and thus the individual financial information of the associates was not disclosed. The summarised financial information of individually immaterial associates on an aggregate basis is as follows:

	2024 RMB million	2023 RMB million
Carrying amount in the consolidated financial statements	**15,910**	17,680
Share of profit/(loss) for the year	**248**	(61)
Share of total comprehensive income/(loss) for the year	**248**	(61)

10 Financial assets at fair value through other comprehensive income

	2024 RMB million	2023 RMB million
Listed equity securities	**6**	35
Unlisted equity investments	**4,621**	7,373
	4,627	7,408

The investments mainly represent equity investments in various investment holding companies. The fair values of these investments were determined mainly based on direct comparison approach by making reference to quoted market price or recent transaction prices of similar deals.

The above financial assets were irrevocably designated at FVOCI as the Group considers these investments to be strategic in nature.

As at 31 December 2024, financial assets at fair value through other comprehensive income with fair value of RMB4,450 million (2023: RMB7,231 million) were pledged.

11 Completed properties held for sale

	2024 RMB million	2023 RMB million
Completed properties held for sale	**112,271**	75,855

The completed properties held for sale are mainly located in Mainland China.

12 Inventories

	2024 RMB million	2023 RMB million
Construction materials and other inventories	**4,996**	7,806

Inventories were mainly charged to properties under development upon utilisation.

13 Trade and other receivables

	2024 RMB million	2023 RMB million
Included in current assets		
— Trade receivables — net (note (a))	**28,127**	31,703
— Other receivables — net (note (b))	**216,803**	235,340
— Other prepayments (note (c))	**22,719**	32,251
	267,649	299,294
Included in non-current assets		
— Deposits for acquisitions of companies (note (d))	**783**	848
	268,432	300,142

As at 31 December 2024, the carrying value of trade and other receivables approximated their fair value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

13 Trade and other receivables *(Continued)*

(a) Details of trade receivables are as follows:

	2024 RMB million	2023 RMB million
Trade receivables	**29,343**	32,787
Less: allowance for impairment	**(1,216)**	(1,084)
Trade receivables — net	**28,127**	31,703

Trade receivables mainly arise from sales of properties. Property buyers are generally granted credit terms of 1 to 6 months. The ageing analysis of trade receivables based on dates of delivery of goods and dates of rendering of services is as follows:

	2024 RMB million	2023 RMB million
Within 90 days	**19,861**	23,399
Over 90 days and within 180 days	**1,592**	1,875
Over 180 days and within 365 days	**4,954**	4,756
Over 365 days	**2,936**	2,757
	29,343	32,787

As at 31 December 2024 and 2023, trade receivables were mainly denominated in RMB.

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9. As at 31 December 2024, a provision of RMB1,216 million (2023: RMB1,084 million) was made against the gross amounts of trade receivables (note 3(a)(iii)).

There is no concentration of credit risk with respect to trade receivables as the Group has a large number of buyers. Trade receivables were mainly collateralised by the titles of the properties sold.

13 Trade and other receivables *(Continued)*

(b) Details of other receivables are as follows:

	2024 RMB million	2023 RMB million
Amounts due from joint ventures, associates and other related parties	54,112	57,869
Deposits	20,145	30,325
Others (i)	185,735	188,660
	259,992	276,854
Less: allowance for impairment	(43,189)	(41,514)
Other receivables — net	216,803	235,340

(i) These receivables mainly included current accounts due from the other shareholders of certain subsidiaries of the Group, which are mainly interest-free, unsecured and repayable according to contract terms.

(c) Other prepayments mainly included prepaid value-added taxes and prepayments for purchases of construction materials and services.

(d) Amounts represent deposits paid for acquisitions of certain property development companies which have not been completed as at the year end.

14 Contract assets and contract acquisition costs

Details of contract assets and contract acquisition costs are as follows:

	2024 RMB million	2023 RMB million
Contract assets related to sales of properties	373	1,788
Contract assets related to technology-enabled construction services (note (a))	4,810	5,819
Contract acquisition costs (note (b))	4,954	8,336
Total contract assets and contract acquisition costs	10,137	15,943

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

14 Contract assets and contract acquisition costs *(Continued)*

(a) Contract assets consist of unbilled amount resulting from technology-enabled construction services when revenue recognised exceeds the amount billed to the buyer.

(b) Management expected the contract acquisition costs, represented primarily sale commission and stamp duty paid/payable for obtaining property sale contracts are recoverable. The Group has deferred them and will charge them to profit or loss when the related revenue is recognised. For the year ended 31 December 2024, the total amount charged to profit or loss was RMB4,775 million (2023: RMB6,349 million) and there was no impairment loss in relation to the remaining balance.

15 Restricted cash

The balance mainly included unreleased guarantee deposits for construction of pre-sale properties, guarantee deposits for workers' wages and funds frozen as a result of litigations.

16 Cash and cash equivalents

	2024 RMB million	2023 RMB million
Cash at banks and in hand	**29,897**	63,816
Less: restricted cash (note 15)	**(23,535)**	(56,686)
	6,362	7,130

Cash and deposits are denominated in the following currencies:

	2024 RMB million	2023 RMB million
RMB	**26,105**	60,868
HKD	**278**	320
USD	**1,461**	586
RM	**1,081**	642
Other currencies	**972**	1,400
	29,897	63,816

The conversion of RMB and RM denominated balances into other currencies and the remittance of bank balances and cash out of the PRC and Malaysia are subject to relevant rules and regulations of foreign exchange control promulgated by the PRC and Malaysian governments.

17 Financial assets at fair value through profit or loss

	2024 RMB million	2023 RMB million
Listed equity security (note (a))	135	241
Unlisted equity investments (note (a))	6,352	9,210
Wealth management products (note (b))	2,214	2,237
	8,701	11,688

(a) The investments mainly represent listed and unlisted equity investments in various industries. The fair values of these investments were determined mainly based on direct comparison approach by making reference to quoted market price, recent transaction prices of similar deals or valuation reports.

(b) Wealth management products are mainly investments in financial products issued by financial institutions. The carrying values of these investments approximated their fair values as at 31 December 2024.

(c) As at 31 December 2024, financial assets at fair value through profit or loss with fair value of RMB1,641 million (2023: RMB2,921 million) were pledged.

18 Trade and other payables

	2024 RMB million	2023 RMB million
Trade payables (note (a))	203,978	192,848
Other payables (note (b))	166,640	166,399
Other taxes payable (note (c))	21,725	45,674
Salaries payable	2,514	3,457
	394,857	408,378

As at 31 December 2024, the carrying amounts of trade and other payables approximated their fair values.

(a) The ageing analysis of trade payables based on the date of the liability recognition on accrual basis is as follows:

	2024 RMB million	2023 RMB million
Within 365 days	201,041	190,059
Over 365 days	2,937	2,789
	203,978	192,848

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

18 Trade and other payables *(Continued)*

(b) Other payables mainly included deposits from property buyers and current accounts due to certain joint ventures, associates and other shareholders of certain subsidiaries of the Group and outstanding considerations to acquire certain subsidiaries, joint ventures and associates. These amounts are mainly interest-free, unsecured and repayable according to contract terms.

(c) Other taxes payable mainly included output value-added taxes related to receipt in advance from customers amounted to approximately RMB32,466 million (2023: RMB58,656 million), value-added taxes payable and other taxes.

19 Contract liabilities

	2024 RMB million	2023 RMB million
Contract liabilities	**281,988**	489,021

The Group receives payments from customers based on billing schedule as established in contracts. Payments are usually received in advance of the performance under the contracts which are mainly from sales of properties. The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) of property sales as at 31 December 2024 amounted to RMB299,031 million, substantially of which are expected to be recognised within three years.

The balance of contract liabilities as at 1 January 2023 was RMB668,162 million.

(a) Revenue recognised in relation to contract liabilities

	2024 RMB million	2023 RMB million
Revenue recognised that was included in the contract liability balance at the beginning of the year	**215,413**	303,390

20 Senior notes

	2024 RMB million	2023 RMB million
At 1 January	**68,367**	70,655
Repurchase	**—**	(1,879)
Repayment upon maturity	**—**	(2,629)
Interest expenses	**3,604**	3,636
Coupon interest paid	**—**	(2,514)
Exchange differences	**1,113**	1,098
At 31 December	**73,084**	68,367

20 Senior notes *(Continued)*

(a) The Group has issued the following senior notes:

Name of notes	Par value million	Interest rate	Issue date	Term of the notes
Carried forward from prior years and remained outstanding at 31 December 2024:				
2026 Notes	USD321	5.625%	15 December 2016	10 years
2025 Notes — tranche I	USD600	5.125%	17 January 2018	7 years
2025 Notes — tranche II*	USD87	5.125%	4 September 2018	6.4 years
2024 Notes — tranche I	USD550	8.000%	27 September 2018	5.5 years
2024 Notes — tranche II**	USD371	8.000%	25 January 2019	5 years
2024 Notes II	USD515	6.500%	08 April 2019	5 years
2026 Notes II — tranche I	USD919	7.250%	08 April 2019	7 years
2026 Notes II — tranche II***	USD400	7.250%	18 July 2019	6.7 years
2025 Notes II	USD449	6.150%	17 September 2019	6 years
2027 Notes	USD548	5.125%	14 January 2020	7 years
2030 Notes	USD450	5.625%	14 January 2020	10 years
2025 Notes III	USD489	5.400%	27 May 2020	5 years
2026 Notes III	USD487	4.200%	06 August 2020	5.5 years
2030 Notes II	USD500	4.800%	06 August 2020	10 years
2025 Notes IV	USD335	3.125%	22 October 2020	5 years
2030 Notes III	USD498	3.875%	22 October 2020	10 years
2026 Notes IV	USD500	2.700%	12 January 2021	5.5 years
2031 Notes	USD700	3.300%	12 January 2021	10 years
2025 Notes IV — tranche II****	USD500	3.125%	18 May 2021	4.4 years
2026 Notes IV — tranche II*****	USD157	2.700%	20 July 2021	5 years

* 2025 Notes — tranche II was consolidated and form a single series with the 2025 Notes — tranche I.

