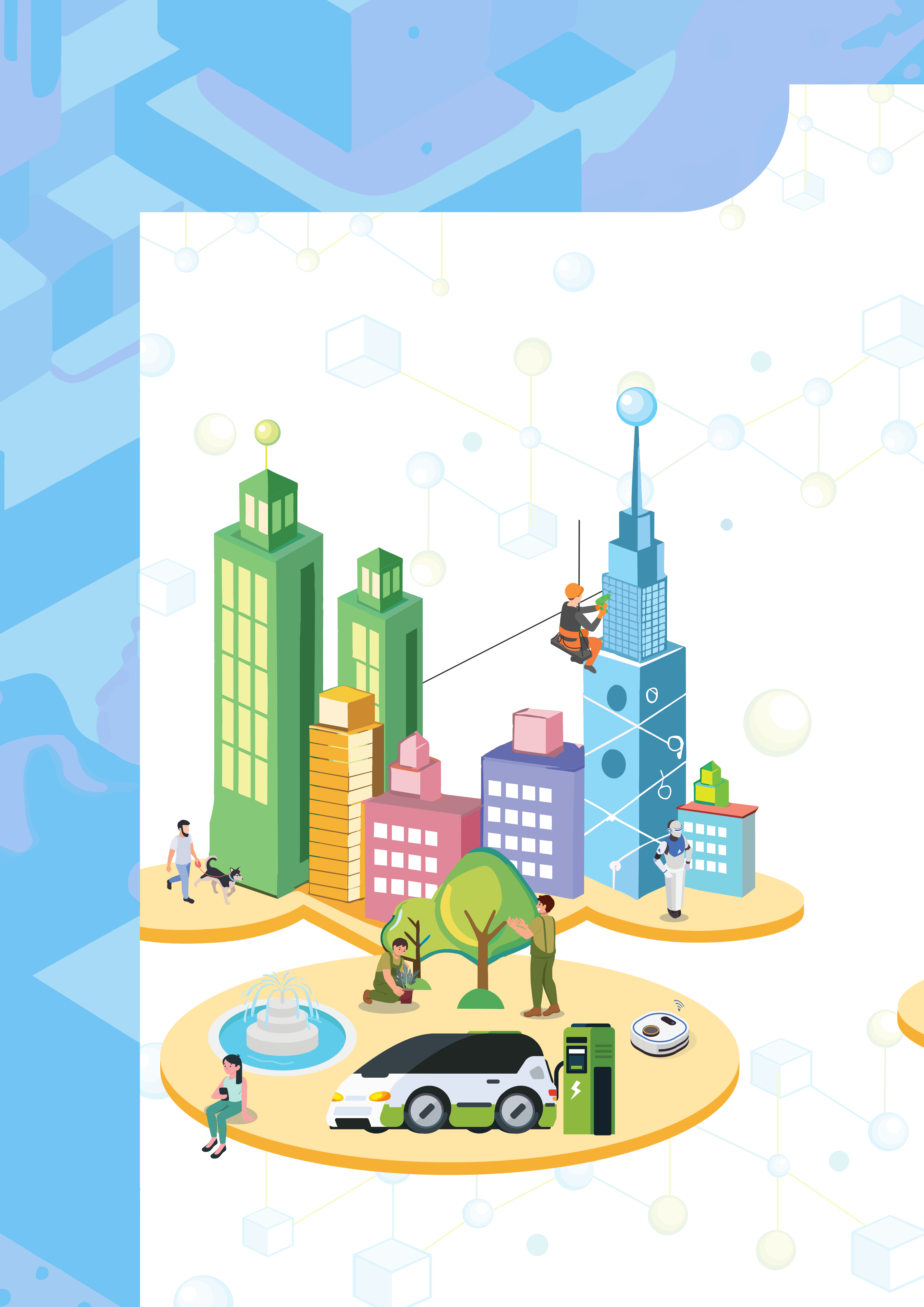
中海物業集團有限公司
CHINA OVERSEAS PROPERTY HOLDINGS LIMITED
(Incorporated in the Cayman Islands with limited liability)

Stock Code : 2669

We Manage Happiness
2024 ANNUAL REPORT

好時節
好物業
好社區



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CORPORATE INFORMATION

(As at 27 March 2025, date of this Annual Report)

Board of Directors

Executive Directors

Zhang Guiqing *(Chairman)*
Xiao Junqiang *(Chief Executive Officer)*
Pang Jinying *(Vice President)*
Kam Yuk Fai *(Chief Financial Officer)*

Non-executive Directors

Guo Lei
Ng, Yat Wing Athena

Independent Non-executive Directors

Yung, Wing Ki Samuel
So, Gregory Kam Leung
Lim, Wan Fung Bernard Vincent

Committees

Audit Committee

Yung, Wing Ki Samuel *(Chairman)*
So, Gregory Kam Leung
Lim, Wan Fung Bernard Vincent

Nomination Committee

Zhang Guiqing *(Chairman)*
Yung, Wing Ki Samuel
So, Gregory Kam Leung
Lim, Wan Fung Bernard Vincent

Remuneration Committee

So, Gregory Kam Leung *(Chairman)*
Zhang Guiqing
Yung, Wing Ki Samuel
Lim, Wan Fung Bernard Vincent

Sustainability Steering Committee

Lim, Wan Fung Bernard Vincent *(Chairman)*
Zhang Guiqing
Xiao Junqiang
Yung, Wing Ki Samuel
So, Gregory Kam Leung

Authorized Representatives

Zhang Guiqing
Xiao Junqiang
Pang Jinying *(alternate to Zhang Guiqing)*
Kam Yuk Fai *(alternate to Xiao Junqiang)*

Company Secretary

Wong Yee Wah

Independent Auditor

Ernst & Young
Certified Public Accountants and Registered PIE Auditor

Registered Office

Cricket Square, Hutchins Drive,
PO Box 2681, Grand Cayman KY1-1111,
Cayman Islands

Head Office and Principal Place of Business in Hong Kong

Suite 703, 7/F, Three Pacific Place,
1 Queen's Road East,
Hong Kong
Telephone : (852) 2988 0600
Facsimile : (852) 2988 0606

Branch Office in Hong Kong

19th Floor, China Overseas Building,
No.139 Hennessy Road and
No.138 Lockhart Road, Wanchai,
Hong Kong
Telephone : (852) 2823 7088
Facsimile : (852) 3102 0683

Corporate Information (Continued)

(As at 27 March 2025, date of this Annual Report)

Principal Share Registrar and Transfer Office

Conyers Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive,
PO Box 2681, Grand Cayman KY1-1111,
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

Legal Advisors

As to Hong Kong laws

Woo Kwan Lee & Lo

As to Cayman Islands laws

Conyers Dill & Pearman

Principal Bankers

(In Alphabetical Order)
Bank of China (Hong Kong) Limited
Bank of Communications Co., Ltd., Hong Kong Branch
China Construction Bank Corporation
China Merchants Bank Co., Ltd.
The Hongkong and Shanghai Banking Corporation Limited

Investor and Public Relations

Corporate Communications Department

Telephone	:	(852) 2988 0600
Facsimile	:	(852) 2988 0606
Email	:	copl.ir@cohl.com

Stock Code

The Stock Exchange of Hong Kong*	2669
Bloomberg	2669:HK
Reuters	2669.HK

* *Currently one of the eligible securities for Southbound Trading under the Shanghai — Hong Kong Stock Connect and the Shenzhen — Hong Kong Stock Connect*

Company Website

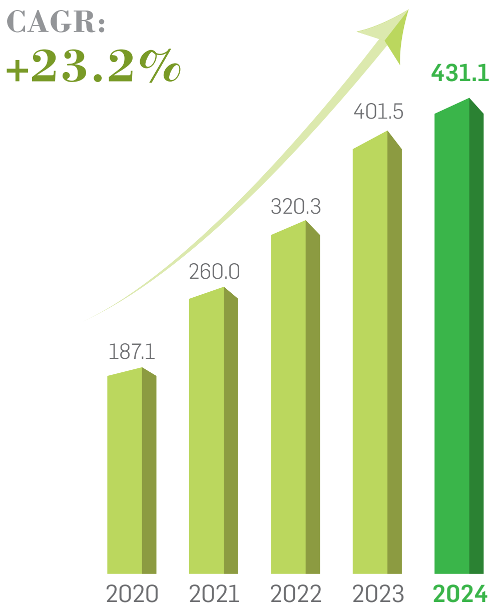
www.copl.com.hk

Financial Calendar 2025

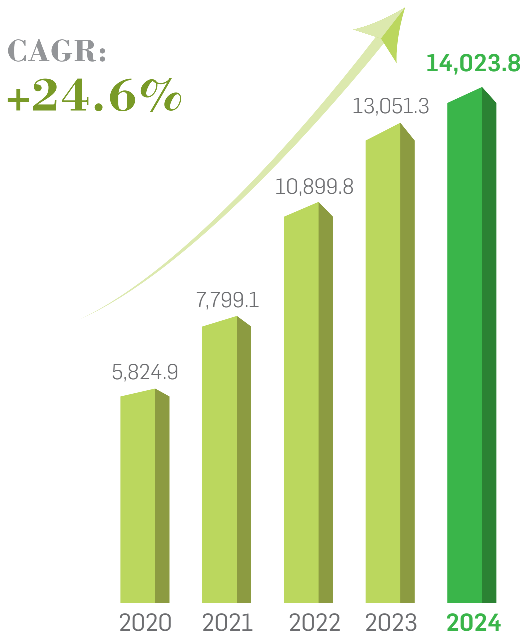
Annual Results Announcement	27 March
Closure of Register of Members (Annual General Meeting)	12 June to 18 June (both days inclusive)
Annual General Meeting Voting and Attending Eligibility Record Date	18 June
Annual General Meeting	18 June
Final Dividend Ex-dividend Date	20 June
Closure of Register of Members (Final Dividend)	24 June to 26 June (both days inclusive)
Final Dividend Entitlement Record Date	26 June
Final Dividend Payment Date	15 July

BUSINESS AND FINANCIAL HIGHLIGHTS

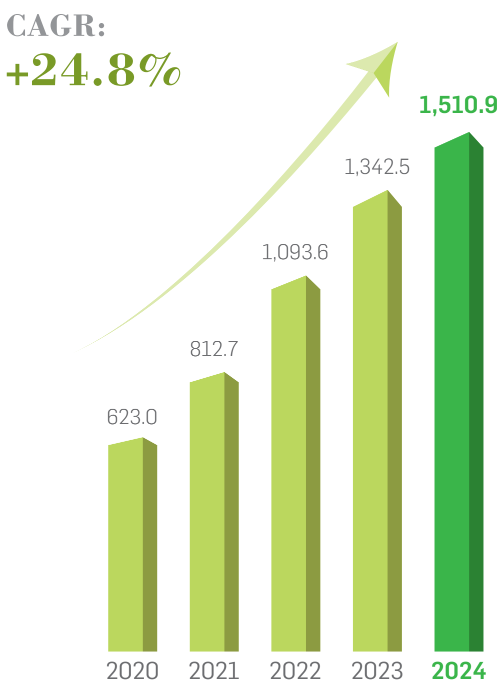
Gross Floor Area under Management as at Year Ended (Million sq.m.)



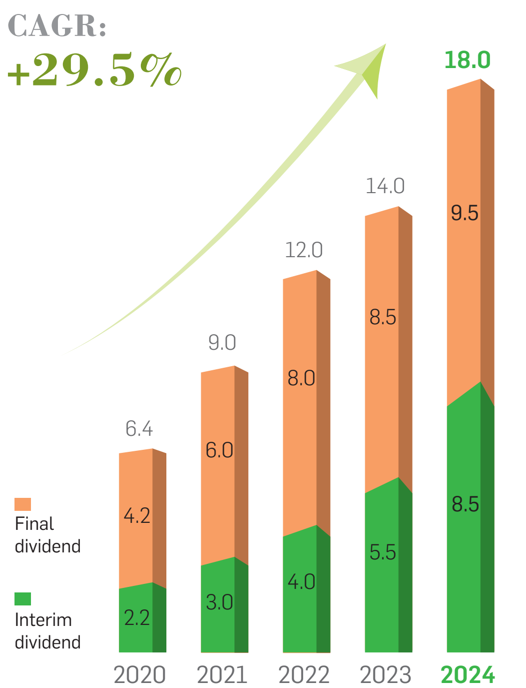
Revenue (RMB Million)



Profit Attributable to Ordinary Equity Holders of the Company (RMB Million)



Dividends (HK Cents)



CAGR: Compound Annual Growth Rate

Business and Financial Highlights (Continued)

	Formula	2024	2023	Change
Operating Scale:				
Gross floor area under management as at year ended (million sq.m.)		**431.1**	401.5	+7.4%
Employee headcount		**38,627**	43,012	−10.2%
Revenue (RMB million)		**14,023.8**	13,051.3	+7.5%
Profitability & Rates of Return:				
Gross profit (RMB million)		**2,325.5**	2,069.8	+12.4%
Profit attributable to ordinary equity holders of the Company (RMB million)		**1,510.9**	1,342.5	+12.5%
Net Profit Margin	Profit for the year÷Revenue	**10.8%**	10.4%	+0.4 ppt
Earnings per share (RMB cents) (equivalent to HK cents)		**46.00** **(50.27)**	40.84 (45.68)	+12.6%
Dividends per share (HK cents)		**18.0**	14.0	+28.6%
Payout ratio	Dividends per share (HK cents) ÷ Earnings per share (HK cents)	**35.8%**	30.6%	+5.2 ppt
Average return on equity	Profit attributable to ordinary equity holders of the Company÷Average capital and reserves attributable to ordinary equity holders of the Company	**32.7%**	36.8%	−4.1 ppt
Liquidity:				
Current ratio	Total current assets÷Total current liabilities	**1.7**	1.6	+0.1
Debt-to-assets ratio	Total liabilities÷Total assets	**56.9%**	60.6%	−3.7 ppt

HIGHLIGHTS OF THE GROUP IN 2024

JAN

Convened 2024 Work Conference

China Overseas Property Holdings Limited ("COPL") convened the 2024 Work Conference. Mr. Yan Jianguo, Chairman of China Overseas Holdings Limited ("COHL"), attended the conference and put forward three earnest wishes for COPL, namely, to grasp the defining trend & to set clear goals; to conduct precise management & to improve service quality; to optimize the talent team & to strengthen corporate compliance. Mr. Zhang Guiqing, the Chairman of the Board of COPL, gave a work report titled "Aligning Thinking and Enhancing Confidence: Firmly Promoting High-Quality Development."

Won the tender for public libraries in Macau

COPL won the tender for frontline operation services for 12 independent public libraries in Macau. COPL adheres to professional management, allowing advanced property management models to take root in Macau's public facilities and promoting the efficient operation of managed libraries.

Won the "Corporate Volunteer Hours Gold Award" and the "Top Ten Highest Volunteer Hours Award" consecutively, and reaped the ESG Rising Star Award

For two consecutive years, COPL received the "Corporate Volunteer Hours Gold Award" and the "Top Ten Highest Volunteer Hours Award" from Hong Kong's Home and Youth Affairs Bureau and the Agency for Volunteer Service. In addition, COPL won the "Best ESG Rising Star Award" at the "7th China IR Annual Awards."

FEB

Won the tender for the projects of Hong Kong Housing Authority and Hospital Authority

COPL won the tender for the security and parking management services contracts for the office building of the Hong Kong Housing Authority Headquarters and the Hong Kong Hospital Authority Support Services Centre. COPL will continuously leverage on regional advantages, enrich diverse property service types, and expand scale under management in Hong Kong and Macau.

Won the tender for Class A+ Office Buildings

Tianyuan Xiangtai Tower and Hengyi Building are both international 5A and Class A+ office buildings, located at the northern end of Beijing's central axis in the core area of the Olympic Business District. This project received LEED Platinum Certification and GBEL 3-Star Design Certification. COPL provides property services for an area of approximately 225,000 sq.m..

Highlights of the Group in 2024 (Continued)

MAR

Held the first Value-added Service Partners Conference

COPL held its first Value-added Service Partners Conference successfully, with more than 500 companies in attendance. Over 20 corporates signed contracts on-site, with a total contract value exceeding RMB250 million.

APR

Renewed contracts of 13 courts in Hong Kong

COPL renewed service contracts with all 13 courts under Hong Kong Judiciary, continuing to provide high-quality services for Hong Kong Judiciary. This demonstrates the high recognition and trust that the Hong Kong Special Administrative Region's judicial department has in our security services and security team.

Highlights of the Group in 2024 (Continued)

APR

Garnered the Silver Award at the 49th International Exhibition of Inventions Geneva

Xinghai Wulian's proprietary product "EdgeBrain" won the Silver Award at the 49th International Exhibition of Inventions Geneva. This year's exhibition showcased over 1,400 inventions from 45 countries and regions worldwide. "EdgeBrain," developed by Xinghai Wulian, is one of the core achievements of the Urban Renewal and Smart Operations Engineering Research Center of China State Construction.

MAY

Received the first batch of Outstanding Service Brand Awards in the Central Enterprise Brand Leading Action

COPL was the only industry representative to receive the first batch of Outstanding Service Brand Awards in the Central Enterprise Brand Leading Action launched by State-owned Assets Supervision and Administration Commission of the State Council ("SASAC").

Highlights of the Group in 2024 (Continued)

MAY

"Manage Happiness. Lead the Future" Celebrating the 45th Anniversary of COHL

COPL headquarters held the "Manage Happiness. Lead the Future" theme event for the 45th anniversary of COHL.

Took on first commercial complex project in Macau, the M8 commercial project

The newly completed M8 is the first commercial complex undertaken by COPL in Macau, and also yet another landmark commercial building under COPL's management. COPL continued to leverage its advantages in the Hong Kong and Macau markets, diversifying development channels.

Won the tender from Shenzhen Nanshan District's Shekou Street Office

COPL won the tender for the area sanitation and cleaning service project of Shenzhen Nanshan District's Shekou Street Office, which includes sanitation and cleaning, extermination of four pests, and garbage sorting supervision. The cleaning area covers 1.23 million sq.m., providing guidance of garbage sorting for over 100 residential areas, all communities, and 14 types of sites. It also provides four pests extermination services for 10 communities, 62 old residential areas, and seven urban villages, covering an area of around 370,000 sq.m..

JUN

The 6th COPL "Skills Cup" Property Management Group Final was held

The 6th COPL "Skills Cup" Property Management Group Final was held in Shenzhen. Through courses on competition skills, property management practices, and basic regulations and policies of property management, the participants' professional quality and capabilities are comprehensively enhanced.

Won the tender from Inner Mongolia University of Finance and Economics

Inner Mongolia University of Finance and Economics is the first and only independent undergraduate university in Inner Mongolia that focuses on economics and finance, covering a total area of approximately 990,000 sq.m., with a dormitory area of around 620,000 sq.m.. COPL provides services including cleaning, engineering maintenance, facilities maintenance, landscaping, and dormitory management.

Highlights of the Group in 2024 (Continued)

JUL

Attended the opening ceremony of the 2024 China International Property Management Industry Expo

Mr. Zhang Guiqing, the Chairman of the Board of COPL, attended the opening ceremony of the 2024 China International Property Management Industry Expo in Beijing. Mr. Li Xiaolong, the Director of the Real Estate Market Supervision Department of the Ministry of Housing and Urban-Rural Development, Mr. Zhou Bin, the Deputy Director of the Administrative Department of the Ministry of Foreign Affairs, and Mr. Wang Zhihong, the President of the China Property Management Institute, visited the COPL stand. Mr. Zhang Guiqing gave a detailed introduction to the high-quality development achievements that COPL has made in recent years, as well as its initiatives and practices in areas such as serving a better life, expanding urban services, developing innovative businesses, creating smart properties, supporting grassroots governance, and fulfilling the social responsibilities of state-owned enterprises.

Commenced service at Renmin University of China and Guangzhou University of Chinese Medicine

COPL officially began providing property management services at Renmin University of China (Tongzhou Campus) and Guangzhou University of Chinese Medicine (University Town Campus).

Signed a strategic cooperation framework agreement with China Construction Science & Technology

COPL signed a strategic cooperation framework agreement with China Construction Science & Technology Group Co., Ltd. ("CCSTC"). Mr. Zhang Guiqing, the Chairman of the Board of COPL, and Mr. Sun Shidong, the Chairman of CCSTC, attended the event.

JUL

For Seven Consecutive Years Ranked "China No. 1 Property Management Company by Brand Influence", and received "Hong Kong Stock ESG Value Award" for the first time

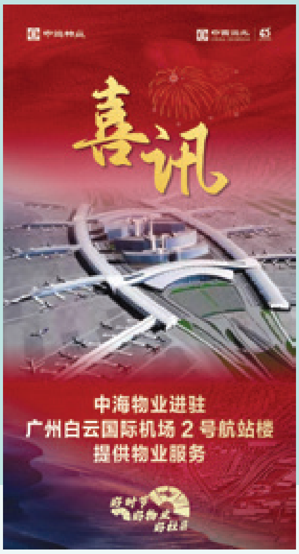
COPL was ranked No. 1 for seven consecutive years in China's Property Service Industry Brand Influence, achieving a "seventh consecutive championship." As the sole industry representative, COPL also received the "2024 China Listed Companies Yinghua Award Hong Kong Stock ESG Value Award".

Received a special fund from the Nanshan District of Shenzhen City to promote high-quality industrial development

Haibo Engineering received a special fund of RMB5 million from the Nanshan District of Shenzhen City to promote high-quality industrial development, ranking in the Top 10 of this publicized batch. This honor highlighted the district government's recognition and confidence in Haibo Engineering's innovative practices, development path, and future prospects.

Highlights of the Group in 2024 (Continued)

AUG



Commenced service at the Terminal 2 East Area of Guangzhou Baiyun International Airport

COPL began providing property cleaning services at the Terminal 2 East Area of Guangzhou Baiyun International Airport.

Won the tender for the Hong Kong North Lantau Hospital services contract

COPL won the tender for the Hong Kong North Lantau Hospital security and parking management services contract.

Awarded the "ESG Award — Corporate Communication Award" by Master Insight • Hang Seng University of Hong Kong

COPL was awarded the "ESG Award — Corporate Communication Award" by Master Insight • Hang Seng University of Hong Kong, highlighting its excellence in corporate social responsibility.

Highlights of the Group in 2024 (Continued)

SEP

Attended the 5th Guangzhou Smart Property Management Expo

Mr. Xiao Junqiang, the Chief Executive Officer of COPL, was invited to give a keynote speech at the 5th Guangzhou Smart Property Management Expo in 2024.

"Xingqi Smart Space Product System," was showcased at the CCSTC Science and Technology Exhibition

COPL's proprietory product, "Xingqi Smart Space Product System", was showcased at the CCSTC Science and Technology Exhibition. That product series is the industry's first "cloud-edge-terminal" integrated software and hardware solution supporting multiple business formats.

Won the tender from The Chengdu Ring Ecological Park

The Chengdu Ring Ecological Park is located along both sides of the Chengdu ring expressway and surrounding seven major wedge-shaped plots, spanning across 12 districts and covering an ecological land area of around 130 sq.km.. It is a key part of the "Three Rings" in the Tianfu Greenway system. COPL services include park customer service, tourist interpretation, engineering maintenance, and facilities and equipment maintenance.

Highlights of the Group in 2024 (Continued)

OCT

Won the first prize in the Guangdong Provincial Science and Technology Progress Awards

The Guangdong Provincial Party Committee and Provincial Government held the Guangdong Science and Technology Innovation Conference, where they solemnly honored the award-winning units and individuals of the 2023 Guangdong Provincial Science and Technology Awards. Xinghai Wulian's "Key Technology and Application of Smart Park Edge Computing Core System" won the first prize in the Guangdong Provincial Science and Technology Progress Awards.

Approved to establish the Shenzhen Postdoctoral Innovation Practice Base

The Shenzhen Municipal Human Resources and Social Security Bureau issued the "Public Announcement Regarding the Approval to Establish the Shenzhen Postdoctoral Innovation Practice Base and the Shenzhen Corporate Postdoctoral Substations." Xinghai Wulian has been approved to establish the Shenzhen Postdoctoral Innovation Practice Base.

Held the "2024 China Property Management CEO Seminar"

The China Property Management Think Tank event, "2024 China Property Management CEO Seminar Visits Benchmark Corporates — COPL" was successfully held, where more than 50 senior executives from over 20 leading corporates in the industry discussing the development of the industry. Mr. Xiao Junqiang, the Chief Executive Officer of COPL, participated in the event.

Held the 6th COPL "Skills Cup" Engineering Group Final

The 6th COPL "Skills Cup" Property Management Group Final was held in Shenzhen. The competition covered three main areas, namely, specialized course training, theoretical exams, and practical exams, comprehensively enhancing the participants' professional quality and capabilities.

NOV

Short-listed in the National "New Era Fengqiao Experience Excellent Case"

The 2nd National "New Era Fengqiao Experience Excellent Case Release and Exchange Conference and Theory Seminar" was held in Zhejiang. COPL's Fengqiao Work Method was selected as an excellent case of the national "New Era Fengqiao Experience." COPL, as the only industry representative and one of the two corporates, shared its experience.

"Good Seasons, Good Property, Good Communities" 2024 China Overseas Benchmark Release Conference was held

COPL held the "Good Seasons, Good Property, Good Communities" 2024 China Overseas Benchmark Release Conference in Shenzhen. The event was attended by Mr. Li Mingguang, the General Manager of the Headquarters Affairs Management Department of CSCEC, Mr. Fang Shengli, the Chairman and the General Manager of China State Construction Urban Operation Company, Mr. Ma Fujun, the Director and the Vice General Manager of COHL, Mr. Zhang Guiqing, the Chairman of the Board of COPL, Mr. Guo Lei, the Vice President of China Overseas Land & Investment and the Non-Executive Director of COPL, and Mr. Xiao Junqiang, the Chief Executive Officer of COPL.

Attended the Building and Construction Dispute Resolution Results Release Conference

The Building and Construction Dispute Resolution Results Release Conference and the Launch Ceremony of the People's Mediation Committee in the Building and Construction Field in Licheng District, Jinan City were held in Jinan. COHL Director and the Chief Legal Advisor, Mr. Chao Gang, and the Chairman of the Board of COPL, Mr. Zhang Guiqing, attended the event. COPL's Vice President, Chief Legal Advisor and Chief Compliance Officer, Mr. Zhu Yijian, presented the "Standardized Construction Manual for Diversified Legal Governance Centers."

Highlights of the Group in 2024 (Continued)

NOV

Released the construction standards for "Zhonghai Youxing" and "Zhonghai Kindness Station"

COPL released the construction standards for "Zhonghai Youxing" and "Zhonghai Kindness Station" in Jinan, providing a safe and convenient 30-second passage solution for community visitors. Representatives from the Shandong Provincial Department of Housing and Urban-Rural Development, relevant government departments from Jinan City and Licheng District, as well as representatives from six corporates including Meituan, Ele.me, JD.com, SF Express, IKEA, and Shenbang, attended the event.

Released the Carbon Neutrality White Paper

COPL released its "Carbon Neutrality White Paper," fully commencing its carbon neutrality special initiatives, where it committed to "fully promoting low-carbon operational technologies by 2030, achieving a 15% reduction in carbon emissions per unit area for Scope 1 and Scope 2 compared to the baseline year (i.e. year 2022)" and to "fully implementing the comprehensive use of renewable energy by 2060, achieving carbon neutrality within the operational boundary."

Won the tender from the Three Gorges Modern Energy Innovation Demonstration Park

The Three Gorges Modern Energy Innovation Demonstration Park project is located in the Chahar High-Tech Development Zone in Ulanqab, Inner Mongolia. The park covers a construction area of around 106,000 sq.m. and is dedicated to creating a national-level modern energy innovation demonstration park based on an integrated "source-grid-load-storage" system. COPL provides services including cleaning, landscaping, plant rental, engineering maintenance, facilities and equipment maintenance, and laundry services.

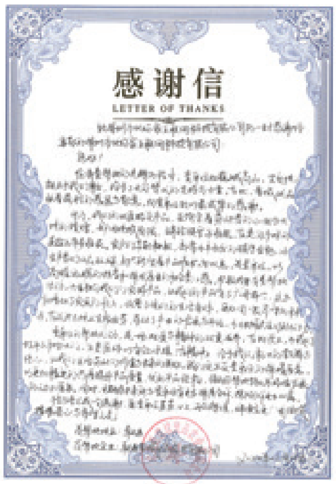
DEC

COPL elected as Vice President unit of the China Property Management Institute

COPL was elected again as a Vice President unit of the China Property Management Institute. Mr. Zhang Guiqing, the Chairman of the Board of COPL, was elected Vice President of the 6th Council of the China Property Management Institute.

Received Compliance Management System Certification

COPL and its subsidiaries successfully passed both the international and national standard assessments of ISO 37301:2021 "Compliance Management Systems — Requirements with Guidance for Use" and GB/T 35770–2022 "Compliance Management Systems — Requirements with Guidance for Use," receiving compliance management system certification.



Received a gratitude letter and plaque from the corporates in Zhuoni County, Gansu Province

Shenzhen UN+ Internet Technology Co., Ltd. received a gratitude letter and plaque from the corporates in Zhuoni County, Gansu Province, which obtained support from CSCEC. Since 2020, COPL has contributed more than RMB100 million in support efforts.

HONOURS AND AWARDS OF THE GROUP IN 2024

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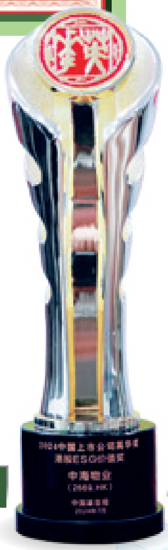
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Honours and Awards of the Group in 2024 (Continued)

Name of Honour	Issuing Authority
The First Batch of Outstanding Service Brands under the Chinese Central SOEs' Initiative: Lead with Brand	SASAC

No.	Name of Award	Issuing Authority
1	2024 TOP 100 Property Management Companies in China	Beijing China Index Academy
2	2024 China TOP 10 Listed Property Management Companies in terms of Comprehensive Strength	Beijing China Index Academy
3	2024 China Property Management Service Leading Quality Brand	Beijing China Index Academy
4	2024 China Excellent Property Management Company by ESG Development	Beijing China Index Academy
5	2024 Top 500 of China Property Management Companies NO.4	CRIC Property & Management Division
6	Top 100 Chinese Property Enterprises with Service Capability in 2024	CRIC Property & Management Division
7	2024 Top 100 State-owned Property Management Companies in China NO.2	CRIC Property & Management Division
8	2024 Top 20 Listed Company of Property Management Service	CRIC Property & Management Division
9	2024 Leading Listed Company of Property Management Service TOP 10 by High-quality Development	CRIC Property & Management Division
10	2024 China Leading Property Management Company in ESG and Sustainable Development	CRIC Property & Management Division
11	2024 China Leading Property Management Company with Low-carbon Operation	CRIC Property & Management Division
12	China NO.1 Property Management Company by Brand Influence	China Real Estate Business
13	2024 China Listed Companies Yinghua Award Hong Kong Stock ESG Value Award	China Fund
14	ESG Corporate Communication Award	Master Insight • ESG Research Centre, Hang Seng University
15	ESG Corporate Award	The Asset
16	ESG Social Innovative Technology Award	Television Broadcasts Limited
17	ESG Environmental Innovative Technology Award	Television Broadcasts Limited

Membership	
1	Vice President of China Property Management Institute
2	Chief Supervisor Unit in Guangdong Property Management Industry Institute
3	Executive Vice President of Shenzhen General Chamber of Commerce

CHAIRMAN'S STATEMENT

CHAIRMAN'S STATEMENT

I am pleased to announce the annual consolidated results of the Company and its subsidiaries (collectively, the "Group" or "COPL") for the year ended 31 December 2024. The annual turnover of the Group was RMB14,023.8 million, representing an increase of 7.5% as compared to RMB13,051.3 million of last year. Operating profit rose by 11.6% to RMB2,012.4 million (2023: RMB1,803.4 million). The profit attributable to ordinary equity holders of the Company increased by 12.5% to RMB1,510.9 million (2023: RMB1,342.5 million). Basic and diluted earnings per share was RMB46.00 cents (equivalent to approximately HK50.27 cents) (2023: RMB40.84 cents (equivalent to approximately HK45.68 cents)). Average return on equity was 32.7% (2023: 36.8%). After taking into account the Group's dividend policy, capital market expectations, the business results for the year and future business development needs, the Board recommended the declaration of a final dividend of HK9.5 cents (2023: HK8.5 cents) per share for the year 2024. Together with the interim dividend of HK8.5 cents (2023: HK5.5 cents) per share distributed in October 2024, total dividends for the year will amount to HK18.0 cents (2023: HK14.0 cents) per share. The proposed final dividend is subject to the approval by the shareholders of the Company at the annual general meeting to be held on 18 June 2025 (the "2025 AGM").

Mr. Zhang Guiqing
Chairman and Executive Director

In 2024, the world experienced rapid geopolitical changes. Tangible risks were posed by the emergence of neo-protectionism and international trade tensions, which have given rise to tariff barriers and dealt a severe blow to the principle of free trade guided by market supply and demand. With continued consumer price inflation, high interest rate monetary policy dampened investor sentiment and affected demand, resulting in a slowdown in global economic growth. Facing with the deepening adverse impact from changes in the external environment, China insisted on its stable progress towards Chinese modernisation and further implemented deepened reforms. Notwithstanding that, the issue of inadequate effective demand in the short-term is apparent, certain enterprises faced operational difficulties and the foundation for economic recovery requires further reinforcement. It would take time for the stablising measures for the real estate market to take effect and adapt to the new environment with significant changes in the supply and demand relationship. Meanwhile, rapid expansion in the property management industry in the past came to its ends. Large property management enterprises no longer blindly pursue scale expansion, but instead return to the basics and focus on the refining, deepening and improving its service quality. Whilst maintaining stable cash flow and progressive business development, the industry entered an era of standard-oriented transformation and upgrade. It will move forward in a new stance and enter a new era of high quality and steady development. The Group believes that continuous economic recovery would be sustained by China's commitment to the overall principle of seeking progress in stability, accelerating the paradigm shift to a new development pattern, promoting high-quality development, further deepening reforms and opening up, implementing more proactive macro policies, boosting domestic demand, promoting the integration of technological and industrial innovation, stabilising expectations and stimulating vitality. High-quality development will lead the whole country to achieve a new stage of progress and help accelerating the growth of new momentum and new advantages.

2024 is an important milestone fulfilling the "14th Five-Year Strategic Plan" of the Group. As a leading property management enterprise, COPL leveraged its resource endowment, branding advantages, economics of scale and long-term accumulated operating strengths, to reinforce its leading position. It will spearhead as an exemplary model of pursuing a synergistic balance of being "service-minded, result-oriented and scalability-based", determine to promote "The China Overseas Proprietary Methodology in the Modernisation of Property Management" ("COPMPM") to consolidate the foundation of high-quality development and market orientation, and sets quadruple roles with serving a better life as the core objective. Firstly, as an explorer for city services, we combine various property management portfolios that are managed separately into an integrated service capability. Secondly, as a promotor for the development of the entire industry chain, we actively consolidate internal and external resources. Thirdly, as a guardian who safeguards a better living, we advocate renovations of old community buildings and supporting facilities, improve urban micro-space and stimulate residents' public service consumption. Fourthly, as a developer of co-construction,

Chairman's Statement (Continued)

co-governance and co-usage, we build a community ecology with owners and a project commitment charter with suppliers. Entering into a new phase of industry development, the coverage of service targets of property management enterprises has been extended from small communities or neighbourhoods (being the basic units of urban construction) to large cities formed by countless basic units. We will vigorously develop the integrated service operation of urban space that co-exists with the logic of urban system. We will strive to become not only a manager of urban buildings, but also an operator of urban basic services as well as a dedicated participant in upgrading urban services, with a view to promoting the unity of the three dynamics: the grassroots governance of the government, the management of owners' rights and interests, and the commercial behavior of enterprises.

With the corporate mission of "We Manage Happiness", COPL adheres to the performance pledge of "Property Assets to be Entrusted" and establishes "COPMPM" as our medium to long-term targets, to create new service capabilities within the industry and endeavour to become an integrated service operator for urban space. We put forward our brand proposition of "Good Seasons, Good Property, Good Community" (collectively, the "Three-Good"). "Good Seasons" reflects our property management capability in that we can, through quality products and services, create a joyful living experience with a sense of belonging and provide customers with a pleasant living environment where they can live and work in contentment; "Good Property" reflects our customer service capability in that we can respond efficiently, predict demands and establish deep and long-term relationships with our property owners, customers, employees, partners and the government; "Good Community" reflects a sense of ownership that allows property owners, the property enterprise and the communities to build a neighbourhood governed and enjoyed by all under the spirit of "Everyone Owns and Takes Responsibilities". The "Three-Good" depicts a visionary prospect of "COPMPM", which, with our benchmarking projects, addresses the concerns and expectations of our customers, to whom we realise our promise on value, the industry, to whom we project our strategies outward, and the society, to whom we fulfil our responsibility as a corporate citizen.