** 2024 Notes — tranche II was consolidated and form a single series with the 2024 Notes — tranche I.

*** 2026 Notes II — tranche II was consolidated and form a single series with the 2026 Notes II — tranche I.

**** 2025 Note IV — tranche II was consolidated and form a single series with the 2025 Notes IV.

***** 2026 Notes IV — tranche II was consolidated and form a single series with the 2026 Notes IV.

The weighted average effective interest rate of the senior notes is 5.49% (2023: 5.49%).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

20 Senior notes *(Continued)*

(b) As at 31 December 2024, all senior notes are listed on the SGX and contain various early redemption options.

Early redemption options exercisable by the Group are regarded as embedded derivatives not closely related to the host contract. The directors of the Company consider that the fair value of the above early redemption options was insignificant at 31 December 2024 and 2023.

The fair values of the senior notes at 31 December 2024 were approximately RMB5,869 million (2023: RMB3,869 million). The fair value is calculated using the market prices of the senior notes on the date of consolidated statement of financial position as they are listed on SGX and the fair value measurement is categorised within level 1 of the fair value hierarchy.

(c) The Group's senior notes are guaranteed by certain subsidiaries of the Group and secured by the equity interests in certain subsidiaries of the Group, and subject to the fulfilment of covenants relating to certain debt servicing financial indicators. The Group regularly monitors its compliance with these covenants. As at 31 December 2024, all of the senior notes were defaulted or cross-defaulted. All of the senior notes are classified as current liabilities.

21 Corporate bonds

	2024 **RMB million**	2023 RMB million
At 1 January	**19,359**	32,319
Additions (note (a))	**466**	2,117
Early redemption	**—**	(794)
Repayment	**(874)**	(13,949)
Interest expenses	**1,088**	1,077
Coupon interest paid	**(370)**	(1,386)
Exchange differences	**90**	(25)
At 31 December	**19,759**	19,359
Less: current portion included in current liabilities	**(9,607)**	(3,170)
Included in non-current liabilities	**10,152**	16,189

21 Corporate bonds *(Continued)*

The Group's corporate bonds are repayable as follows:

	2024 RMB million	2023 RMB million
Within 1 year	**9,607**	3,170
Between 1 and 2 years	**8,805**	6,418
Between 2 and 5 years	**1,347**	9,771
	19,759	19,359

(a) The Group's corporate bonds comprised the followings as at 31 December 2024:

Name of bonds	Par value RMB million	Interest rate	Issue date	Term of the bonds
RMB corporate bonds tranche IV of the Company issued in 2016 — series II*	3,653	5.65%	2 September 2021	5 years
RMB corporate bonds of Giant Leap issued in 2016 — series II (note (b))*	442	4.50%	21 October 2021	5 years
RMB corporate bonds of Country Garden Property issued in 2019 — tranche III*	923	4.98%	20 November 2021	5 years
RMB corporate bonds of Country Garden Property issued in 2020 — tranche III	1,791	4.38%	24 September 2020	6 years
RMB corporate bonds of Country Garden Property issued in 2020 — tranche IV	1,478	4.15%	3 November 2020	6 years
RMB corporate bonds of Country Garden Property issued in 2021 — tranche I	1,772	4.80%	12 March 2021	6 years
RMB corporate bonds of Country Garden Property issued in 2021 — tranche II	945	4.80%	15 June 2021	6 years

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

21 Corporate bonds *(Continued)*

(a) The Group's corporate bonds comprised the followings as at 31 December 2024: *(Continued)*

Name of bonds	Par value RMB million	Interest rate	Issue date	Term of the bonds
RMB corporate bonds of Country Garden Property issued in 2021 — tranche III	1,301	4.33%	14 September 2021	5 years
RMB corporate bonds of Country Garden Property issued in 2021 — tranche IV	896	6.30%	17 December 2021	5 years
Medium-term notes of Country Garden Property issued in 2022 — tranche I	1,500	3.20%	19 September 2022	3 years
Medium-term notes of Country Garden Property issued in 2022 — tranche II	1,000	4.30%	26 December 2022	3 years
Medium-term notes of Country Garden Property issued in 2023 — tranche I	800	3.80%	9 May 2023	2 years
Medium-term notes of Country Garden Property issued in 2023 — tranche II	900	3.95%	9 May 2023	2 years
RM private corporate bonds of Malaysia Country Garden issued in 2020 — tranche V (note (b))	166	5.70%	2 March 2020	7 years
RM private corporate bonds of Malaysia Country Garden issued in 2020 — tranche VII (note (b))	481	5.25%	27 March 2020	5 years
RM private corporate bonds of Malaysia Country Garden issued in 2021 — tranche IX (note (b))	79	4.90%	4 May 2021	5 years
Callable and Secured Debentures of Risland (Thailand) Company Limited. No. 2/2566 Due B.E. 2567 (note (b))	225	7.50%	20 October 2023	1.75 years

21 Corporate bonds *(Continued)*

(a) The Group's corporate bonds comprised the followings as at 31 December 2024: *(Continued)*

Name of bonds	Par value RMB million	Interest rate	Issue date	Term of the bonds
Callable and Secured Debentures of Risland (Thailand) Company Limited issued in 2024 — tranche I (note (b))	242	7.50%	2 February 2024	1.75 years
Callable and Secured Debentures of Risland (Thailand) Company Limited issued in 2024 — tranche II (note (b))	115	7.00%	30 August 2024	1 year
Callable and Secured Debentures of Risland (Thailand) Company Limited issued in 2024 — tranche III (note (b))	109	7.00%	27 November 2024	1 year

* Refinanced before the year

The weighted average effective interest rate of the corporate bonds is 4.87% (2023: 4.28%).

(b) The corporate bonds issued by Giant Leap, Malaysia Country Garden and Risland (Thailand) Company Limited were guaranteed by certain subsidiaries of the Group.

(c) The fair values of the corporate bonds at 31 December 2024 were RMB7,627 million (2023: RMB9,276 million). All RMB public corporate bonds issued by Giant Leap and Country Garden Property are categorised within level 1 of the fair value hierarchy as they are listed on the Shanghai Stock Exchange, Shenzhen Stock Exchange or National Association of Financial Market Institutional Investors. The fair value measurement of other corporate bonds is categorised within level 3 of the fair value hierarchy as they are private placements. The fair values of these corporate bonds are calculated based on the discounted cash flows of the principal and interest payments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

22 Convertible bonds

	2024 RMB million	2023 RMB million
Liability component as at 1 January	**6,171**	5,793
Interest expenses	**381**	527
Coupon interest paid	**–**	(233)
Exchange differences	**139**	84
Liability component as at 31 December	**6,691**	6,171

(a) On 21 November 2018, the Group entered into a subscription agreement for HKD-settled convertible bonds in an aggregate principal amount of HKD7,830 million (equivalent to approximately RMB6,868 million) due 5 December 2023 (the "2023 Convertible Bonds"), with an initial conversion price of HKD12.584 per share. On 5 December 2018, the 2023 Convertible Bonds were issued. The conversion price was subsequently modified to HKD10.21 per share as a result of payment of dividend in 2021. The initial value of the liability component was calculated using a market interest rate for an equivalent non-convertible bond of the Company. As at 31 December 2024, the fair value of the embedded financial derivative of convertible bond was nil (2023: RMB60 million).

The 2023 Convertible Bonds are guaranteed by the Company and certain subsidiaries of the Group and secured by the equity interests in certain subsidiaries of the Group.

Interest expenses on the liability component of the 2023 convertible bonds are calculated by applying the effective interest rate of 4.50% (2023: 11.84%) per annum to the liability component.

During the year ended 31 December 2024, there has been no conversion of the 2023 Convertible Bonds. As at 31 December 2024, the 2023 Convertible Bonds were defaulted.

22 Convertible bonds *(Continued)*

(b) On 20 January 2022, the Group entered into a subscription agreement for HKD-settled convertible bonds in an aggregate principal amount of HKD3,900 million (equivalent to approximately RMB3,191 million) due on 28 July 2026 (the "2026 Convertible Bonds"), with an initial conversion price of HKD8.1 per share. The conversion price was subsequently modified to HKD7.92 per share as a result of payment of dividend and distribution in specie. On 28 January 2022 (the "Issue Date"), the issuance of the convertible bonds was completed. The net proceeds from the issuance of the convertible bonds were approximately RMB3,161 million, net of transaction cost of approximately RMB30 million. The initial value of the liability component of approximately RMB2,870 million and the equity conversion component of approximately RMB291 million were determined at the Issue Date. The liability component is subsequently stated at amortised cost until conversion or maturity of the bond. The residual amount, representing the value of the equity conversion component, is accounted for as a conversion option reserve included in other reserves.

Interest expenses on the liability component of the 2026 convertible bonds are calculated using the effective interest method, applying the effective interest rate of 7.78% (2023: 7.78%) per annum.

During the year ended 31 December 2024, there has been no conversion or redemption of the 2026 Convertible Bonds. As at 31 December 2024, the 2026 Convertible Bonds were cross-defaulted.

23 Bank and other borrowings

	2024 RMB million	2023 RMB million
Non-current liabilities:		
— secured	**131,394**	122,780
— unsecured	**15,578**	27,231
Less: current portion of non-current liabilities	**(130,431)**	(108,924)
	16,541	41,087
Included in current liabilities:		
— secured	**2,483**	1,415
— unsecured	**4,499**	4,326
Current portion of non-current liabilities	**130,431**	108,924
	137,413	114,665
Total bank and other borrowings	**153,954**	155,752

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

23 Bank and other borrowings *(Continued)*

At 31 December 2024, the Group's borrowings of RMB133,877 million (2023: RMB124,195 million) were secured by the Group's certain property, plant and equipment (note 6), investment properties (note 7) and properties under development (note 8) with total carrying values of RMB135,548 million (2023: RMB147,329 million), and/or equity investment interests.

At 31 December 2024, the Group's bank and other borrowings were repayable as follows:

	2024 RMB million	2023 RMB million
Within 1 year	137,413	114,665
Between 1 and 2 years	11,324	20,810
Between 2 and 5 years	5,217	17,740
Over 5 years	—	2,537
	153,954	155,752

The weighted average effective interest rate for the year ended 31 December 2024 was 5.68% per annum (2023: 6.10% per annum).

The carrying amounts of the bank and other borrowings approximated their fair values as these borrowings are mainly floating-rate borrowings.

The carrying amounts of the bank and other borrowings are denominated in the following currencies:

	2024 RMB million	2023 RMB million
RMB	114,928	114,810
HKD	22,573	22,106
USD	15,088	15,713
RM	798	1,288
Others	567	1,835
	153,954	155,752

As at 31 December 2024, bank and other borrowings with carrying amounts of approximately RMB108,417 million were defaulted or cross-defaulted and were classified as current liabilities.

Other than the above, certain of the Group's bank and other borrowings included in the non-current liabilities with carrying amounts of approximately RMB8,480 million are subject to the fulfilment of covenants relating to certain debt servicing financial indicators. As at 31 December 2024, none of these covenants had been breached.

24 Share capital and premium

	Number of ordinary shares million	Nominal value of ordinary shares HKD million	Equivalent nominal value of ordinary shares RMB million	Share premium RMB million	Total RMB million	Treasury shares RMB million	Group total RMB million
Authorised							
At 1 January 2023, 31 December 2023 and 2024, HKD0.10 per share	100,000	10,000					
Issued and fully paid							
At 1 January 2023	27,637	2,763	2,560	50,201	52,761	(2,225)	50,536
Issue of shares as a result of placing	351	35	32	215	247	–	247
At 31 December 2023	27,988	2,798	2,592	50,416	53,008	(2,225)	50,783
Issued and fully paid							
At 1 January 2024 and 31 December 2024	**27,988**	**2,798**	**2,592**	**50,416**	**53,008**	**(2,225)**	**50,783**

25 Employee share schemes

The share-based compensation expenses recognised during the year are as follows:

	2024 RMB million	2023 RMB million
Share option scheme	**19**	18
Share award scheme	**222**	372
	241	390

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

25 Employee share schemes *(Continued)*

(a) Share option scheme

Since 13 December 2013, the Group granted certain share options to certain directors of the Company and employees in connection with a profit sharing incentive scheme (the "Incentive Scheme") adopted by the Group. Pursuant to the Incentive Scheme, certain portion of the bonus calculated in accordance with the Incentive Scheme to certain senior management and employees is settled in cash, while the remaining portion is settled in the Company's shares as the consideration for the costs to exercise the share options. The vesting period of the share options is generally 5 years from their respective grant dates. The fair value of the share options at the grant date approximated the portion of bonus which is to be settled in the Company's shares.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	2024		2023	
	Weighted-average exercise price (HKD per share)	**Number of options**	Weighted-average exercise price (HKD per share)	Number of options
At 1 January	**8.887**	**16,070,918**	8.477	17,864,475
Granted	–	–	—	—
Exercised	–	–	8.250	(16,376)
Lapsed	–	–	4.773	(1,777,181)
At 31 December	**8.887**	**16,070,918**	8.887	16,070,918

25 Employee share schemes *(Continued)*

(a) Share option scheme *(Continued)*

Particulars of share options outstanding as at 31 December 2024 are as follows:

Date of grant	Expiry date	Exercise price in HKD per share	Number of share options granted	Number of share options lapsed	Number of share options exercised	Number of share options cancelled	Number of share options outstanding
16 March 2016	15 March 2026	3.332	2,431,903	–	925,676	–	1,506,227
11 May 2016	10 May 2026	3.106	1,599,861	–	–	–	1,599,861
19 August 2016	18 August 2026	3.740	1,265,081	–	449,031	–	816,050
22 May 2017	21 May 2027	8.250	2,895,406	–	186,283	–	2,709,123
24 August 2017	23 August 2027	10.000	978,409	–	–	–	978,409
8 December 2017	7 December 2027	12.980	659,817	–	–	–	659,817
21 March 2018	20 March 2028	16.460	948,535	–	–	–	948,535
10 May 2018	9 May 2028	16.280	258,092	–	–	–	258,092
22 August 2018	21 August 2028	12.240	202,300	–	–	–	202,300
6 December 2018	5 December 2028	9.654	619,907	–	–	–	619,907
25 March 2019	24 March 2029	12.044	12,770,908	–	12,356,027	–	414,881
9 May 2019	8 May 2029	12.408	750,160	–	–	–	750,160
23 August 2019	22 August 2029	9.834	1,039,436	–	–	–	1,039,436
5 December 2019	4 December 2029	11.092	10,464,274	–	9,825,134	–	639,140
12 May 2020	11 May 2030	10.040	523,467	–	–	–	523,467
24 July 2020	23 July 2030	10.160	480,615	–	–	–	480,615
3 December 2020	2 December 2030	10.332	379,388	–	–	–	379,388
26 March 2021	25 March 2031	9.730	13,243,976	–	11,698,466	–	1,545,510
							16,070,918

The Group has to estimate the expected percentage of grantees that will stay within the Group at the end of vesting periods (the “Expected Retention Rate”) of the shares option scheme in order to determine the amount of share-based compensation expenses charged to profit or loss. As at 31 December 2024, the Expected Retention Rate was assessed to be 94% (2023: 94%).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

25 Employee share schemes *(Continued)*

(b) Share award scheme

Pursuant to the Incentive Scheme, certain portion of the bonus to certain senior management and employees, calculated in accordance with the Incentive Scheme is settled in cash, while the remaining portion is settled in the Company's shares (the "Awarded Shares"). The vesting period of the Awarded Shares is 5 years from their respective grant dates.

The Group planned to use treasury shares to award the grantees of the Awarded Shares. The Awarded Shares are held by a wholly-owned subsidiary of the Company, on behalf of these senior management and employees until the end of vesting periods.

The fair value of these Awarded Shares at the grant date approximated the portion of bonus which is to be settled in the Company's shares.

Movements in the number of Awarded Shares are as follows:

	2024	2023
At 1 January	**165,746,992**	165,767,868
Lapsed	**(312,992)**	(20,876)
At 31 December	**165,434,000**	165,746,992

The Group has to estimate the Expected Retention Rate of the share award scheme in order to determine the amount of share-based compensation expenses charged to profit or loss. As at 31 December 2024, the Expected Retention Rate was assessed to be 81% (2023: 82%).