With "Property Management Portfolio" as our cornerstone, the Group continued to cultivate the quality and efficiency of its basic services in the residential, non-residential and city service segments based on property management contracts, and continuously improve the quality of project performance in order to enhance customer satisfaction. Meanwhile, we provide diversified urban living services (including ten- minute dining service circles, automated gate access app for delivery riders, customised family banquets, in-home elderly value-added services, health consultation, haircuts, maintenance and cleaning, polishing and mending, printing, supermarkets, pet care, community flea markets, leisure and entertainment facilities and activities, cultural guided tours, etc.) to shorten the distance to the residents and show the humane care and services of the property, so as to increase customer loyalty and enhance fertile soil of our value-added services. Extending our business from our "Ecology", we innovated and developed in the fields of residential value-added services, non-residential value-added services and technology to increase the output value per unit area. All businesses complement and integrate with each other to create the unique COPL business logic of "One Trunk with Multiple Branches, Synergy of Various Businesses" through deepening vertical integration, so as to achieve value preservation and increment of our project buildings under management.

As an avant-garde in the property management industry in the People's Republic of China (the "PRC" or "China") with first-class qualifications, the Group started its property management service in Hong Kong in 1986, with 38 years of cultivation in Hong Kong and Macau. We set foot in Mainland China in 1991 and have achieved remarkable results. The Group fully integrates the property management experiences in Hong Kong into the practical situation in Mainland China. The Group firmly believes in "Quality and Enthusiasm", which has guided us through the years and will direct our future development. We adhere to the enterprise spirit of "To Forge Ahead with All One's Heart Everyday" to attain well-rounded improvement in capabilities, the core value of "Customer-Oriented, Quality Assurance and Value Creation" to fulfill our mission and move towards our vision. We stay true to our mission and implement prudent measures with perseverance. We are committed to achieving long-term sustainable and steady growth for our shareholders by cultivating the quality of our services and seeking win-win cooperation.

In order to ensure long-term sustainable operation, the Group has always been committed to the enterprise spirit of "To Forge Ahead with All One's Heart Everyday" and the sincere attitude of "Serving Whole-Heartedly Every Single Day". We have been endeavoring along the road to the standardisation, refinement and differentiated customisation of property management services. Our confidence in achieving sustainable and steady growth in the long run mainly stems from the promising prospect of urbanisation in China, which has driven the property management industry to a new phase of development and ensured industrial growth and stability. On the road to continuous development, with the gradual recognition of the value of the Group's quality services in the market, our market expansion and service product development capabilities have been enhanced significantly. In 2024, the Group had presence in a total of 167 cities, covering Hong Kong and Macau, and a current workforce of approximately 38,627 employees, with 2,232 property management projects with a service area of nearly 431.1 million sq.m. and 448 pre-sales sites projects under management. We continued to diversify our property management portfolio, expand the coverage of non-residential areas, and further diversify our product portfolio consisting of commercial complexes, offices, shopping centers, hotels, industrial parks, logistic parks, aviation, high-speed rail, hospitals, schools, government properties, urban services, parks, ports, roads and bridges, bus terminuses and other public facilities. During the year, we secured new contracts of Beijing Hengyi Tower, Beijing Tian Yuan Xiang Tai Building, Xi'an China Coal Shaanxi Energy Chemical Industrial Park, Huai'an China Mobile Online Industrial Park, Chengdu Suburb Ecological Zone, Guangzhou Baiyun International Airport, environmental hygiene and janitorial service project from the Residential District Office of Shekou, Nanshan District, Shenzhen, urban management and daily maintenance project from Jinan Jizhong Urban Development, school and hospital projects, such as the Tongzhou Campus of Renmin University of China in Beijing, the University Town Campus of Guangzhou University of Chinese Medicine, Inner Mongolia University of Finance and Economics, Inner Mongolia International Mongolian Medicine Hospital, the logistics and social integration service project from the Shenzhen Nanshan District Medical Group Headquarters and other projects. In Hong Kong and Macau regions, we successively won the tenders for property management of Hong Kong Housing Authority Headquarter Office Building, Hong Kong North Lantau Hospital, Hong Kong Customs Training and Youth Development Centre, governmental elderly apartment in Macau, Mercado Municipal do Bairro Iao Hon and other projects, while also provide property and facility management services for the Justice Place and the Former French Mission Building in Hong Kong. We also began trial runs of intelligent cleaning robot, "Xiao Qing" (小清), and patrol robot, "Xiao Bao" (小保), to serve Hong Kong public housing estates, integrating technology into humanistic elements. At the same time, our property management services are extended to over 60% of the hospital projects under the seven clusters of the Hospital Authority and the headquarters building of Hospital Authority. Currently, our government management projects cover three offices, twelve bureaux and twenty-two executive departments. We remained the largest provider of property management services in Hong Kong and the leading Chinese property management services corporation in Hong Kong and Macau regions with the No.1 ranking in market share of property management in Hong Kong.

Aligned with the goal of "One Benchmark in Each City with Diversified Benchmarking", the Group continued to build its COPL Benchmarking Project Service System by exploring a "replicable and sustainable" systematic approach, with a total of 66 projects have been assessed and accepted across 48 cities nationwide. These projects demonstrate both "Three Highs", namely, high-quality operational capability, high industry and customer recognition and high application rate of new technologies, as well as "Three Capabilities", namely, experience replicability, technology equipments' upgradability and green environmental sustainability, thereby maintaining our customer satisfaction at an industry-leading levels, while enhancing our property service levels from communities to cities. COPL's benchmarking

Chairman's Statement (Continued)

exemplary projects cover five major business sectors, which serve as the prototype carriers to contain the Group's professional experience over the years, project management model and the implementation of comprehensive business reform. Through the integration with our standardisation efforts, we will actively enhance those projects with impacts on the local property industry, such as Peking Union Medical College Hospital, Renmin University of China and Zhangjiakou Economic Development Zone, to demonstrate the innovative leadership and radiating influence of our "Good Houses, Good Services.", and provide property management services with higher-quality, better convenience and enhanced efficiency. Looking forward, COPL will create products and services with higher competitiveness in areas such as city services, old community rehabilitation, smart parks, and new business model creation. Meanwhile, we continue to promote and extend full life cycle services in property development. We provide property developers with whole-process property consultation and management services, including product positioning consultation, gardening, interior fine furnishing, vetting of building plans, equipment and facility selection advice, pre-delivery marketing value-added services, sales of residual flats, contracting of basic positions, carefree property service products with perfect delivery support services, delivery inspection services and quality control of engineering services, etc. These mark a significant improvement of capabilities in the integration of our upstream and downstream supply chain.

Currently, the Group serves over 100 corporate customers which are the world's top 500 companies, and has become the most reliable business partner of central enterprises, state-owned enterprises, and private enterprises. COPL have been highly acclaimed by all sectors of society, being the only brand in the industry in the first batch of outstanding service brands under the Chinese Central State-owned Enterprises' Initiative: Lead with Brand launched by the State-owned Assets Supervision and Administration Commission of the State Council, and awarded "China NO.1 Property Management Company by Brand Influence" for seven consecutive years. We were also named as "2024 Leading Listed Company of Property Management Service TOP 10 by High-quality Development", "2024 China TOP 10 Listed Property Management Companies in terms of Comprehensive Strength", "2024 Top 100 State-owned Property Management Companies in China NO.2", "2024 Top 500 of China Property Management Companies NO.4", "2024 Top 20 Listed Company of Property Management Service", "2024 TOP 100 Property Management Companies in China", "Top 100 Chinese Property Enterprises with Service Capability in 2024", and "2024 China Property Management Service Leading Quality Brand". Meanwhile, the Group was also included as a constituent in the Morgan Stanley Capital International Index (MSCI) Global Small Cap Index (China) and continued to be included in the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect programs, as well as the Hang Seng Property Service and Management Index, receiving high recognition from the capital market.

With our outstanding performance in environment, society, and governance, we were awarded the "2024 China Excellent Property Management Company by ESG Development", "2024 China Leading Property Management Company in ESG and Sustainable Development", "2024 China Leading Property Management Company with Low-carbon Operation", "2024 China Listed Companies Yinghua Award Hong Kong Stock ESG Value Award", "ESG Corporate Communication Award", "ESG Corporate Award", "ESG Social Innovative Technology Award" and "ESG Environmental Innovative Technology Award". COPL has always upheld the sustainable development philosophy, through continuous project transformations, such as "Haibo" (海博) vehicle charging pile, energy-saving reformation of basement lighting, promotion of garbage classification, etc., we integrate ESG into every aspect of production and operations. During the year, the Group put forward COPL's commitment and strategic path for the "Dual Carbon" goal, and published the "White Paper on Carbon Neutrality" to infuse "COPMPM" with green development connotations, creating an important logo as an excellent enterprise and actively fulfilling responsibilities as a central enterprise.

As a platinum member of the Building Owners and Managers Association International, an international accreditation organisation, the Group's business service brand, "Hainawanshang" (海納萬商), continued to cultivate its position in segments such as office buildings, commercial complexes, hotels, industrial parks, and large-scale government and public buildings. With a strict adherence to international standards, it has made multifaceted efforts to enhance its capability to provide standardised basic services. Under the premise of full coverage of its projects' life cycle, emphasises has been put on its capability to carry out comprehensive management on, exploit the business resources of, and conduct intelligent construction in projects under traditional segments. It has also paid close attention to the diversified needs of attribute customers, with the new development engine powered by its asset operations across the entire business chain.

COPL's "Xinghai Wulian" (興海物聯) empowers high-quality development with technology and uses digitisation to promote industry-leading modernisation changes. It has been committed to developing core key technologies, with a major focus on smart properties, smart communities, smart operation and maintenance, dual-carbon fields and enterprise digitalisation, aiming to improve the operational efficiency of property management, enhance the quality of value-added services, and increase the involvement of technology in property market expansion. Xinghai Wulian won multiple international and domestic awards in 2024. Its self-developed "Key Technologies of Edge Computing Hubs in Smart Parks and the Promotion of its Application" has won the first prize of the 2023 Science and Technology Progress Award of Guangdong Province, and its self-developed "Smart Terminal EdgeBrain Product" has won the International Silver Medal at the 49th Geneva International Invention Exhibition. To achieve the constructive goal of "Modernisation of Scientific and Technological Application", "Xingqi Platform Technology" (星啟中台技術), the core technology of Xinghai Wulian, has been applied by the Group as the foundation of its digital transformation, which provides abundant technology resources and business applications for the project operation and management platform and the big data management platform, facilitating the precise implementation of the Group's digital transformation. Based on the concept of "Solution + Platform", the "Xingqi Intelligent Space" (星啟智慧空間), our core product system, has become the industry's first integration solution covering software and hardware from "Cloud, Edge to Terminal" that support multiple types of business operation. We have stepped up efforts in exploring and practising innovative digital solutions for the property management industry, where we have built an intelligent platform for health and elderly care and an integrated intelligent management platform for hospital properties, with the implementation of new models. We remained steadfast to market-oriented operation supported by the products under our operation and management platform for projects of multiple segments, focused on high-quality development, and constructed smart park eco-systems with an array of variety. We continued our market deployment in high-value segments, creating scenario-based benchmark projects to diversify our development directions. We continued to explore frontier fields such as smart city construction, digitalisation, dual-carbon and green development, so as to consolidate and improve our core competitiveness and to implement the strategy of leading by technological capabilities. At the same time, "Haibo Engineering" (海博工程) has implemented the "One Line, Five Chains" business plan to channel its efforts towards the three major directions of dual-carbon market, the existing market and the value-added market, with focus on the whole life cycle of buildings and from the perspectives of real estate service industrial chain, the intelligent operation and maintenance industrial chain, the energy management industrial chain, the business incubation ecosystem chain and the procurement and supply chain. We strived to provide comprehensive value-added engineering services to corporate clients and property owners, including warranty business, inspection and maintenance, integrated facility management, elevator renewal and retrofitting, intelligent fire protection, new energy charging operation, and energy management contracting. We have also innovated own-branded products such as "Haibo" smart charging socket, vehicle charging pile and smart energy saving light, as well as new business modes such as group decoration of new houses, elder-friendly renovation and supply chain procurement. Haibo Engineering is determined to build up differentiated competitive edges by the development of sustainable businesses that continue to feed back its basic services with real value creation, so as to build a symbiotic and win-win service ecosystem together with its customers.

The Group's brand for community value-added services, "UN+" (優你互聯), has been awarded as an "China Quality Living Operator Branded Enterprise" in 2024. It has established a community value-added services system that revolves around three major areas, namely community area operations, property value-added services and community living services, striving to become the most customer-savvy community value-added service operator by integrating resources and empowering our business through COPL's community living services platform. For community area operation, it has further promoted the implementation of its self-operated advertising business, launching full-fledged community brand promotion activities, and dispatching a variety of smart terminals to COPL's communities across the PRC for the convenience and benefit of the residents. For property value-added services, its rental and sales division expanded its business scale and project store network in a timely manner through various modes such as direct sales, internal joint ventures and external associates, and strived to become a leading channel for the distribution of new homes for property developers. We provided one-stop professional asset management services for property owners by gaining market share through two major business modes, namely agency sales and channel distribution. The home renovation business has integrated the resources of leading business vendors, encompassing mainstream categories such as, among others, smart home appliances and balcony window sealing. Through the introduction of standard package in property marketing stage, move-in ready services at delivery stage, and post-occupancy replacement and remodeling services, it has broadened homeowners' choice in home purchase and renovation standards, providing with one-stop and worry-free home decoration services. For community life services, we focused on the owners' demand for quality lifestyle services in product launching and service optimisation. As to our home delivery business, we have entered into cooperation with a number of industry leading brands to make up for the shortcomings in housekeeping, home moving, medical planning and used items recycling, thereby broadening our services scope. We have set up physical stores for lifestyle services to explore the business model of "self-operating stores", which has become an important growth channel of our offline business. For cultural and tourism business, we have provided differentiated travel services to each property, launched iconic travelling festivals, and developed a new overseas travel services to enrich our cultural and tourism product offerings. Meanwhile, the retail business focused on frequently used products with strong inelastic demand, as well as wine and beverage products. It has also increased customers' consumption stickiness through e-commerce platforms, community marketplaces, community group purchases, and live streaming. In addition, we actively explored the new service model of "Property + Elderly Care", striving to establish a 15-minute elderly care circle for the seniors in communities by focusing on service areas such as elder-friendly renovation, recuperation travel and residence, and community meals, so as to better satisfy the increasingly diversified and multi-facet demand for elderly care service. "UN+" will continue to refine the offering of its community value-added services and make diversified innovations, explore value-added potentials and realise the diversification of value-added services, so as to meet our customers' ever-increasing demand for enjoyable living experience and depict an exquisite and colourful life.

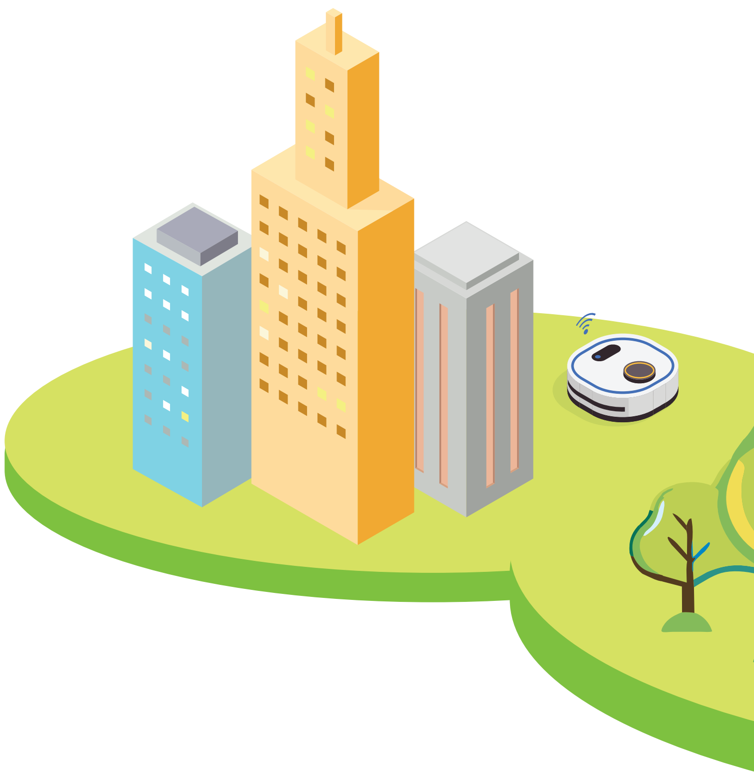
The Group forge ahead with the idea of strengthening enterprises through deploying talents, follow the talent management concept of "To Assemble the Enterprising Ones and Motivate the Promising Ones", integrate personal pursuits into the long-term development of the enterprise, build a first-class enterprise with first-class talents, constantly respect the value demands of employees, and continuously improve the talent system. Firstly, we explore the COPL "Partnership System" management model to create a "1+N" agile team with "Project General Manager" as the core, realising the "Professional Property Managers" team management approach to support multiple projects, and realising an all-round "Operating Partnership" in "finance, market development, value-added, quality", etc. We have implemented the "Project Partnership System" (項目合夥人制), and enhanced the four major capabilities of our project teams, including the "Ability to manage", "Proficient of professionalism", "Skillful to operate businesses" and "Keen to generate increments", so that the project group can practically act as a frontline basic unit that can "fight individually", support rapid growth, stimulate team vitality and improve management efficiency. Under the intensive management of the "Professional Property Manager" team, back-office management costs are reasonably controlled, the proportion of basic service costs invested in projects is guaranteed, risk sharing and benefit-sharing are realised, and employees are fully mobilised to stimulate project organisation and self-motivation, thus creating more profit value to achieve the goal of a win-win situation in terms of personal income and corporate revenue generation. The "Partnership System" management model advocates that when encountering new problems and phenomena in practice, we should take the initiative to step out of our comfort zone, overcome cognitive blind spots, and learn and practice with a problem-solving and goal-setting mindset. Through the partnership system, we will seek and cultivate a management team who are professionally qualified, proactive to undertake responsibilities and determined to seek realisation of higher self-value in the future. Secondly, we promote a new model of professional fundamental business reform and optimise the staff deployment of professional positions, with the engineering station reform realising resource sharing and planned batch operations to achieve continuous optimisation of labour costs and gradual improvement of labour efficiency. Security personnel are integrated into a precise deployment model, with positions being fragmented, differentiated, and modularised to achieve a precise fit between people and positions, which helps improve efficiency and resistance to the pressure of squeezing gross profit margin caused by certain inflated costs. We have switched to the "New Model of Cleaning Outsourcing", while "Security Outsourcing 2.0" has been optimised by simplifying the outsourcing design and processes, thereby better empowering the front line and improving work efficiency. Thirdly, COPL adheres to the tradition of "Craftsmanship in China Overseas", takes "craftsman creation, cultivation and congregation" as the thread, and carries out the "Target Achievement Action" thoroughly to establish the "China Overseas Craftsmanship System" and "3 · 512" cultivation targets. We set up a systematic cultivation mechanism for frontline grass-roots staff, pay attention to and improve the professional quality of grass-roots staff, cultivate and reserve diversified talents, encourage and stimulate innovative research and development, facilitate learning through competition, spread and carry forward the spirit of craftsmanship, and release and showcase the value of positions. Through the "Craftsmanship System" talent plan which includes craftsmanship planning, craftsmanship action, craftsmanship inheritance, the three dimensions of the cultivation mode, we promote expertise and set up benchmarks and examples, so that each position will be provided on a professional basis. Each ordinary position will shine with focused attention, each idea of blazing creativity will be greeted with appropriate respect, and each member of the grass-roots staff will have a stage for self-expression. This serves as an important talent support for "COPMPM". Since last year, 329 experts, 3,055 management backbones and 7,267 technical backbones have been evaluated, providing a large number of craftsman talents for the Company's "14th Five-Year" strategic plan, so as to guide and gather frontline employees to contribute greater wisdom and strength for the enterprise's high-quality, sustainable development, promote enterprise modernisation by the modernisation of talent, and forge ahead with the idea of strengthening enterprises through deploying talents based on the "Craftsmanship System".

Since 1 February 2024, the Guidance Catalogue for Industrial Structure Adjustment (2024) (產業結構調整指導目錄（2024年本）) issued by the National Development and Reform Commission was officially implemented. The catalogue clarified the business classification and content of property services, reclassifying it from "Encouraged Other Service Industry" to "Encouraged Commercial Service Industry", with specific description as: (1) residential property management; (2) non-residential property management, which demonstrates the country's increased emphasis on the property management industry and its strong support for diversified and comprehensive property services. Looking ahead, the Group will endeavor along the road with the attitude of "Leading the Trend" amidst the fierce market-oriented competition to promote the transformation of traditional properties into modernised services. We will realise "COPMPM" through the path of "Technological Innovation and Cross-Sector Cooperation", will present the value of modernised professionalism through the "Benchmarking Projects as well as Value Preservation and Enhancement", and will demonstrate the performance of modernised management through "Talent Team and Corporate Culture", so as to comprehensively promote the modernised development of ecological chain cooperation, service system, IT application, brand building, talent team and basic management.

Finally, I would like to express my heartfelt gratitude to the Board and all employees for their efforts and to our business partners and shareholders for their long-term supports.

Zhang Guiqing
Chairman and Executive Director

Hong Kong, 27 March 2025



MANAGEMENT DISCUSSION AND ANALYSIS

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

Revenue and Operating Results

The Group is one of the leading property management companies in the People's Republic of China ("PRC"), with operations covering Hong Kong and Macau. The Group's management portfolio includes both residential properties and non-residential properties, such as commercial complexes, office buildings, shopping malls, hotels, industrial parks, logistics parks, aviation, high-speed rail, hospitals, schools, government properties, city services, parks, ports, roads and bridges, bus terminus and other public facilities. Through providing high-quality and sophisticated services to the customers and maximising customer satisfaction, we strive to preserve and add value to the properties under our management and to solidify our strong brand recognition as a renowned property management service provider for mid- to high-end properties in our core stream business.

By leveraging on the Group's brand equity, acclamation and size advantage, we expand the market steadily and strive to enlarge operating scale by securing diverse projects through a balanced enrichment of the market components. We promoted vertical and horizontal exploration of customer resources by consolidating the existing resources and seeking new ones. These continuously strengthened our revenue base and improved our market competitive position. As at 31 December 2024, the GFA under our management increased by 7.4% or 29.6 million sq.m. to 431.1 million sq.m. compared with last year end. During the year, new orders secured were 74.1 million sq.m., in which 63.3% were sourced from independent third parties, while 44.5 million sq.m. were withdrawn in order to optimise the GFA component structure and manage loss projects, thus enabling a more balanced business development and enhancing operational efficiency. During the year, new contract sums secured by the Group was approximately RMB4,441.2 million.

The following table sets forth a breakdown of the new orders secured by the Group by source of projects during the year ended 31 December 2024:

	New GFA under management secured		New contract sums secured
	million sq.m.	%	RMB million
Source of projects:			
China State Construction and China Overseas Group (Note)	27.2	36.7%	1,592.5
Independent third parties	46.9	63.3%	2,848.7
Total	74.1	100.0%	4,441.2

Note: "China State Construction and China Overseas Group" represented members under China State Construction Engineering Corporation and China Overseas Holdings Limited (including its subsidiaries, joint ventures and associates).

Business Review (Continued)

Revenue and Operating Results (Continued)

The Group implements and focuses on the strategic positioning as an integrated service operator for urban space and achieving diversification. During the year, the new GFA from residential projects and non-residential projects was 49.7% and 50.3% respectively, while the new contract sums amounted to approximately RMB2,342.7 million and RMB2,098.5 million respectively.

The following table sets forth a breakdown of the new orders secured by the Group by project type during the year ended 31 December 2024:

	New GFA under management secured		New contract sums secured
	million sq.m.	%	RMB million
Project types:			
Residential projects	36.8	49.7%	2,342.7
Non-residential projects	37.3	50.3%	2,098.5
— *Commercial and office buildings*	*5.3*	*7.1%*	*996.6*
— *Public and other properties*	*32.0*	*43.2%*	*1,101.9*
Total	74.1	100.0%	4,441.2

One Sino Residences, Beijing

Kai Tak Cruise Terminal, Hong Kong

Macau Grand Prix Museum

Business Review (Continued)

Revenue and Operating Results (Continued)

Since China's real estate market has still undergone a period of adjustment and transformation, reduced transaction volume caused a set-back to the growth of the property management industry. Facing the challenges, the Group insisted on seeking progress while maintaining stability and promoting high-quality development. During the year ended 31 December 2024, total revenue increased by 7.5% to RMB14,023.8 million comparing with last year (2023: RMB13,051.3 million), which mainly arisen from (i) the increase in GFA under our management under property management services and (ii) business growth on value-added services to residents, which were partly offset by the decline in value-added services to non-residents.

Intelligent robots assist in customers reception

The following table sets forth a breakdown of the Group's revenue for the year:

	For the year ended 31 December					
	2024		2023			
	Revenue		Revenue		Change	
	Proportion	RMB'000	Proportion	RMB'000	RMB'000	%
Project management services:						
— Lump sum basis	**74.4%**	**10,427,259**	70.3%	9,177,231	**1,250,028**	**13.6%**
— Commission basis	**1.7%**	**238,973**	1.8%	237,676	**1,297**	**0.5%**
	76.1%	**10,666,232**	72.1%	9,414,907	**1,251,325**	**13.3%**
Value-added services:						
— Non-residents	**13.0%**	**1,828,734**	16.5%	2,144,658	**(315,924)**	**(14.7)%**
— Residents	**9.9%**	**1,384,606**	9.9%	1,291,810	**92,796**	**7.2%**
	22.9%	**3,213,340**	26.4%	3,436,468	**(223,128)**	**(6.5)%**
Car parking space trading business	**1.0%**	**144,195**	1.5%	199,875	**(55,680)**	**(27.9)%**
Total	**100.0%**	**14,023,767**	100.0%	13,051,250	**972,517**	**7.5%**

On the other hand, various cost control measures contained direct operating expenses at RMB11,698.3 million (2023: RMB10,981.4 million), mainly through material cost savings, overhead expenses reduction and increasing subcontracting efforts as well as proactive loss project management to improve operational efficiency. Accordingly, gross profit margin improved to 16.6% for the year (2023: 15.9%), with gross profit increased by 12.4% to RMB2,325.5 million (2023: RMB2,069.8 million).

Business Review (Continued)

Revenue and Operating Results (Continued)

Other income and gains, net was RMB197.1 million for the year (2023: RMB169.7 million), mainly representing higher interest income of RMB106.4 million from effective treasury management with higher average bank balances; tax incentives and government grants of RMB41.9 million, as well as mainly one-off written back of over-provided liabilities and exchange gains of RMB49.6 million.

Fair value loss of self-owned investment properties for the year was RMB6.7 million (2023: fair value loss of RMB6.6 million).

After deducting selling and administrative expenses of RMB431.4 million (2023: RMB386.9 million) and net impairment of financial assets and contract assets of RMB72.2 million for the year (2023: RMB42.5 million), operating profit increased by 11.6% to RMB2,012.4 million (2023: RMB1,803.4 million). Selling and administrative expenses increased by 11.5%, mainly attributable to higher investment in research and development expenses, which amounted to RMB65.7 million (2023: RMB26.2 million), to enhance service quality. Stripping out the effect from research and development expenses, selling and administrative expenses would marginally increase by 1.4%, reflecting the benefits brought from continuing manpower control under the lean management structure. The increase in net impairment of financial assets and contract assets comparing to last year was mainly due to the compound effects of the following factors: (i) an increase of provision to RMB78.6 million (2023: RMB65.2 million) on trade receivables, with continuing expansion of operating scale by adopting a more conservative impairment rate of 8.2% (2023: 6.5%) in accordance with the age of debts as a result of the economic environment; and (ii) net reversal of impairment of payments on behalf of property owners for properties managed on a commission basis of RMB6.4 million upon continuous recovering advances on certain projects during the year (2023: net reversal of impairment of RMB22.7 million).

Income tax expenses increased by 8.1% to RMB488.5 million for the year (2023: RMB451.9 million), mainly due to increase in profit before tax charged at different applicable regional tax rates. Among that, withholding income tax provision of RMB31.7 million (2023: RMB29.4 million) in respect of dividends distributed/expected to be distributed from a PRC subsidiary was recognised during the year.

Overall, profit attributable to ordinary equity holders of the Company for the year ended 31 December 2024 increased by 12.5% to RMB1,510.9 million against the last corresponding year (2023: RMB1,342.5 million).

Segment Information

Property Management Services

The continuous improvement of service quality and customer satisfaction helped the Group solidifying its strong brand recognition as a renowned property management service provider for mid- to high-end properties in its core stream business. At the same time, through possessing a diversified and one-stop business capability and providing full range property management solutions to properties under development, we were able to gain early access to those properties and maintain proximate business relationships with them. In 2024, by leveraging on the Group's brand equity and size advantage, we steadily commenced market expansion to enlarge operating scale. While project diversity was achieved through balancing and enriching the market components, loss projects were managed at the same time. GFA under management increased to 431.1 million sq.m. that was 7.4% more comparing with last year (2023: 401.5 million sq.m.), with portion of GFA under management sourced from independent third parties of 39.4% (2023: 40.5%).

The following table sets forth a breakdown of the Group's GFA under management by source of projects as at year end:

	As at 31 Dec 2024		As at 31 Dec 2023	
	GFA under management		GFA under management	
	million sq.m.	%	million sq.m.	%
Source of projects:				
China State Construction and China Overseas Group	**261.3**	**60.6%**	239.0	59.5%
Independent third parties	**169.8**	**39.4%**	162.5	40.5%
Total	**431.1**	**100.0%**	401.5	100.0%

Garden plant care in the community

Segment Information (Continued)

Property Management Services (Continued)

At the same time, we promoted vertical and horizontal exploration of customer resources by consolidating the existing resources and seeking new ones to achieve a more balanced component structure, which covers commercial complexes, office buildings, shopping malls, hotels, industrial parks, logistics parks, aviation, high-speed rail, hospitals, schools, government properties, city services, parks, ports, roads and bridges, bus terminus and other public facilities, moving forward to implement on our strategic positioning as an integrated service operator for urban space. At 31 December 2024, the GFA under management from non-residential projects was 28.7% (2023: 30.1%).

The following table sets forth a breakdown of the Group's GFA under management by project types as at year end:

	As at 31 Dec 2024		As at 31 Dec 2023	
	GFA under management		GFA under management	
	million sq.m.	%	million sq.m.	%
Project type:				
Residential projects	307.5	71.3%	280.6	69.9%
Non-residential projects	123.6	28.7%	120.9	30.1%
— Commercial and office buildings	*21.6*	*5.0%*	*21.0*	*5.2%*
— Public and other properties	*102.0*	*23.7%*	*99.9*	*24.9%*
Total	431.1	100.0%	401.5	100.0%

Revenue from property management services constituted 76.1% of total revenue for the year ended 31 December 2024 (2023: 72.1%), and increased by 13.3% from last year to RMB10,666.2 million (2023: RMB9,414.9 million), which was mainly arisen from the continuous increase in GFA under management.

Core Launch Area of Hunnan Science and Technology City, Shenyang

The Islands Healthcare Complex — Macau Medical Center of Peking Union Medical College Hospital

Segment Information (Continued)

Property Management Services (Continued)

During the year, approximately 97.8% and 2.2% of the segment revenue were generated from regular property management contracts under lump sum basis and commission basis respectively (2023: 97.5% and 2.5% respectively).

The following table sets out a breakdown of the Group's segment revenue from property management services for the year:

	For the year ended 31 December					
	2024		2023			
	Segment revenue		Segment revenue		Change	
	RMB'000	%	RMB'000	%	RMB'000	%
Property management services:						
— Lump sum basis	10,427,259	97.8%	9,177,231	97.5%	1,250,028	13.6%
— Commission basis	238,973	2.2%	237,676	2.5%	1,297	0.5%
Total	10,666,232	100.0%	9,414,907	100.0%	1,251,325	13.3%

As at 31 December 2024, the ratio of GFA under management from lump sum basis and commission basis was 82.8% to 17.2% (2023: 83.3% to 16.7%).

The following table sets forth a breakdown of the Group's GFA under management by contract bases as at year end:

	As at 31 Dec 2024		As at 31 Dec 2023	
	GFA under management		GFA under management	
	million sq.m.	%	million sq.m.	%
Contract bases:				
Property management contracts under lump sum basis	357.1	82.8%	334.5	83.3%
Property management contracts under commission basis	74.0	17.2%	67.0	16.7%
Total	431.1	100.0%	401.5	100.0%

Segment Information (Continued)

Property Management Services (Continued)

In 2024, the segment gross profit margin from regular property management contracts under lump sum basis and commission basis was 14.0% and 100.0% respectively (2023: 12.7% and 100.0% respectively). Overall, the weighted average segment gross profit margin increased to 16.0% for the year (2023: 15.0%). Among that, the increase in gross profit margin under lump sum basis was mainly attributable to (i) stringent cost control measures on reduction of material cost and overhead expenses, as well as continuing subcontracting efforts to suppress the increase in labour costs; (ii) more proactive loss project management in order to improve operational efficiency.

Coupled with continuing increase in segment revenue, the gross profit of our property management services segment increased by 21.0% from last year to RMB1,703.2 million for the year ended 31 December 2024 (2023: RMB1,407.8 million).

The following table sets forth a breakdown of the Group's gross profit and gross profit margin of property management services for the year:

	For the year ended 31 December					
	2024		2023			
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Change in gross profit	
	RMB'000	%	RMB'000	%	RMB'000	%
Property management services:						
— Lump sum basis	1,464,262	14.0%	1,170,078	12.7%	294,184	25.1%
— Commission basis	238,973	100.0%	237,676	100.0%	1,297	0.5%
Total	1,703,235	16.0%	1,407,754	15.0%	295,481	21.0%

After deducting segment administrative expenses and net impairment of trade receivables, and payments on behalf of property owners for properties managed on a commission basis, as well as taking into account of other income, the segment profit of the property management services increased by 17.0% to RMB1,544.6 million for the year (2023: RMB1,320.2 million).

Professional frontline team provides high quality services

Business service brand "Hainawanshang" (海納萬商) delivers exceptional high-end commercial property management service experiences

Segment Information (Continued)

Value-added Services to Non-Residents

Value-added services to non-residents sub-segment cover engineering, vetting of building plans, facilities and equipment evaluation proposals, pre-delivery, move-in assistance, delivery inspection, engineering service quality monitoring and consulting services, etc. for property developers and other property management companies. For the year ended 31 December 2024, revenue from the non-residents sub-segment constituted 13.0% (2023: 16.5%) of total revenue, and decreased by 14.7% to RMB1,828.7 million (2023: RMB2,144.7 million). The decrease in segment revenue was mainly due to (i) the impact of adjustment and transformation in the real estate sector, which suppressed the business volumes on special and intelligent engineering services of new move-in projects, and reduced the demand on pre-delivery services (such as security, cleaning and repair and maintenance services for display units in pre-sales offices for developing properties) and inspection services from property developers; (ii) adaptation of the sales mix structure to strengthen the core business by reducing the sales of hardware products with lower gross profit margin, the above factors were alleviated by the expansion of repair and maintenance services from our existing projects during the year.

The following table sets forth a breakdown of the Group's sub-segment revenue from value-added services to non-residents for the year:

	For the year ended 31 December		Change	
	2024	2023		
	Sub-segment revenue	Sub-segment revenue		
	RMB'000	RMB'000	**RMB'000**	**%**
Value-added services to non-residents:				
Engineering services	**1,029,729**	1,192,127	**(162,398)**	**(13.6)%**
Pre-delivery services	**596,010**	697,688	**(101,678)**	**(14.6)%**
Inspection services	**153,788**	214,284	**(60,496)**	**(28.2)%**
Consulting services	**49,207**	40,559	**8,648**	**21.3%**
Total	**1,828,734**	2,144,658	**(315,924)**	**(14.7)%**

Repair and maintenance services by Haibo Engineering

Segment Information (Continued)

Value-added Services to Non-Residents (Continued)

In respect of the profitability, the gross profit margin of the value-added services to non-residents sub-segment remained at 13.1% (2023: 13.1%). Overall, the sub-segment gross profit decreased by 14.3% to RMB240.3 million (2023: RMB280.4 million) as a result of the decrease in business volume.

After having allowed for sub-segment overhead and impairment on trade receivables, the sub-segment profit from value-added services to non-residents, decreased by 19.7% to RMB146.5 million against last year (2023: RMB182.3 million).

Basement illumination energy saving renovation business by Haibo Engineering

Value-added Services to Residents

In respect of value-added services to residents sub-segment, our services cover (i) community asset management services (such as rental assistance, agency and custody for real estate transactions, common area rental assistance, one-stop shop asset management services to the property owners and rental of self-owned properties); (ii) home living service operations (to meet the various needs of residents of the properties, including housing ecology, home improvement, new retail, home services, tourism and leisure, education and training, health and elderly care, automotive services, platform services, etc.); and (iii) commercial service operations (to meet the needs of business users). Both of the customers' recognition of the Group's traditional property management services, and diversification of our product offerings and marketing channels through services offered with our online-to-offline platform facilitates meeting the various needs of residents of the properties, which promotes the life style quality and satisfaction of our customers.