26 Other reserves and accumulated loss

	Merger Reserve RMB million (note (a))	Statutory reserve RMB million (note (b))	Share option reserve RMB million	FVOCI reserve RMB million	Currency translation reserve RMB million	Revaluation reserve RMB million	Others RMB million	Total other reserves RMB million	Accumulated loss RMB million	Total RMB million
Balance at 1 January 2024	(150)	26,096	2,688	(1,446)	(1,976)	902	(741)	25,373	(50,209)	(24,836)
Losses for the year	–	–	–	–	–	–	–	–	(32,835)	(32,835)
Transfer to statutory reserve (note (b))	–	2,745	–	–	–	–	–	2,745	(2,745)	–
Employee share schemes – Value of employee services (note 25)	–	–	241	–	–	–	–	241	–	241
Changes in fair value of financial assets at FVOCI	–	–	–	39	–	–	–	39	–	39
Disposals of financial assets at FVOCI	–	–	–	134	–	–	–	134	(134)	–
Changes in ownership interests in subsidiaries without change of control (note 39)	–	–	–	–	–	–	(296)	(296)	–	(296)
Currency translation differences	–	–	–	–	(281)	–	–	(281)	–	(281)
Disposals of subsidiaries	–	(22)	–	–	–	–	–	(22)	22	–
Balance at 31 December 2024	(150)	28,819	2,929	(1,273)	(2,257)	902	(1,037)	27,933	(85,901)	(57,968)

	Merger Reserve RMB million (note (a))	Statutory reserve RMB million (note (b))	Share option reserve RMB million	FVOCI reserve RMB million	Currency translation reserve RMB million	Revaluation reserve RMB million	Cash flow hedge reserve RMB million	Deferred costs of hedging reserve RMB million	Others RMB million	Total other reserves RMB million	Retained earnings/ (accumulated loss) RMB million	Total RMB million
Balance at 1 January 2023	(150)	25,028	2,298	(26)	(1,949)	889	(115)	(266)	(1,879)	23,830	129,257	153,087
Losses for the year	–	–	–	–	–	–	–	–	–	–	(178,400)	(178,400)
Transfer to statutory reserve (note (b))	–	1,093	–	–	–	–	–	–	–	1,093	(1,093)	–
Revaluation gains on investment properties upon transfer from right-of-use assets	–	–	–	–	–	13	–	–	–	13	–	13
Employee share schemes – Value of employee services (note 25)	–	–	390	–	–	–	–	–	–	390	–	390
Changes in fair value of financial assets at FVOCI	–	–	–	(1,418)	–	–	–	–	–	(1,418)	–	(1,418)
Disposals of financial assets at FVOCI	–	–	–	(2)	–	–	–	–	–	(2)	2	–
Changes in ownership interests in subsidiaries without change of control	–	–	–	–	–	–	–	–	1,138	1,138	–	1,138
Currency translation differences	–	–	–	–	(27)	–	–	–	–	(27)	–	(27)
Disposals of subsidiaries	–	(25)	–	–	–	–	–	–	–	(25)	25	–
Deferred gains on cash flow hedges	–	–	–	–	–	–	115	–	–	115	–	115
Deferred costs of hedging	–	–	–	–	–	–	–	266	–	266	–	266
Balance at 31 December 2023	(150)	26,096	2,688	(1,446)	(1,976)	902	–	–	(741)	25,373	(50,209)	(24,836)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

26 Other reserves and accumulated loss *(Continued)*

(a) Merger reserve of the Group represented the difference between the share capital of subsidiaries acquired pursuant to a group reorganisation undertaken for the listing of Company on the Main Board of Stock Exchange in 2007 over the nominal value of shares of the Company issued in exchange thereof.

(b) Pursuant to the relevant rules and regulations governing foreign investment enterprise established in Mainland China and the articles of association of certain subsidiaries in Mainland China of the Group, the subsidiaries are required to transfer certain portion of their profit after taxation to the statutory reserve fund, until the accumulated total of the fund reaches 50% of their respective registered capital.

27 Deferred income tax

The analysis of deferred income tax assets and liabilities is as follows:

	2024 RMB million	2023 RMB million
Deferred income tax assets	**14,409**	20,570
Deferred income tax liabilities	**(12,686)**	(18,946)
	1,723	1,624

The movement on the net deferred income tax account is as follows:

	2024 RMB million	2023 RMB million
At 1 January	**1,624**	17,536
Acquisitions of subsidiaries (note 41)	**(430)**	210
Disposals of subsidiaries	**(172)**	(549)
(Charged)/credited to other comprehensive income	**(49)**	187
Credited/(charged) to profit or loss (note 32)	**750**	(15,760)
At 31 December	**1,723**	1,624

27 Deferred income tax *(Continued)*

Movement in deferred income tax assets and liabilities without taking into consideration the offsetting of balances within the same tax jurisdiction is as follows:

Deferred income tax assets:

	Impairment of assets RMB million	Business combinations RMB million	Recognition of expenses RMB million	Elimination of unrealised profits RMB million	Tax losses RMB million	Prepaid land appreciation tax RMB million	Total RMB million
At 1 January 2023	9,675	986	507	2,124	20,959	8,530	42,781
Acquisitions of subsidiaries	–	–	–	–	847	–	847
Disposals of subsidiaries	–	–	–	–	(457)	(256)	(713)
Charged to profit or loss	(9,675)	–	(177)	(759)	(11,673)	(61)	(22,345)
At 31 December 2023	–	986	330	1,365	9,676	8,213	20,570
At 1 January 2024	–	986	330	1,365	9,676	8,213	20,570
Acquisitions of subsidiaries (note 41)	–	–	–	–	133	–	133
Disposals of subsidiaries	–	(40)	–	–	(52)	(158)	(250)
Charged to profit or loss	–	–	(155)	(1,075)	(3,406)	(1,408)	(6,044)
At 31 December 2024	–	946	175	290	6,351	6,647	14,409

Deferred income tax assets are recognised for tax losses carried forward to the extent that the realisation of the related benefit through future taxable profits is probable. The Group did not recognise deferred income tax assets as at 31 December 2024 of RMB600 million (2023: RMB432 million) in respect of accumulated tax losses amounting to RMB2,398 million as at 31 December 2024 (2023: RMB1,730 million)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

27 Deferred income tax *(Continued)*

Deferred income tax liabilities:

	Business combination RMB million	Withholding income tax on distributed in future RMB million	Fair value profit to be changes on investment properties RMB million	Others RMB million	Total RMB million
At 1 January 2023	(11,477)	(1,803)	(1,202)	(10,763)	(25,245)
Acquisitions of subsidiaries	(637)	–	–	–	(637)
Disposals of subsidiaries	164	–	–	–	164
Credited to other comprehensive income	–	–	–	187	187
Credited to profit or loss	2,372	29	327	3,857	6,585
At 31 December 2023	(9,578)	(1,774)	(875)	(6,719)	(18,946)
At 1 January 2024	**(9,578)**	**(1,774)**	**(875)**	**(6,719)**	**(18,946)**
Acquisitions of subsidiaries (note 41)	**(563)**	**–**	**–**	**–**	**(563)**
Disposals of subsidiaries	**78**	**–**	**–**	**–**	**78**
Charged to other comprehensive income	**–**	**–**	**–**	**(49)**	**(49)**
Credited to profit or loss	**2,349**	**–**	**205**	**4,240**	**6,794**
At 31 December 2024	**(7,714)**	**(1,774)**	**(670)**	**(2,528)**	**(12,686)**

Deferred income tax liabilities have not been recognised for the withholding tax and other taxes on the unremitted earnings of certain subsidiaries in PRC. Such amounts will be reinvested according to the distribution and reinvestment plan of the Group.

28 Other income and losses — net

	2024 RMB million	2023 RMB million
Other income		
— Government subsidy income	128	323
— Forfeiture income	50	41
— Management and other related service income	5	66
	183	430
Other (losses)/gains		
— Losses on disposal of joint ventures and associates	(474)	(2,405)
— Losses on disposals of subsidiaries (note 40)	(184)	(748)
— Changes in fair value of financial assets at FVTPL	(95)	(768)
— (Losses)/gains on disposal of investment properties	(44)	52
— Impairment losses on property, plant and equipment	(19)	(2,077)
— Accrued compensation for the delayed delivery of properties	—	(2,030)
— Gains arising from negative goodwill	—	65
— Changes in fair value of derivative financial instruments	60	(13)
— Others	(1,634)	(2,837)
	(2,390)	(10,761)
Total other income and losses — net	(2,207)	(10,331)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

29 Expenses by nature

	2024 RMB million	2023 RMB million
Cost of properties sold, technology-enabled construction services and others	**248,894**	410,419
Net write-down of properties under development and completed properties held for sale	**4,348**	82,354
Employee benefit expenses (note 30)	**4,702**	9,983
Sales commission to agents	**3,246**	3,881
Depreciation of property, plant and equipment (note 6)	**1,254**	1,647
Other taxes and levies	**721**	1,098
Property management and other services expenses	**527**	1,419
Advertising and promotion costs	**348**	884
Depreciation of right-of-use assets	**201**	449
Amortisation of intangible assets	**154**	280
Auditor's remuneration	**7**	16
Donations	**—**	64
Others	**1,125**	1,567
Total cost of sales, selling and marketing costs, administrative expenses and research and development expenses	**265,527**	514,061

(a) The subsidiaries in Mainland China of the Group are subject to value-added tax ("VAT") on their revenues. The applicable tax rates are as follows:

Category	Rate of VAT
Sales of properties (i)	5%,9%
Property construction (i)	3%,9%
Property investment (i)	5%,9%
Hotel service (ii)	3%,6%

(i) VAT for sales of properties and income from property investment, in the case that the construction of properties commenced or the investment property was acquired before 1 May 2016, is calculated at a tax rate of 5% based on a simple method. VAT for small-scale VAT payer of property construction is 3%.