Youke Daojia offers a one-stop home service

Business and enterprise services provide whole cycle services for enterprises

Segment Information (Continued)

Value-added Services to Residents (Continued)

For the year ended 31 December 2024, revenue from the value-added services to residents sub-segment constituted 9.9% (2023: 9.9%) of total revenue, and increased by 7.2% to RMB1,384.6 million (2023: RMB1,291.8 million), mainly due to (i) business growth from successful marketing campaigns on retailing consumption and community group purchasing, which was retrained by weak demands from home services under home living service operations and commercial service operations; (ii) in respect of the community asset management services, market penetration and expansion in agency business on real estate leasing through various cooperation models such as regional joint ventures and associates.

The following table sets forth a breakdown of the Group's sub-segment revenue from value-added services to residents for the year:

	For the year ended 31 December			
	2024	2023	**Change**	
	Sub-segment revenue	Sub-segment revenue		
	RMB'000	RMB'000	**RMB'000**	**%**
Value-added services to residents:				
Community asset management services	**619,189**	561,218	**57,971**	**10.3%**
Home living service operations and commercial service operations	**765,417**	730,592	**34,825**	**4.8%**
Total	**1,384,606**	1,291,810	**92,796**	**7.2%**

The gross profit margin of value-added services to residents sub-segment slightly decreased to 25.5% (2023: 26.1%). Overall, driven by the increased revenue, the sub-segment gross profit increased by 4.5% to RMB352.5 million (2023: RMB337.3 million).

After having allowed for sub-segment overhead, the sub-segment profit from value-added services to residents increased by 8.4% to RMB328.9 million against last year (2023: RMB303.6 million).

Retail consumption and community group buying with additional live streaming distribution model

Community asset management services

Segment Information (Continued)

Car Parking Spaces Trading Business

Through acquiring unfettered rights and ability to control and coordinate the sales of the car parking spaces at the properties under the Group's management, the Group can create greater ease and value to the residents of such properties, and thereby enhance the Group's overall management of the amenities within such properties. This in turn also enable the Group to take advantage of its existing abundance of cash balance and increase the shareholders' value.

During the year ended 31 December 2024, due to lower amount of carparks, that is, 2,224 were sold (2023: 3,109), segment revenue from the car parking spaces trading business decreased to RMB144.2 million (2023: RMB199.9 million), which also resulted in a decrease in segment profit to RMB29.5 million (2023: RMB43.1 million).

Liquidity, Financial Resources and Debt Structure

The Group adopts prudent financial policies, with effective financial and cash management under centralised supervision, and maintains appropriate leverage with adequate cash balances. As at 31 December 2024, net working capital amounted to RMB4,476.4 million (At 31 December 2023: RMB3,565.6 million).

Bank balances and cash increased by 13.1% to RMB5,803.5 million from last year end (At 31 December 2023: RMB5,130.7 million), in which, 93.0% were denominated in Renminbi and 7.0% were denominated in Hong Kong Dollar/ Macau Pataca.

At 31 December 2024, the Group had short-term unsecured bank borrowings denominated in Renminbi amounted to RMB50.0 million (At 31 December 2023: RMB56.4 million). During the year, the borrowing costs were charged at floating rates with weighted average interest rate of 3.1% per annum.

Capital Expenditures

The capital expenditures, which mainly represent additions to leasehold improvement, motor vehicles, machinery and equipment, furniture, fixtures, office equipment, leasehold right-of-use assets (including capitalised lease commitments) and software systems, were RMB216.1 million for the year ended 31 December 2024.

Material Acquisitions, Disposals, Significant Investment and Future Plans of Material Investment

The Group had no material acquisitions, disposals, significant investments and future plans of material investment during the year ended 31 December 2024.

Principal Risk Management Strategies

1. Operational Efficiency

The Group's profit margins and results of operations may be materially affected by changes in its reasonable operating costs and the monitoring on implementation of group strategies. Automation and standardisation are key elements amongst its strategies to increase operational efficiency and improve service quality. The Group has implemented and will continue the implementation of automation measures in business processes and emphasis on standardisation in operations. For example, the Group has employed automation measures such as implementing a real-time quality control system, remote video surveillance system, smart guest access system and carpark management system to achieve operational efficiency and to enhance its overall competitiveness in the property management sector.

2. Customers and Suppliers Relationship Management

The Group's customers include owners and residents in mid- to high-end residential communities, commercial properties, government properties and industrial parks, and business enterprises like property developers and other property management companies.

Customers are one of the key stakeholders. In order to continuously foster and maintain customers' high satisfaction, the Group's quality control department mainly focused on, among others, (i) the solidification of the Group's strong brand recognition as a property management service provider for mid- to high-end properties; (ii) the establishment and maintenance of internal quality standards and community safety management systems; (iii) the central management of customer complaints and customer satisfaction surveys and analysis. In addition, the Group provided structured and comprehensive trainings to the frontline staff, so as to ensure that they delivered attentive customer services with adequate skills and knowledge.

The Group' suppliers primarily include suppliers of raw materials and sub-contractors who provide security, cleaning, repair and maintenance and garden landscape maintenance services to the properties managed.

In order to ensure cost effectiveness and standardisation quality customer services to promote customers' satisfaction, the Group's business strategies includes objectives to maintain close business relationships with quality vendors and sub-contractors so as to achieve consistency and reliability in service quality, while controlling costs through bulk purchases or economies of scale. The Group's competitiveness depends on ability to differentiate from its competitors through quality services and reliability.

Principal Risk Management Strategies (Continued)

3. Monitoring of Foreign Exchange Exposure

As the Group recorded its revenue, receivables and payables and expenditures etc. in Renminbi for its main property management business in the PRC, the management considers that a natural hedge mechanism existed. The presentation currency for preparation of consolidated financial statements of the Group was Renminbi. However, fluctuations of exchange rates may still impact the net assets value and financial results presented in Renminbi due to currency translation on Hong Kong and Macau business upon consolidation. If Hong Kong Dollar appreciates/depreciates against Renminbi, it would record a(n) decrease/increase in the net assets value and financial results presented in Renminbi. At present, the Group has not entered into or traded any financial instruments, including derivative financial instruments, for hedging or speculative purpose. Hence, other than the effect of currency translation as mentioned above, the Group has neither experienced nor expected any material adverse effect on the business and operations due to the Renminbi exchange rate fluctuation.

The Group would closely monitor the volatility of exchange rate, and would consider appropriate currency hedging policy for mitigating apparent exchange rate risk and enter into such hedging arrangement, if and when appropriate.

Compliance with Relevant Laws and Regulation

The Group has complied with the relevant laws and regulations in relation to our business in all material respects and there were no material breaches or violations of the laws or regulations applicable to the Group that would have a material adverse effect on business or financial condition taken as a whole.

Hailin Festival Series — COPL Community Banquet for All Families

Substainability Development Policy and Performance

In the year of 2024, COPL has achieved the following results:

"Carbon Neutrality White Paper"

- In 2024, COPL officially released its "Carbon Neutrality White Paper", commencing a full suite of carbon-neutrality implementation initiatives. By systematically combing through its current business development status, COPL proposed the "dual-carbon" goals commitment and strategic road map to implement green and low-carbon transformation, and make outstanding contributions to the property industry for the country's "dual-carbon" development.

  COPL's "Dual-Carbon" Target and Commitment:

  2030:

  Fully promote and implement low-carbon operational technologies to achieve a 15% reduction in carbon emission intensity per unit area for Scope 1 and Scope 2, compared to the baseline year (i.e. year 2022).

  2060:

  Widely implement integrated renewable energy utilisation to achieve carbon neutrality within operational boundaries.

- COPL conducted special training on climate-related risks and opportunities for relevant departments. During the training, the climate-related physical risks, transition risks, and opportunities that COPL focuses on were discussed and confirmed, and the "Below 2ºC Scenario" and "Above 3ºC Scenario" were selected for climate scenario analysis. At the same time, COPL combined the results of online stakeholder questionnaires on material topics and industry trend analysis to update its existing matrix of material topics, raising the level of importance of topics such as water resources and sewage management, emissions and waste management, green property management, operations and etc.

- The Group reviewed the ESG information of previous years, as well as domestic and international sustainability trends, in particular, new progress in ESG disclosure requirements from the Ministry of Finance, the State-owned Assets Supervision and Administration Commission of the State Council, as well as the Hong Kong Stock Exchange. COPL assessed the validity and completeness of its internal sustainability-related information and incorporated corresponding requirements where appropriate; and

- Going forward, we will continue to strengthen the coordination and management of environmental protection measures applicable at each operating site. The management work includes planning targets, compliance, risks, pollution prevention and control, energy conservation and emission reduction, cleaner production, green innovation, education and training, statistics monitoring, emergency and information disclosure, and reporting.


Recycling classification promotes environmental protection

For more information on our sustainability performance, please refer to the "Sustainability" page on the Company's website.

Capital Commitments and Contingent Liabilities

As at 31 December 2024, the capital commitments of the Group were RMB8.9 million, which mainly related to capital investment in a joint venture and acquisition of software and system. In addition, the Group provided counter-indemnities to a fellow subsidiary and banks amounting to approximately RMB341.1 million, for guarantees issued in respect of certain property management service contracts for which we are required to provide performance bonds in the ordinary course of business.

Meanwhile, in order to substitute the Group's certain requirements upon participating in competitive tenders on projects under China Overseas Land & Investment Limited, China State Construction International Holdings Limited and China Overseas Grand Oceans Group Limited, the Company provided corporate guarantees to them up to an aggregate amount of RMB50.0 million, RMB30.0 million and RMB20.0 million respectively.

Except as disclosed above, the Group had no other material capital commitments and outstanding contingent liabilities as at 31 December 2024.

Significant Events after the Reporting Period

The Group had no significant events occurred after the year ended 31 December 2024, which have material impact on the performance and the value of the Group.

Employees

As At 31 December 2024, the Group had approximately 38,627 employees (At 31 December 2023: 43,012).

The pay levels of these employees are commensurate with their responsibilities, performance and the prevailing market conditions. The remuneration packages included basic salaries, discretionary bonus and provident fund contributions/retirement pension scheme. Certain selected key personnel of the Group were also entitled to participate in a share incentive scheme of an intermediate holding company of the Group. The total staff costs incurred for the year ended 31 December 2024 was approximately RMB4,511.7 million (2023: RMB4,923.9 million), of which, RMB4,204.8 million (2023: RMB4,639.3 million) and RMB306.9 million (2023: RMB284.6 million) was recognised in direct operating expenses and selling and administrative expenses respectively.

As part of our comprehensive training programme, the Group has provided classroom and online training to our staff to enhance technical and service knowledge as well as knowledge of industry quality standards and workplace safety standards.

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE REPORT

Corporate Governance Practices

China Overseas Property Holdings Limited (the "Company", together with its subsidiaries, the "Group") acknowledges the important roles of its board of directors in providing effective leadership and direction to the Group's business, and ensuring transparency and accountability of the Group's operations.

The board (the "Board") of directors (the "Directors") of the Company recognises that good corporate governance leads to the success of the Group and enhances its shareholders' value. As such, the Board is committed to maintain high standard of business ethics, healthy corporate culture and good corporate governance at all times by establishing and implementing corporate governance policies and practices appropriate to the conduct and growth of the Group's business.

The Company has applied the principles set out in the Corporate Governance Code (the "CG Code") as contained in Appendix C1 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

During the year ended 31 December 2024, the Company has complied with all the code provisions of the CG Code.

Corporate Strategy, Business Model and Culture

With the corporate mission of "We Manage Happiness", the Group adheres to the performance pledge of "Property Assets to be Entrusted" and establishes "The China Overseas Proprietary Methodology in the Modernisation of Property Management" ("COPMPM") as our medium to long-term targets to create new service capabilities within the industry and endeavour to become an integrated service operator of urban space and to consolidate the foundation of high-quality development and market orientation, and sets quadruple roles with serving a better life as the core objective. Firstly, as an explorer for city services, the Group combine various property management portfolios that are managed separately into an integrated service capability. Secondly, as a promotor for the development of the entire industry chain, the Group actively consolidate internal and external resources. Thirdly, as a guardian who safeguards a better living, the Group advocate renovations of old community buildings and supporting facilities, improve urban micro-space and stimulate residents' public service consumption. Fourthly, as a developer of co-construction, co-governance and co-usage, the Group build a community ecology with owners and a project commitment charter with suppliers.

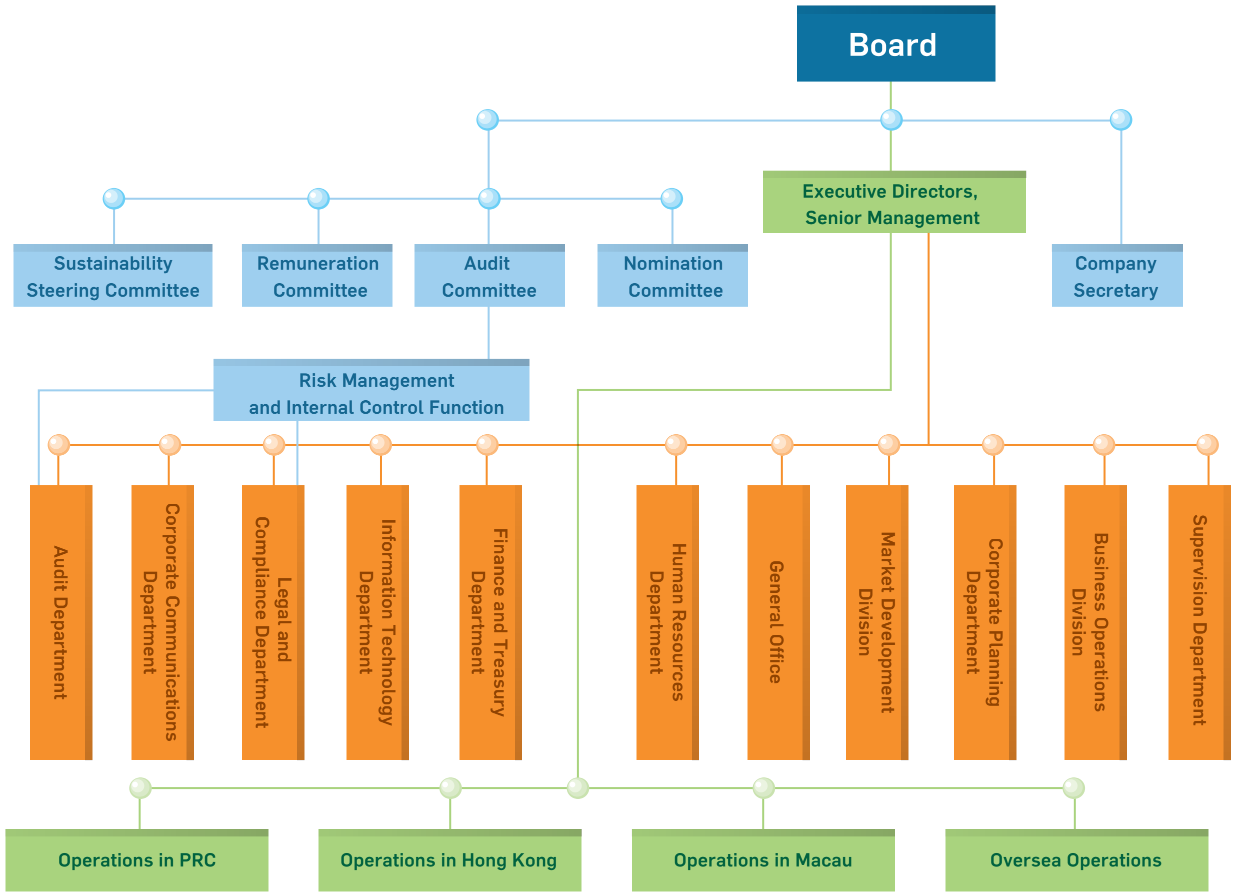
The Group put forward our brand proposition of "Good Seasons, Good Property, Good Community" (collectively, "Three-Good"). "Good Seasons" reflects our property management capability in that the Group can, through quality products and services, create a joyful living experience with a sense of belonging and provide customers with a pleasant living environment where they can live and work in contentment; "Good Property" reflects our customer service capability in that the Group can respond efficiently, predict demands and establish deep and long-term relationships with our property owners, customers, employees, partners and the government; "Good Community" reflects a sense of ownership that allows property owners, the property enterprise and the communities to build a neighbourhood governed and enjoyed by all under the spirit of "Everyone Owns and Takes Responsibilities". The "Three-Good" depicts a visionary prospect of "COPMPM", which, with our benchmarking projects, addresses the concerns and expectations of our customers, to whom the Group realise our promise on value, the industry, to whom the Group project our strategies outward, and the society, to whom the Group fulfil our responsibility as a corporate citizen.

Corporate Strategy, Business Model and Culture (Continued)

Details of the Group's strategy, business and financial review are set out in the sections headed "Chairman's Statement" and "Management Discussion and Analysis" of this Annual Report.

Corporate Governance Structure

The Board has established a clear governance structure, it, with the support of the four Board committees, namely Audit Committee, Nomination Committee, Remuneration Committee and Sustainability Steering Committee, performs the key governance functions within the Group.



Board

Board's Role and Delegation

The primary role of the Board is to maximize long-term shareholders value. Led by the Chairman, the Board is responsible for providing effective and responsible leadership and oversight of the Group, directing its affairs to achieve strategic objectives. To enhance operational efficiency, the Board has delegated day-to-day leadership and the management of the Group to the Chief Executive Officer.

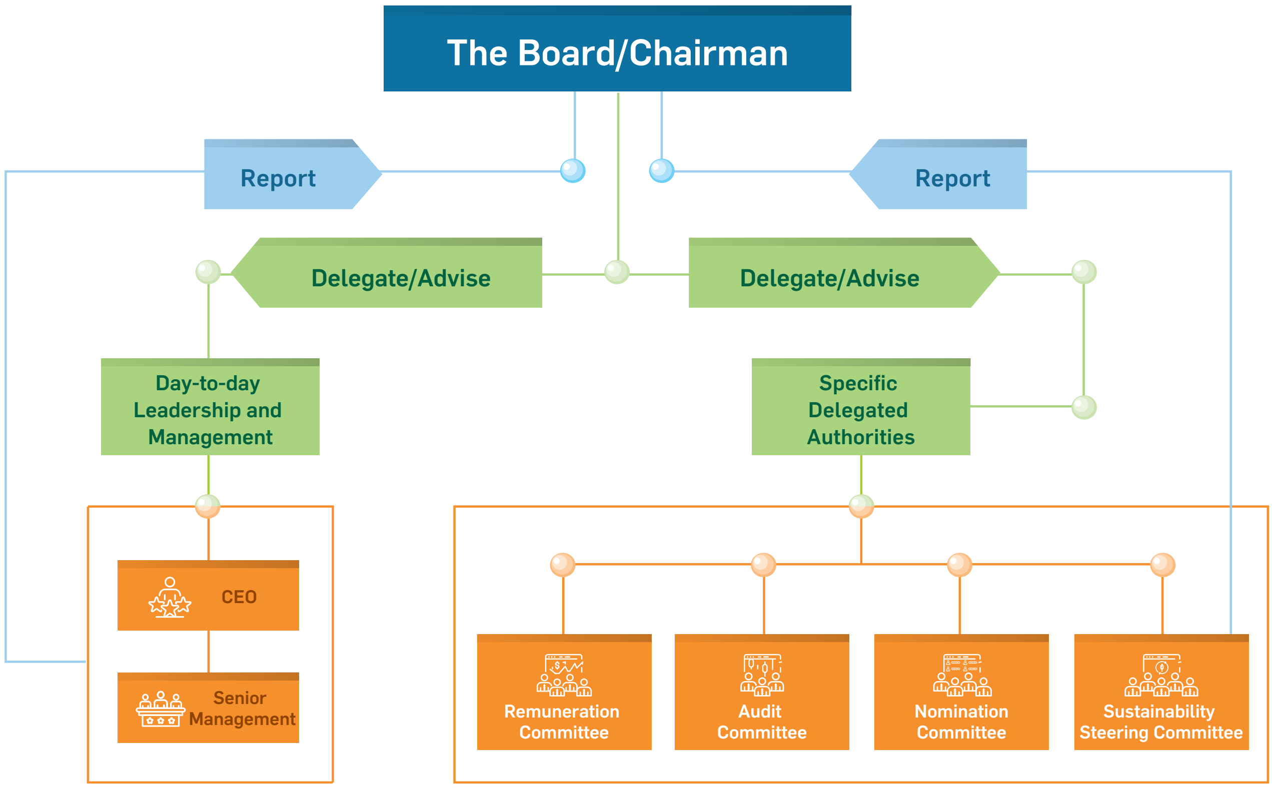
Under the supervision of the Chief Executive Officer, the senior management of the Group is responsible for the management and administrative functions and the day-to-day operations of the Group. The Board has given clear directions to senior management as to the matters that must be approved by the Board before decisions are made on behalf of the Company. The types of decisions to be delegated by the Board to management include implementation of the strategy and direction determined by the Board, operation of the Group's businesses and compliance with applicable laws and regulations.

Board (Continued)

Board's Role and Delegation (Continued)

To assist the Board in execution of its duties and to facilitate effective management, certain functions of the Board have been delegated by the Board to various board committees, which review and make recommendations to the Board on specific authorised areas.

The Board has reserved for its decision on all major matters of the Company, including the approval and monitoring of all corporate governance and policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), appointment of directors, financial information, and other significant financial and operational matters.



Board (Continued)

Board Composition

As at 31 December 2024, the Board comprises a total of nine Directors, being four Executive Directors, two Non-executive Directors and three Independent Non-executive Directors. The number of Independent Non-executive Directors represents one-third of the Board with one of them possessing appropriate accounting and related financial management expertise as required by Rules 3.10 and 3.10A of the Listing Rules.

The composition of the Board during the year ended 31 December 2024 and up to the date of this Annual Report is as follows:

Executive Directors:

Mr. Zhang Guiqing	*(Chairman)*
Mr. Xiao Junqiang	*(Chief Executive Officer)*
Mr. Pang Jinying	*(Vice President)*
Mr. Kam Yuk Fai	*(Chief Financial Officer)*

Non-executive Directors:

Mr. Ma Fujun	*(resigned on 25 October 2024)*
Mr. Guo Lei	
Ms. Ng, Yat Wing Athena	*(appointed on 25 October 2024)*

Independent Non-executive Directors:

Mr. Yung, Wing Ki Samuel
Mr. So, Gregory Kam Leung
Mr. Lim, Wan Fung Bernard Vincent

The Directors' biographical information are set out at the section headed "Directors and Senior Management" of this Annual Report and on the website of the Company (www.copl.com.hk). The Company has also maintained an updated list of directors and their role and function on the websites of the Company and the Stock Exchange (www.hkexnews.hk).

Directors have disclosed their number and nature of offices held in public companies or organizations and other significant commitment in their biographical information. They are also reminded to notify the Company of any change of the information in a timely manner. The Board reported the changes in its annual report and interim report. Directors have also provided an indication of the time involved for the significant offices they held to the Company annually.

There is no relationship (including financial, business, family or other material/relevant relationship(s)) among members of the Board.

Board (Continued)

Board Diversity

The Board has maintained the necessary balance of skills and experiences appropriate for the business and objectives of the Group and for the exercise of independent judgement. The Independent Non-executive Directors bring different business and financial expertise, experiences and independent judgement to the Board and they are invited to serve on the Board committees of the Company. Through participation in Board meetings, taking the lead in managing issues involving potential conflicts of interests and/or serving on Board committees, the Independent Non-executive Directors have made contributions to the effective direction of the Company and provided adequate checks and balances to safeguard the interests of both the Group and the shareholders of the Company (the "Shareholders").

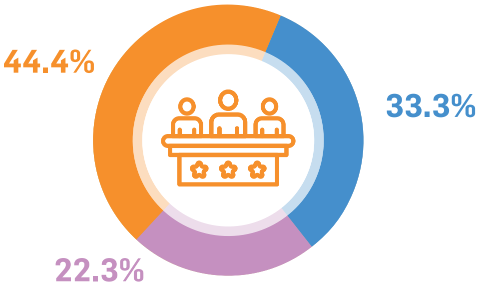
The Company also recognises and embraces the benefits of having a diverse Board to enhance its effectiveness as well as improve the quality of its performance. The Board has adopted the board diversity policy effective since October 2015 (the "Board Diversity Policy"), a copy of which is available on the Company's website. Under the Board Diversity Policy, all Board members' appointments will be based on merit and selection of candidates will be based on a range of diversity factors, including but not limited to education background, professional experience and knowledge. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. The Nomination Committee will review the Board Diversity Policy from time to time to ensure its continued effectiveness and will make recommendations to the Board of any amendment, where necessary.

Corporate Governance Report (Continued)

Board (Continued)

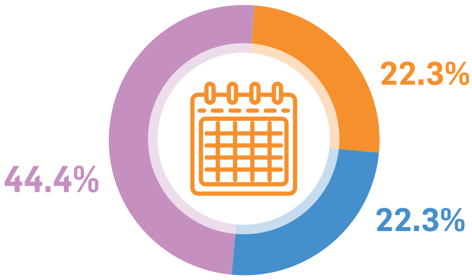
Board Diversity (Continued)

As at 31 December 2024, the Board's composition under diversified perspectives are set out below:



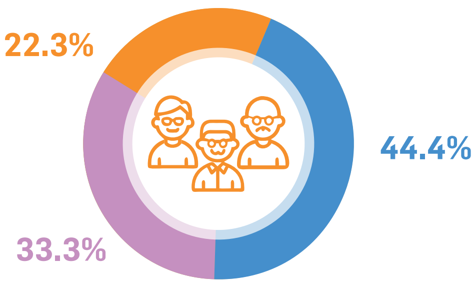
Board Composition

Executive Directors | Non-executive Directors | Independent Non-executive Directors



Length of Service (years)

3 years or under | 4–8 years | 9 years or above

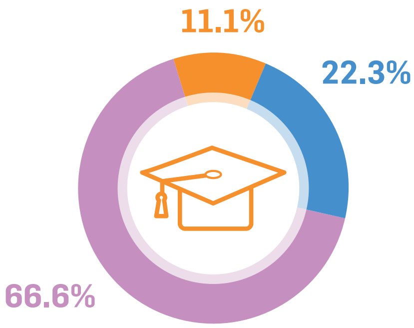


Age

40–49 | 50–59 | Over 60

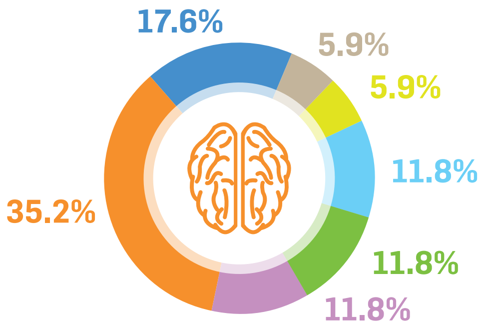
Gender

Male | Female



Education Background (highest)

Bachelor degree | Master degree | Doctorate degree



Skill and Experience*

Financial and Accounting | Corporate Management (MBA) | Architecture | Engineering | Economics | Legal | Sustainability

* *Certain Directors have more than one skill and experience.*

Board (Continued)

Board Diversity (Continued)

The Board has a wide range of ages, ranging from 40 to over 60 years old. The Directors have a balanced mix of skills and experience, including corporation management, architecture, engineering, financial and accounting, legal as well as sustainability aspects. All Directors held a Bachelor degree or above. Among nine Directors on the Board, three of them are Independent Non-executive Directors, thereby promoting critical review and giving independent advice in the decision-making process.

During the year, the Nomination Committee reviewed the implementation and effectiveness of the Board Diversity Policy. Based on the current composition of the Board and current needs of the Company, the Nomination Committee considered the Board Diversity Policy remains effective and appropriate for the Company. Nevertheless, the Board had appointed one female director on 25 October 2024 to maintain an appropriate balance of diversity at the Board level.

As at 31 December 2024, the Company hired a total of 38,627 staff, of which 22,370 were male and 16,257 were female. The gender ratio in the workforce (including senior management) was approximately 58 males to 42 females. In order to cope with the growth and needs of the Company without focusing on one single gender, staff recruiting shall be based on the equal-opportunity principle. The Company shall provide suitable on-job training to mid to senior level to ensure a pipeline of female senior management and potential successors to the Board in the near future.

Board Independence

The Company recognizes that Board independence is key to good corporate governance. Effective mechanism is in place and regularly reviewed to ensure independent view and input are available to the Board. All Directors are encouraged to express freely their independent views during the Board/Board Committees meetings. External independent professional advice is available as and when required by individual Directors. Board members also have full and timely access to advice from the Company Secretary. The Chairman meets with the Independent Non-executive Directors annually without the presence of other Directors.

A sufficient number of Independent Non-executive Directors representing one-third of the Board has been maintained. All Independent Non-executive Directors are financially independent from the Group bringing independent and diversified experience, competencies, skills and judgment to the Group's strategy and policies through their informed contributions. Annual written confirmation of independence by the Independence Non-executive Directors pursuant to Rule 3.13 of the Listing Rules is required. The Nomination Committee will assess the independence, qualification and time commitment of a candidate who is nominated to be a new director before appointment and also continued independence of existing independent non-executive directors annually.

For the year ended 31 December 2024, all Independent Non-executive Directors attended the board meetings, committees meetings and general meeting as scheduled to provide independent views and input in different aspect as well as develop a balance understanding of the views of Shareholders. Details of the attendance records of the Independent Non-executive Directors for 2024 are provided in the section headed "Attendance at Board Meetings, Committee Meetings and Shareholders' Meeting" of this Corporate Governance Report. Therefore, the Board is of the view that the mechanism to ensure independent views and input are available to the Board for the year ended 31 December 2024 is effective and adequately implemented.

Board (Continued)

Chairman and Chief Executive Officer

The Company supports the division of responsibility between the Chairman and the Chief Executive Officer in order to ensure a balance of power and authority and preserve a balanced judgement of views.

Mr. Zhang Guiqing, as the Chairman of the Company and the Executive Director, is responsible for leading the Board, giving weighty strategic advice of development of the Group and ensuring the Company in formulating regulatory plans in corporate governance. He is also responsible for ensuring that before any meeting is held, all Directors receive accurate, clear, complete and reliable information in a timely manner and the Directors are properly briefed on issues arising at the meetings. Apart from the above, he is responsible for promoting a culture of openness and debate and encourage directors with different views to voice their concerns in order to ensure that the Board works effectively as well as to ensure appropriate steps were taken to provide effective communication with Shareholders and those views of Shareholders were communicated to the Board as a whole.

Mr. Xiao Junqiang, the Chief Executive Officer of the Company and the Executive Director, is responsible for leading the senior management of the Company, advising strategic directions, setting business goals, supervising the daily management as well as the business operations and development of the Group.

The Chairman works in close collaboration with the Chief Executive Officer. The Chief Executive Officer would consult with the Chairman for advice, while the Chief Executive Officer would report the work progress and performance to the Chairman.

Non-executive Directors and Independent Non-executive Directors

Non-executive Directors, including, Independent Non-executive Directors, as equal members of the Board, have given the Board and any committees on which they serve the benefit of their skills, expertise, backgrounds and qualifications. The Independent Non-executive Directors have made a positive contribution and independence judgement to the development of the Company's strategy and policies, performance as well as the risk management.

Confirmation of Independence

The Company confirmed that it has received from each of the Independent Non-executive Directors an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. None of them holds cross-directorships or has significant links with other Directors through involvements in other companies or bodies.

Two of the three Independent Non-executive Directors have been serving for more than nine years. However, the Board considers that a director's independence should not be defined by his tenure on the Board. A director who has over time gained in-depth insight into the Company's operations can bring a valuable contribution to the Company. As such, the Company still considered all Independent Non-executive Directors are independent.

Board (Continued)

Board Evaluation

The Company regards board evaluation as a critical tool to assess Board effectiveness and efficiency. During the year, performance evaluation on the Board and its committees had been conducted for year 2023. The evaluation involved each Director completing a questionnaire to provide individual ratings as well as comments covering a range of topics, included, amongst others, the composition, board independence, as well as board processes. Based on the Board evaluation, the Board considers its existing practice as effective.

Appointment, Re-election and Removal of Directors

The procedures and process of appointment, re-election and removal of directors are laid down in the Company's amended and restated articles of association (the "Articles of Association") and the nomination policy (the "Nomination Policy"). According to the Nomination Policy, the Nomination Committee shall, when appropriate, identify and evaluate candidates from the labour market and within the Group with reference to the criteria and qualifications set out in the Nomination Policy, then make recommendations for the Board's and/or Shareholders' consideration and approval.

All Directors have entered into either a services contract (for Executive Directors) or a letter of appointment (for Non-executive Directors and Independent Non-executive Directors) with the Company to specific their duties and responsibilities. Executive Directors are appointed on a full-time basis and all Directors are appointed without specific term. All Directors are subject to retirement from office by rotation and re-election at annual general meetings in accordance with the provisions of the Articles of Association. The procedures for appointment, election and removal of Directors is posted on the website of the Company.

During the year, Ms. Ng, Yat Wing Athena ("Ms. Ng") has been appointed as the Non-executive Director. Woo Kwan Lee & Lo has provided legal advice to Ms. Ng on 24 October 2024 as regards the requirements under the Listing Rules that are applicable to her as a director of the Company and the possible consequences of making a false declaration or giving false information to the Stock Exchange, and Ms. Ng acknowledged that she understood her obligations as a director of a listed issuer. Pursuant to the article 83(3) of the Articles of Association, Ms. Ng, who filled casual vacancies on the Board, shall hold office only until the first annual general meeting after her appointment, i.e. the annual general meeting to be held in 18 June 2025 (the "2025 AGM"). She, being eligible, will offer herself for re-election at the 2025 AGM.

Pursuant to the articles 84(1) & 84(2) of the Articles of Association, one-third of the directors for the time being shall retire from office by rotation at an annual general meeting. As such, Mr. Kam Yuk Fai, Mr. Guo Lei and Mr. Yung, Wing Ki Samuel will retire by rotation at the 2025 AGM. All of them, being eligible, will offer themselves for re-election at the 2025 AGM.

Board (Continued)

Model Code for Securities Transactions by Directors and Relevant Employees

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as contained in Appendix C3 to the Listing Rules as the code 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 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.

Directors' and Officers' Liabilities Insurance

The Company has arranged appropriate insurance coverage in respect of legal actions against the Directors and senior management arising out of corporate activities of the Company. The insurance will be reviewed and renewed annually.

Directors Trainings

Every newly appointed Director receives a comprehensive, formal and tailored induction to ensure he/she has a proper understanding of the Company's operations and business as well as his/her duties and responsibilities as a director under statute and common law, the Listing Rules, legal and other regulatory requirements and the Company's business and governance policies. The Company Secretary also provides the updates on the latest development and changes in the Listing Rules and other relevant legal and regulatory requirement to the Board from time to time.

Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The Company has also arranged for Directors to attend training, which emphasis on the roles, functions and duties of a listed company director. Directors can also join any training, forum or seminar at cost of the Company. All Directors are required to provide a training records to the Company, which are maintained by the Company Secretary.

The Company has received from the Directors below a record of the type(s) of training they received for the year ended 31 December 2024:

Directors	Type(s) of training (See Notes)
Mr. Zhang Guiqing	A, B
Mr. Xiao Junqiang	A, B
Mr. Pang Jinying	A, B
Mr. Kam Yuk Fai	A, B
Mr. Guo Lei	A, B
Ms. Ng, Yat Wing Athena	A, B
Mr. Yung, Wing Ki Samuel	A, B
Mr. So, Gregory Kam Leung	A, B
Mr. Lim, Wan Fung Bernard Vincent	A, B

Notes:

A: Attending seminars or trainings

B: Reading materials

Board (Continued)

Board Meetings

During the year, the Board held four regular meetings to review and approve, inter alias, the financial and operational results of the Group, reports of external auditor as well as reports of internal audit department.

At least 14 days formal notice is given before each regular Board meeting. Agenda accompanying Board papers and related materials, which are in a form and quality sufficient to enable the Board to make informed decisions, are sent to all Directors at least 3 days before each regular Board meeting. Directors are given the opportunity to comment on the draft Board meeting agenda to include items that they would like to discuss.

All Directors have timely access to all relevant information of the Company as well as the advice and services of the Company Secretary and senior staff, with a view to ensuring compliance with Board procedures and all applicable laws and regulations. Any Director may seek independent professional advice in appropriate circumstances at the Company's expenses upon reasonable request made to the Board. If the subject under discussion at a Board meeting involves conflict of interests of substantial Shareholders or Directors and the Board considers that the conflict of interests is material, the matter would be dealt with by a meeting (including physical and/or virtual) rather than a written resolution. The Board will ensure that there are sufficient independent directors participating in discussing about and voting on the relevant resolution.

The Company Secretary is responsible for taking minutes of Board meetings and committee meetings. Directors are given an opportunity to comment on the draft minutes which are sent to Directors within a reasonable time frame. Such minutes are prepared with details of the decisions reached, any concerns raised and dissenting views expressed by directors. All minutes are opened for inspection by any Director.