(ii) The rates of VAT for general VAT payers and small-scale VAT payers of hotel service are 6% and 3%, respectively.

30 Employee benefit expenses

	2024 RMB million	2023 RMB million
Wages and salaries	**6,628**	12,301
Contributions to pension plans (note (a))	**45**	84
Staff welfare	**104**	193
Medical benefits	**91**	169
Share-based compensation expenses (note 25)	**241**	390
Other allowances and benefits	**26**	48
	7,135	13,185
Less: capitalised in assets	**(2,433)**	(3,202)
	4,702	9,983

(a) Contributions to pension plans

Employees in the Group's subsidiaries in Mainland China are required to participate in a defined contribution retirement scheme administrated and operated by the local municipal governments. The Group's subsidiaries in Mainland China contribute funds which are calculated on certain percentage of the average employee salary as agreed by local municipal governments to the scheme to fund the retirement benefits of the employees.

During the year ended 31 December 2024, there were no forfeited contributions to offset existing contributions under the defined contribution scheme.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

30 Employee benefit expenses *(Continued)*

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year included one (2023: nil) director of the Company whose emoluments are reflected in the analysis shown in note 45. The emoluments payable to the remaining four (2023: five) individuals during the year are as follows:

	2024 RMB million	2023 RMB million
Salaries	10	20
Discretionary bonuses	6	21
Other benefits and share-based compensation expenses	7	22
	23	63

The emoluments fell within the following bands:

	Number of individuals	
	2024	2023
HKD3,000,001 to HKD3,500,000	1	—
HKD6,500,001 to HKD7,000,000	1	—
HKD7,000,001 to HKD7,500,000	1	—
HKD8,500,001 to HKD9,000,000	1	—
HKD10,500,001 to HKD11,000,000	—	1
HKD11,000,001 to HKD11,500,000	—	1
HKD11,500,001 to HKD12,000,000	—	1
HKD18,000,001 to HKD18,500,000	—	2

31 Finance costs — net

	2024 RMB million	2023 RMB million
Finance income:		
— Interest income on bank deposits and others	526	1,358
— Gains on repurchase of senior notes	—	748
	526	2,106
Finance costs:		
— Interest expenses for bank borrowings, senior notes, corporate bonds and convertible bonds	(12,813)	(12,917)
— Interest expenses for lease liabilities	(124)	(91)
	(12,937)	(13,008)
Less: amounts capitalised on qualifying assets	7,723	7,805
	(5,214)	(5,203)
— Net foreign exchange losses	(1,761)	(2,361)
	(6,975)	(7,564)
Finance costs — net	(6,449)	(5,458)

32 Income tax expenses

	2024 RMB million	2023 RMB million
Current income tax		
— Corporate income tax	4,473	8,585
— Land appreciation tax (note (c))	9,053	9,364
	13,526	17,949
Deferred income tax (note 27)	(750)	15,760
	12,776	33,709

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

32 Income tax expenses *(Continued)*

The income tax on the Group's loss before income tax differs from the theoretical amount that would arise using the enacted tax rate of the home country of the Group companies as follows:

	2024 RMB million	2023 RMB million
Loss before income tax	**(22,369)**	(167,253)
Tax calculated at Mainland China corporate income tax rate of 25% (2023: 25%)	**(5,592)**	(41,813)
Different tax rates applicable to different subsidiaries of the Group	**(45)**	(47)
Land appreciation tax deductible for calculation of income tax purpose	**(1,852)**	(2,010)
Utilisation of tax losses not previously recognised as deferred income tax assets	**(168)**	—
Effects of share of post-tax results of joint ventures and associates	**(445)**	(38)
Income not subject to tax	**—**	(476)
Expenses not deductible for tax purpose	**4,819**	6,077
Temporary differences not recognised	**469**	24,213
Tax losses not recognised	**8,182**	39,791
	5,368	25,697
Withholding income tax (note (d))	**—**	(29)
Land appreciation tax (note (c))	**7,408**	8,041
Income tax expenses	**12,776**	33,709

(a) Hong Kong profits tax has been provided at the rate of 16.5% (2023:16.5%) on the estimated assessable profits of the Group's subsidiaries in Hong Kong.

(b) The Mainland China corporate income tax is 25%.

(c) Mainland China land appreciation tax is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including cost of land and all property development expenditures.

(d) Withholding income tax is provided for dividend distributed and undistributed profit of the Mainland China subsidiaries of the Group. The relevant overseas holding companies have successfully obtained endorsement from various Mainland China tax bureaus to enjoy the treaty benefit of 5% withholding income tax rate on dividends received from the Mainland China subsidiaries of the Group. Accordingly, withholding income tax has been provided at 5% of the dividends to be distributed by the Mainland China subsidiaries of the Group.

33 Dividends

The Board did not recommend or declare the payment of any dividend in respect of the years ended 31 December 2024 and 2023.

34 Cash flow information

(a) Cash generated from operations

	Note	2024 RMB million	2023 RMB million
Loss for the year		(35,145)	(200,962)
Adjustments for:			
Income tax expenses	32	12,776	33,709
Interest income on bank deposits and others	31	(526)	(1,358)
Gains on repurchase of senior notes	31	—	(748)
Net foreign exchange losses	31	1,761	2,361
Depreciation of property, plant and equipment	29	1,254	1,647
Amortisation of intangible assets	29	154	280
Depreciation of right-of-use assets	29	201	449
Net impairment losses on financial assets and guarantees	3(a)(iii)	1,902	37,243
Share of results of joint ventures and associates	9(b), 9(c)	(1,778)	(151)
Losses arising from changes in fair value of and transfer to investment properties	7	818	1,326
Share-based compensation expense	30	241	390
Gains arising from negative goodwill	28	—	(65)
Changes in fair value of financial assets at FVTPL	28	95	768
Changes in fair value of derivative financial instruments	28	(60)	13
Losses on disposal of joint ventures and associates	28	474	2,405
Losses/(gains) on disposals of investment properties	28	44	(52)
Impairment losses on property, plant and equipment	28	19	2,077
Accrued compensation for the delayed delivery of properties	28	—	2,030
Finance cost	31	5,214	5,203
Losses on disposals of subsidiaries	28	184	748
		(12,372)	(112,687)
Changes in working capital (excluding the effects of acquisitions and disposals of subsidiaries and currency exchange differences on consolidation):			
Properties under development and completed properties held for sale		168,043	329,470
Inventories		2,810	(529)
Restricted cash		33,271	(32,774)
Trade and other receivables and contract assets and contract acquisition costs		33,841	138,146
Trade and other payables and contract liabilities		(219,361)	(375,343)
Cash generated from/(used in) operations		6,232	(53,717)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

34 Cash flow information *(Continued)*

(b) Reconciliation of liabilities arising from financing activities

	Bank and other borrowings RMB million	Senior notes RMB million	Corporate bonds RMB million	Convertible bonds RMB million	Derivative financial instruments RMB million	Lease liabilities RMB million	Total RMB million
Liabilities as at 1 January 2024	**155,752**	**68,367**	**19,359**	**6,171**	**60**	**2,004**	**251,713**
Cash flows							
– Net cash flows from financing activities	**(1,969)**	**–**	**(408)**	**–**	**–**	**(236)**	**(2,613)**
– Interest paid	**(4,731)**	**–**	**(370)**	**–**	**–**	**(124)**	**(5,225)**
– Acquisitions of subsidiaries	**223**	**–**	**–**	**–**	**–**	**–**	**223**
– Disposals of subsidiaries	**(688)**	**–**	**–**	**–**	**–**	**–**	**(688)**
Non-cash movements							
– Changes in fair value of derivative financial instruments	**–**	**–**	**–**	**–**	**(60)**	**–**	**(60)**
– Interest expenses	**7,740**	**3,604**	**1,088**	**381**	**–**	**124**	**12,937**
– Foreign exchange adjustments	**636**	**1,113**	**90**	**139**	**–**	**–**	**1,978**
– Other non-cash movements	**(3,009)**	**–**	**–**	**–**	**–**	**748**	**(2,261)**
Liabilities as at 31 December 2024	**153,954**	**73,084**	**19,759**	**6,691**	**–**	**2,516**	**256,004**

	Bank and other borrowings RMB million	Senior notes RMB million	Corporate bonds RMB million	Convertible bonds RMB million	Derivative financial instruments RMB million	Lease liabilities RMB million	Total RMB million
Liabilities as at 1 January 2023	162,540	70,655	32,319	5,793	297	411	272,015
Cash flows							
– Net cash flows from financing activities	(31,009)	(3,760)	(12,626)	–	(181)	(179)	(47,755)
– Interest paid	(6,136)	(2,514)	(1,386)	(233)	–	(91)	(10,360)
– Acquisitions of subsidiaries	23,621	–	–	–	–	898	24,519
– Disposals of subsidiaries	(675)	–	–	–	–	–	(675)
Non-cash movements							
– Changes in fair value of derivative financial instruments	–	–	–	–	13	–	13
– Interest expenses	7,677	3,636	1,077	527	–	91	13,008
– Gains on repurchase	–	(748)	–	–	–	–	(748)
– Foreign exchange adjustments	(266)	1,098	(25)	84	–	–	891
– Other non-cash movements	–	–	–	–	(69)	874	805
Liabilities as at 31 December 2023	155,752	68,367	19,359	6,171	60	2,004	251,713

35 Losses per share

(a) Basic

Basic losses per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Group and held as treasury shares (note 24).