Details of the attendance records of each Board member for 2024 are provided in the section headed "Attendance at Board Meetings, Committee Meetings and Shareholders' Meeting" of this Corporate Governance Report.

Board Committees and Corporate Governance Functions

As part of good corporate governance, the Board has set up four Board committees, namely Remuneration Committee, Audit Committee, Nomination Committee and Sustainability Steering Committee for overseeing particular aspects of the Company's affairs. Each committee has its own specific delegated authorities and operates within defined written terms of reference.

Remuneration Committee

The Remuneration Committee comprises a total of four members, being the Chairman of the Board and three Independent Non-executive Directors, namely, Mr. Zhang Guiqing, Mr. Yung, Wing Ki Samuel, Mr. So, Gregory Kam Leung and Mr. Lim, Wan Fung Bernard Vincent. The chairman of the Committee is Mr. So, Gregory Kam Leung.

Board Committees and Corporate Governance Functions (Continued)

Remuneration Committee (Continued)

The main duties and responsibilities of the Remuneration Committee including, but not limited to:

— make recommendations to the Board on the Group's remuneration policy and structure for all Directors' and senior management's remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;

— review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;

— either to determine, with delegated responsibility, or make recommendations to the Board on the remuneration packages of individual Executive Director and senior management, including without limitation, basic salaries, benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of his/her office or appointment; and

— make recommendations to the Board on the remuneration of non-executive directors.

The terms of reference of the Remuneration Committee is available on the websites of the Company and the Stock Exchange.

For the year ended 31 December 2024, the Remuneration Committee has held two meetings during which it has performed the following major works:

— reviewed the proposed remuneration packages (including bonus and benefits) of all Directors and senior management and recommended the proposal to the Board for approval; and

— reviewed the proposed directors' remuneration of the newly appointed Non-executive Director and recommended the proposal to the Board for approval.

The Remuneration Committee has been provided sufficient resources to perform its duties. Chairman of the Remuneration Committee has reported back to the Board on its decisions and recommendations after each meeting.

Details of the attendance record of each Remuneration Committee member for 2024 are provided in the section headed "Attendance at Board Meetings, Committee Meetings and Shareholders' Meeting" of this Corporate Governance Report.

Board Committees and Corporate Governance Functions (Continued)

Remuneration Committee (Continued)

Pursuant to the Company's Director Remuneration Policy, the remuneration packages of the Executive Directors shall comprise fixed and variable components linking to the Group's operating results, individual performance and comparable market statistics. Non-executive Directors (including Independent Non-executive Directors) shall receive fixed remuneration/fee to be set at an appropriate level to attract and retain first-class non-executive talent by reference to the relevant time commitment required and the size and complexity of the Group and benchmarked against a peer group.

Details of the remuneration of each Director for the year ended 31 December 2024 are disclosed in note 9 to the financial statements contained in this Annual Report.

The remuneration of the senior management of the Company is determined with reference to the remuneration policy of the Group and based on individual skills, knowledge, experience, performance and contribution, the overall performance of the Group, the prevailing economic environment and the market trend. The remuneration of the senior management of the Company by band for the year ended 31 December 2024 is set out below:

Remuneration Bands (RMB)	Number of Persons
1,000,001–2,000,000	3

Audit Committee

The Audit Committee comprises a total of three Independent Non-executive Directors of the Company, namely, Mr. Yung, Wing Ki Samuel, Mr. So, Gregory Kam Leung and Mr. Lim, Wan Fung Bernard Vincent. The chairman of the Committee is Mr. Yung, Wing Ki Samuel, who is possessing the appropriate accounting and financial management expertise as required under Rule 3.10(2) of the Listing Rules.

The main duties and responsibilities of the Audit Committee including, but not limited to:

— make recommendations to the Board on the appointment, re-appointment and removal of the external auditor;

— review the financial information and reports of the Group;

— oversee the Group's financial reporting system, risk management and internal control systems;

— review the interim and final results of the Group prior to submission to the Board for approval; and

— review financial reporting and internal control matters and to this end has unrestricted access to both the Company's external and internal auditors.

The terms of reference of the Audit Committee is available on the websites of the Company and the Stock Exchange.

Board Committees and Corporate Governance Functions (Continued)

Audit Committee (Continued)

For the year ended 31 December 2024, the Audit Committee has held four meetings during which the Audit Committee has performed the following major works:

— reviewed, discussed and recommended to the Board for approval of the Group's consolidated financial statements, results announcements, Chairman's statement and business review for the year ended 31 December 2023 and for the six months ended 30 June 2024 and the quarterly financial information for the periods ended 31 March 2024 and 30 September 2024;

— reviewed and approved the audit plan for the year ended 31 December 2024;

— reviewed the annual compliance status of the Deeds of Non-competition between the Group and China State Construction Engineering Corporation ("CSCEC") and China State Construction Engineering Corporation Limited ("CSCECL");

— reviewed and discussed the internal audit report and risk management reports of internal audit department and legal and compliance department respectively, the progress and the effectiveness of the risk management and internal control systems and the internal audit implemented by the Group;

— reviewed the continuing connected transactions and related matters of the Group for the year ended 31 December 2023; and

— reviewed and approved the proposed fee of external auditor in respect of audit services and non-audit services for the year ended 31 December 2024.

Each of CSCEC and CSCECL has provided with the Company a confirmation on compliance pursuant to their undertakings under the Deeds of Non-competition. The Audit Committee has reviewed the confirmations and noted that for the year ended 31 December 2024, each of CSCEC and CSCECL has complied with the Deeds of Non-competition.

The Audit Committee has been provided sufficient resources to perform its duties. Chairman of the Audit Committee has reported back to the Board on its decisions and recommendations after each meeting.

Details of the attendance record of each Audit Committee member for 2024 are provided in the section headed "Attendance at Board Meetings, Committee Meetings and Shareholders' Meeting" of this Corporate Governance Report.

Nomination Committee

The Nomination Committee comprises a total of four members, being the Chairman of the Board and three Independent Non-executive Directors, namely, Mr. Zhang Guiqing, Mr. Yung, Wing Ki Samuel, Mr. So, Gregory Kam Leung and Mr. Lim, Wan Fung Bernard Vincent. The chairman of the Committee is Mr. Zhang Guiqing.

Board Committees and Corporate Governance Functions (Continued)

Nomination Committee (Continued)

The main duties and responsibilities of the Nomination Committee including, but not limited to:

— review the structure, size and diversity (including the education background, skills, knowledge and professional and industry experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;

— identify qualified and suitable individuals to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;

— assess the independence of Independent Non-executive Directors;

— make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the Chairman and the Chief Executive Officer of the Company; and

— review the Board Diversity Policy to ensure its continued effectiveness and make recommendation to the Board of any amendment of the policy where necessary.

The terms of reference of the Nomination Committee is available on the websites of the Company and the Stock Exchange.

For the year ended 31 December 2024, the Nomination Committee has held two meetings during which the Nomination Committee has performed the following major works:

— reviewed the structure, size and composition (including the skills, knowledges and experiences) of the Board;

— recommended to the Board on re-election of retiring Directors;

— assessed the independence of the Independent Non-executive Directors; and

— recommended to the Board on the appointment of Ms. Ng, Yat Wing Athena as Non-executive Director.

The Nomination Committee has been provided sufficient resources to perform its duties. Chairman of the Nomination Committee has reported back to the Board on its decisions and recommendations after each meeting.

Details of the attendance record of each Nomination Committee member for 2024 are provided in the section headed "Attendance at Board Meetings, Committee Meetings and Shareholders' Meeting" of this Corporate Governance Report.

Board Committees and Corporate Governance Functions (Continued)

Sustainability Steering Committee

The Sustainability Steering Committee comprises a total of five members, being the Chairman of the Board, Chief Executive Officer and three Independent Non-executive Directors, namely, Mr. Zhang Guiqing, Mr. Xiao Junqiang, Mr. Yung, Wing Ki Samuel, Mr. So, Gregory Kam Leung and Mr. Lim, Wan Fung Bernard Vincent. The chairman of the Committee is Mr. Lim, Wan Fung Bernard Vincent.

The main duties and responsibilities of the Sustainability Steering Committee including, but not limited to, assist the Board in providing direction on the sustainability priorities and goals and to assess, review and recommend to the Board for approval the public documents related to sustainability matters.

For the year ended 31 December 2024, the Sustainability Steering Committee has held two meetings during which the Sustainability Steering Committee has reviewed, discussed and recommended to the Board for approval of the Group's 2023 sustainability report and the related policy. The Sustainability Steering Committee has been provided sufficient resources to perform its duties. Chairman of the Sustainability Steering Committee has reported back to the Board on its decisions and recommendations after each meeting.

Details of the attendance record of each Sustainability Steering Committee member for 2024 are provided in the section headed "Attendance at Board Meetings, Committee Meetings and Shareholders' Meeting" of this Corporate Governance Report.

Corporate Governance Functions

The Board is responsible for performing the corporate governance duties including:

(a) to develop and review the Company's policies and practices on corporate governance;

(b) to review and monitor the training and continuous professional development of directors and senior management;

(c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;

(d) to develop, review and monitor the code of conduct and compliance manual applicable to employees and directors; and

(e) to review the Company's compliance with the CG Code and disclosure in the corporate governance report.

During the year, the Board reviewed the Company's compliance with the CG Code and the applicable statutory and regulatory requirements and disclosures in this Corporate Governance Report.

Attendance at Board Meetings, Committee Meetings and Shareholders' Meeting

Details of Directors' attendance at the Board Meetings, Meetings of Board committees and Shareholders' Meeting held in 2024 are set out in the table below:

Directors	Board Meetings	Audit Committee Meetings	Remuneration Committee Meetings	Nomination Committee Meetings	Sustainability Steering Committee Meetings	General Meeting
Executive Directors:						
Mr. Zhang Guiqing	4/4	N/A	2/2	2/2	2/2	1/1
Mr. Xiao Junqiang	4/4	N/A	N/A	N/A	2/2	1/1
Mr. Pang Jinying	4/4	N/A	N/A	N/A	N/A	1/1
Mr. Kam Yuk Fai	4/4	N/A	N/A	N/A	N/A	1/1
Non-executive Directors:						
Mr. Guo Lei	4/4	N/A	N/A	N/A	N/A	1/1
Ms. Ng, Yat Wing Athena[2]	N/A	N/A	N/A	N/A	N/A	N/A
Independent Non-executive Directors:						
Mr. Yung, Wing Ki Samuel	4/4	4/4	2/2	2/2	2/2	1/1
Mr. So, Gregory Kam Leung	4/4	4/4	2/2	2/2	2/2	1/1
Mr. Lim, Wan Fung Bernard Vincent	4/4	4/4	2/2	2/2	2/2	1/1

Notes:

1. The attendance figure represents actual attendance/the number of meetings the relevant Director is entitled to attend.

2. Ms. Ng, Yat Wing Athena has been appointed as Non-executive Director on 25 October 2024.

In addition, during the year ended 31 December 2024, Mr. Zhang Guiqing, the Chairman of the Board, has held a meeting with the Independent Non-executive Directors without the presence of other Directors.

Moreover, the Audit Committee also met with the external auditor annually in the absence of management to discuss matters relating to any issue arising from audit and any other matters the external auditor may wish to raise.

Directors' Responsibilities for Financial Reporting in respect of the Consolidated Financial Statements

Directors acknowledged their responsibilities for preparing the consolidated financial statements of the Company for the year ended 31 December 2024.

The Board is responsible for presenting a balanced, clear and understandable assessment of annual report and other disclosures required under the Listing Rules and other regulatory requirements. The management has provided such explanation and information to the Board as necessary to enable the Board to make an informed assessment of the financial information and position of the Group put forward to the Board for approval.

To assist the Board to make informed decisions, the Board is provided a monthly management report, which contain the up-to-date operating performance and financial information of the Company. Meanwhile, the Board can access information from senior management independently.

There are no material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

Risk Management and Internal Control

The Board acknowledged its responsibility for (a) evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives; (b) ensuring that the Company establishes and maintains appropriate and effective risk management and internal control systems (such risks include but are not limited to those related to environmental, social and governance issues); and (c) overseeing management in design, implementation and monitoring of the risk management and internal control systems and management of the Company shall provide a confirmation to the Board on the effectiveness of these systems.

Managing Risks to Achieve Goals of Sustainable Growth

Sustainable business growth relies on the Group's full awareness of various risks faced by the Group when making wise decisions. The Group's risk management framework has been enhanced on an ongoing basis to ensure a sound and comprehensive management of risks at different stages.

Risk Management Responsibilities

The Group adopts a systematic approach to risk management, constructs a risk management structure with division of responsibility and reporting procedures clearly defined, in order that risks be identified and their impacts on business be minimised and to ensure the requirements of relevant code provisions relating to risk management as amended by the Stock Exchange are complied with. In particular, in recognizing the effective integration of risk management with internal control, the Group acknowledges the following responsibilities:

— the Board is responsible for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategies objectives, ensuring that the Company establishes and maintains appropriate and effective risk management and internal control systems. The Board, through the Audit Committee, oversees management in the design, implementation and monitoring of the risk management and internal control systems.

— the Audit Committee is responsible for overseeing the finance, risk management and internal control of the Company as well as monitoring the implementation of the relevant code provisions relating to risk management as amended, and reviewing from time to time the changes in the nature and extent of the Company's significant risks and the Company's ability to respond to changes in its business and external environment.

Risk Management Responsibilities (Continued)

— the management is responsible for the design, implementation and monitoring of the risk management and internal control systems, continuously monitors the scope and quality of the risk and internal control system, and evaluates the effectiveness of the risk management and internal control systems which are subsequently reported to the Board.

— The Legal and Compliance Department is responsible for coordinating and organizing each business units to identify and evaluate the risk factors of the Company's development goals, and timely updating and improving internal monitoring systems or actions to prevent or respond to related risks.

— the Audit Department is responsible for the independent assessment of the risk management and internal control systems through internal audit.

Risk Management and Internal Control Systems Operation

In the face of external circumstances of macroeconomic pressure and intensified volatility in the market environment, the Group maintained its forward-looking risk management concept in 2024, and built a solid business security barrier by deepening the development of the "three lines of defence" system amidst the multiple challenges of shrinking consumer demand, intensified competition in the industry and continued tightening of the property regulatory policy. The management has adopted precise measures to focus on major risk control areas with the goal of "zero occurrence of major risks and systematic control of medium and low risks", while reinforcing risk culture and the transformation of risk achievements, effectively integrating risk management resources and enhancing the effectiveness of risk control.

The "first line of defence" consists of business and functional departments and units at all levels, which are responsible for risk management in their own functional areas or units, and in accordance with the principle of "where there is management, there must be risk management", the responsibility for risk management should be clearly defined to be consistent with the scope of business management and authority. Risks must be fully considered in business decision-making, the responsibilities of management positions at all levels in respect of significant risks must be clear and specific, and relevant preventive and control measures must be implemented at all levels to create a risk prevention and control atmosphere in which "businesses are managed, risks prevented, and responsibilities shouldered".

The "second line of defence" consists of the office of the risk and compliance management committee, i.e. the Legal and Compliance Department, and dedicated legal advisers (risk managers) of each unit. As the executive body implementing the decisions of the risk and compliance management committee, it organises and carries out tasks such as constructing risk systems, risk assessments, and risk warnings. When major risk event occurred, the "second line of defence" is responsible for coordinating and organising timely measures to respond appropriately and report to the risk and compliance management committee immediately, implementing the instructions of the risk and compliance management committee in accordance with its resolution, assisting relevant business and functional departments in risk disposal, and optimising and enhancing the effectiveness of compliance and risk management. In addition, in order to improve the risk identification capability, a risk reporting mechanism has been established, and a major risk event reporting process has been set up. After the occurrence of a major risk event, the unit or department in which the event occurs will report such event to the unit at its own level and to the Legal and Compliance Department according to a predefined process, and the Legal and Compliance Department will conduct professional analysis and then report it to the relevant management for deliberation, and then collaborate with the management departments under the relevant business to carry out risk management, so that the risk will be reported early and disposed of as soon as possible, and vertical hierarchical management and horizontal synergistic disposal of risks will be realised.

Risk Management and Internal Control Systems Operation (Continued)

The "third line of defence" consists of the monitoring and auditing departments. Its duty is to supervise the management measures and effects of the first and second lines of defence, assuming responsibilities for supervision, urging rectification and holding accountable for losses.

Each of the three lines of defence performs their duties and responsibilities, enhancing information sharing and communication cooperation, strengthening process supervision and inspection, forming a linkage mechanism for risk management, business, internal control, internal audit, supervision, etc., exerting combined efforts, holding people accountable, and adhering to the bottom line of risk.

The Group has assigned full-time risk managers in the Legal and Compliance Department, platform companies, city companies and professional subsidiaries to take the lead in organising the risk management work of their respective units, while part-time risk managers are assigned to assist department heads in carrying out risk management work. In order to improve the control capability of risk management personnel, the Legal and Compliance Department has explored the establishment of a regular risk training mechanism, convened quarterly risk meetings and organised regular risk knowledge training for professional and part-time risk management personnel.

Summary of Key Risk Management Tasks

1. Establishment of a sound risk management system to strengthen the foundation of risk management

The Group has implemented the requirements of the "three lines of defence" risk management system and embedded risk management into frontline operations, strengthened the risk prevention and control capability of the first line of defence for projects and formulated a project-centred risk system construction plan. The Legal and Compliance Department conducted research and investigation on project risks and compiled a project risks list to explore the establishment of a project-centred risk management system, forming a three-tier risk management mechanism spanning headquarters, cities, and projects, and enhancing the risk prevention and handling capability of the project. The Group also improved the construction of the risk management mechanism, formulated the rules of procedure of the risk and compliance management committee and promoted the normalised operation of the risk and compliance management committee. In 2024, the Group convened 4 meetings of the risk and compliance management committee and deliberated on 12 issues, giving full play to the role of the risk decision-making body in leading and controlling the resolution of major risks.

2. Enhancement of the effectiveness of risk culture development and strengthening of the prevention and control awareness among all staff members

In view of the common problems of personal privacy protection in the daily operation of the enterprises within the Group and the legal compliance problems of the Company's operation, the Legal and Compliance Department organised legal training on the protection of personal information and the Company Law to enhance the risk awareness of the staff. In 2024, the Group organised a total of 121 risk management training sessions across all units, with a view to comprehensively enhancing the awareness of risk prevention and control and risk avoidance among all employees. In order to encourage proactive project risk management, the Group organised and launched the "Seahawk" risk management demonstration project certification activity. Through the certification of the project, the Group explored the excellent experience of risk management in the major risk areas, compiled the "Seahawk" Risk Management Demonstration Project Operation Manual of China Overseas Property Holdings Limited (《中海物業集團有限公司「海鷹」風險管理示範項目操作手冊》), summarised and promoted the excellent risk management model of the project, and strengthened the transfer of the experience of risk management.

Identification of and Response to Key Risks

The Group adheres to the business-based principle to improve the accuracy of risk identification. The Group has compiled the 2024 version of the risk management checklist from our own practical point of view, of which 5 first-level risks, 34 second-level risks and 59 third-level risks were used as the basis to conduct the risk assessment work. In order to enhance the scientificity, authority and accuracy of the risk assessment, the Group invited its senior management team, professional supervisors, heads of various departments at the headquarters, and principals in charge of platform companies and professional subsidiaries to assess various risk events in terms of the likelihood of occurrence and the significance of the impact in accordance with the "2024 Risk Inventory of COPL Group" and the scoring criteria for risk assessment.

After statistical analysis, the Group obtained the rankings of the risks. The top three risks were as follows: production safety risk, economic environment risk and market competition risk.

Prevention of and Response to Key Risks

1. Safety production risk

Safety production risk refers to the occurrence of large-scale safety production liability accidents, which are not handled in a timely and appropriate manner, resulting in casualties, downgrading of appraisals, downgrading of qualifications, restriction of safety permits, obstruction of project undertaking and other consequences. In 2024, the Group comprehensively deepened the reform of the safety production system and promoted the modernisation of safety governance through the four-pronged approach of "reconstructing top-level design, tackling specialised actions, innovating responsibility mechanisms and upgrading supervisory capabilities". Focusing on the core risks of the property management scenarios, the Group innovatively constructed the "13845" safety production enhancement framework, implemented industry benchmark safety control standards, and made breakthroughs in the management of electric bicycles, safety responsibility assessment, specialised supervision and other fields, forming replicable and promotable safety production model experiences and injecting new momentum into the high-quality development of the industry.

Firstly, we launched a comprehensive restructuring of the safety production system, formulated the Safety Production "13845" Overall Enhancement Plan (2024 Version 1.0) of COPL Group, clarified eight major key control points in property management, and progressively refined and formulated a special plan to systematically enhance our safety management and control standards.

Secondly, we organised and launched COPL's "Safety Escort (安全護航)" campaign for electric bicycles, achieving a coverage rate of over 99% for the 10 major safety control measures.

Thirdly, we strengthened the implementation of safety responsibilities, and were the first in the industry to publish a special assessment plan for safety directors, specifying five key components including the scope, content, periodicity and application of results of assessment for safety directors at all levels, in order to strengthen the responsibilities of safety directors.

Fourthly, we strengthened the supervision and management of safety production by introducing for the first time a professional third-party safety consulting company to enhance the supervisory force, and initiated safety hazard investigation for more than 200 key projects. We have completed 2 batches of on-site mentoring for key personnel, developing a standardised video-based safety training curriculum with 25 modules to further enhance our professional safety control standards.

Prevention of and Response to Key Risks (Continued)

2. Economic environment risk

Economic environmental risk refers to the uncertainty caused by changes and fluctuations in macroeconomic conditions (such as GDP growth, inflation rate, investment scale, and unemployment rate), posing challenges for enterprises to achieve their development goals as planned. To enhance the tracking and analysis of domestic and international macroeconomic and industry development trends, and policies, the Group organized the 2024 Strategic Management Seminar. This seminar conducted strategic analyses from multiple perspectives, including internal and external environment analysis, industry competitors benchmarking, and industry development trends. Additionally, it reviewed the progress of completion of the Group's 14th Five-Year Plan strategy, helping the Group's mid-to-senior management gain a deeper understanding of the new landscape and challenges in the property industry, allowing them to make preparations by integrating practical work experiences.

Firstly, we optimized strategic planning and execution by completing the convergence of the "14th Five-Year Plan" and annual targets, and dynamically monitored the execution of strategies through business analysis meetings; published three-year strategic research reports, focused on business structure adjustments and subsidiary guidance, and reviewed the implementation of strategies on a rolling basis.

Secondly, we adhered to high-quality development by following the strategy of "service-oriented, efficiency-first, and scale-based" growth, with a strong emphasis on profitability. We strengthened the three-tier organizational control system to enhance labor and space efficiency, strictly controlled non-operational expenses, rigorously implemented project feasibility assessments, and established an exit mechanism for low-efficiency and ineffective projects. We improved project operations and organizational effectiveness, maintaining customer satisfaction at the 90th percentile in the industry. Leveraging the platform's coordination capabilities, we implemented intensive project management, optimized resource allocation, and ensured a year-on-year increase in the gross profit margin of fundamental property services.

Thirdly, we strengthened operations and value-added innovation by advancing project partner reform and cost standardization while developing a smart property management platform. We enhanced space efficiency in community value-added services, extended engineering services to cover the entire lifecycle of buildings, and achieved breakthroughs in emerging businesses such as old elevator upgrades and bulk home decoration for new properties. We innovatively introduced overseas cultural tourism products, actively explored elderly care business models, and continuously enhanced community asset operations by developing flagship products and incubating market-ready offerings.

Fourthly, we promoted digital transformation in an orderly manner. We built a smart property management platform and fostered emerging industries such as the Internet of Things (IoT) and smart buildings. We guided and supported Xinghai Wulian in focusing on the development of smart building spaces and smart property management, achieving rapid growth in the annual revenue from national strategic emerging industries.

Prevention of and Response to Key Risks (Continued)

3. Market competition risk

Market competition risk refers to the uncertainty faced by competitors in pursuing their expected profit goals. To strengthen the Group's market competitiveness and comprehensively enhance the standardization and professionalism of market expansion efforts, the Company has systematically built a scientific and efficient market expansion management system. Grounded in institutional development, driven by standard enhancements, and safeguarded by compliance management, the Company has focused on key aspects such as business acquisition, incentive assessment, and risk control. It has systematically advanced the optimization and upgrading of five major policies, refined bidding standards for different business sectors, and reinforced compliance awareness and disciplinary constraints. These efforts aim to establish a new market expansion framework characterized by well-structured policies, clear standards, strong execution, and controllable risks, providing a solid foundation for high-quality and sustainable development.

Firstly, we strengthened the institutional building for market expansion. This involved enhancing fundamental management and standardization by collaborating with the operation, finance, and human resources departments. Together, these four departments have reviewed and refined five key policies, including business acquisition management, incentive implementation rules, deposit management regulations, and process management guidelines for Mainland China, Hong Kong, and Macau. Multiple measures have been taken to advance the upgrade of institutional safeguards.

Secondly, we clarified bidding criteria and evaluation requirements for market expansion. We set clear expectations for continuous improvement of the requirements for acquiring external projects, refining bidding benchmarks for ten business segments, and raising entry standards for external projects, adhering to the principle of "Do what is appropriate and discard what is inappropriate". Key documents such as the *Notice on Deepening the Review of External Expansion Projects* (《關於深入開展外拓項目評審工作的通知》) and the *Notice on Continuously Strengthening the Acquisition of External Expansion Projects* (《關於持續加強外拓項目承接相關事宜的通知》) have been issued. Additionally, the external project approval and financial evaluation summary template (Version 7.0) has been upgraded to enhance the scientific accuracy of cost estimation and review requirements.

Thirdly, we strengthened the learning and training of systems and the promotion of business compliance. We have launched the training and interpretation of various market development systems, promoted the notification documents and assessment of the results, implemented in-process evaluation, and regularly reported on the non-compliance issues to promote the compliance management and strengthen the awareness of marketing discipline.

In 2025, the Group will focus on the overall risks and systemic risks of the Company, strengthen the control of major risks, establish a mechanism for the coordinated control of key risks, improve the risk assessment mechanism, and further enhance the in-depth integration and coordination between risk management and the businesses of important operating areas, in order to safeguard the high-quality development of the enterprise.

Internal Control

The Audit Department strictly fulfilled its duties as the third line of defense. In order to objectively and truly reflect the corporate governance standard and the establishment and improvement of the internal control system and other business management activities, it strictly adhered to the annual audit plan, insisted on incorporating internal control compliance evaluation into the regular audit projects, and conducted random checks to verify the self-evaluation of internal control. At the same time, taking into account the actual development stages of the Group and the operational characteristics of the audited projects, it carried out internal control assurance evaluation and audit supervision with different focuses.

In terms of self-evaluation of internal control, the Audit Department carried out internal control self-evaluation work in a manner of "unified planning, hierarchical implementation, evaluation to promote reform, and review integration". The internal control self-evaluation entities comprise 46 units of the Group, including 14 platform companies, 27 city companies and 5 directly affiliated units (including overseas Hong Kong and Macao companies), achieving 100% full coverage of self-evaluation entities.

The heads of units at all levels, as the main body responsible for internal control self-evaluation, comprehensively review the defects and deficiencies in the Company's management system and management process with the objectives and guiding principles of strengthening internal control, preventing risks and promoting compliance. The 2024 internal control self-evaluation was conducted in line with the Group's actual business practices. The latest system was reviewed and 41 new control points were added, and the sample size reference value was increased. The evaluation content covers 13 major categories of main processes and 224 key control points, including business decision-making, market acceptance, investment management and control, financial revenue and expenditure, bidding and procurement, fund management, overseas business and other important areas. During the evaluation process, methods such as interviews, survey questions, walk-through tests, sampling tests, and project site visits are used to extensively collect evidence on the effectiveness of both internal control policies and their implementation across all units, thereby identifying internal control deficiencies. A total of 57,486 samples were selected for testing in this self-evaluation, including: 727 samples were tested by headquarters departments at the company level, and 558 samples were tested by Hong Kong and Macao companies for overseas business sectors with the rest drawn from multiple dimensions by various units to ensure that the samples are sufficient to verify the validity of the internal control conclusions.

In terms of internal audit supervision, during the audit, on-site audit supervision was carried out through questionnaires, audit interviews and sampling of audit information on audited units, including obtaining financial statements and bidding information, etc., of which 438 contracts, 456 bidding information and 2,563 financial vouchers were verified, with 100% coverage of samples of key businesses, such as bidding, market expansion and diversified operations.

Annual Confirmation

During the year, a risk management and internal control report was submitted by the Legal and Compliance Department and Audit Department respectively to the Audit Committee for review at least semi-annually. The Board, through the Audit Committee, has reviewed reports concerning risk management and internal control systems and also conducted annual review on the effectiveness of the risk management and internal control systems of the Group and unanimously considered that the risk management and internal control systems and unanimously considered that the risk management and internal control systems and procedures of the Company for the financial year ended 31 December 2024 were adequate and effective. The Company will continue to strengthen the soundness and effectiveness of its risk management framework and implementation to meet the best practice within the industry. The aforementioned risk management and internal control systems aim to provide reasonable assurance, rather than eliminating the risk of failing to achieve business objectives. Therefore, such systems can only provide reasonable but not absolute assurance of not having any material misrepresentation or losses.

Apart from the aforementioned, the Board has adopted the following policies to enhance the effectiveness of the risk management and internal control systems of the Group:

1. Information Disclosure Policy

The policy is aim to set out the practices and procedures to regulate the dissemination of inside information within the Group. This policy can be viewed at the Company's website.

2. Whistleblowing Policy

The policy enables all employees of the Group and other stakeholders who have business dealings with the Group (including but not limited to customers/property owners/tenants, contractors, suppliers, creditors and debtors, etc.) to report to the Company, in confidence and in an anonymous manner, any suspected impropriety misconduct, misbehaviour, malpractice or irregularity within the Group. In accordance with this policy, the number, nature and outcome of reports received and investigated by the Company shall be reported to the Audit Committee on a semi-annual basis. In addition, any complaints that may have a material consequence for the Company must be promptly reported to the Audit Committee.

3. Anti-Fraud and Anti-Bribery Policy

The policy is to promote the Company's culture of integrity and honesty, encourage employees to maintain good conduct, and at the same time strengthen the Group's overall ability to detect and prevent fraud and bribery.

The Board confirms that the Company's risk management and internal control system has adequate resources and professional and experienced staff for the accounting, internal audit and financial reporting functions, as well as the Company's environmental, social and governance performance and reporting, and the training programs and relevant budgets received by the staff are sufficient.

Company Secretary

The Company Secretary of the Company is a full time employee of the Company and is appointed by the Board. The Company Secretary reports to the Boards and is responsible for advising the Board on governance matter. The Company Secretary has taken not less than 15 hours of relevant professional training for the year ended 31 December 2024 and comply with the Rule 3.29 of the Listing Rules.

External Auditor and Auditor's Remuneration

The statement of the external auditor of the Company about its reporting responsibilities on the Company's consolidated financial statements for the year ended 31 December 2024 is set out in the section headed "Independent Auditor's Report" of this Annual Report.

The fees paid/payable to Ernst & Young, the Company's external auditor, in respect of audit services and non-audit services (represented professional services rendered in connection with the Group's sustainability consultancy, preliminary results announcement and continuing connected transactions) for the year ended 31 December 2024 are analyzed below:

Type of services provided by the external auditor	Fees paid/payable RMB'000
Audit services	
— audit fee in respect of annual audit	3,788
Non-audit services	704
Total:	4,492

Communications with Shareholders and Investors

The Group recognizes the importance of transparent and timely disclosure of corporate information, which enables shareholders and investors to make the best investment decision. The Company believes that effective communication with shareholders is essential for enhancing investor relations and investors' understanding of the Group's business performance and strategies.

1. Shareholders' Communication Policy

The Company has adopted a shareholders communication policy (the "Shareholders Communication Policy") with an aim of promoting and maintaining an on-going dialogue with shareholders and the investment community, procedures for shareholders sending enquiries and concerns to the Board and other policies concerning communication with shareholders and investors have been established in the policy. The policy can be viewed at the Company's website.

2. The Company's Website

The Company maintains a website at www.copl.com.hk provides comprehensive and most updated information on the Group's businesses and projects, key corporate governance policies, announcements, financial reports, circulars and corporation information such as composition of the Board, Board committees and their respective terms of reference, biographical information of Directors and the senior management.

Communications with Shareholders and Investors (Continued)

3. General Meetings

General meetings serve as a communication platform where the Board can maintain an open dialogue with shareholders and investors. The Company encouraged shareholders to participate in general meetings or to appointed proxies to attend and vote at the meetings for and on their behalf if they are unable to attend the meetings. Questioning by the shareholders at general meetings is encouraged and welcomed, which ensure shareholders' views are communicated to the Board.

During the year, the Chairman of the Board and the chairman of the respective Audit, Remuneration and Nomination Committees, other Board members and representatives of the external auditor attended the general meeting to respond to questions from shareholders.

4. Enquiries

Shareholders and investors may send written enquiries or requests to the Company, for the attention of Investor Relations Manager, as follows:

Tel : (852) 2988 0600
Fax : (852) 2988 0606
Email : copl.ir@cohl.com

Based on the above, the Board is of the view that the Shareholders Communication Policy for the year ended 31 December 2024 is effective and adequately implemented.

Dividend Policy

The Board has approved and adopted a dividend policy on 1 January 2019 (the "Dividend Policy"). Pursuant to the Dividend Policy, the Company may declare and pay its shareholders approximately 30% of profit of any financial year of the Company attributable to the owners of the Company as dividends, subject to the following rules:

— Whether the Company can pay dividends depends on, among other things, the operation results, cash flow and financial positions, operation and fund requirements, and dividends received from the Company's subsidiaries, while dividends from subsidiaries depend on whether those subsidiaries can pay dividends. Whether the Company can pay dividends is also subject to the laws of Cayman Islands and the regulations of the Articles of Association; and

— The Dividend Policy reflects the Board's current view about the financial and cash flow positions of the Company, but it will be reviewed from time to time and it is by no means any guarantee, statement nor indication that the Company must or will declare and pay dividends in such a manner. The decision of declaring and paying any dividend is at the discretion of the Board, subject to the applicable laws and regulations and the Articles of Association. In addition, declaration and payment of final dividends by the Company are subject to the final approval of the shareholders on the general meeting.

Shareholders' Rights

To safeguard shareholders' interests and rights, separate resolutions will be proposed at shareholders' meetings on each substantial issue, including the election of individual directors, for shareholders' consideration and voting. The Company's shareholders may convene extraordinary general meetings or put forward proposals at shareholders' meetings as follows:

1. Convening of Extraordinary General Meeting on Requisition by Shareholders

The Board may whenever it thinks fit call extraordinary general meeting. Any one or more shareholders 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 shall at all times have the right, by written requisition to the Board or the Company Secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may convene a physical meeting at only one location, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

2. Procedures for Putting Forward Proposals at General Meetings by Shareholders

There are no provisions allowing shareholders to move new resolutions at general meetings under the Companies Acts of Cayman Islands or the Articles of Association. Shareholders who wish to move a resolution may request the Company to convene a general meeting following the procedures set out in the preceding paragraph.

3. Procedures for Directing Shareholders' Enquiries to the Board

The Company has established various and a wide range of communication channels with shareholders. These include general meetings, annual reports and interim reports, notices, announcements and circulars. In addition, the Company updates its website from time to time to keep the shareholders updated of the Company's recent development. Shareholders may at any time send their enquiries and concerns to the Board in writing, the contact details of which are contained on the Company's website.

For the avoidance of doubt, shareholder(s) must provide his/her/their full name(s), contact details and identifications, in the originally signed written requisition, notice or statement (as the case may be), in order to give effect thereto. Information of shareholder(s) may be disclosed as required by law.

Shareholders may refer to the Articles of Association for further details of the rights of shareholders.

All resolutions put forward at shareholders' meetings shall be voted by poll pursuant to the Listing Rules. Detailed procedures for conducting the poll are explained clearly at the beginning of the general meeting. The poll voting results will be posted on the websites of the Company and the Stock Exchange after each shareholders' meeting.

Constitutional Documents

There was no change in the Company's constitutional documents during the year ended 31 December 2024. An up-to-date version of the Articles of Association is available on the websites of the Company and the Stock Exchange.

DIRECTORS AND SENIOR MANAGEMENT

(As at 27 March 2025, date of this Annual Report)

Executive Directors

Mr. Zhang Guiqing

Chairman and Executive Director

Aged 52, he is currently the Chairman of the Board, Executive Director, Authorized Representative, chairman of the nomination committee, a member of the remuneration committee and the sustainability steering committee of the Company and a director of a subsidiary of the Company. Mr. Zhang holds a Bachelor degree from Shenyang Jianzhu University, a Master degree from Harbin Institute of Technology and a Doctorate degree in Management from The Hong Kong Polytechnic University. He joined a subsidiary of China Overseas Holdings Limited ("COHL") as engineer in 1995 and since then, he worked in various business units within COHL and China Overseas Land & Investment Ltd. ("COLI", Stock Code: 688, listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange")), such as, development management department, marketing and planning department, general manager of Suzhou, Shenzhen and Northern District regional companies. Mr. Zhang is a director of COHL. He was the executive director and chief executive officer, authorized representative and a member of remuneration committee of China Overseas Grand Oceans Group Ltd. ("COGO", Stock Code: 81, listed on the Main Board of the Stock Exchange). Mr. Zhang has over 29 years' experience in property development and corporate management.