	2024	2023
Loss attributable to owners of the Company (RMB million)	(32,835)	(178,400)
Weighted average number of ordinary shares in issue (million)	27,705	27,468
Losses per share — Basic (RMB yuan per share)	(1.19)	(6.49)

(b) Diluted

For the year ended 31 December 2024 and 2023, the share options, awarded share, written call options and convertible bonds were excluded from the computation of diluted losses per share as they are anti-dilutive.

36 Guarantees

	2024 RMB million	2023 RMB million
Guarantees in respect of mortgage facilities for certain property buyers (note (a))	259,095	357,125
Guarantees to joint ventures and associates in respect of liabilities	6,185	7,169
	265,280	364,294

(a) These represented the guarantees in respect of mortgage facilities granted by certain banks relating to the mortgage loans arranged for certain property buyers of the Group's properties. Pursuant to the terms of the guarantees, upon default in mortgage payments by these buyers, the Group is responsible to repay the outstanding mortgage principals together with accrued interest and penalty owed by the defaulted buyers to the banks and the Group is entitled to retain the legal title and take over the possession of the related properties. The above guarantees are to be discharged upon the earlier of (i) issuance of the real estate ownership certificates which are generally available within three months after the buyers taking possession of the relevant properties; and (ii) the satisfaction of mortgaged loans by the property buyers.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

36 Guarantees *(Continued)*

(b) As at 31 December 2024, the Group provided loss allowance for financial guarantees of approximately RMB974 million (2023: RMB879 million) (note 3(a)(iii)).

37 Contingencies

From time to time, the Group may become involved in litigations relating to claims arising from the ordinary course of business. The Group believes that there are currently no claims or actions pending against the Group which the ultimate disposition of which could have a material adverse effect on the Group's financial position, results of operations or cash flows. However, litigations are subject to inherent uncertainties and the Group's view of these matters may change in the future. When an unfavorable outcome occurs, there exists the possibility of a material adverse impact on the Group's financial position, results of operations or cash flows for the periods in which the unfavorable outcome occurs, and potentially in future periods.

38 Commitments

(a) Commitments for capital expenditures

	2024 RMB million	2023 RMB million
Contracted but not provided for:		
Property, plant and equipment	**63**	90

(b) Operating lease rentals receivable

The majority of the lease terms are between 1 and 10 years, and renewable at the end of the lease period at market price. The future aggregate minimum lease rentals receivable under non-cancellable operating leases in respect of buildings are as follows:

	2024 RMB million	2023 RMB million
Not later than one year	**399**	277
Later than one year and not later than two years	**369**	204
Later than two years and not later than three years	**320**	148
Later than three years and not later than four years	**262**	122
Later than four years and not later than five years	**211**	114
Later than five years	**1,251**	632
	2,812	1,497

The investment properties are leased to tenants under operating leases with rentals payable monthly. For details of the leasing arrangements, refer to note 7.

39 Transactions with non-controlling interests

The aggregate effects of transactions with non-controlling interests on the equity attributable to owners of the Company for the year ended 31 December 2024 are as follows:

	2024 RMB million
Changes in equity attributable to owners of the Company arising from:	
— Acquisitions of additional interests in subsidiaries (note (a))	440
— Disposals of interests in subsidiaries without loss of control (note (b))	(271)
— Deemed disposals of interests in subsidiaries without loss of control (note (c))	(465)
	(296)

(a) The Group acquired additional equity interests of certain subsidiaries from the respective non-controlling interests for a total cash consideration of RMB629 million.

The following table summarises the effect of these acquisitions:

	2024 RMB million
Total carrying amounts of non-controlling interests acquired	1,069
Total consideration	(629)
Total difference recognised within equity	440

(b) The Group disposed of certain equity interests of certain subsidiaries for a total cash consideration of RMB271 million.

The following table summarises the effect of these disposals:

	2024 RMB million
Total carrying amounts disposed to non-controlling interests	(542)
Proceeds from disposals	271
Total difference recognised within equity	(271)

(c) Certain third parties injected capital which resulted in passive dilution of interests in certain subsidiaries without loss of control. The Group recognised a decrease in equity and an increase in non-controlling interests of RMB465 million.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

40 Disposals of subsidiaries

During the year, the Group disposed of interests in a number of subsidiaries to certain third parties. Details of the disposals are as follows:

	RMB million
Disposal consideration	
— Cash received	868
— Outstanding and included in other receivables	882
— Fair value of investments in joint ventures and associates retained upon disposal	13
	1,763
Less:	
— Total net assets of subsidiaries disposed of	(1,855)
— Non-controlling interest disposed of	(92)
Losses on disposals (note 28)	(184)
Cash proceeds from disposals, net of cash disposed of	
— Cash considerations received	868
— Less: cash and cash equivalents in the subsidiaries disposed of	(109)
Net cash inflow on disposals	759

41 Business combinations

Business combinations during the year mainly included the acquisitions of interest in various property development companies and acquisitions of additional interests in the joint ventures and associates which were further recognised as the Group's subsidiaries. The directors of the Company consider that none of these subsidiaries acquired during the year was significant to the Group and thus the individual financial information of these subsidiaries on the acquisition dates was not disclosed.

41 Business combinations *(Continued)*

The acquired companies' principal activities are mainly property development. The combined financial information of these acquired companies on the acquisition dates is summarised as follows:

	RMB million
Total consideration	
— Cash	12
— Fair value of investments in joint ventures and associates held before business combinations	1,808
— Effective settlement of other receivables	2,237
	4,057
Total recognised amounts of identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	34
Restricted cash	120
Property, plant and equipment	56
Intangible assets	15
Properties under development and completed properties held for sale	7,938
Trade and other receivables	1,702
Contract assets and contract acquisition costs	79
Prepaid income tax	226
Deferred income tax assets	133
Bank and other borrowings	(223)
Trade and other payables	(2,052)
Contract liabilities	(2,866)
Current income tax liabilities	(363)
Deferred income tax liabilities	(563)
Total identifiable net assets	4,236
Non-controlling interests	(179)
	4,057
Inflow of cash to acquire business, net of cash acquired	
— Cash considerations	(12)
— Cash and cash equivalents in the subsidiaries acquired	34
Net cash inflow on business combinations	22

The acquired businesses contributed total revenues of RMB3,002 million and net loss of RMB579 million to the Group for the period from their respective acquisition dates to 31 December 2024. Had these companies been consolidated from 1 January 2024, the consolidated income statement would show pro-forma revenue of RMB252,780 million and loss for the year of RMB35,276 million.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

42 Related party transactions

The Company is ultimately controlled by Ms. Yang Huiyan (the "Ultimate Controlling Shareholder").

Apart from those related party transactions disclosed elsewhere in the consolidated financial statements, the following transactions were carried out with related parties.

(a) Transactions with related parties

	2024 RMB million	2023 RMB million
(i) Entities controlled, jointly controlled or significantly influenced by certain shareholders, certain directors and/or their close family members		
Purchase of design service	251	483
Construction service income	66	44
Purchase of property management and related services	527	1,419
Property lease income	21	142
Other borrowings to the Group	—	2,125
Other transactions	168	260
(ii) Joint ventures		
Provision of guarantee in respect of liabilities	4,621	5,335
Construction service income	1,152	1,399
Other transactions	227	749
(iii) Associates		
Provision of guarantee in respect of liabilities	1,564	1,834
Construction service income	167	275
Other transactions	36	129

The prices for the above transactions were determined in accordance with the terms of the underlying agreements.

(b) Key management compensation

Key management includes directors and chief executive officer of the Company.

	2024 RMB million	2023 RMB million
Fees and salaries	4	9
Discretionary bonuses	2	9
Other benefits and share-based compensation	1	1
	7	19

42 Related party transactions *(Continued)*

(c) Balances with related parties

Saved as disclosed in other notes above, the Group had the following significant balances with its related parties:

	2024 RMB million	2023 RMB million
(i) Entities controlled, jointly controlled or significantly influenced by certain shareholders, certain directors and/or their close family members		
Trade and other receivables	**1,171**	1,316
Contract assets and contract acquisition costs	**22**	37
Trade and other payables	**4,382**	4,339
Other borrowings	**7,877**	7,428
(ii) Joint ventures		
Trade and other receivables	**42,173**	44,494
Contract assets and contract acquisition costs	**1,179**	1,654
Trade and other payables	**41,396**	44,922
(iii) Associates		
Trade and other receivables	**14,497**	16,084
Contract assets and contract acquisition costs	**202**	610
Trade and other payables	**23,080**	25,410

The above balances due from/to related parties are mainly interest free or at interest rate agreed by both parties, unsecured and to be settled according to the contract terms.

(d) Senior notes

As at 31 December 2024, senior notes with principal amount of USD575 million (equivalent to approximately RMB4,133 million) (2023: USD575 million, equivalent to approximately RMB4,072 million) and USD30 million (equivalent to approximately RMB216 million) (2023: USD30 million, equivalent to approximately RMB212 million) and USD18 million (equivalent to approximately RMB129 million) (2023: USD18 million, equivalent to approximately RMB127 million) and USD0.5 million (equivalent to approximately RMB3.6 million) (2023: USD0.5 million, equivalent to approximately RMB3.5 million) were held by Mr. YEUNG Kwok Keung, Mr. MO Bin, Ms. YANG Ziying and Ms. WU Bijun respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

43 Statement of financial position and reserve movement of the Company

	As at 31 December	
	2024	2023
	RMB million	RMB million
Non-current assets		
Investments in subsidiaries	**3,960**	19,179
Financial assets at fair value through other comprehensive income	**2**	2
	3,962	19,181
Current assets		
Amounts due from subsidiaries	**156,581**	163,657
Other receivables	**297**	297
Cash and cash equivalents	**118**	166
	156,996	164,120
Current liabilities		
Amounts due to subsidiaries	**51,285**	47,791
Other payables	**3,519**	858
Senior notes	**73,084**	68,367
Corporate bonds	**1,239**	456
Bank and other borrowings	**36,405**	37,292
	165,532	154,764
Net current (liabilities)/assets	**(8,536)**	9,356
Total assets less current liabilities	**(4,574)**	28,537

43 Statement of financial position and reserve movement of the Company *(Continued)*

	As at 31 December	
	2024	2023
	RMB million	RMB million
Non-current liabilities		
Corporate bonds	**2,693**	3,137
	2,693	3,137
Equity		
Share capital and premium	**53,220**	53,220
Other reserves (note)	**3,913**	3,672
Accumulated losses (note)	**(64,400)**	(31,492)
(Deficit in equity)/total equity	**(7,267)**	25,400
(Deficit in equity)/total equity and non-current liabilities	**(4,574)**	28,537

The statement of financial position of the Company was approved by the Board of Directors on 28 March 2025 and were signed on its behalf.

MO Bin
Director

YANG Ziying
Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

43 Statement of financial position and reserve movement of the Company *(Continued)*

Note:

Reserve movement of the Company

	Other reserves RMB million	Accumulated losses RMB million	Total RMB million
At 1 January 2024	**3,672**	**(31,492)**	**(27,820)**
Loss for the year	**—**	**(32,908)**	**(32,908)**
Employee share schemes			
— Value of employee services	**241**	**—**	**241**
At 31 December 2024	**3,913**	**(64,400)**	**(60,487)**
At 1 January 2023	2,901	4,651	7,552
Loss for the year	—	(36,143)	(36,143)
Deferred gains on cash flow hedges	115	—	115
Deferred losses of hedging	266	—	266
Employee share schemes			
— Value of employee services	390	—	390
At 31 December 2023	3,672	(31,492)	(27,820)

44 Particulars of principal subsidiaries

The following is a list of principal subsidiaries at 31 December 2024, all of these are limited liability companies:

Name	Date of incorporation/ establishment	Registered capital	Proportion of equity interest held by the Group	Proportion of ordinary shares held by non-controlling interests	Principal activities
Directly held by the Company:					
Incorporated in the BVI and operates in Hong Kong:					
Smart World Development Holdings Ltd.	28 March 2006	USD300	100%	0%	Investment holding and rendering of property related sales services
Indirectly held by the Company:					
Incorporated in Hong Kong and operates in Hong Kong:					
Country Garden (Hong Kong) Development Company Limited	21 September 2005	HKD20,000,001	100%	0%	Investment holding and rendering of property related sales services

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

44 Particulars of principal subsidiaries *(Continued)*

Name	Date of incorporation/ establishment	Registered capital	Proportion of equity interest held by the Group	Proportion of ordinary shares held by non-controlling interests	Principal activities
Incorporated in the BVI and operates in Hong Kong:					
Impreza Group Limited	7 April 2006	USD300	100%	0%	Investment holding and rendering of property related sales services
Falcon Investments Development Ltd.	21 March 2006	USD300	100%	0%	Investment holding and rendering of property related sales services
Estonia Development Ltd.	21 March 2006	USD200	100%	0%	Investment holding and rendering of property related sales services
Angel View International Limited	7 April 2006	USD200	100%	0%	Investment holding and rendering of property related sales services

44 Particulars of principal subsidiaries *(Continued)*

Name	Date of incorporation/ establishment	Registered capital	Proportion of equity interest held by the Group	Proportion of ordinary shares held by non-controlling interests	Principal activities
Established and operates in Mainland: (Registered as limited liability companies under PRC law)					
Country Garden Real Estate Group Co., Ltd. 碧桂園地產集團有限公司	20 April 2015	RMB15,319,604,768	100%	0%	Property development
Foshan Shunde Country Garden Property Development Co., Ltd. 佛山市順德區碧桂園物業發展有限公司	2 April 1997	RMB1,387,500,000	100%	0%	Property development
Zhengzhou Gaoxin Country Garden Real Estate Development Co., Ltd. 鄭州高新碧桂園房地產開發有限公司	3 June 2016	RMB500,000,000	85%	15%	Property development
Zhengzhou Mingxing Real Estate Co., Ltd. 鄭州名興置業有限公司	3 August 2016	RMB100,000,000	99%	1%	Property development

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

44 Particulars of principal subsidiaries *(Continued)*

Name	Date of incorporation/ establishment	Registered capital	Proportion of equity interest held by the Group	Proportion of ordinary shares held by non-controlling interests	Principal activities
Guangzhou Bike Smart City Development and Construction Investment Co., Ltd. 廣州碧科智城開發建設投資有限公司	5 April 2017	RMB500,000,000	100%	0%	Property development
Shenyang Urban Construction Tianhe Real Estate Co., Ltd. 沈陽城建天和置業有限公司	16 December 2011	RMB300,000,000	69%	31%	Property development
Yiwu Yongxin Real Estate Development Co., Ltd. 義烏市永欣房地產開發有限公司	30 June 2021	RMB50,000,000	100%	0%	Property development
Guangzhou Chengbi Real Estate Development Co., Ltd. 廣州市誠碧房地產開發有限公司	1 March 2017	RMB1,010,000	100%	0%	Property development
Beijing Country Garden Yangguang Real Estate Development Co., Ltd. 北京碧桂園陽光置業發展有限公司	20 March 2017	RMB50,000,000	100%	0%	Property development
Foshan Guangfoli Investment and Development Co., Ltd. 佛山市廣佛里投資開發有限公司	21 August 2017	RMB10,000,000	70%	30%	Property development
Dongguan Yuexi Real Estate Development Co., Ltd. 東莞市悅溪房地產開發有限公司	27 October 2016	RMB133,334,000	100%	0%	Property development

44 Particulars of principal subsidiaries *(Continued)*

Name	Date of incorporation/ establishment	Registered capital	Proportion of equity interest held by the Group	Proportion of ordinary shares held by non-controlling interests	Principal activities
Huidong Huixing Investment Co., Ltd. 惠東匯興投資有限公司	15 January 2015	RMB26,500,000	70%	30%	Property development
Lanzhou Country Garden Real Estate Development Co., Ltd. 蘭州碧桂園房地產開發有限公司	1 February 2013	RMB1,570,000,000	95%	5%	Property development
Guizhou Hengfeng Weiye Real Estate Development Co.,Ltd. 貴州恆豐偉業房地產開發有限公司	28 April 2007	RMB100,000,000	100%	0%	Property development
Guangdong Guangbo Real Estate (Group) Co., Ltd. 廣東廣博房地產(集團)有限公司	22 November 2007	RMB110,000,000	85%	15%	Property development
Foshan Shunde Zhouhua Investment Consulting Co., Ltd. 佛山市順德區宙華投資諮詢有限公司	12 November 2012	RMB13,889,820,339	100%	0%	Investment consulting
Guangdong Yaokang Investment Co., Ltd. 廣東耀康投資有限公司	20 April 2015	RMB1,383,400,000	100%	0%	Investment consulting
Giant Leap Construction Technology Group Co., Ltd. 騰越建築科技集團有限公司	25 March 1997	RMB5,400,000,000	100%	0%	Construction

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

44 Particulars of principal subsidiaries *(Continued)*

Name	Date of incorporation/ establishment	Registered capital	Proportion of equity interest held by the Group	Proportion of ordinary shares held by non-controlling interests	Principal activities
Guangdong Bright Dream Robotics Co., Ltd. 廣東博智林機器人有限公司	17 July 2018	RMB5,000,000,000	100%	0%	Robot research and development and related services
Zhaoqing Biguiyuan Modern Furniture Co., Ltd. 肇慶市現代築美家居有限公司	12 December 2007	USD30,000,000	100%	0%	Manufacturing
Guangdong Fengtuo Construction Management Co., Ltd. 廣東鳳拓建設管理有限公司	31 October 2023	RMB20,000,000	100%	0%	Project management and related services
Wuhan Ecological City Country Garden Investment Co., Ltd. 武漢生態城碧桂園投資有限公司	4 December 2009	RMB500,000,000	55%	45%	Hotel operation
Foshan Country Garden Hotel Co., Ltd. 佛山碧桂園酒店有限公司	24 August 2017	RMB100,000,000	90%	10%	Hotel operation

The English names of the Mainland China companies referred to above in this note represent management's best efforts in translating the Chinese names of those companies as no English names have been registered or available.