Mr. Xiao Junqiang

Chief Executive Officer and Executive Director

Aged 47, he is currently Chief Executive Officer, Executive Director, Authorized Representative and a member of the sustainability steering committee of the Company and a director of certain subsidiaries of the Company. Mr. Xiao holds an Agriculture major from Hunan University of Arts and Science, an Administration Management major from Sun Yat-sen University and an Executive Master degree in Business Administration from University of Liège. He also obtained a senior economist. Mr. Xiao joined the group company of COLI in November 2000 and since then, he served different positions in COLI group and the Company, including the general manager of 北京中海物業管理有限公司, the general manager of human resources department, the assistant president and the vice president. Mr. Xiao has approximately 24 years' experience in operation of property management.

Mr. Pang Jinying

Executive Director and Vice President

Aged 57, he is currently Executive Director and Vice President of the Company. Mr. Pang holds a Bachelor degree in Economics from the Economics and Management School of Wuhan University and a Master degree in Business Administration (MBA) from the School of Business of Renmin University of China as well as qualification in senior accountant. In 1989, he joined Seventh Engineering Division of China State Construction Engineering Corporation ("CSCEC"). Subsequently, he joined COHL in September 2004 and served various positions in the subsidiaries of COHL. Mr. Pang also served as the assistant general manager of Finance and Treasury Department of China State Construction International Holdings Limited ("CSC", Stock Code: 3311, listed on the Main Board of the Stock Exchange) and general manager of Finance and Treasury Department of COHL. He had also served as the director of Anhui Guoyuan Trust Co., Ltd. Mr. Pang has over 35 years' experience in financial management in the fields of construction contracting and real estate investment.

Directors and Senior Management (Continued)

(As at 27 March 2025, date of this Annual Report)

Mr. Kam Yuk Fai

MBA, FCCA, CPA, Executive Director and Chief Financial Officer

Aged 61, he is currently Executive Director and Chief Financial Officer of the Company and a director of certain subsidiaries of the Company. Mr. Kam graduated from The Hong Kong Polytechnic (now The Hong Kong Polytechnic University) with a Professional Diploma in Accountancy, and also held a Master degree in Business Administration from University of Strathclyde in Britain. He is a qualified accountant, a fellow member of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants. Prior to joining the Group, Mr. Kam had held various senior finance positions, and Mr. Kam served as the group financial controller in a company listed on the Main Board of the Stock Exchange for certain years. He had also served as the general manager of Finance & Treasury Department (HK) of COGO. Mr. Kam has over 37 years' experience in the fields of accounting, auditing and finance.

Non-executive Directors

Mr. Guo Lei

Non-executive Director

Aged 53, he is currently Non-executive Director of the Company. Mr. Guo holds a Bachelor degree in Engineering from Shenyang Architecture and Civil Engineering Institute (now known as Shenyang Jianzhu University), a Master degree in Management from Harbin University of Architecture and Engineering (now known as Harbin Institute of Technology) and a Doctorate degree in Management from Harbin Institute of Technology. He also obtained qualification in Professor-level Senior Engineer from CSCEC. Mr. Guo joined a subsidiary of COLI in July 2003 and engaged in investment, marketing, engineering and contracts management. He served as general manager of certain regional companies (including Yinchuan, Shenyang, Xiong'an and Shijiazhuang, etc.) and department. He also served as assistant president of COLI. Mr. Guo is currently serving as vice president of COLI, chairman of 中建宏達建築有限公司and chairman of 鶴山天山金屬材料製品有限公司. He has about 31 years' experience in engineering, contract and corporate management in real estate industry.

Ms. Ng, Yat Wing Athena

CPA, ACG, HKACG, CESGA, CFA, Non-executive Director

Aged 42, she is currently Non-executive Director of the Company. Ms. Ng holds a Bachelor degree of Science in Commerce from McIntire School of Commerce, University of Virginia and completed The Prince of Wales's Business & Sustainability Program in Institute for Sustainability Leadership, University of Cambridge. She is a Certified Public Accountant of Virginia Board of Accountancy, USA and Hong Kong Institute of Certified Public Accountant, Hong Kong, Chartered Secretary of The Hong Kong Chartered Governance Institute, Hong Kong and The Chartered Governance Institute, United Kingdom, Chartered Financial Analyst of CFA Institute, Fundamentals of Sustainability Accounting (FSA) Credential holder and Certified ESG Analyst of The European Federation of Financial Analysts Societies. Ms. Ng is currently serving as general manager of Corporate Finance and Corporate Communications Departments of COLI. She is also presently a board member and honorary treasurer of Friends of the Earth (HK) Charity Ltd., a council member of The Hong Kong Institute of Directors and vice president of Hong Kong Business Accountants Association. Ms. Ng has over 20 years' management experience in corporate finance.

Independent Non-executive Directors

Mr. Yung, Wing Ki Samuel

GBS, SBS, MH, JP, Independent Non-executive Director

Aged 66, he is currently Independent Non-executive Director, chairman of the audit committee and a member of the remuneration committee, the nomination committee and the sustainability steering committee of the Company. Mr. Yung is currently an executive district director and honorable advisor of AIA International Limited as well as an independent non-executive director, a member of audit committee, remuneration committee and nomination committee of Man Yue Technology Holdings Limited (Stock Code: 894, listed on the Main Board of the Stock Exchange). He is also presently a member of the National Committee of the Chinese People's Political Consultative Conference, the vice chairman of the Committee for Economic Affair of the National Committee of the Chinese People's Political Consultative Conference, the founding president of Hong Kong Professionals and Senior Executives Association and a member of University of Hong Kong (HKU) Council. Mr. Yung was elected the "Ten Outstanding Young Persons Award" in 1994. He was awarded the Medal of Honor in 2001, appointed as a Justice of the Peace in 2007 and awarded the Silver Bauhinia Star and the Gold Bauhinia Star in 2011 and 2024 by the Government of the Hong Kong Special Administrative Region ("HKSAR") respectively. Mr. Yung was also a standing member of the Chinese People's Political Consultative Conference of Jilin (中國人民政治協商會議吉林省委員會常務委員), standing committee member of All-China Youth Federation, member of Commission on Strategic Development of Hong Kong, member of Central Policy Unit, the chairman of Betting and Lotteries Commission of Home Affairs Bureau, chairman of Hong Kong United Youth Association, chairman of Top Outstanding Young Persons Association, board member of General Agents and Managers Association International and chairman of its International Committee, president of The Life Underwriters Association of Hong Kong, chairman of General Agents and Managers Association of Hong Kong, an independent non-executive director and a member of the audit committee of China Overseas Insurance Limited (a wholly-owned subsidiary of CSC), a member cum chairperson of Finance Committee of the Board of Management of the Chinese Permanent Cemeteries, an honorable advisor of China South City Holdings Limited (Stock Code: 1668, listed on the Main Board of the Stock Exchange), a member of Court of the Hong Kong Metropolitan University, a member of Council of Hong Kong University of Science and Technology, the chairman of the Institutional Advancement and Outreach Committee (IAOC) of Hong Kong University of Science and Technology and the chairman of the Hong Kong Examinations and Assessment Authority. Mr. Yung was awarded an Executive Master degree in Business Administration from the Hong Kong University of Science and Technology and has attained certain professional qualifications, including Certified Financial Planner, Registered Financial Consultant, Fellow Chartered Financial Practitioner, Chartered Life Practitioner, Certified Manager of Financial Advisor and Chartered Insurance Agency Manager. He has over 42 years' experience in the insurance sector.

Directors and Senior Management (Continued)

(As at 27 March 2025, date of this Annual Report)

Mr. So, Gregory Kam Leung

GBS, JP, Independent Non-executive Director

Aged 66, he is currently Independent Non-executive Director, chairman of the remuneration committee and a member of the audit committee, the nomination committee and the sustainability steering committee of the Company. Mr. So holds a Bachelor of Arts degree in Economics from Carleton University, Canada, a Bachelor degree in Law and a Master degree in Business Administration from University of Ottawa, Canada. Mr. So is a member of the Law Society of Alberta, Canada, the Law Society of Upper Canada, the Law Society (England and Wales) and the Hong Kong Law Society. He has over 29 years of practice experience as a lawyer. Mr. So was appointed as the Undersecretary for Commerce and Economic Development of the third term Government of the HKSAR on 1 June 2008. He was then appointed as the Secretary for the Commerce and Economic Development on 28 June 2011. On 1 July 2012, Mr. So was again appointed as the Secretary for Commerce and Economic Development of the fourth term Government of the HKSAR until 30 June 2017. The Commerce and Economic Development Bureau is responsible for various policy matters including Hong Kong's external commercial relations, inward investment promotion, intellectual property protection, industry and business support, tourism, consumer protection, competition, information technology, telecommunications, broadcasting, development of innovation and technology (until November 2015), film-related issues, and creative industries. Mr. So is currently serving as a consultant in So, Lung and Associates, Solicitors, an independent non-executive director, a member of audit committee and strategic development committee of Orient Overseas (International) Limited (Stock Code: 316, listed on the Main Board of the Stock Exchange), an independent non-executive director, a member of audit and risk committee of Shui On Land Limited (Stock Code: 272, listed on the Main Board of the Stock Exchange) and an independent non-executive director and a member of audit committee of Investcorp Holdings B.S.C. Mr. So previously served as the Vice-chairman of the Democratic Alliance for the Betterment and Progress of Hong Kong, Board Member of Hong Kong Hospital Authority, Council Member of Lingnan University, Member of Commission on Strategic Development and member of the District Council of Wong Tai Sin District. He was also an independent non-executive director, a member of audit committee and the chairman of risk committee of Blue Insurance Limited, an advisor of Superland Group Holdings Limited (Stock Code: 368, listed on the Main Board of the Stock Exchange) and an independent non-executive director, the chairman of audit committee and a member of nomination committee of Shui On Xintiandi Limited.

Mr. Lim, Wan Fung Bernard Vincent

BBS, JP, PPHKIA, MHKIUD, Independent Non-executive Director

Aged 67, he is currently Independent Non-executive Director, chairman of the sustainability steering committee and a member of the audit committee, the remuneration committee and the nomination committee of the Company. Mr. Lim currently is a principal of AD+RG Architecture Design and Research Group Ltd., a committee member of the Chinese General Chamber of Commerce and an adviser to the Guangdong Registered Architects Association (廣東省註冊建築師協會). Mr. Lim holds a Bachelor degree of Arts in Architectural Studies (1st Hons) and a Bachelor degree in Architecture (Distinction) from The University of Hong Kong and a Master degree of Science in Urban Planning from The University of Hong Kong. He is a Registered Architect (Hong Kong), a member of The Hong Kong Institute of Architects (HKIA), Authorized Person (List of Architects) (Hong Kong), a member of Royal Institute of British Architects, Asia Pacific Economic Cooperation (APEC) Architect, PRC Class 1 Registered Architect Qualification (中華人民共和國一級註冊建築師) and a member of Shenzhen Registered Architects Association (深圳市註冊建築師協會). Mr. Lim was appointed as a Justice of the Peace in 2008, conferred Bronze Bauhinia Star in 2018 by the Government of the HKSAR, and elected as Election Committee member in 2021. He was a National Committee member of the 12th Chinese People's Political Consultative Conference of the PRC (中國人民政治協商會議第十二屆全國委員會委員), committee member of the 3rd Chinese People's Political Consultative Conference of Chongqing City (中國人民政治協商會議重慶市第三屆委員會委員), an Adjunct Professor of the School of Architecture of The Chinese University of Hong Kong, the chairman of Advisory Board of Nan Lian Garden of Home Affairs Bureau, a president of The Hong Kong Institute of Architects, a president of The Hong Kong Institute of Urban Design, a member of Town Planning Board, a member of Antiquities Advisory Board of Development Bureau, a member of the Energy Advisory Committee of Environment Bureau and a member of the Advisory Committee on Education Development Fund of Education Bureau.

Senior Management

Mr. Zhu Yijian

Vice President

Aged 58, he is currently Vice President of the Company and is responsible for the matters of the legal and compliance management of the Group. Mr. Zhu holds a Bachelor degree in Management Engineering from Xi'an Institute of Metallurgy and Construction Engineering (now Xi'an University of Architecture & Technology) and a Master degree in Business Administration (MBA) from The Open University of Hong Kong (now Hong Kong Metropolitan University) as well as qualification in senior economist. In 1988, he joined Seventh Engineering Division of CSCEC and worked in the headquarter of CSCEC. Subsequently, he joined COHL in December 1994 and served various positions in COHL and its subsidiaries including the vice general manager and general manager of human resources department of COHL, a director and the assistant general manager of COHL. Mr. Zhu was an assistant general manager and vice general manager of CSC, the executive director of COLI, the director and vice general manager of 中海投資管理有限公司 and the executive director, vice chairman and chief executive officer of China State Construction Development Holdings Limited (Stock Code: 830, listed on the Main Board of the Stock Exchange). Mr. Zhang has over 37 years' experience in corporate management and operation in property industry.

Directors and Senior Management (Continued)

(As at 27 March 2025, date of this Annual Report)

Mr. Wang Zhigang

Vice President

Aged 51, he is currently Vice President of the Company and is responsible for the operation of the Group's property management business in Hong Kong and Macau. He is also a director of certain subsidiaries of the Company. Mr. Wang holds a Bachelor degree in Materials Science from Tongji University, two professional certificates in Construction Engineering Management and Real Estate Management in Tongji University and a Master degree in Construction and Civil Engineering from Huazhong University of Science and Technology. He is a qualified senior engineer, a Chartered Member of the Chartered Institute of Housing and a member of the Hong Kong Institute of Housing. Mr. Wang joined the COLI group in August 1996 and served different positions in various subsidiaries of 中海物業管理有限公司 ("CO Property Management"). He was also the deputy general manager and then the general manager of 中海物業 (商業物業) 管理公司 ("CO Commercial Property Management"), a commercial properties branch of CO Property Management, the deputy general manager of CO Property Management and the assistant vice president of the Group and responsible for commercial, quality control, engineering, information technology management, business operation and specialized company business. Mr. Wang has approximately 29 years' experience in property management.

Mr. Li Zhenxi

Vice President

Aged 51, he is currently Vice President of the Company and is responsible for the operation of the Group's property management business in the PRC. Mr. Li holds a Bachelor degree in Industrial Automatic from Harbin University of Civil Engineering and Architecture and a Master degree in Project Management from Harbin Institute of Technology. He is a qualified senior engineer, a registered 1st grade constructor (civil engineering) and a certified property manager. Mr. Li joined COLI group in July 1996 and served different positions in various subsidiaries of COLI group including the director and assistant general manager of 中海廣場置業有限公司, the general manager of West China region of CO Property Management, general manager of Beijing branch office of CO Commercial Property Management, the chairman of 興海物聯科技有限公司 and the deputy general manager of Wanda Business Management Centre. He was the deputy general manager of CO Property Management and the assistant vice president of the Group. He has approximately 29 years' experience in operation of property management.

REPORT OF DIRECTORS

The board (the "Board") of directors (the "Director(s)") of China Overseas Property Holdings Limited (the "Company") is pleased to present the annual report and the audited financial statements of the Company and its subsidiaries (together the "Group") for the year ended 31 December 2024.

Principal Activities

The Company is an investment holding company. The Group is principally engaged in the provision of (i) property management services; (ii) value-added services; and (iii) car parking spaces trading business.

Segment Information

An analysis of the Group's revenue and contribution to results by principal activities and geographical area and operations for the year ended 31 December 2024 is set out in note 4 to the financial statements.

Business Review

The business review of the Group including the information below are set out in the Management Discussion and Analysis on pages 34 to 51 of this Annual Report:

(a) A fair review of the Group's business;

(b) A description of the principal risk management strategies of the Group;

(c) An analysis using financial key performance indicators;

(d) A discussion on:

- (i) The Group's environmental policies and performance; and

- (ii) The Group's compliance with the relevant laws and regulations that have a significant impact on the Group; and

(e) An account of the Group's key relationships with its employees, customers and suppliers that have a significant impact on the Group and on which the Group's success depends.

Results and Appropriations

The results of the Group for the year ended 31 December 2024 are set out in the consolidated statement of profit or loss and consolidated statement of comprehensive income on pages 120 and 121 of this Annual Report respectively.

An interim dividend of HK8.5 cents per share was paid to shareholders of the Company (the "Shareholders") in October 2024 (2023: HK5.5 cents per share).

The Board recommended the declaration of a final dividend of HK9.5 cents per share for the year ended 31 December 2024 (for the year ended 31 December 2023: a final dividend of HK8.5 cents per share) representing a total amount of approximately RMB291,542,000, subject to the approval of Shareholders at the forthcoming annual general meeting to be held on Wednesday, 18 June 2025 (the "2025 AGM"). The proposed final dividend will be paid to Shareholders on Tuesday, 15 July 2025 whose names appear on the Company's register of members on Thursday, 26 June 2025.

Closure of Register of Members

(a) Entitlement to attend and vote at the 2025 AGM

The register of members of the Company will be closed from Thursday, 12 June 2025 to Wednesday, 18 June 2025 (both days inclusive) for the purpose of determining the right to attend and vote at the 2025 AGM. During that period, no transfer of shares will be registered. In order to be entitled to attend and vote at the 2025 AGM, all share transfer document(s) accompanied with corresponding share certificate(s) must be lodged with the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 11 June 2025.

(b) Entitlement to the proposed final dividend

The register of members of the Company will also be closed from Tuesday, 24 June 2025 to Thursday, 26 June 2025 (both days inclusive) for the purpose of determining the Shareholders' entitlement to the proposed final dividend which is subject to the Shareholders' approval at the 2025 AGM. During that period, no transfer of shares will be registered. In order to be qualified for entitlement to the final dividend, all share transfer document(s) accompanied with the corresponding share certificate(s) must be lodged with the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Monday, 23 June 2025.

Reserves

Movements in the reserves of the Group and of the Company during the year are set out in note 37 and note 45 to the financial statements.

Distributable Reserves

Distributable reserves of the Company at 31 December 2024 were approximately RMB343.3 million (2023: approximately RMB409.3 million).

Financial Summary

A summary of the results, assets and liabilities of the Group for the past five financial years is set out on pages 224 to 226 of this Annual Report.

Charitable Donations

Charitable donations made by the Group during the year amounted to approximately RMB324,000.

Major Suppliers and Customers

During the year, the Group purchased less than 30% of its goods and services from its five largest suppliers and sold less than 30% of its goods and services to its five largest customers.

Shares Issued

Terms meaning and details of the shares issued for the year ended 31 December 2024 are set out in note 35 to the financial statements.

Purchase, Sale or Redemption of the Listed Securities of the Company

During the year, the Company bought back a total of 2,900,000 shares of the Company (the "Share(s)") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") for an aggregate consideration of HK$12,362,100 (before expenses). All the Shares bought back were cancelled on 29 May 2024. The Shares buy-back were effected as the Board considered the prevailing trading price of the Shares was at a level which undervalued the Company's performance, assets value and business prospects. The Shares buy-back demonstrated the Board's confidence in the Company and would only be conducted under circumstance which the Board considered to be appropriate and in the interest of the Company and its shareholders as a whole.

Details of the Share buy-backs are as follows:

Buy-back Date	Number of Shares Bought Back	Purchase Price Per Share		Aggregate Consideration
		Highest	Lowest	(Before Expenses)
		HK$	HK$	HK$
27 March 2024	500,000	4.47	4.15	2,148,500
28 March 2024	1,800,000	4.36	4.18	7,708,600
5 April 2024	600,000	4.20	4.12	2,505,000
Total:	2,900,000			12,362,100

Save as disclosed above, neither the Company nor any of its subsidiaries purchased or sold any of the Company's listed securities during the year ended 31 December 2024.

Equity-linked Agreement

As at 31 December 2024, the Company has not entered into any equity-linked agreement.

Directors

The Directors of the Company during the year and up to the date of this Annual Report are:

Chairman and Executive Director

Mr. Zhang Guiqing

Executive Directors

Mr. Xiao Junqiang *(Chief Executive Officer)*
Mr. Pang Jinying *(Vice President)*
Mr. Kam Yuk Fai *(Chief Financial Officer)*

Non-executive Directors

Mr. Ma Fujun *(resigned on 25 October 2024)*
Mr. Guo Lei
Ms. Ng, Yat Wing Athena *(appointed on 25 October 2024)*

Independent Non-executive Directors

Mr. Yung, Wing Ki Samuel
Mr. So, Gregory Kam Leung
Mr. Lim, Wan Fung Bernard Vincent

In accordance with article 83(3) of the Company's amended and restated articles of association ("Article of Association"), Ms. Ng, Yat Wing Athena shall hold office until the 2025 AGM and shall be subject to re-election and in accordance with articles 84(1) and 84(2) of the Articles of Association, Mr. Kam Yuk Fai, Mr. Guo Lei and Mr. Yung, Wing Ki Samuel shall retire by rotation at the 2025 AGM. Mr. Kam Yuk Fai, Mr. Guo Lei, Ms. Ng, Yat Wing Athena and Mr. Yung, Wing Ki Samuel, are being eligible, will offer themselves for re-election at the 2025 AGM.

Confirmation of Independence on Independent Non-executive Directors

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

Directors' Service Contracts

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).

Directors' Material Interest in Transactions, Arrangements and Contracts that are Significant in relation to the Group's Business

There was no transaction, arrangement and contract of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which any Director or an entity connected with any Director has a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Contracts of Significance with Controlling Shareholder

Save as disclosed under the section headed "Continuing Connected Transactions", there was no contract of significance entered into between the Company, or any of its subsidiaries, and a controlling shareholder of the Company, or any of its subsidiaries, during the year.

Directors' Interest in Competing Business

All Directors (excluding Independence Non-executive Directors) have confirmed that they did not have any interests in business which competed or was likely to compete, either directly or indirectly, with the business of the Group during the year as required to be disclosed pursuant to Rule 8.10 of the Listing Rules.

Remuneration of Directors and Senior Management

Information regarding Directors' remuneration and senior management's remuneration are set out in notes 9 and 41(d) to the financial statements and the section headed "Remuneration Committee" on pages 65 to 67 of the Corporate Governance Report.

Permitted Indemnity Provision

The Articles of Association provides that, amongst others, the Directors and other officers of the Company being acting in relation to any of the affairs of the Company shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices provided that this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any said persons. Such provision and the Directors and Officers Liability Insurance Policy maintained by the Company which provides insurance coverage for liabilities of the Directors and officers of the Company and its subsidiaries were in force during the year ended 31 December 2024 and remained in force as of the date of this Annual Report. The insurance coverage will be reviewed on an annual basis.

Biographical Details of Directors and Senior Management

The biographical details of Directors and senior management are set out in the section headed "Directors and Senior Management" on pages 83 to 88 of this Annual Report.

Changes of Directors' Information

Pursuant to 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) of the Listing Rules (except information disclosed in the 2024 interim report of the Company) are set out below:

Director	Detail of Change
Guo Lei	Appointed as the chairman of 鶴山天山金屬材料製品有限公司 on 30 May 2024.
Ng, Yat Wing Athena	Appointed as vice president of Hong Kong Business Accountants Association on 19 November 2024.
Yung, Wing Ki Samuel	Resigned as the chairman of the Hong Kong Examinations and Assessment Authority on 31 August 2024. Appointed as a member of University of Hong Kong (HKU) Council on 1 January 2025.

Directors' and Chief Executive's Interests in the Securities of the Company and its Associated Corporations

As at 31 December 2024, the interests and short positions of the Directors and chief executive of the Company and their respective associates in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange were as follows:

Long Positions in Shares of the Associated Corporations

Name of Director	Name of Associated Corporation	Nature of Interest	Number of Ordinary Shares held	Approximate Percentage of Shares in Issue
Zhang Guiqing	China State Construction Engineering Corporation Limited ("CSCECL")	Beneficial owner	190,000	0.0005%[1]
	China Overseas Land & Investments Limited ("COLI")	Beneficial owner	20,000	0.0002%[2]
Pang Jinying	CSCECL	Beneficial owner	118,000	0.0003%[1]

Notes:

1. The percentage represents the number of A shares interested divided by the number of total issued A shares of CSCECL as at 31 December 2024 (i.e. 41,610,322,444 shares).

2. The percentage represents the number of shares interested divided by the number of total issued shares of COLI as at 31 December 2024 (i.e. 10,944,883,535 shares).

Save as disclosed above, as at 31 December 2024, none of the Directors and chief executive of the Company or their respective associates had held or deemed or taken to have held any interest or short position in the Shares, underlying Shares and debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO.

Arrangements to Acquire Shares or Debentures

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

Substantial Shareholders' Interests in the Securities of the Company

As at 31 December 2024, according to the register kept by the Company under Section 336 of the SFO and so far as was known to the Directors, persons (other than Directors or chief executive of the Company) who had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO were as follows:

Long Positions in Shares of the Company

Name of Shareholder	Capacity	Number of Ordinary Shares held	Approximate Percentage of Shares in Issue
Silver Lot Development Limited ("Silver Lot")	Beneficial owner	169,712,309	5.17%[4]
China Overseas Holdings Limited ("COHL")	Beneficial owner	1,841,328,751	56.07%[4]
	Interest of controlled corporation	169,712,309[1]	5.17%[4]
CSCECL	Interest of controlled corporations	2,011,041,060[2]	61.24%[4]
China State Construction Engineering Corporation ("CSCEC")	Interest of controlled corporations	2,011,041,060[3]	61.24%[4]

Notes:

1. COHL holds 100% interest in Silver Lot and therefore, COHL is deemed to be interested in 169,712,309 Shares in which Silver Lot is interested under the SFO.

2. CSCECL holds 100% interest in COHL and therefore, CSCECL is deemed to be interested in a total of 2,011,041,060 Shares in which COHL is or is taken to be interested under the SFO.

3. CSCEC holds 57.03% interest in CSCECL and therefore, CSCEC is deemed to be interested in a total of 2,011,041,060 Shares in which CSCECL is taken to be interested under the SFO.

4. The percentage represents the number of shares interested divided by the number of total issued shares of the Company as at 31 December 2024 (i.e. 3,283,960,460 shares).

Save as disclosed above, as at 31 December 2024, according to the register kept by the Company under Section 336 of the SFO and so far as was known to the Directors, there was no other person who had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Directors' Positions in Substantial Shareholders

As at the date of this Annual Report, save as disclosed below, none of the Directors or proposed Directors was a director or employee of a company which had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Name of Director	Name of company which had such discloseable interest or short position	Position within such company
Zhang Guiqing	COHL	Director

Continuing Connected Transactions

Definitions

In this section, the following expressions have the following meanings unless the context requires otherwise:

"COGO"	China Overseas Grand Oceans Group Limited, a company incorporated in Hong Kong with limited liability, whose shares are listed on the Main Board of the Stock Exchange (stock code: 81)
"COGO Group"	COGO and its subsidiaries from time to time
"COHL"	China Overseas Holdings Limited, a company incorporated in Hong Kong with limited liability, and the controlling shareholder of the Company, COLI and CSC
"COHL Group"	COHL and its subsidiaries (excluding subsidiary(ies) or associated company(ies) listed on any stock exchange) from time to time
"COLI"	China Overseas Land & Investment Limited, a company incorporated in Hong Kong with limited liability, whose shares are listed on the Main Board of the Stock Exchange (stock code: 688)
"COLI Group"	COLI and its subsidiaries from time to time
"Company"	China Overseas Property Holdings Limited, a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the Main Board of the Stock Exchange (stock code: 2669)
"COPML"	中海物業管理有限公司 (China Overseas Property Management Limited*), a company incorporated in the PRC with limited liability and a direct wholly-owned subsidiary of the Company
"COPML Group"	COPML and its subsidiaries from time to time
"CSC"	China State Construction International Holdings Limited, a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the Main Board of the Stock Exchange (stock code: 3311)

Continuing Connected Transactions (Continued)

Definitions (Continued)

"CSC Group"	CSC and its subsidiaries from time to time
"CSCEC"	China State Construction Engineering Corporation, a state-owned corporation organized and existing under the laws of the PRC, being the ultimate holding company of CSCECL, COHL, COLI, CSC and the Company
"CSCEC Group"	CSCEC and its subsidiaries (excluding subsidiary(ies) listed on any stock exchange but including CSCECL Group and COHL Group) from time to time
"CSCECL"	China State Construction Engineering Corporation Limited, a company incorporated in the PRC with limited liability, whose shares are listed on the Shanghai Stock Exchange (stock code: 601668), a controlling shareholder of COHL, COLI, CSC and the Company
"CSCECL Group"	CSCECL and its subsidiaries (excluding subsidiary(ies) listed on any stock exchange but including COHL Group) from time to time
"Group"	the Company and its subsidiaries from time to time
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Shareholders"	the Shareholders other than CSCEC and its associates
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Macau"	the Macao Special Administrative Region of the PRC
"PRC"	the People's Republic of China, which for the purpose of this Annual Report excludes Hong Kong, Macau and Taiwan
"RMB"	Renminbi, the lawful currency of the PRC
"Share(s)"	the ordinary share(s) of HK$0.001 each in the share capital of the Company
"Shareholder(s)"	the holder(s) of Share(s)

Continuing Connected Transactions (Continued)

Definitions (Continued)

"Shenzhen Lingchao"	深圳領潮供應鏈管理有限公司 (Shenzhen Lingchao Supply Chain Management Co., Ltd.*), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of COLI
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"%"	per cent.

* *For identification purpose only*

Details of continuing connected transactions not exempted under Chapter 14A of the Listing Rules as recorded during the year ended 31 December 2024 and up to the date of this Annual Report are disclosed below, with further disclosure under the subsection headed "Aggregation of Continuing Connected Transactions" as appropriate.

1. Continuing Connected Transactions with CSCEC

Since CSCEC is the ultimate holding company of the Company, therefore, CSCEC is a connected person of the Company.

(i) CSCEC Services Agreement

On 28 April 2023, the Company and CSCEC entered into a framework agreement (the "CSCEC Services Agreement") whereby any member of the Group may provide the property management services and value-added services (including engineering, pre-delivery, move-in assistance, delivery inspection, engineering services, quality monitoring and consulting services, as well as gardening, interior fine finishing and vetting of building plans etc.) (the "Services") to the properties (including residential communities, commercial properties and other projects) in the PRC, Hong Kong, Macau and other locations (the "Properties") owned by CSCEC Group (the "CSCEC Services Transactions") for a term of three years commencing from 1 July 2023 and ending on 30 June 2026 (both days inclusive) subject to the caps as listed below:

For the period from 1 July 2023 to 31 December 2023 HK$	For the year ended 31 December 2024 HK$	For the year ending 31 December 2025 HK$	For the period from 1 January 2026 to 30 June 2026 HK$
176.0 million	418.0 million	598.0 million	445.0 million

Continuing Connected Transactions (Continued)

1. Continuing Connected Transactions with CSCEC (Continued)

(i) CSCEC Services Agreement (Continued)

As the applicable percentage ratios in respect of the aforesaid caps under the CSCEC Services Agreement on their own exceed 5% on an annual basis, the CSCEC Services Transactions contemplated under the CSCEC Services Agreement are subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules respectively. The CSCEC Services Agreement is also subject to aggregation requirements under Rules 14A.81 and 14A.82(1) of the Listing Rules.

Details of the CSCEC Services Agreement have been disclosed in the Company's announcement dated 28 April 2023 and circular dated 30 May 2023.

For the year ended 31 December 2024, the amount paid to the Group by CSCEC Group for the provision of the Services under the CSCEC Services Agreement was approximately HK$237.7 million (equivalent to approximately RMB217.5 million), that is below the cap of HK$418.0 million under the CSCEC Services Agreement for the year.

(ii) CSCEC Lease Framework Agreement

On 1 November 2022, the Company and CSCEC entered into a framework agreement (the "CSCEC Lease Framework Agreement") whereby any member of CSCEC Group may lease premises from any member of the Group (the "CSCEC Leasing Transactions") in accordance with the terms of the CSCEC Lease Framework Agreement, subject to the tenancy agreement recording other details terms and conditions in relation to each particular premises leased and shall be on normal commercial terms and terms no less favourable to the Group than those offered to independent third parties for a term of three years commencing from 1 November 2022 and ending on 31 October 2025 (both days inclusive) subject to the caps as listed below:

For the period from 1 November 2022 to 31 December 2022 HK$	For the year ended 31 December 2023 HK$	For the year ended 31 December 2024 HK$	For the period from 1 January 2025 to 31 October 2025 HK$
6.0 million	24.0 million	36.0 million	42.0 million

As the applicable percentage ratios in respect of the aforesaid caps under the CSCEC Lease Framework Agreement exceeds 0.1% but are less than 5% on an annual basis, the CSCEC Leasing Transactions contemplated under the CSCEC Lease Framework Agreement are subject to the reporting, announcement and annual review requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Continuing Connected Transactions (Continued)

1. Continuing Connected Transactions with CSCEC (Continued)

(ii) CSCEC Lease Framework Agreement (Continued)

Details of the CSCEC Lease Framework Agreement have been disclosed in the Company's announcement dated 1 November 2022.

For the year ended 31 December 2024, the amount paid/committed to the Group by CSCEC Group for the lease of premises was approximately HK$6.3 million (equivalent to approximately RMB5.7 million), that is below the cap of HK$36.0 million under the CSCEC Lease Framework Agreement for the year.

2. Continuing Connected Transactions with COLI Group

Since COLI is a non-wholly-owned subsidiary of COHL, the controlling shareholder of the Company, members of COLI Group and the associates of COLI and their respective subsidiaries were regarded as connected persons of the Group.

(i) COLI Services Agreement

On 28 April 2023, the Company and COLI entered into a framework agreement (the "COLI Services Agreement") whereby any member of the Group may provide the Services to any member of COLI Group, the associates of COLI and their subsidiaries (excluding their respective associate(s) and subsidiaries listed on any stock exchange) in respect of the property development projects or the Properties owned or held by them (the "COLI Services Transactions") for a term of three years commencing from 1 July 2023 and ending on 30 June 2026 (both days inclusive) subject to the caps as listed below:

For the period from 1 July 2023 to 31 December 2023 HK$	For the year ended 31 December 2024 HK$	For the year ending 31 December 2025 HK$	For the period from 1 January 2026 to 30 June 2026 HK$
1,229.0 million	3,078.0 million	4,005.0 million	2,719.0 million

As the applicable percentage ratios in respect of the aforesaid caps under the COLI Services Agreement on their own exceed 5% on an annual basis, the COLI Services Transactions contemplated under the COLI Services Agreement are subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. The COLI Services Agreement is also subject to aggregation requirements under Rules 14A.81 and 14A.82(1) of the Listing Rules.

Details of the COLI Services Agreement have been disclosed in the Company's announcement dated 28 April 2023 and circular dated 30 May 2023.

Continuing Connected Transactions (Continued)

2. Continuing Connected Transactions with COLI Group (Continued)

(i) COLI Services Agreement (Continued)

For the year ended 31 December 2024, the amount paid to the Group by COLI Group, the associates of COLI and their respective subsidiaries (excluding their respective associate(s) and subsidiaries listed on any stock exchange) for the provision of the Services under the COLI Services Agreement was approximately HK$1,401.2 million (equivalent to approximately RMB1,282.1 million), that is below the cap of HK$3,078.0 million under the COLI Services Agreement for the year.

(ii) COLI Leasing Agreement

On 28 April 2023, the Company and COLI entered into a framework agreement (the "COLI Leasing Agreement") whereby any member of the Group may lease premises from any member of COLI Group, the associates of COLI and their respective subsidiaries (excluding their respective associate(s) and subsidiaries listed on any stock exchange) (the "COLI Leasing Transactions") in accordance with the terms of the COLI Leasing Agreement, subject to the tenancy agreement recording other details terms and conditions in relation to each particular premises leased and shall be on normal commercial terms and terms no more favourable than those offered to independent third parties for a term of three years commencing from 1 July 2023 and ending on 30 June 2026 (both days inclusive) subject to the caps (being the maximum aggregate amounts payable by the Group to COLI Group, the associates of COLI and their respective subsidiaries (excluding their respective associate(s) and subsidiaries listed on any stock exchange) as determined with reference to the maximum aggregate right-of-use asset recognized by the Group in relation to its lease arrangements with COLI Group, the associates of COLI and their respective subsidiaries (excluding their respective associate(s) and subsidiaries listed on any stock exchange) for the relevant years/periods under the COLI Leasing Agreement) as listed below.

On 27 December 2023, the Company and COLI entered into a supplemental agreement (the "Supplemental Agreement") to revise the annual caps of the COLI Leasing Agreement for the period from 1 January 2024 to 30 June 2026. The caps of the COLI Leasing Agreement and the COLI Leasing Agreement as amended by the Supplemental Agreement (the "Revised COLI Leasing Agreement") are listed below:

	For the period from 1 July 2023 to 31 December 2023 HK$	For the year ended 31 December 2024 HK$	For the year ending 31 December 2025 HK$	For the period from 1 January 2026 to 30 June 2026 HK$
Original	26.0 million	33.0 million	41.0 million	26.0 million
Revised	N/A	65.0 million	45.0 million	30.0 million

Continuing Connected Transactions (Continued)

2. Continuing Connected Transactions with COLI Group (Continued)

(ii) COLI Leasing Agreement (Continued)

As the applicable percentage ratios in respect of the aforesaid caps under the (i) COLI Leasing Agreement and (ii) the Revised COLI Leasing Agreement on their own exceed 0.1% but are less than 5% on an annual basis, the COLI Leasing Transactions contemplated under (i) the COLI Leasing Agreement and (ii) the Revised COLI Leasing Agreement are subject to the reporting, announcement and annual review requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules respectively. The COLI Leasing Agreement and the Revised COLI Leasing Agreement are also subject to aggregation requirements under Rules 14A.81 and 14A.82(1) of the Listing Rules respectively.

Details of the COLI Leasing Agreement and the Revised COLI Leasing Agreement have been disclosed in the Company's announcement dated 28 April 2023 and 27 December 2023 respectively.

For the year ended 31 December 2024, the amount paid/committed to COLI Group, the associates of COLI and their respective subsidiaries (excluding their respective associate(s) and subsidiaries listed on any stock exchange) by the Group for the lease of premises under the Revised COLI Leasing Agreement was approximately HK$43.4 million (equivalent to approximately RMB39.7 million), that is below the cap of HK$65.0 million under the Revised COLI Leasing Agreement for the year.

(iii) COLI Property Management Utilities Charges Agreement

On 28 April 2023, the Company and COLI entered into a framework agreement (the "COLI Property Management Utilities Charges Agreement") whereby COLI Group, the associates of COLI and their subsidiaries (excluding their respective associate(s) and subsidiaries listed on any stock exchange) will centralise the payment of utilities charges for properties owned by them and managed by the Group as the property management company. The Group shall, on behalf of tenants in such properties, consolidate and make payment of utilities charges incurred in individual units of the tenants to the landlords, and the landlords shall in turn, make payment of utilities charges incurred in the overall properties to the individual third party utilities service providers (the "COLI Utilities Charges Transactions") for a terms of three years commencing from 1 July 2023 and ending on 30 June 2026 (both days inclusive), subject to the caps as listed below:

For the period from 1 July 2023 to 31 December 2023 HK$	For the year ended 31 December 2024 HK$	For the year ending 31 December 2025 HK$	For the period from 1 January 2026 to 30 June 2026 HK$
98.0 million	194.0 million	200.0 million	121.0 million

Continuing Connected Transactions (Continued)

2. Continuing Connected Transactions with COLI Group (Continued)

(iii) COLI Property Management Utilities Charges Agreement (Continued)

As the applicable percentage ratios in respect of the aforesaid caps under the COLI Property Management Utilities Charges Agreement exceeds 0.1% but are less than 5% on an annual basis, the COLI Utilities Charges Transactions contemplated under the COLI Property Management Utilities Charges Agreement are subject to the reporting, announcement and annual review requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Details of the COLI Property Management Utilities Charges Agreement have been disclosed in the Company's announcement dated 28 April 2023.

For the year ended 31 December 2024, the amount paid to COLI Group, the associates of COLI and their subsidiaries (excluding their respective associate(s) and subsidiaries listed on any stock exchange) by the Group in respect of the utilities charge under the COLI Property Management Utilities Charges Agreement was approximately HK$160.9 million (equivalent to approximately RMB147.2 million), that is below the cap of HK$194.0 million under the COLI Property Management Utilities Charges Agreement for the year.

(iv) COLI Car Parking Spaces Agreement

On 5 September 2022, the Company and COLI entered into a framework agreement (the "COLI Car Parking Spaces Agreement") whereby the Group might from time to time enter into transactions with COLI Group, the associates of COLI and their subsidiaries (excluding their respective associate(s) and subsidiaries listed on any stock exchange) for the acquisition of rights-of-use of car parking spaces (including the right to occupy, assign or rent out, until the land use right(s) of the relevant project(s) at which the car parking spaces are located expire) by the Group as its inventory (the "COLI Car Parking Spaces Transactions"), such car parking spaces being car parking spaces of developments or properties built, developed or owned by COLI Group, the associates of COLI and their subsidiaries (excluding their respective associate(s) and subsidiaries listed on any stock exchange) and managed by the Group as property manager for a term of three years commencing from 1 January 2023 and ending on 31 December 2025 (both days inclusive), subject to the caps as listed below:

For the year ended 31 December 2023 HK$	For the year ended 31 December 2024 HK$	For the year ending 31 December 2025 HK$
600.0 million	600.0 million	600.0 million

Continuing Connected Transactions (Continued)

2. Continuing Connected Transactions with COLI Group (Continued)

(iv) COLI Car Parking Spaces Agreement (Continued)

As the applicable percentage ratios in respect of the aforesaid caps under the COLI Car Parking Spaces Agreement on their own exceed 5% on an annual basis, the COLI Car Parking Spaces Transactions contemplated under the COLI Car Parking Spaces Agreement are subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. The COLI Car Parking Spaces Agreement is also subject to aggregation requirements under Rules 14A.81 and 14A.82(1) of the Listing Rules.

Details of the COLI Car Parking Spaces Agreement have been disclosed in the Company's announcement dated 5 September 2022 and circular dated 10 November 2022.

No transaction has been entered into by the Group and COLI Group, the associates of COLI and their subsidiaries (excluding their respective associate(s) and subsidiaries listed on any stock exchange) for the year ended 31 December 2024.

(v) Material Procurement and Supply Chain Management Services Agreement

On 29 June 2022, COPML and Shenzhen Lingchao entered into a framework agreement (the "Material Procurement and Supply Chain Management Services Agreement") whereby Shenzhen Lingchao agreed to provide the material procurement and supply chain management services (including making available the e-commerce system, be established and operated by itself, for COPML Group to source and purchase goods and materials necessary for the property projects it is currently servicing, liaising and coordinating with the relevant suppliers and procuring that necessary goods and materials be produced, delivered to COPML Group, maintained and repaired if damaged) to COPML Group from time to time (the "Material Procurement and Supply Chain Management Services Transactions") for a term of three years commencing from 1 July 2022 and ending on 30 June 2025 (both days inclusive), subject to the caps as listed below:

For the period from 1 July 2022 to 31 December 2022 HK$	For the year ended 31 December 2023 HK$	For the year ended 31 December 2024 HK$	For the period from 1 January 2025 to 30 June 2025 HK$
12.5 million	25.0 million	25.0 million	12.5 million

As the applicable percentage ratios in respect of the aforesaid caps under the Material Procurement and Supply Chain Management Services Agreement exceeds 0.1% but are less than 5% on an annual basis, the Material Procurement and Supply Chain Management Services Transactions contemplated under the Material Procurement and Supply Chain Management Services Agreement are subject to the reporting, announcement and annual review requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Continuing Connected Transactions (Continued)

2. Continuing Connected Transactions with COLI Group (Continued)

(v) Material Procurement and Supply Chain Management Services Agreement (Continued)

Details of the Material Procurement and Supply Chain Management Services Agreement have been disclosed in the Company's announcement dated 29 June 2022.

No transaction has been entered into by the COPML Group and Shenzhen Lingchao for the year ended 31 December 2024.

(vi) Decoration Supplies Sales Agency Framework Agreement

On 29 June 2022, COPML and Shenzhen Lingchao entered into a framework agreement (the "Decoration Supplies Sales Agency Framework Agreement") whereby Shenzhen Lingchao (as supply chain management services provider to PRC property developers and supplier of decoration product sets for different development projects in the PRC) agreed to appoint member(s) of COPML Group as its sales agent(s) from time to time to provide the sales agency services for the sale of the specific decoration product sets to individual purchasers of properties in the PRC development projects of PRC property developers for the purpose of fine decoration and furnishing (the "Sales Agency Services Transactions") for a term of three years commencing from 1 July 2022 and ending on 30 June 2025 (both dates inclusive) subject to the caps as listed below:

For the period from 1 July 2022 to 31 December 2022 HK$	For the year ended 31 December 2023 HK$	For the year ended 31 December 2024 HK$	For the period from 1 January 2025 to 30 June 2025 HK$
55.0 million	86.0 million	94.0 million	55.0 million

As the applicable percentage ratios in respect of the aforesaid caps under the Decoration Supplies Sales Agency Framework Agreement exceeds 0.1% but are less than 5% on an annual basis, the Sales Agency Services Transactions contemplated under the Decoration Supplies Sales Agency Framework Agreement are subject to the reporting, announcement and annual review requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Details of the Decoration Supplies Sales Agency Framework Agreement have been disclosed in the Company's announcement dated 29 June 2022.

For the year ended 31 December 2024, the amount paid/committed to COPML Group by Shenzhen Lingchao for the provision of the sales agency services was approximately HK$8,000 (equivalent to approximately RMB7,000), that is below the cap of HK$94.0 million under the Decoration Supplies Sales Agency Framework Agreement for the year.

Continuing Connected Transactions (Continued)

3. Continuing Connected Transactions with CSC Group

Since CSC is a non-wholly-owned subsidiary of COHL, the controlling shareholder of the Company, members of CSC Group and the associates of CSC and their respective subsidiaries were regarded as connected persons of the Group.

(i) CSC Services Agreement

On 28 April 2023, the Company and CSC entered into a framework agreement (the "CSC Services Agreement") whereby any member of the Group may provide the Services to CSC Group, the associates of CSC and their respective subsidiaries (if any) in respect of the Properties owned by them and their work site(s) in the PRC, Hong Kong and Macau (the "CSC Services Transactions") for a term of three years commencing from 1 July 2023 and ending on 30 June 2026 (both days inclusive) subject to the caps as listed below:

For the period from 1 July 2023 to 31 December 2023 HK$	For the year ended 31 December 2024 HK$	For the year ending 31 December 2025 HK$	For the period from 1 January 2026 to 30 June 2026 HK$
133.0 million	308.0 million	493.0 million	299.0 million

As the applicable percentage ratios in respect of the aforesaid caps under the CSC Services Agreement on their own exceed 5% on an annual basis, the CSC Services Transactions contemplated under the CSC Services Agreement are subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. The CSC Services Agreement is also subject to aggregation requirements under Rules 14A.81 and 14A.82(1) of the Listing Rules.

Details of the CSC Services Agreement have been disclosed in the Company's announcement dated 28 April 2023 and circular dated 30 May 2023.

For the year ended 31 December 2024, the amount paid to the Group by CSC Group, the associates of CSC and their respective subsidiaries (if any) for the provision of the Services under the CSC Services Agreement was approximately HK$151.2 million (equivalent to approximately RMB138.3 million), that is below the cap of HK$308.0 million under the CSC Services Agreement for the year.

Continuing Connected Transactions (Continued)

3. Continuing Connected Transactions with CSC Group (Continued)

(ii) CSC Leasing Agreement

On 28 April 2023, the Company and CSC entered into a framework agreement (the "CSC Leasing Agreement") whereby any member of the Group may lease premises from CSC Group, the associates of CSC and their subsidiaries (if any) (the "CSC Leasing Transactions") in accordance with the terms of the CSC Leasing Agreement, subject to the tenancy agreement recording other details terms and conditions in relation to each particular premises leased and shall be on normal commercial terms and terms no more favourable than those offered to independent third parties for a term of three years commencing from 1 July 2023 and ending on 30 June 2026 (both days inclusive), subject to the caps (being the maximum aggregate amounts payable by the Group to CSC Group, the associates of CSC and their subsidiaries (if any) as determined with reference to the maximum aggregate right-of-use asset recognized by the Group in relation to its lease arrangement with CSC Group, the associates of CSC and their subsidiaries (if any) for the relevant years/periods under the CSC Leasing Agreement) as listed below:

For the period from 1 July 2023 to 31 December 2023 HK$	For the year ended 31 December 2024 HK$	For the year ending 31 December 2025 HK$	For the period from 1 January 2026 to 30 June 2026 HK$
21.0 million	22.0 million	27.0 million	20.0 million

As the applicable percentage ratios in respect of the aforesaid caps under the CSC Leasing Agreement exceed 0.1% but are less than 5% on an annual basis, the CSC Leasing Transactions contemplated under the CSC Leasing Agreement are subject to the reporting, announcement and annual review requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules. The CSC Leasing Agreement is also subject to aggregation requirements under Rules 14A.81 and 14A.82(1) of the Listing Rules.

Details of the CSC Leasing Agreement have been disclosed in the Company's announcement dated 28 April 2023.

For the year ended 31 December 2024, the amount paid/committed to CSC Group, the associates of CSC and their subsidiaries (if any) by the Group for the lease of premises under the CSC Leasing Agreement was approximately HK$2.6 million (equivalent to approximately RMB2.4 million), that is below the cap of HK$22.0 million under the CSC Leasing Agreement for the year.

Continuing Connected Transactions (Continued)

4. Continuing Connected Transactions with COGO Group

Since COGO is an associate of COLI and COLI is in turn a non-wholly-owned subsidiary of COHL, the controlling shareholder of the Company, hence, members of COGO Group were regarded as connected persons of the Group.

(i) COGO Services Agreement

On 28 April 2023, the Company and COGO entered into a framework agreement (the "COGO Services Agreement") whereby any member of the Group may provide the Services to COGO Group in respect of the property development projects or the Properties owned or held by COGO Group (the "COGO Services Transactions") for a term of three years commencing from 1 July 2023 and ending on 30 June 2026 (both days inclusive) subject to the caps as listed below:

For the period from 1 July 2023 to 31 December 2023 HK$	For the year ended 31 December 2024 HK$	For the year ending 31 December 2025 HK$	For the period from 1 January 2026 to 30 June 2026 HK$
230.0 million	460.0 million	470.0 million	250.0 million

As the applicable percentage ratios in respect of the aforesaid caps under the COGO Services Agreement on their own exceed 5% on an annual basis, the COGO Services Transactions contemplated under the COGO Services Agreement are subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. The COGO Services Agreement is also subject to aggregation requirements under Rules 14A.81 and 14A.82(1) of the Listing Rules.

Details of the COGO Services Agreement have been disclosed in the Company's announcement dated 28 April 2023 and circular dated 30 May 2023.

For the year ended 31 December 2024, the amount paid to the Group by COGO Group for the provision of the Services under the COGO Services Agreement was, approximately HK$257.7 million (equivalent to approximately RMB235.8 million), that is below the cap of HK$460.0 million under the COGO Services Agreement for the year.

Continuing Connected Transactions (Continued)

4. Continuing Connected Transactions with COGO Group (Continued)

(ii) COGO Car Parking Spaces Agreement

On 5 September 2022, the Company and COGO entered into a framework agreement (the "COGO Car Parking Spaces Agreement") whereby the Group might from time to time enter into transactions with COGO Group for the acquisition of rights-of-use of car parking spaces (including the right to occupy, assign or rent out, until the land use right(s) of the relevant project(s) at which the car parking spaces are located expire) by the Group as its inventory (the "COGO Car Parkings Space Transactions"), such car parking spaces being car parking spaces of developments or properties built, developed or owned by COGO Group and managed by the Group as property manager for a term of three years commencing from 1 January 2023 and ending on 31 December 2025 (both days inclusive), subject to the caps as listed below:

For the year ended 31 December 2023 HK$	For the year ended 31 December 2024 HK$	For the year ending 31 December 2025 HK$
300.0 million	300.0 million	300.0 million

As the applicable percentage ratios in respect of the aforesaid caps under the COGO Car Parking Spaces Agreement on their own exceed 5% on an annual basis, the COGO Car Parking Spaces Transactions contemplated under the COGO Car Parking Spaces Agreement are subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. The COGO Car Parking Spaces Agreement is also subject to aggregation requirements under Rules 14A.81 and 14A.82(1) of the Listing Rules.

Details of the COGO Car Parking Spaces Agreement have been disclosed in the Company's announcement dated 5 September 2022 and circular dated 10 November 2022.

No transaction has been entered into by the Group and COGO Group for the year ended 31 December 2024.

Aggregation of Continuing Connected Transactions

1. Aggregation of leasing transactions

The Directors are of the view that (i) the COLI Leasing Agreement; and (ii) the CSC Leasing Agreement (collectively, the "Leasing Agreements") are entered into by the Group with parties who are connected with each others, and therefore each of the Leasing Agreements should be aggregated under Rules 14A.81 and 14A.82(1) of the Listing Rules. As the applicable percentage ratios in respect of the caps of each of the Leasing Agreements, in aggregate, exceed 0.1% but less than 5% on an annual basis, such continuing connected transactions are/have been subject to the reporting, announcement and annual review requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

For the year ended 31 December 2024, the transaction amounts under the Leasing Agreements were, in aggregate, approximately HK$46.0 million (equivalent to approximately RMB42.1 million).

2. Aggregation of property management and related transactions

The Directors are of the view that (i) the CSCEC Services Agreement; (ii) the COLI Services Agreement; (iii) the CSC Services Agreement; and (iv) the COGO Services Agreement (collectively, the "Services Agreements") are entered into by the Group with parties who are connected with each others, and therefore each of the Services Agreements should be aggregated under Rules 14A.81 and 14A.82(1) of the Listing Rules. As the applicable percentage ratios in respect of the caps of each of the Services Agreements, in aggregate, exceed 5% on an annual basis, such continuing connected transactions are/have been subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

In respect of the continuing connected transactions under the Services Agreements, Independent Shareholders have duly approved the respective agreements and the transactions contemplated thereunder at the extraordinary general meeting held on 20 June 2023.

For the year ended 31 December 2024, the transaction amounts under the Services Agreements were, in aggregate, approximately HK$2,047.8 million (equivalent to approximately RMB1,873.8 million).

3. Aggregation of car parking spaces transactions

The Directors are of the view that (i) the COLI Car Parking Spaces Agreement; and (ii) the COGO Car Parking Spaces Agreement (collectively, the "Car Parking Spaces Agreements") are entered into by the Group with parties who are connected with each others, and therefore each of the Car Parking Spaces Agreements should be aggregated under Rules 14A.81 and 14A.82(1) of the Listing Rules. As the applicable percentage ratios in respect of the caps of each of the Car Parking Spaces Agreements, in aggregate, exceed 5% on an annual basis, such continuing connected transactions are/have been subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

In respect of the continuing connected transactions under the Car Parking Spaces Agreements, Independent Shareholders have duly approved the respective agreements and the transactions contemplated thereunder at the extraordinary general meeting held on 3 November 2022.

For the year ended 31 December 2024, no transaction has been entered into by the Group under the Car Parking Spaces Agreements.

Review and Approval

Pursuant to Rule 14A.55 of the Listing Rules, the above continuing connected transactions have been reviewed by the Independent Non-executive Directors of the Company, who confirmed that these continuing connected transactions were entered into:

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

(ii) on normal commercial terms or better; and

(iii) in accordance with the relevant agreements governing them on terms that were fair and reasonable and in the interests of the Shareholders as a whole.

In accordance with Rule 14A.56 of the Listing Rules, the Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants.

The auditor has issued his unqualified letter containing his findings and conclusions in respect of the continuing connected transactions disclosed by the Group on pages 97 to 111 of this Annual Report as below:

(1) nothing has come to his attention that causes him to believe that the disclosed continuing connected transactions have not been approved by the Company's board of directors.

(2) for transactions involving the provision of goods or services by the Group, nothing has come to his attention that causes him to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Group.

(3) nothing has come to his attention that causes him to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions.

(4) with respect to the aggregate amount of the continuing connected transactions, nothing has come to his attention that causes him to believe that the disclosed continuing connected transactions have exceeded the annual cap as set by the Company.

The continuing connected transactions disclosed in this section also constitute related party transactions under the Hong Kong Financial Reporting Standards. A summary of related party transactions (the "Transactions") made during the year was disclosed in the note 41 to the financial statements. The Transactions also constitute connected transaction or continuing connected transactions as defined in the Chapter 14A of the Listing Rules.

The Board confirms that the Company has complied with the requirements in Chapter 14A of the Listing Rules in relation to the aforesaid continuing connected transactions.

Remuneration Policy and Retirement Benefit Scheme

The remuneration policy for the employees of the Group is approved by the Remuneration Committee. The remuneration of employees is based on their merit, qualifications and competence.

The Board has approved and adopted a director remuneration policy (the "Director Remuneration Policy"). Pursuant to the Director Remuneration Policy, the remuneration packages of the executive Directors shall comprise fixed and variable components linking to the Group's operating results, individual performance and comparable market statistics. Non-executive Directors (including Independent Non-executive Directors) shall receive fixed remuneration/fee to be set at an appropriate level to attract and retain first-class non-executive talent by reference to the relevant time commitment required and the size and complexity of the Group and benchmarked against a peer group.

The Group has joined a mandatory provident fund scheme (the "MPF Scheme") for all qualifying employees in Hong Kong. The MPF Scheme is registered with the Mandatory Provident Fund Schemes Authority under the Mandatory Provident Fund Schemes Ordinance. Under the MPF Scheme, the employer and its employees are each required to make contributions to the MPF Scheme at rates specified in the rules. The employees of the Company's subsidiaries established in the PRC are members of a state-managed retirement scheme operated by the PRC government. No forfeited contribution under this scheme is available to reduce the contribution payable in future years.

Management Contracts

There is no contracts relating to the management and/or administration of the whole or any substantial part of the business of the Company was entered into or subsisted during the year.

Public Float

Based on the information that is publicly available to the Company and within the knowledge of the Board, the Company has maintained the prescribed amount of public float during the year and up to the date of this Annual Report as required under the Listing Rules.

Pre-Emptive Rights

There are no provisions for pre-emptive rights under the Articles of Association and the laws of Cayman Islands, being the jurisdiction in which the Company is incorporated, which would oblige the Company to offer new shares on a pro-rata basis to existing Shareholders.

Tax Relief and Exemption

The Board are not aware of any tax relief and exemption available to Shareholders by reason of their holding of the Company's securities.

Corporate Governance

Principal corporate governance practices adopted by the Company are set out in the Corporate Governance Report on pages 52 to 82 of this Annual Report.

Environmental Policy and Performance

Details of the Company's environmental policy and performance are set out in the Company's Sustainability Report 2024, which is published on the Company's website and the Stock Exchange's website on the same publication date of this Annual Report.

Compliance with Relevant Laws and Regulation

As far as the Board is aware, the Group has complied with the relevant laws and regulations that have a significant impact on the Group in all material aspects.

Auditor

Ernst & Young was appointed as the auditor of the Company during the past three years.

The consolidated financial statements for the year ended 31 December 2024 have been audited by Ernst & Young, who will retire and, being eligible, offer itself for re-appointment at the 2025 AGM.

A resolution will be proposed at the 2025 AGM to re-appoint Ernst & Young as auditor of the Company.

On behalf of the Board

Zhang Guiqing
Chairman and Executive Director

Hong Kong, 27 March 2025

INDEPENDENT AUDITOR'S REPORT

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To the shareholders of China Overseas Property Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

Opinion

We have audited the consolidated financial statements of China Overseas Property Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 120 to 223, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Independent Auditor's Report (Continued)

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Key audit matters (Continued)

Key audit matter	How our audit addressed the key audit matter
Recoverability of trade receivables, contract assets and payments on behalf of property owners for properties managed on a commission basis	
At 31 December 2024, the Group had gross trade receivables and contract assets of approximately RMB2,980 million, which mainly arose from the provision of property management services and value-added services, and gross payments on behalf of property owners for properties managed on a commission basis (the "Other Receivables") in a total amount of approximately RMB174 million. The carrying amount of these receivables and contract assets, net of impairment allowance, amounted to RMB2,842 million in aggregate as at 31 December 2024, which represented 24% of the Group's total assets as at that date. Significant management's judgements and estimates, such as the historical default rate, past repayment history, cash flow projections and forward-looking estimates, were involved in the impairment assessment of these receivables and contract assets. Related disclosures are included in notes 2.4, 3, 22(b), 23(d) and 24(b) to the consolidated financial statements.	As part of our audit procedures, we (i) obtained and reviewed the impairment assessments of the trade receivables and contract assets, as well as the Other Receivables prepared by management to understand the credit loss provisioning methodology adopted by the Group; and (ii) considered the adequacy of the disclosures in the consolidated financial statements in connection with the impairment of trade receivables and contract assets, as well as the Other Receivables. With regard to the impairment assessment of trade receivables and contract assets, we (i) reviewed the allowance for the expected credit losses estimated by management with reference to the history of debtors' settlement patterns and ageing analysis; (ii) tested, on a sample basis, the ageing of the trade receivables to outstanding billings issued and the settlement of the trade receivables to supporting documents of cash receipts, such as bank advices; (iii) tested, on a sample basis, the accuracy of the calculation of the provision for impairment allowance; (iv) checked the settlement status subsequent to the reporting period; and (v) assessed the reasonableness of the forward-looking estimates. With regard to the impairment assessment of the Other Receivables, we (i) tested, on a sample basis, the key drivers, such as the property management fee and subcontracting costs against property management contracts and contracts with subcontractors, applied in the cash flow forecasts of the relevant property management projects to which the Other Receivables related; (ii) reviewed the outcome of cash flow forecasts of those property management projects in the prior year in order to evaluate the effectiveness of management's previous estimation process; and (iii) evaluated the appropriateness of the discount rates applied in the cash flow forecasts by management.

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Other information included in the Annual Report

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated financial statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the 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 of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Auditor's responsibilities for the audit of the consolidated financial statements (Continued)

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

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

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

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

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

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

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

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

Auditor's responsibilities for the audit of the consolidated financial statements (Continued)

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

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

The engagement partner on the audit resulting in this independent auditor's report is CHENG Man.

Ernst & Young
Certified Public Accountants
Hong Kong

27 March 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
REVENUE	5	**14,023,767**	13,051,250
Direct operating expenses		**(11,698,259)**	(10,981,430)
GROSS PROFIT		**2,325,508**	2,069,820
Other income and gains, net	6	**197,103**	169,698
Fair value loss of self-owned investment properties, net	15	**(6,705)**	(6,640)
Selling and administrative expenses		**(431,367)**	(386,916)
Impairment of financial assets and contract assets, net	8	**(72,189)**	(42,535)
OPERATING PROFIT		**2,012,350**	1,803,427
Finance costs	7	**(8,527)**	(6,519)
Share of profit of a joint venture		**5,993**	6,281
Share of profit of an associate		**206**	188
PROFIT BEFORE TAX	8	**2,010,022**	1,803,377
Income tax expenses	11	**(488,514)**	(451,873)
PROFIT FOR THE YEAR		**1,521,508**	1,351,504
ATTRIBUTABLE TO:			
Ordinary equity holders of the Company		**1,510,918**	1,342,503
Non-controlling interests		**10,590**	9,001
		1,521,508	1,351,504
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic and diluted (RMB cents per share)	12	**46.00**	40.84

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2024

	2024 RMB'000	2023 RMB'000
PROFIT FOR THE YEAR	**1,521,508**	1,351,504
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
— Exchange differences on translation of subsidiaries' financial statements	**8,433**	10,768
— Exchange differences on translation of an associate's financial statements	**7**	23
	8,440	10,791
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:		
— Exchange differences on translation of the Company's financial statements	**(5,550)**	(1,504)
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX	**2,890**	9,287
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**1,524,398**	1,360,791
ATTRIBUTABLE TO:		
Ordinary equity holders of the Company	**1,513,808**	1,351,790
Non-controlling interests	**10,590**	9,001
	1,524,398	1,360,791

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	14	**129,608**	112,812
Investment properties	15	**156,115**	174,420
Right-of-use assets	16(b)	**84,683**	57,335
Intangible assets	17	**247,496**	184,516
Investment in a joint venture	18	**20,688**	14,695
Investment in an associate	19	**362**	149
Equity investment designated at fair value through profit or loss	20	**4,125**	—
Due from a related company	25	**75,026**	75,026
Prepayments	24	**16,849**	16,260
Deferred tax assets	34	**53,528**	44,745
Total non-current assets		**788,480**	679,958
CURRENT ASSETS			
Inventories	21	**652,797**	735,645
Trade receivables	22	**2,595,032**	2,450,309
Contract assets	23	**151,542**	31,147
Prepayments, deposits and other receivables	24	**1,157,023**	1,002,172
Due from the immediate holding company	25	**978**	1,941
Due from fellow subsidiaries	25	**742,642**	486,202
Due from other related companies	25	**104,192**	92,789
Restricted bank deposits	26	**9,310**	—
Cash and bank balances	27	**5,803,460**	5,130,660
Total current assets		**11,216,976**	9,930,865
CURRENT LIABILITIES			
Trade payables	28	**2,424,928**	1,993,794
Other payables and accruals	29	**738,391**	959,071
Temporary receipts from properties managed	30	**1,191,851**	1,282,986
Receipts in advance and other deposits	31	**1,923,477**	1,700,060
Due to the immediate holding company	32	**1,149**	—
Due to fellow subsidiaries	32	**30,326**	17,807
Due to other related companies	32	**22,300**	31,360
Income tax payables		**304,592**	281,723
Bank borrowings	33	**50,000**	56,359
Lease liabilities	16(b)	**53,598**	42,081
Total current liabilities		**6,740,612**	6,365,241
Net current assets		**4,476,364**	3,565,624
Total assets less current liabilities		**5,264,844**	4,245,582

Consolidated Statement of Financial Position (Continued)

As at 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
NON-CURRENT LIABILITIES			
Lease liabilities	16(b)	**68,557**	55,192
Deferred tax liabilities	34	**22,279**	13,373
Total non-current liabilities		**90,836**	68,565
Net assets		**5,174,008**	4,177,017
EQUITY			
Equity attributable to ordinary equity holders of the Company			
Issued capital	35	**2,677**	2,679
Reserves	37	**5,107,805**	4,118,686
		5,110,482	4,121,365
Non-controlling interests		**63,526**	55,652
Total equity		**5,174,008**	4,177,017

Xiao Junqiang
Director

Pang Jinying
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2024

	Attributable to ordinary equity holders of the Company									
	Issued capital RMB'000 (note 35)	Property revaluation reserve RMB'000	Exchange fluctuation reserve RMB'000	PRC statutory reserve RMB'000 (note 37(b))	Special reserve RMB'000 (note 37(c))	Capital reserve RMB'000 (note 37(d))	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2024	2,679	41,080	7,093	366,566	(191,427)	21,143	3,874,231	4,121,365	55,652	4,177,017
Profit for the year	–	–	–	–	–	–	1,510,918	1,510,918	10,590	1,521,508
Other comprehensive income/(loss) for the year:										
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:										
Exchange differences on translation of subsidiaries' financial statements	–	–	8,433	–	–	–	–	8,433	–	8,433
Exchange differences on translation of an associate's financial statements	–	–	7	–	–	–	–	7	–	7
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:										
Exchange differences on translation of the Company's financial statements	–	–	(5,550)	–	–	–	–	(5,550)	–	(5,550)
Total comprehensive income for the year	–	–	2,890	–	–	–	1,510,918	1,513,808	10,590	1,524,398
Reversal of share-based payment borne by an intermediate holding company (note 36)	–	–	–	–	–	(2,392)	–	(2,392)	–	(2,392)
Transfer to PRC statutory reserve	–	–	–	197,991	–	–	(197,991)	–	–	–
Dividends paid to non-controlling equity holders of subsidiaries	–	–	–	–	–	–	–	–	(2,098)	(2,098)
Shares repurchased and cancelled (note 35)	(2)	–	–	–	–	–	(11,480)	(11,482)	–	(11,482)
Deregistration of subsidiaries	–	–	–	(248)	–	–	–	(248)	(618)	(866)
2023 final dividend (note 13)	–	–	–	–	–	–	(256,680)	(256,680)	–	(256,680)
2024 interim dividend (note 13)	–	–	–	–	–	–	(253,889)	(253,889)	–	(253,889)
At 31 December 2024	2,677	41,080*	9,983*	564,309*	(191,427)*	18,751*	4,665,109*	5,110,482	63,526	5,174,008

Consolidated Statement of Changes in Equity (Continued)

Year ended 31 December 2024

	Attributable to ordinary equity holders of the Company									
	Issued capital RMB'000 (note 35)	Property revaluation reserve RMB'000	Exchange fluctuation reserve RMB'000	PRC statutory reserve RMB'000 (note 37(b))	Special reserve RMB'000 (note 37(c))	Capital reserve RMB'000 (note 37(d))	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2023	2,679	41,080	(2,194)	299,758	(191,427)	20,533	3,007,559	3,177,988	45,437	3,223,425
Profit for the year	–	–	–	–	–	–	1,342,503	1,342,503	9,001	1,351,504
Other comprehensive income/(loss) for the year:										
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:										
Exchange differences on translation of subsidiaries' financial statements	–	–	10,768	–	–	–	–	10,768	–	10,768
Exchange differences on translation of an associate's financial statements	–	–	23	–	–	–	–	23	–	23
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:										
Exchange differences on translation of the Company's financial statements	–	–	(1,504)	–	–	–	–	(1,504)	–	(1,504)
Total comprehensive income for the year	–	–	9,287	–	–	–	1,342,503	1,351,790	9,001	1,360,791
Provision of share-based payment borne by an intermediate holding company (note 36)	–	–	–	–	–	610	–	610	–	610
Transfer to PRC statutory reserve	–	–	–	67,977	–	–	(67,977)	–	–	–
Capital contributions from non-controlling equity holders of subsidiaries	–	–	–	–	–	–	–	–	3,920	3,920
Dividends paid to non-controlling equity holders of subsidiaries	–	–	–	–	–	–	–	–	(2,706)	(2,706)
Deregistration of a subsidiary	–	–	–	(1,169)	–	–	–	(1,169)	–	(1,169)
2022 final dividend (note 13)	–	–	–	–	–	–	(240,427)	(240,427)	–	(240,427)
2023 interim dividend (note 13)	–	–	–	–	–	–	(167,427)	(167,427)	–	(167,427)
At 31 December 2023	2,679	41,080*	7,093*	366,566*	(191,427)*	21,143*	3,874,231*	4,121,365	55,652	4,177,017

* These reserve accounts comprise the consolidated reserves of RMB5,107,805,000 (2023: RMB4,118,686,000) in the consolidated statement of financial position as at 31 December 2024.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**2,010,022**	1,803,377
Adjustments for:			
Share of profit of a joint venture		**(5,993)**	(6,281)
Share of profit of an associate		**(206)**	(188)
Interest income	6	**(106,407)**	(81,774)
Finance costs	7	**8,527**	6,519
Impairment of financial assets and contract assets, net	8	**72,189**	42,535
Depreciation of property, plant and equipment	8	**39,157**	36,804
Depreciation of right-of-use assets	8	**46,576**	35,507
Amortisation of intangible assets	8	**17,308**	10,429
(Reversal)/provision of share-based payments	36	**(2,392)**	610
Fair value loss of investment properties, net	15	**18,305**	9,640
Loss on disposal of items of property, plant and equipment, net	8	**295**	559
Loss on early termination of lease contracts, net	6	**734**	1,493
Operating cash flows before working capital changes		**2,098,115**	1,859,230
Decrease in inventories		**82,848**	118,666
Increase in trade receivables		**(216,137)**	(642,468)
Increase in contract assets		**(120,596)**	(15,079)
Increase in prepayments, deposits and other receivables		**(114,857)**	(140,422)
Decrease/(increase) in amount due from the immediate holding company — trade nature		**963**	(31)
(Increase)/decrease in amounts due from fellow subsidiaries — trade nature and prepayments		**(256,040)**	6,893
(Increase)/decrease in amounts due from other related companies — trade nature and prepayments		**(11,403)**	7,997
Increase in restricted bank deposits		**(9,310)**	—
Increase in trade payables		**412,561**	652,861
Increase in receipts in advance and other deposits		**223,169**	267,849
Decrease in other payables and accruals		**(224,313)**	(181,042)
Decrease in temporary receipts		**(91,135)**	(11,863)
Increase in amount due to the immediate holding company		**1,130**	—
Increase/(decrease) in amounts due to fellow subsidiaries		**12,460**	(18,002)
Decrease in amounts due to other related companies		**(9,060)**	(6,381)
Cash generated from operations		**1,778,395**	1,898,208
Income taxes paid		**(452,111)**	(381,506)
PRC withholding tax paid		**(13,228)**	(12,026)
Net cash flows from operating activities		**1,313,056**	1,504,676

Consolidated Statement of Cash Flows (Continued)

Year ended 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		**77,946**	93,350
Purchase of items of property, plant and equipment		**(57,801)**	(49,530)
Addition of intangible assets		**(80,288)**	(93,900)
Capital injection to equity investment designated at fair value through profit or loss		**(4,125)**	—
Placement of non-pledged time deposits with original maturity of over three months		**(1,457,838)**	(1,178,910)
Withdrawal of non-pledged time deposits with original maturity of over three months		**525,174**	950,000
Proceeds from the disposal of items of property, plant and equipment		**2,014**	—
Net cash flows used in investing activities		**(994,918)**	(278,990)
CASH FLOWS FROM FINANCING ACTIVITIES			
Principal portion of lease payments	38(b)	**(49,803)**	(46,044)
Interest portion of lease payments	38(b)	**(6,797)**	(4,914)
Other interest paid	38(b)	**(1,730)**	(1,605)
Drawdown of bank borrowings	38(b)	**53,179**	56,359
Repayment of bank borrowings	38(b)	**(59,538)**	(60,000)
Capital contribution from non-controlling equity holders of subsidiaries		**—**	3,920
Dividends paid to ordinary equity holders of the Company	13	**(510,569)**	(407,854)
Dividends paid to non-controlling equity holders of subsidiaries		**(2,098)**	(2,706)
Payment on repurchase and cancellation of shares		**(11,482)**	—
Net cash flows used in financing activities		**(588,838)**	(462,844)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		**(270,700)**	762,842
Cash and cash equivalents at beginning of year		**3,191,750**	2,418,185
Effect of foreign exchange rate changes, net		**6,985**	10,723
CASH AND CASH EQUIVALENTS AT END OF YEAR		**2,928,035**	3,191,750

Consolidated Statement of Cash Flows (Continued)

Year ended 31 December 2024

	Note	2024 RMB'000	2023 RMB'000
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances as stated in the consolidated statement of financial position	27	**5,803,460**	5,130,660
Less: Time deposits with original maturity of over three months		**(2,875,425)**	(1,938,910)
Cash and cash equivalents as stated in the consolidated statement of cash flows		**2,928,035**	3,191,750

NOTES TO FINANCIAL STATEMENTS

31 December 2024

1. CORPORATE AND GROUP INFORMATION

China Overseas Property Holdings Limited (the "Company") is an exempted company with limited liability incorporated in the Cayman Islands and the shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and its principal place of business is Suite 703, 7/F., Three Pacific Place, 1 Queen's Road East, Hong Kong.