45 Benefits and interests of directors

(a) Directors' emoluments

The remuneration of every director and chief executive officer of the Company is set out below:

For the year ended 31 December 2024:

Name of director	Fees RMB'000	Salary RMB'000	Discretionary bonuses RMB'000	Other benefits and share-based compensation expenses (i) RMB'000	Employer's contribution to retirement benefit scheme RMB'000
Chairman					
Ms. YANG Huiyan	–	120	–	–	6
Executive directors					
Mr. MO Bin*	–	120	–	–	6
Ms. YANG Ziying	–	120	–	–	6
Dr. CHENG Guangyu	–	1,000	–	–	26
Ms. WU Bijun	–	1,000	550	–	49
Mr. SU Baiyuan (ii) (resigned on 1 November 2024)	–	1,000	1,751	794	32
Non-executive director					
Mr. CHEN Chong	120	–	–	–	6
Independent non-executive directors					
Dr. HAN Qinchun (iii) (appointed on 15 March 2024)	194	–	–	–	–
Mr. WANG Zhijian (iii) (appointed on 15 March 2024)	194	–	–	–	–
Mr. TUO Tuo (iii) (appointed on 15 March 2024)	194	–	–	–	–
Mr. LAI Ming, Joseph (iii) (resigned on 15 March 2024)	69	–	–	–	–
Mr. SHEK Lai Him, Abraham (iii) (resigned on 15 March 2024)	69	–	–	–	–
Mr. TONG Wui Tung (iii) (resigned on 15 March 2024)	69	–	–	–	–
Mr. TO Yau Kwok (ii) (resigned on 1 November 2024)	204	–	–	–	–
	1,113	3,360	2,301	794	131

* Chief executive officer of the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

45 Benefits and interests of directors *(Continued)*

(a) Directors' emoluments *(Continued)*

i. The share-based compensation expenses for relevant directors disclosed in above table were amortised during the respective vesting period in accordance with accounting standards. These awarded shares were granted from 2017 to 2021, and there were no new grants in 2022 to 2024.

ii. Mr. SU Baiyuan and Mr. TO Yau Kwok resigned on 1 November 2024 as executive director of the Company and independent non-executive director of the Company, respectively.

iii. Dr. HAN Qinchun, Mr. WANG Zhijian and Mr. TUO Tuo were appointed on 15 March 2024 as independent non-executive directors of the Company. Mr. LAI Ming, Joseph, Mr. SHEK Lai Him, Abraham and Mr. TONG Wui Tung resigned on 15 March 2024 as independent non-executive directors of the Company.

For the year ended 31 December 2023:

Name of director	Fees RMB'000	Salary RMB'000	Discretionary bonuses RMB'000	Other benefits and share-based compensation expenses (i) RMB'000	Employer's contribution to retirement benefit scheme RMB'000
Chairman					
Mr. YEUNG Kwok Keung (resigned on 1 March 2023)	–	50	–	–	3
Ms. YANG Huiyan (succeeded the position of the Chairman on 1 March 2023)	–	328	–	–	16
Executive directors					
Mr. MO Bin	–	2,520	–	–	16
Ms. YANG Ziying	–	1,687	–	–	16
Dr. CHENG Guangyu	–	1,000	3,808	–	13
Ms. WU Bijun	–	1,000	1,815	–	31
Mr. SU Baiyuan (resigned on 1 November 2024)	–	1,000	3,236	1,086	11
Non-executive director					
Mr. CHEN Chong	328	–	–	–	20
Independent non-executive directors					
Mr. LAI Ming, Joseph (resigned on 15 March 2024)	330	–	–	–	–
Mr. SHEK Lai Him, Abraham (resigned on 15 March 2024)	330	–	–	–	–
Mr. TONG Wui Tung (resigned on 15 March 2024)	330	–	–	–	–
Mr. HUANG Hongyan (retired on 23 May 2023)	99	–	–	–	–
Mr. TO Yau Kwok (resigned on 1 November 2024)	240	–	–	–	–
	1,657	7,585	8,859	1,086	126

45 Benefits and interests of directors *(Continued)*

(b) Directors' retirement benefits

During the year ended 31 December 2024, no retirement benefits were paid to the directors of the Company by the Group in respect of the director's services as a director of the Company and its subsidiaries or other services in connection with the management of the affairs of the Company or its subsidiaries (2023: nil).

(c) Directors' termination benefits

During the year ended 31 December 2024, no payments to the directors of the Company as compensation for the early termination of the appointment (2023: nil).

(d) Consideration provided to or receivable by third parties for making available directors' services

During the year ended 31 December 2024, there were no considerations provided to or receivable by any third party for making available the services of a person as a director of the Company (2023: nil).

(e) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors.

During the year ended 31 December 2024, there were no loans, quasi-loans or other dealings in favour of directors of the Company, controlled bodies corporate by and connected entities with such directors (2023: nil).

(f) Directors' material interests in transactions, arrangements or contracts

Save as disclosed above, no significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year (2023: nil).

GLOSSARY

"2007 Share Option Scheme"	the share option scheme of the Company adopted on 20 March 2007 and which had expired on 19 March 2017
"2017 Share Option Scheme"	the share option scheme of the Company adopted on 18 May 2017
"2018 Design Services Supplemental Agreement"	the supplemental agreement dated 21 March 2018 entered into between Shunde Country Garden and Elite Architectural which further extended the design services agreement dated 27 March 2007 (as amended and supplemented by the design services supplemental agreements dated 20 June 2008, 17 December 2010, 31 October 2012, 13 December 2013, 30 December 2016 and 22 August 2017) entered into between Shunde Country Garden and Elite Architectural in respect of the provision of survey work, property design and interior design services by Elite Architectural to the Group
"2025 AGM"	the annual general meeting of the Company to be held on Thursday, 5 June 2025
"Articles of Association"	the articles of association of the Company
"attributable contracted sales"	the contracted sales of the Group's subsidiaries, joint ventures and associates attributable to shareholders of the Company
"Audit Committee"	audit committee of the Company
"Board"	the board of Directors
"CG Services"	Country Garden Services Holdings Company Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange (stock code: 6098), ceased to be a subsidiary of the Company since its spin-off was completed on 19 June 2018
"Chairman" or "Chairman of the Board"	the chairman of the Board
"Chief Financial Officer"	chief financial officer of the Company
"China Construction"	China State Construction Engineering Corporation
"China Construction Fifth Division"	China Construction Fifth Engineering Division Corp., Ltd.
"Company" or "Country Garden"	Country Garden Holdings Company Limited, an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange (stock code: 2007)

"Corporate Governance Code"	Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"Corporate Governance Committee"	corporate governance committee of the Company
"Country Garden Property"	Country Garden Real Estate Group Co., Ltd., a wholly-owned subsidiary of the Company
"Country Garden Property Group"	Country Garden Property and its subsidiaries
"Director(s)"	director(s) of the Company
"Elite Architectural"	Guangdong Elite Architectural Co., Ltd.
"Environmental, Social and Governance Committee"	environmental, social and governance committee of the Company
"Executive Committee"	executive committee of the Company
"Finance Committee"	finance committee of the Company
"GFA"	gross floor area
"Giant Leap"	Giant Leap Construction Technology Group Co., Ltd., a wholly-owned subsidiary of the Company
"Group"	the Company and its subsidiaries
"HKD"	Hong Kong dollar, the lawful currency of Hong Kong
"Hong Kong" or "HKSAR"	the Hong Kong Special Administrative Region of the PRC
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Macau"	the Macau Special Administrative Region of the PRC
"Mainland China"	the People's Republic of China, for the purpose of this annual report, excluding Hong Kong, Macau and Taiwan
"Malaysia Country Garden"	Country Garden Real Estate Sdn. Bhd., a wholly-owned subsidiary of the Company

GLOSSARY

"Model Code"	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
"net current assets"	the value of total current assets after its current liabilities have been subtracted
"Nomination Committee"	nomination committee of the Company
"PRC" or "China"	the People's Republic of China
"President"	president of the Company
"Qingyuan CG"	Qingyuan Country Garden Property Development Co., Ltd.
"Remuneration Committee"	remuneration committee of the Company
"RM"	Ringgit Malaysia, the lawful currency of Malaysia
"RMB"	Renminbi, the lawful currency of the PRC
"Senior Management"	senior management of the Company disclosed in this annual report
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"SGX"	Singapore Exchange Securities Trading Limited
"Share Option Schemes"	2007 Share Option Scheme and 2017 Share Option Scheme
"Share(s)"	ordinary share(s) in the capital of the Company with a par value of HKD0.10 each
"Shareholder(s)"	shareholder(s) of the Company
"Shunde Country Garden"	Foshan Shunde Country Garden Property Development Co., Ltd.
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"USD"	US dollar, the lawful currency of the United States of America
"%"	per cent

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