The immediate holding company of the Company is China Overseas Holdings Limited ("COHL"), a company incorporated in Hong Kong, and its ultimate holding company is China State Construction Engineering Corporation (中國建築集團有限公司) ("CSCEC"), which is a state-owned enterprise established in the People's Republic of China (the "PRC") and under the control of the State-owned Assets Supervision and Administration Commission of the State Council of the PRC.

During the year, the Company and its subsidiaries (collectively referred to as the "Group") are principally engaged in the provision of property management services, value-added services to non-residents and residents, and the trading of car parking spaces.

Information about principal subsidiaries

Particulars of the Company's principal subsidiaries as at 31 December 2024 are as follows:

Company name	Place of incorporation/ registration and business	Registered/ issued and paid-up capital	Percentage of equity attributable to the Company		Principal activities
			Direct %	Indirect %	
China Overseas Property Services Limited	Hong Kong	HK$50,000,100	100	—	Real estate management and investment holding
中海物業管理有限公司*#	The PRC/Mainland China	RMB500,000,000	100	—	Real estate management and investment holding
Gold Court (Macau) Property Services Limited	Macau	MOP250,000	96	4	Real estate management
長春中海物業管理有限公司#	The PRC/Mainland China	RMB50,000,000	—	100	Real estate management
成都中海物業管理有限公司#	The PRC/Mainland China	RMB50,000,000	—	100	Real estate management
湖南省中海海惠物業管理有限公司#	The PRC/Mainland China	RMB20,500,000	—	84	Real estate management
深圳市中海商業服務有限公司#	The PRC/Mainland China	RMB5,000,000	—	60	Real estate management
中海物業管理廣州有限公司#	The PRC/Mainland China	RMB50,000,000	—	100	Real estate management
China Overseas Building Management Limited	Hong Kong	HK$100	—	100	Real estate management
北京中海物業管理有限公司#	The PRC/Mainland China	RMB50,000,000	—	100	Real estate management
北京中建物業管理有限公司#	The PRC/Mainland China	RMB25,000,000	—	100	Real estate management

Notes to Financial Statements (Continued)

31 December 2024

1. CORPORATE AND GROUP INFORMATION (Continued)

Information about principal subsidiaries (Continued)

Company name	Place of incorporation/ registration and business	Registered/ issued and paid-up capital	Percentage of equity attributable to the Company Direct %	Indirect %	Principal activities
重慶海投物業管理有限公司#	The PRC/Mainland China	RMB30,000,000	–	100	Real estate management
淄博中海物業管理有限公司#	The PRC/Mainland China	RMB1,000,000	–	100	Real estate management
中海宏洋物業管理有限公司#	The PRC/Mainland China	RMB50,000,000	–	100	Real estate management
廣州市光大花園物業管理有限公司#	The PRC/Mainland China	RMB3,000,000	–	100	Real estate management
呼和浩特市中海物業服務有限公司#	The PRC/Mainland China	RMB20,000,000	–	100	Real estate management
上海中海物業管理有限公司#	The PRC/Mainland China	RMB50,000,000	–	100	Real estate management
濟南中海物業管理有限公司#	The PRC/Mainland China	RMB20,000,000	–	100	Real estate management
德州華府物業管理有限公司#	The PRC/Mainland China	RMB500,000	–	100	Real estate management
中海(惠州)物業服務有限公司#	The PRC/Mainland China	RMB50,000,000	–	100	Real estate management
汕頭中海物業服務有限公司#	The PRC/Mainland China	RMB50,000,000	–	100	Real estate management
大連中海海惠物業服務有限公司#	The PRC/Mainland China	RMB8,000,000	–	100	Real estate management
廣東中海物業服務有限公司#	The PRC/Mainland China	RMB50,000,000	–	100	Real estate management
天津中海物業管理服務有限公司#	The PRC/Mainland China	RMB10,000,000	–	100	Real estate management
天津中海津信物業服務有限公司#	The PRC/Mainland China	RMB500,000	–	100	Real estate management
中海海惠物業服務有限公司#	The PRC/Mainland China	RMB50,000,000	–	100	Real estate management
深圳市中海美城智慧城市運營有限公司#	The PRC/Mainland China	RMB3,000,000	–	100	Real estate management
湖北中海海惠物業管理有限公司#	The PRC/Mainland China	RMB3,500,000	–	100	Real estate management
鄭州中海僑城物業管理有限公司#	The PRC/Mainland China	RMB5,000,000	–	51	Real estate management
福建中海深藍物業管理有限公司#	The PRC/Mainland China	RMB10,000,000	–	100	Real estate management
西安中海物業管理有限公司#	The PRC/Mainland China	RMB20,000,000	–	100	Real estate management

1. CORPORATE AND GROUP INFORMATION (Continued)

Information about principal subsidiaries (Continued)

Company name	Place of incorporation/ registration and business	Registered/ issued and paid-up capital	Percentage of equity attributable to the Company Direct %	Indirect %	Principal activities
寧波中海物業管理有限公司#	The PRC/Mainland China	RMB20,000,000	–	100	Real estate management
重慶中海海惠物業管理有限公司#	The PRC/Mainland China	RMB5,000,000	–	100	Real estate management
海納萬商物業管理有限公司#	The PRC/Mainland China	RMB50,000,000	–	100	Real estate management
四川軌道中海物業管理有限公司#	The PRC/Mainland China	RMB10,000,000	–	51	Real estate management
廣東優你互聯海以為酒店管理有限公司#	The PRC/Mainland China	RMB5,000,000	–	100	Real estate management
珠海航空綜合服務有限公司#	The PRC/Mainland China	RMB4,180,000	–	51	Real estate management
貴州播投中海物業服務有限公司#	The PRC/Mainland China	RMB5,000,000	–	51	Real estate management
海口海越物業管理有限公司#	The PRC/Mainland China	RMB5,000,000	–	60	Real estate management
新疆中海物業管理有限公司#	The PRC/Mainland China	RMB3,000,000	–	100	Real estate management
溫州中海物業管理有限公司#	The PRC/Mainland China	RMB5,000,000	–	100	Real estate management
渭南中海親頤物業服務有限公司#	The PRC/Mainland China	RMB1,000,000	–	100	Real estate management
中海同心(貴州)物業管理有限公司#	The PRC/Mainland China	RMB3,000,000	–	55	Real estate management
畢節中海建投物業管理有限公司#	The PRC/Mainland China	RMB3,000,000	–	60	Real estate management
天津中建物業服務有限公司#	The PRC/Mainland China	RMB3,000,000	–	51	Real estate management
中海海穗物業管理(廣州)有限公司#	The PRC/Mainland China	RMB2,000,000	–	100	Real estate management
南通中海陽光物業管理有限公司#	The PRC/Mainland China	RMB5,000,000	–	60	Real estate management
海南中海投物業管理有限公司#	The PRC/Mainland China	RMB5,000,000	–	60	Real estate management
佛山中海物業管理有限公司#	The PRC/Mainland China	RMB2,000,000	–	100	Real estate management
鹽城中海慧鹽物業管理有限公司#	The PRC/Mainland China	RMB10,000,000	–	51	Real estate management
江蘇中海物業服務有限公司#	The PRC/Mainland China	RMB20,000,000	–	100	Real estate management
China Overseas Mehon Environmental Services Limited	Hong Kong	HK$10,000,000	–	100	Provision of cleaning services

Notes to Financial Statements (Continued)

31 December 2024

1. CORPORATE AND GROUP INFORMATION (Continued)

Information about principal subsidiaries (Continued)

Company name	Place of incorporation/ registration and business	Registered/ issued and paid-up capital	Percentage of equity attributable to the Company Direct %	Indirect %	Principal activities
China Overseas Commercial Services Limited	Hong Kong	HK$100	–	100	Investment holding
China Overseas Security Services Limited	Hong Kong	HK$2	–	100	Provision of security services
Gold Court (Macau) Security Services Company Limited	Macau	MOP100,000	–	100	Provision of security services
四川中海園林工程有限公司#	The PRC/Mainland China	RMB20,000,000	–	100	Provision of engineering, repair and maintenance services
深圳市海博工程科技有限公司#	The PRC/Mainland China	RMB100,000,000	–	100	Provision of engineering, repair and maintenance services
深圳市興海物聯科技有限公司#	The PRC/Mainland China	RMB220,000,000	–	100	Provision of engineering, repair and maintenance services
深圳市興海機電工程有限公司#	The PRC/Mainland China	RMB20,000,000	–	100	Provision of engineering, repair and maintenance services
深圳市海博裝飾工程有限公司#	The PRC/Mainland China	RMB20,000,000	–	100	Provision of engineering, repair and maintenance services
Mepork Engineering Services Limited	Hong Kong	HK$100	–	100	Provision of engineering, repair and maintenance services
Mepork (Macau) Engineering Services Limited	Macau	MOP25,000	–	100	Provision of engineering, repair and maintenance services
China Overseas Property Management Trade Mark Limited	Hong Kong	HK$1	100	–	Holding of trademarks
青島澔海祥鑫商貿有限公司#	The PRC/Mainland China	RMB1,000,000	–	100	Provision of services through an online-to-offline ("O2O") platform
海略(河南)信息科技有限公司#	The PRC/Mainland China	RMB1,000,000	–	100	Provision of services through an O2O platform

1. CORPORATE AND GROUP INFORMATION (Continued)

Information about principal subsidiaries (Continued)

Company name	Place of incorporation/ registration and business	Registered/ issued and paid-up capital	Percentage of equity attributable to the Company Direct %	Indirect %	Principal activities
深圳市優你家互聯網科技有限公司#	The PRC/Mainland China	RMB25,000,000	—	100	Provision of services through an O2O platform
杭州優你互聯科技有限公司#	The PRC/Mainland China	RMB2,000,000	—	100	Provision of services through an O2O platform
天津市海惠優選互聯網科技有限公司#	The PRC/Mainland China	RMB5,000,000	—	100	Provision of services through an O2O platform
重慶市優你家互聯網科技有限公司#	The PRC/Mainland China	RMB5,000,000	—	100	Provision of services through an O2O platform
武漢市優你家房地產經紀有限公司#	The PRC/Mainland China	RMB5,000,000	—	100	Provision of services through an O2O platform
北京市優你家房地產經紀有限公司#	The PRC/Mainland China	RMB5,000,000	—	100	Provision of services through an O2O platform
宿州中海物業有限公司#	The PRC/Mainland China	RMB5,000,000	—	51	Real estate management
重慶中海濱江物業管理有限公司#	The PRC/Mainland China	RMB3,000,000	—	51	Real estate management
廣州利合物業管理有限公司#	The PRC/Mainland China	RMB5,000,000	—	100	Real estate management
廣東臻知己酒業銷售有限公司#	The PRC/Mainland China	RMB5,000,000	—	100	Retailing
龍岩中海深藍物業管理有限公司#	The PRC/Mainland China	RMB5,000,000	—	100	Real estate management

* These companies are registered as wholly-foreign-owned enterprises under PRC law.

These companies are registered as limited liability companies under PRC law.

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

2. ACCOUNTING POLICIES

2.1 Basis of Preparation

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622) and The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). They have been prepared under the historical cost convention, except for investment properties and equity investment designated at fair value through profit or loss which have been measured at fair value. The functional currency of the Company is Hong Kong dollar ("HK$") and the functional currencies of other group entities are mainly Renminbi ("RMB"). These financial statements are presented in RMB and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2024. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company. Adjustments are made to bring into line any dissimilar accounting policies that may exist. Other than those subsidiaries acquired under business combinations under common control which are consolidated from the date when combining entities first come under the control of the controlling shareholder of the Company or from the earliest date presented in these financial statements, whichever is the latter, the results of other subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the ordinary equity holders of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2. ACCOUNTING POLICIES (Continued)

2.1 Basis of Preparation (Continued)

Basis of consolidation (Continued)

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 Changes in Accounting Policies and Disclosures

The Group has adopted the following revised HKFRSs for the first time for the current year's financial statements:

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

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

(a) Amendments to HKFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of HKFRS 16, the amendments did not have any impact on the financial position or performance of the Group.

2. ACCOUNTING POLICIES (Continued)

2.2 Changes in Accounting Policies and Disclosures (Continued)

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

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

(c) Amendments to HKAS 7 and HKFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the Group's financial statements.

2. ACCOUNTING POLICIES (Continued)

2.3 Issued but not yet Effective Hong Kong Financial Reporting Standards

The Group has not applied the following applicable new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements:

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

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

The Group intends to apply these new and revised HKFRSs, if applicable, when they become effective.

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

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

2. ACCOUNTING POLICIES (Continued)

2.3 Issued but not yet Effective Hong Kong Financial Reporting Standards (Continued)

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

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

(d) Amendments to HKFRS 10 and HKAS 28 address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 *Investments in Associates* in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 was removed by the HKICPA. However, the amendments are available for adoption now.

2. ACCOUNTING POLICIES (Continued)

2.3 Issued but not yet Effective Hong Kong Financial Reporting Standards (Continued)

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

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

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

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

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

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

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies

Fair value measurement

The Group measures its investment properties and an equity investment designated at fair value through profit or loss at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

Level 1 — based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Investments in a joint venture and an associate

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

An associate is an entity in which the investor has a long term interest of generally not less than 20% of the equity voting rights and over which it has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's investments in a joint venture and an associate are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. Adjustments are made to bring into line any dissimilar accounting policies that may exist. The Group's share of the post-acquisition results and other comprehensive income of a joint venture and an associate is included in the consolidated profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the joint venture or associate, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its joint venture or associate are eliminated to the extent of the Group's investments in the joint venture or associate, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of a joint venture or an associate is included as part of the Group's investments in a joint venture or an associate.

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

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

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Related parties

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

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

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

(ii) has significant influence over the Group; or

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

or

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

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

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

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

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

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

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

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

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

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Business combinations and goodwill

Business combinations under common control

Business combinations of entities under common control are accounted for using the principle of merger accounting in accordance with the Accounting Guideline 5 *Merger Accounting for Common Control Combinations* ("AG 5 (Revised)") issued by the HKICPA. Under the principle of merger accounting, the consolidated financial statements incorporate the financial statement items of the acquired entities of businesses in which the common control combination occurs from the date when the acquired entities or businesses first come under the control of the controlling party.

The net assets of the acquired entities or businesses are consolidated using the existing book values from the controlling party's perspective. No adjustments are made to reflect fair values, or recognise any new assets or liabilities as a result of the common control combination. No amount is recognised in respect of goodwill or excess of acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the contribution of the controlling party's interest. All differences between the cost of acquisition (fair value of consideration paid) and the amounts at which the assets and liabilities are recorded (net of any reserves of the acquired entities) have been recognised directly in equity as part of the special reserve. Acquisition-related costs are expenses as incurred.

The consolidated profit or loss and the consolidated other comprehensive income include the results of each of the acquired entities or businesses from the earliest date presented or since the date when the acquired entities or businesses first come under common control, where this is a shorter period.

Other business combinations and goodwill

Other business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

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

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Business combinations and goodwill (Continued)

Other business combinations and goodwill (Continued)

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

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

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

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

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

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

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

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Impairment of non-financial assets

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

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises.

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

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

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

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Property, plant and equipment and depreciation (Continued)

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The estimated useful lives of different categories of property, plant and equipment are as follows:

Buildings	20 years
Leasehold improvements	Over the shorter of the lease terms and 5 years
Machinery and equipment	3 to 10 years
Motor vehicles	5 years
Furniture, fixtures and office equipment	3 to 8 years

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

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

Investment properties

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

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

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

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Investment properties (Continued)

When a property occupied by the Group as an owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under "Property, plant and equipment and depreciation" for owned property up to the date of change in use, and any difference at that date between the carrying amount and the fair value of the property is accounted for as follows:

(a) any resulting decrease in the carrying amount of the property is recognised in profit or loss in the period the change in use takes place; or

(b) any resulting increase in the carrying amount is credited to profit or loss, to the extent that the increase reverses a previous impairment loss for that property, or restores the carrying amount of the property to an amount that would have been determined (net of any depreciation) had no impairment loss been recognised for the property in prior periods; and any remaining part of the increase in the carrying amount is credited directly to equity in the property revaluation reserve. On subsequent disposal of the property, the relevant portion of the property revaluation reserve realised is transferred to retained profits as a movement in reserves.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessor

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

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

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are accounted for as finance leases.

Notes to Financial Statements (Continued)
31 December 2024

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Leases (Continued)

Group as a lessee

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

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on the straight-line basis over the following depreciation periods, which are the shorter of the lease terms and the estimated useful lives of the assets:

Leasehold land	20 years
Buildings	2 to 10 years

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

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

The Group's right-of-use assets are separately presented on the face of the consolidated statement of financial position.

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Leases (Continued)

Group as a lessee (Continued)

(b) *Lease liabilities*

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

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

The Group's lease liabilities are separately presented on the face of the consolidated statement of financial position.

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

The Group applies the short-term lease recognition exemption to its short-term leases (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of equipment that are considered to be of low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on the straight-line basis over the lease term.

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Intangible assets

Computer software and systems

Computer software and systems acquired separately is measured on initial recognition at cost. The useful lives of computer software and systems are assessed to be finite.

Computer software and systems is subsequently amortised over the useful economic life of 3 to 10 years and assessed for impairment whenever there is an indication that the computer software and systems may be impaired. The amortisation period and the amortisation method for computer software is reviewed at least at each financial year end.

Self-developed computer software and systems are stated at cost less any impairment losses and are amortised using the straight-line basis over the commercial lives of the underlying products not exceeding 3 to 10 years, commencing from the date when the products are put into commercial production.

Research and development costs

All research costs are charged to the statement of profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Investments and other financial assets

Initial recognition and measurement

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

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

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Investments and other financial assets (Continued)

Initial recognition and measurement (Continued)

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

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

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

Subsequent measurement

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

(a) Financial assets at amortised cost

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

(b) Financial assets at fair value through profit or loss

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

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on the equity investments are also recognised as other income in profit or loss when the right of payment has been established.

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Investments and other financial assets (Continued)

Impairment

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

(a) General approach

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

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been an indicator of credit risk when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group considers a financial asset in default when contractual payments are past due for more than one year. The Group has rebutted the 90 days past due presumption of default based on reasonable and supportable information, including the Group's credit risk control practices and the historical recovery rate of financial assets over 90 days past due. However, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Investments and other financial assets (Continued)

Impairment (Continued)

(a) General approach (Continued)

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets that result from transactions that are within the scope of HKFRS 15 and HKFRS 16, which apply the simplified approach as detailed below.

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

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

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

(b) Simplified approach

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

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Investments and other financial assets (Continued)

Derecognition

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

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

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

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

Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are all classified, at initial recognition, as financial liabilities at amortised cost, which are recognised initially at fair value and net of directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Financial liabilities (Continued)

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Inventories

Inventories, including car parking spaces and consumables, are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out basis. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to disposal.

Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and restricted deposits are held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, joint ventures and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of deductible temporary differences associated with investments in subsidiaries, joint ventures and associates, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Income tax (Continued)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Revenue recognition (Continued)

Revenue from contracts with customers (Continued)

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

(a) Property management services

Revenue from the provision of property management services (both on a lump sum basis and on a commission basis) is recognised over the scheduled period on the straight-line basis because the customer simultaneously receives and consumes the benefits provided by the Group.

For property management service income of properties managed on a lump sum basis, where the Group acts as a principal and is primarily responsible for providing the property management services to the property owners, the Group recognises the fee received or receivable from property owners as its revenue and all related property management costs as its cost of services. For property management service income of properties managed on a commission basis, the Group recognises the commission, which is calculated by a certain percentage of either (i) the total property management fee received/receivable from the property owners; or (ii) the total property management expenses incurred, as its revenue for arranging and monitoring the services provided by service suppliers to the property owners.

(b) Value-added services

Revenue from the provision of certain value-added services, including common area rental assistance, provision of engineering, vetting of building plans, facilities and equipment evaluation proposals, pre-delivery, move-in assistance, delivery inspection, engineering service quality monitoring and consulting services, etc is recognised over time, using either input or output method to measure progress towards complete satisfaction of the service, because (i) the customer simultaneously receives and consumes the benefits provided by the Group; or (ii) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced. In respect of intelligent engineering and special engineering services, the input method is used to recognise revenue based on the proportion of the actual costs incurred relative to the estimated total costs for satisfaction of the services. In respect of above-mentioned other value-added services, the output method is used to recognise revenue based on the value of the service performed to date, as agreed with the customer.

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Revenue recognition (Continued)

Revenue from contracts with customers (Continued)

(b) *Value-added services (Continued)*

Revenue from the provision of other value-added services, including rental assistance, agency and custody for rental estate transactions, home living service operations, commercial service operations, etc., is recognized at the point in time when control of services or goods have been transferred to customers.

(c) *Trading of car parking spaces*

Revenue from the trading of car parking spaces is recognised at the point in time when control of the asset is transferred to the customer.

Revenue from other sources

(a) *Rental income*

Rental income is recognised on the straight line basis over the lease terms.

(b) *Interest income*

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

(c) *Dividend income*

Dividend income is recognised when the shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Contract assets

If the Group performs by transferring goods or services to a customer before being unconditionally entitled to the consideration under the contract terms, a contract asset is recognised for the earned consideration. Contract assets are assessed for impairment under the same approach adopted for impairment of trade receivables. They are reclassified to trade receivables when the right to be the consideration becomes unconditional.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Employee benefits

Share-based payments

Certain employees of the Group were granted incentive shares by an intermediate holding company in respect of their services to the Group. Such equity-settled share-based payment transactions do not involve repayment arrangements and accordingly, they are accounted for as a deemed capital contribution to the Group from the intermediate holding company. The amount to be expensed as share-based compensation expense in respect of these equity-settled share-based payment transactions is determined by reference to the fair value of the share awards granted, taking into account all non-vesting conditions associated with the grants. The total expense is recognised over the relevant vesting periods (or on the grant date if the share awards vest immediately), with a corresponding credit to the capital reserve under equity. For those share awards which are amortised over the vesting periods, the Group revises its estimates of the number of awarded incentive shares that are expected to ultimately vest based on the vesting conditions at the end of each reporting period. Any resulting adjustment to the cumulative fair value recognised in prior years is recognised in profit or loss in the current year, with a corresponding adjustment to the capital reserve.

Defined contribution schemes

The Group has joined a number of defined contribution pension schemes organised by certain provincial or municipal governments in Mainland China for certain of its employees, the assets of which are held separately from those of the Group. Contributions are made based on a percentage of the eligible employees' salaries and are charged to profit or loss as they become payable, in accordance with the rules of the pension schemes. The employer contributions vest fully once made.

For those employees that have not yet joined a pension scheme, the Group has accrued for the estimated future pension costs based on a percentage of their salaries. The related assets for the purpose of discharging such liabilities are not separately held from those of the Group.

The Group also operates a defined contribution Mandatory Provident Fund retirement benefit scheme in Hong Kong (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance, for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the financial statements.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Foreign currencies

These financial statements are presented in RMB, while the Company's currency is HK$. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of certain subsidiaries and an associate established in Hong Kong, Macau and overseas are currencies other than RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions. The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve,except to the extent that the differences are attributable to non-controlling interest. On disposal of a foreign operation, the cumulative amount in the reserve component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

For the purpose of the consolidated statement of cash flows, the cash flows of subsidiaries established in Hong Kong, Macau and overseas are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of these subsidiaries which arise throughout the year are translated into RMB at the weighted average exchange rates for the year.

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorisation for issue of the financial statements, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its financial statements, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

The major judgements, key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have the most significant effect on the amounts recognised in the financial statements and have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are set out as below:

(a) Provision for ECLs on trade receivables and contract assets

The Group uses a provision matrix to calculate ECLs by applying ECL rates to different ageing groups of trade receivables and contract assets. The ECL rate of each ageing group is determined by the Group based on the average of historical incurred credit loss experience on each ageing group in the past years (i.e., the historical observed default rates) and, where material, adjusted for forward-looking factors specific to the debtors and the economic environment. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The Group's historical credit loss experience and forecast of economic conditions may not be representative of a customer's actual default in the future and significant management estimates are required in the estimates. When the actual outcome of expectation in future is different from the original estimates, such differences will impact on the carrying amount of trade receivables and contract assets and the amount of ECLs provided or reversed in the periods in which such estimates have been changed. The information about the ECLs on the Group's trade receivables and contract assets are disclosed in notes 22(b) and 23(d) to the financial statements.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

(b) Provision for ECLs on payments on behalf of property owners for properties managed on a commission basis

Payments on behalf of property owners for properties managed on a commission basis represent advances made to or operating costs paid on behalf of property owners for properties managed on a commission basis. The ECL on these receivables is determined by the Group based on (i) the net present value of expected future cash flows of respective property management projects, which have included a number of estimations and inputs, such as estimated property management fee, estimated collection rates and estimated operating costs; (ii) past repayment history; and (iii) where material, adjusted for forward-looking factors specific to the respective property management projects and the economic environment.

The Group's estimation on expected future cash flows of the relevant property management projects and forecast of economic conditions may not be representative of the actual cash flows in the future and significant management estimates are required in the estimates. When the actual outcome of expectation in future is different from the original estimates, such differences will impact on the carrying amount of payments on behalf of property owners for properties managed on a commission basis and the amount of ECLs provided or reversed in the periods in which such estimates have been changed. The information about the ECLs on these receivables is disclosed in note 24(b) to the financial statements.

(c) Principal versus agent considerations in relation to property management services

The Group provides property management services either on a lump sum basis or commission basis as stipulated in the property management services contracts. The Group applies judgement in determining whether the Group is acting as a principal or an agent in relation to property management services in considering all relevant facts and circumstances, including the contractual terms of property management services contracts.

In relation to property management services on a lump sum basis, the Group acts as a principal and is primarily responsible for the provision of property management services to the property owners, where the Group recognises the property management fee received and receivable from property owners as its revenue and all related costs as its costs of services on a gross basis. In relation to property management services on a commission basis, the Group acts as an agent and considers that its performance obligations are only limited to arranging and monitoring the services provided by other services providers to the property owners, where the Group only recognises the commission income, which is calculated by a certain percentage of either (i) the total property management fee received/receivable from the property owners; or (ii) the total property management expenses incurred, as its revenue for arranging and monitoring the services provided by service suppliers to the property owners.

(d) Estimation of fair value of investment properties

The fair value of the Group's investment properties are assessed by management based on property valuations performed by independent professionally qualified valuers. The assumptions adopted in the property valuations are based on information of annual rental income and property market price per square metre, supported by (i) the terms of any existing leases and other contracts; and where possible, (ii) external evidence such as current market rents and recent prices for similar properties in the similar locations and conditions.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

(d) Estimation of fair value of investment properties (Continued)

Further details of the fair values estimation of the investment properties, including the key assumptions used and valuation techniques adopted for the fair value measurement, as well as a sensitivity analysis, are set out in note 15(b) to the financial statements.

(e) Classification of car parking spaces between investment properties and inventories

The Group holds car parking spaces for trading, earning rentals and/or capital appreciation. Judgement is made by management on determining whether a car parking space is designated as an investment property or an inventory. The Group considers its intention of holding the properties at the acquisition stage of the related car parking spaces for financial statement classification of these car parking spaces.

Car parking spaces intended for sale are accounted for as inventories in current assets and subsequently measured at the lower of costs and net realisable values at the end of each reporting period, whereas car parking spaces intended to be held to earn rentals and/or for capital appreciation are accounted for as investment properties in non-current assets and subsequently measured at fair value at the end of each reporting period.

(f) Determination of the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

(g) Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of each reporting period. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

(h) Useful lives and residual values of property, plant and equipment, right-of-use assets and intangible assets

Management determines the useful lives, residual values and related depreciation/amortisation charges for the Group's property, plant and equipment, right-of-use assets and intangible assets. This estimate is based on the historical experience of the actual useful lives and residual values of property, plant and equipment, right-of-use assets and intangible assets with similar nature and functions. It could change significantly as a result of technical innovations and competitor actions in response to severe industry cycles. Management will increase the depreciation/amortisation charge where useful lives or residual values are less than previously estimated, or it will write off or write down technically obsolete or non-strategic assets that have been abandoned or sold. Actual economic lives may differ from estimated useful lives. Periodic review could result in a change in depreciable/amortisable lives and hence depreciation/amortisation in future periods. Details of property, plant and equipment, right-of-use assets and intangible assets carried as assets in the consolidated statement of financial position are disclosed in notes 14, 16(b) and 17 to the financial statements, respectively.

(i) Determination of the net realisable values of car parking spaces

Inventories are stated as the lower of cost and net realisable value in accordance with the accounting policy as disclosed in note 2.4 to the financial statements. Management estimates the net realisable values of the Group's car parking spaces based primarily on the latest invoice prices and current market conditions. The Group carries out an inventory review at the end of each reporting period by comparing the costs and recent prices for similar car parking spaces in the similar locations and conditions. The carrying amount of car parking spaces and further details are given in note 21 to the financial statements.

(j) Recognition of a deferred tax liability for withholding taxes

The Corporate Income Tax Law of the PRC states that the distribution of dividends by a foreign invested enterprise established in Mainland China to its foreign investors shall be subject to withholding corporate income tax at a rate of 5% or 10%. The Group carefully evaluates the necessity of dividend distribution of its PRC subsidiaries based on the management's judgement. Further details are given in note 34(b) to the financial statements.

(k) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The amount of unrecognised tax losses at the end of the reporting date and further details are set out in note 34(a) to the financial statements.

4. OPERATING SEGMENT INFORMATION

For management purpose, the Group is organised into business segments based on their products and services and has three reportable operating segments consistent with the classification in prior years, in which value-added services segment was further divided into two sub-segments, namely value-added services to non-residents and value-added services to residents, for presentation purpose, which in the opinion of the directors of the Company, would provide a more comprehensive disclosure for financial statement users. The reportable operating segments are described as follows:

(a) the property management services segment engages in the provision of property management services such as security, repairs and maintenance, cleaning and garden landscape maintenance for residential communities (including mixed-use properties), commercial properties, government properties and construction sites.

(b) the value-added services segment included:

(i) the value-added services to non-residents sub-segment engages in the provision of engineering, vetting of building plans, facilities and equipment evaluation proposals, pre-delivery (such as security, cleaning and repair and maintenance services for display units in pre-sale offices for developing properties), move-in assistance, delivery inspection, engineering service quality monitoring and consulting services, etc. to non-residents (such as property developers and other property management companies).

(ii) the value-added services to residents sub-segment engages in the provision of community asset management services (such as rental assistance, agency and custody for real estate transactions, common area rental assistance and rental of self-owned properties), home living service operations (to meet the various needs of residents of the properties) and commercial service operations (to meet the needs of business users).

(c) the car parking space trading business segment engages in the trading of various types of car parking spaces.

Basis of segment information

The chief operating decision maker of the Group ("CODM", identified as the executive directors of the Company and certain senior management) monitors the results of the Group's operating segments separately for the purpose of making decisions about measurements including resource allocation and performance assessment. Segment performance is evaluated based on various considerations, including but not limited to reportable segment profit, which is measured consistently with the Group's profit before tax except that corporate expenses including professional fees and staff costs are excluded from such measurement.

Inter-segment revenue and transfers are transacted with reference to the charging prices used for revenue from third parties at the then prevailing market prices.

4. OPERATING SEGMENT INFORMATION (Continued)

Segment revenue and results

Year ended 31 December 2024

	Property management services RMB'000	Value-added services *Non-residents RMB'000*	Value-added services *Residents RMB'000*	Value-added services Sub-total RMB'000	Car parking space trading business RMB'000	Total RMB'000
Reportable segment revenue						
Revenue from external customers (note 5)	10,666,232	*1,828,734*	*1,384,606*	3,213,340	144,195	14,023,767
Inter-segment revenue	174,336	*760,874*	*129,705*	890,579	–	1,064,915
	10,840,568	*2,589,608*	*1,514,311*	4,103,919	144,195	15,088,682
Reconciliation:						
Elimination of inter-segment revenue						(1,064,915)
Reported total revenue						14,023,767
Reportable segment results	1,544,601	*146,455*	*328,949*	475,404	29,452	2,049,457
Reconciliation:						
Corporate expenses, net						(39,435)
Profit before tax						2,010,022

	Property management services RMB'000	Value-added services *Non-residents RMB'000*	Value-added services *Residents RMB'000*	Value-added services Sub-total RMB'000	Car parking space trading business RMB'000	Corporate and other unallocated RMB'000	Total RMB'000
Other segment information							
Interest income	91,244	*442*	*881*	1,323	–	13,840	106,407
Loss on disposal of items of property, plant and equipment, net	295	–	–	–	–	–	295
Loss on early termination of lease contracts, net	–	–	*734*	734	–	–	734
Impairment of financial assets and contract assets, net	63,212	*8,875*	*102*	8,977	–	–	72,189
Depreciation and amortisation	77,192	*16,997*	*6,178*	23,175	–	2,674	103,041
Fair value loss of self-owned investment properties, net	–	–	*6,705*	6,705	–	–	6,705
Fair value loss of leased investment properties, net	–	–	*11,600*	11,600	–	–	11,600
Share of profit of a joint venture	5,993	–	–	–	–	–	5,993
Share of profit of an associate	206	–	–	–	–	–	206

Notes to Financial Statements (Continued)

31 December 2024

4. OPERATING SEGMENT INFORMATION (Continued)

Segment revenue and results (Continued)

Year ended 31 December 2023

	Property management services RMB'000	Value-added services: Non-residents RMB'000	Value-added services: Residents RMB'000	Value-added services: Sub-total RMB'000	Car parking space trading business RMB'000	Total RMB'000
Reportable segment revenue						
Revenue from external customers (note 5)	9,414,907	*2,144,658*	*1,291,810*	3,436,468	199,875	13,051,250
Inter-segment revenue	143,550	*751,415*	*199,352*	950,767	—	1,094,317
	9,558,457	*2,896,073*	*1,491,162*	4,387,235	199,875	14,145,567
Reconciliation:						
Elimination of inter-segment revenue						(1,094,317)
Reported total revenue						13,051,250
Reportable segment results	1,320,173	*182,296*	*303,569*	485,865	43,086	1,849,124
Reconciliation:						
Corporate expenses, net						(45,747)
Profit before tax						1,803,377

	Property management services RMB'000	Value-added services: Non-residents RMB'000	Value-added services: Residents RMB'000	Value-added services: Sub-total RMB'000	Car parking space trading business RMB'000	Corporate and other unallocated RMB'000	Total RMB'000
Other segment information							
Interest income	78,376	*416*	*317*	733	—	2,665	81,774
Loss on disposal of items of property, plant and equipment, net	559	—	—	—	—	—	559
(Gain)/loss on early termination of lease contracts, net	(255)	*5*	*1,743*	1,748	—	—	1,493
Impairment of financial assets and contract assets, net	42,535	—	—	—	—	—	42,535
Depreciation and amortisation	70,951	*6,389*	*2,541*	8,930	—	2,859	82,740
Fair value loss of self-owned investment properties, net	—	—	*6,640*	6,640	—	—	6,640
Fair value loss of leased investment properties, net	—	—	*3,000*	3,000	—	—	3,000
Share of profit of a joint venture	6,281	—	—	—	—	—	6,281
Share of profit of an associate	188	—	—	—	—	—	188

4. OPERATING SEGMENT INFORMATION (Continued)

Geographical information

(a) Revenue from external customers

	2024 RMB'000	2023 RMB'000
Mainland China:		
Hua South Region	**3,611,294**	3,602,021
Hua East Region	**2,232,464**	1,901,256
Hua North Region	**2,542,338**	2,177,244
Hua Central Region	**696,837**	660,503
Northeast Region	**1,019,074**	866,752
Northwest Region	**705,196**	619,788
Southwest Region	**1,459,337**	1,400,400
	12,266,540	11,227,964
Hong Kong and Macau	**1,757,227**	1,823,286
Total	**14,023,767**	13,051,250

The revenue information above is based on the locations of the customers.

Notes to Financial Statements (Continued)

31 December 2024

4. OPERATING SEGMENT INFORMATION (Continued)

Geographical information (Continued)

(b) Non-current assets

	2024 RMB'000	2023 RMB'000
Mainland China:		
Hua South Region	**377,444**	308,558
Hua East Region	**68,621**	67,261
Hua North Region	**64,498**	45,137
Hua Central Region	**13,472**	11,386
Northeast Region	**10,582**	6,470
Northwest Region	**8,964**	9,396
Southwest Region	**55,394**	64,501
	598,975	512,709
Hong Kong and Macau	**35,776**	32,634
Total	**634,751**	545,343

The non-current assets information above is based on the locations of the assets and excludes investments in a joint venture in Mainland China and an associate in Hong Kong, an equity investment designed at fair value through profit or loss, balance due from a related company and deferred tax assets.

Information about a major customer

There was no individual customer which contributed 10% or more of the Group's revenue during each of the years ended 31 December 2024 and 2023.

5. REVENUE

(a) Disaggregated revenue information

Type of goods or services

Revenue from contracts with customers disaggregated by type of goods or services (i.e., provision of property management services, provision of value-added services to non-residents and residents and trading of car parking spaces) are recognised in the respective reportable operating segments (i.e., property management services, value-added services to non-residents and residents and car parking spaces trading business), and the details of the revenue from these reportable operating segments are set out in note 4 above.

Timing of revenue recognition

Year ended 31 December 2024

		Value-added services				
Segments	**Property management services RMB'000**	***Non-residents RMB'000***	***Residents RMB'000***	**Sub-total RMB'000**	**Car parking space trading business RMB'000**	**Total RMB'000**
Good or services transferred at a point in time	—	—	*1,008,854*	1,008,854	140,044	1,148,898
Services transferred over time	10,666,232	*1,828,734*	*359,132*	2,187,866	—	12,854,098
Total revenue from contracts with customers	10,666,232	*1,828,734*	*1,367,986*	3,196,720	140,044	14,002,996
Revenue from another source — rental income	—	—	*16,620*	16,620	4,151	20,771
Total revenue from external customers	10,666,232	*1,828,734*	*1,384,606*	3,213,340	144,195	14,023,767

Year ended 31 December 2023

		Value-added services				
Segments	Property management services RMB'000	*Non-residents RMB'000*	*Residents RMB'000*	Sub-total RMB'000	Car parking space trading business RMB'000	Total RMB'000
Good or services transferred at a point in time	—	—	*913,869*	913,869	192,670	1,106,539
Services transferred over time	9,414,907	*2,144,658*	*363,226*	2,507,884	—	11,922,791
Total revenue from contracts with customers	9,414,907	*2,144,658*	*1,277,095*	3,421,753	192,670	13,029,330
Revenue from another source — rental income	—	—	*14,715*	14,715	7,205	21,920
Total revenue from external customers	9,414,907	*2,144,658*	*1,291,810*	3,436,468	199,875	13,051,250

Geographical market

All revenue were generated in the PRC (including Mainland China, Hong Kong and Macau) during the years ended 31 December 2024 and 2023.

5. REVENUE (Continued)

(b) The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

	2024 RMB'000	2023 RMB'000
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Property management services	**983,585**	804,147
Value-added services	**34,465**	142,634
	1,018,050	946,781

No revenue recognised during the year ended 31 December 2024 was in relation to performance obligations satisfied or partially satisfied in previous periods (2023: Nil).

(c) Performance obligations

Information about the Group's performance obligations in contracts with customers is summarised below:

Provision of property management services

The Group recognises revenue in the amount that equals the right to invoice which corresponds directly with the value to the customer of the Group's performance to date over time. The Group bills the amount for services provided over time and payment is generally due for payment within 90 days upon the issuance of demand notes by the Group.

Provision of value-added services to non-residents

The performance obligations in relation to engineering, vetting of building plans, facilities and equipment evaluation proposals, pre-delivery, move-in assistance, delivery inspection, engineering service quality monitoring and consulting services etc. are satisfied over time when the services are rendered and the payment is generally due for payment within 90 days upon issuance of billings.

Provision of value-added services to residents

The performance obligations are satisfied over time, except for those in relation to rental assistance, agency and custody for rental estate transactions and home living service operations, of which the performance obligations are satisfied at a point in time and the payment is generally due for payment within 90 days upon issuance of billings.

5. REVENUE (Continued)

(c) Performance obligations (Continued)

Trading of car parking spaces

Revenue from the trading of car parking spaces is recognised when customers obtain the physical possession or the legal title of the car parking spaces and at which time the payment is due immediately.

At 31 December 2024, the amount of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied), resulting from property management service contracts with fixed terms, is RMB11,089,376,000 (2023: RMB9,517,115,000), of which approximately 50% (2023: 52%) is expected to be recognised as revenue within one year. In addition, the amounts disclosed above do not include variable consideration which is constrained.

For property management service contracts that do not have a fixed term, of which is generally set to expire when the counterparties notify the Group that the services are no longer required, the Group has a right to consideration from customers in an amount that corresponds directly with the value to customers of the Group's performance completed to date. The Group has elected the practical expedient not to disclose the remaining performance obligations for these contracts.

In addition, the Group has elected the practical expedient for not to disclose the remaining performance obligations for value-added service contracts, of which the contract period is not more than one year.

6. OTHER INCOME AND GAINS, NET

An analysis of the Group's other income and gains, net is as follows:

	2024 RMB'000	2023 RMB'000
Unconditional government grants:		
— Government subsidies relating to covid-19 pandemic	—	121
— Government subsidies arising from value-added and other tax beneficial policies	**15,054**	38,951
— Other government grants	**26,810**	26,830
	41,864	65,902
Interest income	**106,407**	81,774
Loss on early termination of lease contracts, net (note 16(b))	**(734)**	(1,493)
Others	**49,566**	23,515
	197,103	169,698

Notes to Financial Statements (Continued)

31 December 2024

7. FINANCE COSTS

	2024 RMB'000	2023 RMB'000
Interest expenses on lease liabilities (note 16(b))	**6,797**	4,914
Interest charges on short-term bank borrowings	**1,730**	1,605
	8,527	6,519

8. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Notes	2024 RMB'000	2023 RMB'000
Cost of inventories sold*		**90,797**	125,344
Cost of consumables consumed*		**784,906**	1,080,933
Sub-contracting costs*		**5,377,158**	3,879,166
Depreciation of property, plant and equipment	14	**39,157**	36,804
Less: Included in direct operating expenses		**(24,980)**	(20,884)
		14,177	15,920
Depreciation of right-of-use assets	16(b)	**46,576**	35,507
Less: Included in direct operating expenses		**(22,296)**	(25,740)
		24,280	9,767
Amortisation of intangible assets (included in selling and administrative expenses)	17	**17,308**	10,429
Employee benefit expenses (including directors' and chief executive's remuneration (note 9)):			
Wages and salaries		**4,210,833**	4,584,987
Share-based payments (note (a))		**(2,392)**	610
Pension scheme contributions (defined contribution schemes) (note (b))		**303,265**	338,337
		4,511,706	4,923,934
Less: Included in direct operating expenses		**(4,204,795)**	(4,639,265)
		306,911	284,669

8. PROFIT BEFORE TAX (Continued)

The Group's profit before tax is arrived at after charging/(crediting): (Continued)

	Notes	2024 RMB'000	2023 RMB'000
Rental expenses relating to short-term leases or low-value assets	16(b)	**22,691**	40,749
Direct operating expenses arising from rental-earning investment properties (including repairs and maintenance)		**9,253**	9,737
Tax surcharges and other levies*		**60,429**	57,250
Auditor's remuneration:			
Audit services in respect of annual audit		**3,788**	3,423
Non-audit services		**704**	853
		4,492	4,276
Impairment/(reversal of impairment) of financial and contract assets, net:			
Trade receivables	22(b)	**78,259**	65,205
Contract assets	23(d)	**361**	—
Other receivables	24(b)	**12,871**	(7,063)
Recovery of other receivables written off in prior years		**(19,302)**	(15,607)
		72,189	42,535
Fair value loss of investment properties, net:			
Self-owned investment properties	15	**6,705**	6,640
Leased investment properties*	15	**11,600**	3,000
		18,305	9,640
Loss on disposal of items of property, plant and equipment, net		**295**	559
Foreign exchange (gain)/loss, net		**(11,934)**	6,798

Notes:

(a) During the year ended 31 December 2024, there was a reversal on share-based payment to certain directors, senior management and other employees upon non-achievement of certain performance conditions or individual's key performance indicators, which amounted to RMB2,392,000 (2023: provision of share-based payment of RMB610,000) and was recognised in profit or loss, with a corresponding debit/credit to equity. Refer to note 36 for more details.

(b) There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

* These items are included in "Direct operating expenses" in the consolidated statement of profit or loss.

9. DIRECTORS' REMUNERATION

Directors' remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	2024 RMB'000	2023 RMB'000
Fees	**1,098**	1,074
Other emoluments:		
Salaries, allowances and benefits in kind	**5,180**	5,285
Performance related bonuses	**3,038**	9,609
Pension scheme contributions	**117**	292
	8,335	15,186
	9,433	16,260

An analysis of the directors' remuneration, on a named basis, is as follows:

Year ended 31 December 2024

	Fees RMB'000	Salaries, allowances and benefits in kind RMB'000 (note (a))	Performance related bonuses RMB'000 (note (b))	Pension scheme contributions RMB'000	Total RMB'000
Executive directors:					
Mr. Zhang Guiqing	—	1,380	1,200	17	2,597
Mr. Xiao Junqiang*	—	996	870	42	1,908
Mr. Pang Jinying	—	840	804	42	1,686
Mr. Kam Yuk Fai#	—	1,964	164	16	2,144
Non-executive directors:					
Mr. Ma Fujun^	—	—	—	—	—
Mr. Guo Lei	—	—	—	—	—
Ms. Ng, Yat Wing Athena^	—	—	—	—	—
Independent non-executive directors:					
Mr. Lim Wan Fung, Bernard Vincent#	366	—	—	—	366
Mr. Yung Wing Ki, Samuel#	366	—	—	—	366
Mr. So, Gregory Kam Leung#	366	—	—	—	366
	1,098	5,180	3,038	117	9,433

9. DIRECTORS' REMUNERATION (Continued)

Year ended 31 December 2023

	Fees RMB'000	Salaries, allowances and benefits in kind RMB'000 (note (a))	Performance related bonuses RMB'000 (note (b))	Pension scheme contributions RMB'000	Total RMB'000
Executive directors:					
Mr. Zhang Guiqing	—	1,456	3,276	168	4,900
Mr. Xiao Junqiang*	—	886	2,356	41	3,283
Dr. Yang Ou*	—	206	800	9	1,015
Mr. Pang Jinying	—	879	2,510	58	3,447
Mr. Kam Yuk Fai#	—	1,858	667	16	2,541
Non-executive directors:					
Mr. Ma Fujun^	—	—	—	—	—
Mr. Guo Lei	—	—	—	—	—
Independent non-executive directors:					
Mr. Lim Wan Fung, Bernard Vincent#	358	—	—	—	358
Mr. Yung Wing Ki, Samuel#	358	—	—	—	358
Mr. So, Gregory Kam Leung#	358	—	—	—	358
	1,074	5,285	9,609	292	16,260

* On 20 February 2023, Dr. Yang Ou resigned as executive director and the Chief Executive Officer of the Company and Mr. Xiao Junqiang was appointed as executive director and Chief Executive Officer of the Company on the same date.

^ On 25 October 2024, Mr. Ma Fujun resigned as non-executive director of the Company and Ms. Ng, Yat Wing Athena was appointed as non-executive director of the Company on the same date.

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

Notes:

(a) During the year and in prior years, certain directors were granted incentive A-shares of China State Construction Engineering Corporation Limited ("CSCECL, an intermediate holding company of the Company established in the PRC and whose shares are listed on the Shanghai Stock Exchange), in respect of their services to the Group, under the A-share restricted stock incentive plan of CSCECL, further details of which are set out in note 36 to the financial statements. The fair values of such incentive shares, which have been recognised in profit or loss over the vesting periods, were determined as at the respective dates of grant and the amounts included in the financial statements for the current and prior years are included in the "Salaries, allowances and benefits in kind" in the above directors' remuneration disclosures.

(b) Executive directors of the Company are entitled to bonus payments with reference to the remuneration policy of the Group and based on individual skills, knowledge, experience, performance and contribution, the overall performance of the Group, the prevailing economic condition and the market trend.

(c) During each of the years ended 31 December 2024 and 2023, there was no arrangement under which a director waived or agreed to waive any remuneration and no director received any emoluments as inducement to join or upon joining the Company or as compensation for loss of office.

10. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year, disclosed pursuant to Appendix D2.25 of the Listing Rules, included two (2023: three) directors, details of whose remuneration are set out in note 9 above. Details of the remuneration for the year of the three (2023: two) non-director highest paid employees are as follows:

	2024 RMB'000	2023 RMB'000
Salaries, allowances and benefits in kind (note (b))	**2,580**	1,718
Performance related bonuses	**3,246**	5,221
Pension scheme contributions	**101**	208
	5,927	7,147

Disclosure of the number of non-director highest paid employees in accordance with Appendix D2.25(6) of the Listing Rule, whose remuneration fell within the following HK$ bands is as follows:

	2024	2023
HK$2,000,001 to HK$2,500,000	**3**	—
HK$3,500,001 to HK$4,000,000	**—**	1
HK$4,000,001 to HK$4,500,000	**—**	1
	3	2

Notes:

(a) These individuals did not receive any emoluments as inducement to join or upon joining the Company or as compensation for loss of office during the years ended 31 December 2024 and 2023.

(b) In prior years, the above non-director highest paid employees were granted incentive A-shares of CSCECL, in respect of their services to the Group, under the A-shares restricted stock incentive plan of CSCECL, further details of which are set out in note 36 to the financial statements. The fair values of such incentive shares, which have been recognised in profit or loss over the vesting periods, were determined as at the respective dates of grant and the amounts included in the financial statements for the current and prior years are included in the "Salaries, allowances and benefits in kind" in the above non-director highest paid employees' remuneration disclosures.

11. INCOME TAX EXPENSES

An analysis of the Group's income tax expenses is as follows:

	2024 RMB'000	2023 RMB'000
Current:		
Hong Kong	**2,734**	10,338
Macau	**459**	276
Mainland China	**473,494**	416,981
The PRC withholding income tax	**11,651**	29,395
	488,338	456,990
Deferred (note 34):		
The PRC withholding income tax on the unremitted earnings	**20,000**	—
Other deferred tax	**(19,824)**	(5,117)
	176	(5,117)
	488,514	451,873

Notes:

(a) Applicable income tax rates

A summary of applicable income tax rates of the jurisdictions in which the Group has operations during the year is as follows:

	2024 %	2023 %
Mainland China*	**25**	25
Hong Kong	**16.5**	16.5
Macau	**12**	12

* In accordance with the relevant tax laws and regulations of the PRC, certain subsidiaries of the Group established in Mainland China enjoy preferential corporate income tax rates.

(b) The PRC withholding income tax is imposed on dividends distributed or expected to be distributed from a PRC subsidiary to the Company at the concession tax rate of 5% (2023: 5%).

11. INCOME TAX EXPENSES (Continued)

Notes: (Continued)

(c) For certain branches of the subsidiaries of the Group established in Mainland China which are engaged in the provision of property management services (the "PM Branches"), the Group has elected to file combined tax return for the property management entities incorporating assessable profits and tax losses attributable to the PM Branches as well as certain properties which are managed by the PM Branches on a commission basis. As a result of arrangement, the corporate income tax provision of the Group is affected by the assessable profits and tax losses attributable to the PM Branches on a commission basis. For financial accounting purposes, the Group has made the relevant provision based on assessable profits at the applicable tax rates of the PM Branches on a lump sum basis and the commission income.

(d) A reconciliation of the income tax expenses applicable to profit before tax at the statutory tax rate of the PRC in which the majority of the Group's operations are domiciled and/or operate to the tax expense at the effective tax rate is as follows:

	2024 **RMB'000**	2023 RMB'000
Profit before tax	**2,010,022**	1,803,377
Income tax expenses at the PRC statutory tax rate of 25%	**502,506**	450,844
Lower tax rates for specific provinces	**(36,583)**	(22,031)
Effect of withholding tax at 5% on the dividend declared/to be distributed by a PRC subsidiary	**31,651**	29,395
Effect of different tax rates applicable to subsidiaries operating in Hong Kong and Macau	**(2,084)**	(6,848)
Effect of tax exemptions granted to subsidiaries operating in Macau	**(399)**	(165)
Profit attributable to a joint venture	**(1,498)**	(1,570)
Profit attributable to an associate	**(52)**	(47)
Income not subject to tax	**(8,475)**	(2,222)
Expenses not deductible for tax	**1,057**	4,046
Tax losses not recognised	**6,349**	4,903
Utilisation/recognition of tax losses previously not recognised	**(372)**	(1,758)
Others	**(3,586)**	(2,674)
Income tax expenses for the year at the effective tax rate of 24% (2023: 25%)	**488,514**	451,873

12. EARNINGS PER SHARE

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the Company of RMB1,510,918,000 (2023: RMB1,342,503,000), and the weighted average number of ordinary shares of approximately 3,284,662,000 (2023: 3,286,860,000) in issue during the year.

No adjustment has been made to the basic earnings per share amount presented for each of the years ended 31 December 2024 and 2023 for a dilution as the Group had no dilutive potential ordinary shares in issue during these years.

13. DIVIDENDS

The dividends paid in 2024 and 2023 were approximately RMB510,569,000 and RMB407,854,000, respectively. A final dividend of HK9.5 cents per share, amounting to a total dividend of approximately RMB291,542,000, in respect of the year ended 31 December 2024 is proposed which is subject to the approval of the Company's shareholders at the forthcoming annual general meeting on 18 June 2025. The financial statements do not reflect this dividend payable.

	Dividends declared/ proposed RMB'000	Dividends paid and recorded in the financial statements 2024 RMB'000	Dividends paid and recorded in the financial statements 2023 RMB'000
2022			
Interim dividend of HK4.0 cents per ordinary share	114,967		
Final dividend of HK8.0 cents per ordinary share	240,427		240,427
	355,394		
2023			
Interim dividend of HK5.5 cents per ordinary share	167,427		167,427
Final dividend of HK8.5 cents per ordinary share	256,680	**256,680**	
	424,107		
2024			
Interim dividend of HK8.5 cents per ordinary share	253,889	**253,889**	
Final dividend of HK9.5 cents per ordinary share	291,542		
Total	545,431	**510,569**	407,854

Notes to Financial Statements (Continued)

31 December 2024

14. PROPERTY, PLANT AND EQUIPMENT

31 December 2024

	Buildings and leasehold improvements RMB'000	Machinery and equipment RMB'000	Motor vehicles RMB'000	Furniture, fixtures, and office equipment RMB'000	Total RMB'000
At 1 January 2024:					
Cost	52,304	43,861	25,446	156,051	277,662
Accumulated depreciation	(24,824)	(20,687)	(19,136)	(100,203)	(164,850)
Net carrying amount	27,480	23,174	6,310	55,848	112,812
Net carrying amount:					
At 1 January 2024	27,480	23,174	6,310	55,848	112,812
Additions	29,672	9,760	2,168	16,201	57,801
Depreciation provided during the year	(12,283)	(7,373)	(1,913)	(17,588)	(39,157)
Transfers	—	18	(175)	61	(96)
Disposals	(543)	(642)	(155)	(969)	(2,309)
Exchange realignment	254	—	36	267	557
At 31 December 2024	44,580	24,937	6,271	53,820	129,608
At 31 December 2024:					
Cost	81,053	49,672	26,786	167,836	325,347
Accumulated depreciation	(36,473)	(24,735)	(20,515)	(114,016)	(195,739)
Net carrying amount	44,580	24,937	6,271	53,820	129,608

14. PROPERTY, PLANT AND EQUIPMENT (Continued)

31 December 2023

	Buildings and leasehold improvements RMB'000	Machinery and equipment RMB'000	Motor vehicles RMB'000	Furniture, fixtures, and office equipment RMB'000	Total RMB'000
At 1 January 2023:					
Cost	39,238	32,090	25,766	136,703	233,797
Accumulated depreciation	(13,454)	(15,524)	(19,050)	(85,411)	(133,439)
Net carrying amount	25,784	16,566	6,716	51,292	100,358
Net carrying amount:					
At 1 January 2023	25,784	16,566	6,716	51,292	100,358
Additions	13,095	13,136	1,658	21,641	49,530
Depreciation provided during the year	(11,296)	(6,542)	(2,039)	(16,927)	(36,804)
Transfers	(128)	129	—	(23)	(22)
Disposals	(1)	(115)	(49)	(394)	(559)
Exchange realignment	26	—	24	259	309
At 31 December 2023	27,480	23,174	6,310	55,848	112,812
At 31 December 2023:					
Cost	52,304	43,861	25,446	156,051	277,662
Accumulated depreciation	(24,824)	(20,687)	(19,136)	(100,203)	(164,850)
Net carrying amount	27,480	23,174	6,310	55,848	112,812

Notes to Financial Statements (Continued)
31 December 2024

15. INVESTMENT PROPERTIES

	Leased investment properties RMB'000	Self-owned investment properties RMB'000	Total RMB'000
Carrying amount as at 1 January 2023	49,300	134,760	184,060
Fair value loss recognised during the year, net	(3,000)*	(6,640)	(9,640)
Carrying amount as at 31 December 2023 and 1 January 2024	**46,300**	**128,120**	**174,420**
Fair value loss recognised during the year, net	**(11,600)***	**(6,705)**	**(18,305)**
Carrying amount as at 31 December 2024	**34,700**	**121,415**	**156,115**

* The amount is included in "Direct operating expenses" in the consolidated statement of profit or loss, which represented the fair value loss of leased investment properties held for subleasing purpose.

Notes:

(a) The Group's investment properties consist of self-owned offices, retail stores, a swimming pool, a club house, a residential property, car parking spaces and certain right-of-use assets of leased commercial and industrial properties, which are all located in Mainland China. These properties are leased to third parties and related parties under operating leases, further summary details of which are included in note 16(a) to the financial statements.

(b) The Group's investment properties were revalued on 31 December 2024 based on valuations performed by CHFT Advisory and Appraisal Limited (2023: CHFT Advisory and Appraisal Limited), independent professionally qualified valuers, at RMB156,115,000 in total. Each year, the Group's finance team reviews the valuations performed by the independent valuers for financial reporting purposes and reports directly to the senior management of the Group. The senior management has discussions with the valuers on the valuation assumptions and valuation results at least once a year. Also, the finance department would review all major inputs as set out in the valuation report issued by the independent valuers, assess property valuation movements when compared to the prior year valuation report and hold discussions with the independent valuers.

15. INVESTMENT PROPERTIES (Continued)

Notes: (Continued)

(b) (Continued)

Fair value hierarchy disclosure

At 31 December 2024, fair value measurements of all the Group's investment properties are using significant unobservable inputs (Level 3 as defined in HKFRS 13). During each of the years ended 31 December 2024 and 2023, there was no transfer into or out of Level 3.

Set out below is a summary of the valuation techniques used and key inputs to the valuation of the Group's investment properties:

			Range of input	
Description	**Valuation techniques**	**Significant unobservable inputs**	**2024**	2023
Offices	Investment approach	Prevailing market rents	**RMB47–74 per square metre per month**	RMB47–99 per square metre per month
		Reversionary yield	**4.0%–4.75%**	4.5%–5.0%
Retail stores, a swimming pool and club house	Investment approach	Prevailing market rents	**RMB17–240 per square metre per month**	RMB15–191 per square metre per month
		Reversionary yield	**5.75%–6.25%**	3.0%–6.5%
Car parking spaces	Direct comparison	Unit price	**RMB102,000–772,000 per car parking space**	RMB103,000–796,000 per car parking space
Residential property	Investment approach	Prevailing market rents	**RMB30–46 per square metre per month**	RMB30–47 per square metre per month
		Reversionary yield	**1.5%**	1.5%
Leased properties	Discounted cashflow approach	Prevailing market rents	**RMB48–261 per square metre per month**	RMB44–272 per square metre per month
		Market rent growth	**1.0%–2.0%**	1.0%–2.0%

The investment approach is applied based on net rental income that can be derived from existing tenancies with due allowance for the reversionary potential of the properties. The direct comparison method is based on comparing the properties to be valued directly with other comparable properties, which have recently been asked/transacted. The discounted cashflow approach method is based on projected rental incomes and converts such rental income to present value by appropriate discount rates. However, given the heterogeneous nature of properties, appropriate adjustments are usually required to allow for any qualitative differences that may affect the price likely to be achieved by the properties under consideration.

15. INVESTMENT PROPERTIES (Continued)

Notes: (Continued)

(b) (Continued)

Fair value hierarchy disclosure (Continued)

A significant increase (decrease) in the prevailing market rent of investment properties and unit price of car parking spaces in isolation would result in a significant increase (decrease) in the fair value of the investment properties. A significant increase (decrease) in the reversionary yield in isolation would result in a significant (decrease) increase in the fair value of the investment properties. A significant increase (decrease) in the market rent growth in isolation would result in a significant (decrease) increase in the fair value of the investment properties. Generally, a change in the assumption made for the prevailing market rent is accompanied by a directionally similar change in the rental value and an opposite change in the reversionary yield.

16. LEASES

(a) The Group as a lessor

The Group leases its investment properties (note 15) and certain car parking spaces (inventories) on a temporary basis under operating lease arrangements. The terms of the leases generally require the tenants to pay security deposits. Rental income recognised by the Group during the year was RMB20,771,000 (2023: RMB21,920,000), details of which are included in note 5 to the financial statements.

At 31 December 2024, the undiscounted lease payments receivable by the Group in future periods under non-cancellable operating leases with its customers are as follows:

	2024	2023
	RMB'000	RMB'000
Within one year	**12,989**	14,445
After one year but within two years	**8,122**	16,294
After two years but within three years	**705**	5,573
After three years but within four years	**—**	60
Total	**21,816**	36,372

(b) The Group as a lessee

The Group has lease arrangements as a lessee for various items of land, offices, staff quarters and warehouses. Lump sum payments were made upfront to acquire the leased land from the owners with corresponding lease periods, and no ongoing payments will be made under the terms of these land leases. Leases of various offices, staff quarters and warehouses generally have lease terms between 1 and 9 years. Other equipment generally has lease terms of 12 months or less and/or is individually of low value.

16. LEASES (Continued)

(b) The Group as a lessee (Continued)

Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	Leasehold land RMB'000	Buildings RMB'000	Total RMB'000
At 1 January 2023	5,219	67,927	73,146
Additions	—	21,436	21,436
Early termination of lease contracts	—	(2,433)	(2,433)
Depreciation provided during the year	(443)	(35,064)	(35,507)
Exchange realignment	—	693	693
At 31 December 2023 and 1 January 2024	**4,776**	**52,559**	**57,335**
Additions	**—**	**77,965**	**77,965**
Early termination of lease contracts	**—**	**(4,615)**	**(4,615)**
Depreciation provided during the year	**(443)**	**(46,133)**	**(46,576)**
Exchange realignment	**—**	**574**	**574**
At 31 December 2024	**4,333**	**80,350**	**84,683**

Lease liabilities

The carrying amount of the Group's lease liabilities and the movements during the year are as follows:

	2024 RMB'000	2023 RMB'000
Carrying amount as at 1 January	**97,273**	121,762
New leases	**77,965**	21,779
Accretion of interest recognised during the year	**6,797**	4,914
Payments	**(56,600)**	(50,958)
Early termination of lease contracts	**(3,881)**	(940)
Exchange realignment	**601**	716
Carrying amount as at 31 December	**122,155**	97,273
Portion classified as current liabilities	**(53,598)**	(42,081)
Non-current portion	**68,557**	55,192

The maturity analysis of lease liabilities is disclosed in note 44 to the financial statements.

Lease liabilities related to the immediate holding company, fellow subsidiaries and other related companies as at 31 December 2024 amounted to RMB6,096,000 (2023: RMB8,385,000), RMB66,849,000 (2023: RMB48,339,000) and RMB820,000 (2023: RMB841,000), respectively.

16. LEASES (Continued)

(b) The Group as a lessee (Continued)

Other lease information

The amounts recognised in profit or loss for the year in relation to leases are as follows:

	Notes	2024 RMB'000	2023 RMB'000
Interest on lease liabilities	7	**6,797**	4,914
Depreciation of right-of-use assets	8	**46,576**	35,507
Fair value loss of leased investment properties included in direct operating expenses	8	**11,600**	3,000
Rental expenses relating to short-term leases or low-value assets	8	**22,691**	40,749
Loss on early termination of lease contracts, net	6	**734**	1,493
Total amount recognised in profit or loss		**88,398**	85,663

The total cash outflow for leases is disclosed in note 38(b) to the financial statements.

17. INTANGIBLE ASSETS

	Self-developed computer software and systems		Other computer software and systems		Total	
	2024 RMB'000	2023 RMB'000	2024 RMB'000	2023 RMB'000	2024 RMB'000	2023 RMB'000
At 1 January:						
Cost	**140,835**	80,893	**77,901**	43,943	**218,736**	124,836
Accumulated amortisation	**(6,084)**	(1,968)	**(28,136)**	(21,823)	**(34,220)**	(23,791)
Net carrying amount	**134,751**	78,925	**49,765**	22,120	**184,516**	101,045
Net carrying amount:						
At 1 January	**134,751**	78,925	**49,765**	22,120	**184,516**	101,045
Additions	**53,033**	59,942	**27,255**	33,958	**80,288**	93,900
Amortisation provided during the year	**(8,453)**	(4,116)	**(8,855)**	(6,313)	**(17,308)**	(10,429)
At 31 December	**179,331**	134,751	**68,165**	49,765	**247,496**	184,516
At 31 December:						
Cost	**193,868**	140,835	**105,156**	77,901	**299,024**	218,736
Accumulated amortisation	**(14,537)**	(6,084)	**(36,991)**	(28,136)	**(51,528)**	(34,220)
Net carrying amount	**179,331**	134,751	**68,165**	49,765	**247,496**	184,516

18. INVESTMENT IN A JOINT VENTURE

	2024 RMB'000	2023 RMB'000
Share of net assets	**20,688**	14,695

Particulars of the Group's joint venture, which is indirectly held by the Company, are as follows:

Company name	Registered capital	Place of registration/ operation	Proportion of the Group's ownership %	Principal activity
成都城投中海物業管理有限公司	RMB10,000,000	The PRC/Mainland China	51	Real estate management

In the opinion of the directors of the Company, the joint venture is not material to the Group.

19. INVESTMENT IN AN ASSOCIATE

	2024 RMB'000	2023 RMB'000
Share of net assets	**362**	149

Particulars of the Group's associate, which is indirectly held by the Company, are as follows:

Company name	Share capital	Place of registration/ operation	Proportion of the Group's ownership %	Principal activity
Windsor Heights Estate Management Company Limited	HK$100	Hong Kong	25	Real estate management

In the opinion of the directors of the Company, the associate is not material to the Group.

During the year ended 31 December 2023, dividend attributable to the Group amounting to approximately RMB335,000 was declared by the associate, which was subsequently received by the Group in January 2024.

20. EQUITY INVESTMENT DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024 RMB'000	2023 RMB'000
Unlisted equity investment, at fair value	**4,125**	—

The above equity investment is classified as a financial asset at fair value through profit or loss as the Group has not elected to recognise the fair value gain or loss through other comprehensive income.

Notes to Financial Statements (Continued)

31 December 2024

21. INVENTORIES

	2024 RMB'000	2023 RMB'000
Car parking spaces (notes (a) and (b))	**650,431**	731,821
Others	**2,366**	3,824
	652,797	735,645

Notes:

(a) The car parking spaces are all located in Mainland China and are held for trading.

(b) During the year, the Group did not purchase any right-of-use of car parking spaces (2023: RMB6,033,000 inclusive of value-added tax) from China Overseas Land & Investment Limited ("COLI", a fellow subsidiary of the Company with its shares listed on the Stock Exchange), which constitute continuing connected transactions as defined in chapter 14A of the Listing Rules.

22. TRADE RECEIVABLES

	Notes	2024 RMB'000	2023 RMB'000
Trade receivables	(a)	**2,827,771**	2,620,531
Less: Impairment	(b)	**(232,739)**	(170,222)
		2,595,032	2,450,309

Notes:

(a) Trade receivables are non-interest bearing and arise from the provision of property management services from properties managed under lump sum basis, value-added services and car parking space trading business. Property management service income from properties managed under lump sum basis are received in accordance with the terms of the relevant property management service agreements and they are generally due for payment within 90 days from the issuance of demand notes by the Group. Valued-added service income is received in accordance with the terms of the relevant contract agreements, generally within 90 days from the issuance of billings. Car parking space trading income is received in accordance with the terms of the sales and purchases agreement.

The Group's credit terms of its trade receivables are negotiated with and entered into under normal commercial terms with customers of the properties managed under lump sum basis, value-added services and car parking space trading business. The Group does not hold any collateral or other credit enhancements over these balances.

22. TRADE RECEIVABLES (Continued)

Notes: (Continued)

(a) (Continued)

An ageing analysis of the gross trade receivables as at the end of the reporting period, based on the invoice date, is as follows:

	2024 RMB'000	2023 RMB'000
Within 1 month	802,519	922,937
1 to 3 months	576,184	489,820
3 to 12 months	764,247	721,614
1 to 2 years	419,030	271,767
Over 2 years	265,791	214,393
	2,827,771	2,620,531

(b) Expected credit losses of trade receivables

The movements in the loss allowance for impairment of trade receivables during the year are as follows:

	2024 RMB'000	2023 RMB'000
At 1 January	170,222	133,438
Impairment recognised during the year, net	78,259	65,205
Written-off	(15,782)	(28,474)
Exchange realignment	40	53
At 31 December	232,739	170,222

An impairment analysis on trade receivables is performed at each reporting date using a provision matrix to measure the expected credit losses. The provision rates are based on the average of historical incurred credit loss experience on each ageing group of trade and retention receivables based on invoice dates. Generally, trade receivables are written off if they are not considered recoverable by the Group and are not subject to enforcement activity.

Set out below is the information about the credit risk exposure on the Group's trade receivables under a provision matrix under which the ageing classification of the gross carrying amount is based on the invoice date:

	Within 1 year RMB'000	1–2 years RMB'000	Over 2 years RMB'000	Total RMB'000
At 31 December 2024				
Expected loss rate	1%	12%	59%	8%
Gross carrying amount	2,142,950	419,030	265,791	2,827,771
Expected credit losses	27,797	48,439	156,503	232,739
At 31 December 2023				
Expected loss rate	1%	11%	57%	6%
Gross carrying amount	2,134,371	271,767	214,393	2,620,531
Expected credit losses	17,629	30,500	122,093	170,222

23. CONTRACT ASSETS

	Notes	31 December 2024 RMB'000	31 December 2023 RMB'000	1 January 2023 RMB'000
Unbilled revenue	(a)	**134,152**	15,320	—
Retention receivables	(b)	**17,751**	15,827	16,068
Total		**151,903**	31,147	16,068
Less: Impairment	(d)	**(361)**	—	—
		151,542	31,147	16,608

Notes:

(a) A contract asset, net of the contract liability related to the same contract, is recognised over the period in which the provision of valued-added services is performed, representing the Group's right to consideration for the services performed and not billed because the rights are conditional on the Group's future performance accepted by the customers. The contract assets are transferred to trade receivables when the rights become unconditional. The Group typically transfers its contract assets to trade receivables when the billings are issued.

The increase in contract assets in 2024 and 2023 was the result of the increase in the ongoing provision of value-added services at the end of each of the years.

Contract assets as at 31 December 2024 and 2023 are normally expected to be recovered or settled within one year from the end of the reporting period.

(b) Retention receivables related to revenue earned from the provision of engineering services for which the right to the receipt of consideration for work performed remains conditional on the satisfaction of the service quality by the customers over a certain period as stipulated in the service contracts. The retention receivables are transferred to the trade receivables when the rights become unconditional, which is typically at the expiry date of the defect liability period.

The expected timing of recovery or settlement for retention receivables as at the end of the reporting period is as follows:

	2024 RMB'000	2023 RMB'000
Within one year	**5,898**	7,207
Over one year	**11,853**	8,620
	17,751	15,827

The Group does not hold any collateral over the balances.

23. CONTRACT ASSETS (Continued)

Notes: (Continued)

(c) The Group's trading terms and credit policy with customers are disclosed in note 22 to the financial statements.

(d) The movements in the loss allowance for impairment of contract assets during the year are as follows:

	2024 RMB'000	2023 RMB'000
At 1 January	**—**	—
Impairment recognised during the year	**361**	—
At 31 December	**361**	—

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates for the measurement of the expected credit losses of the contract assets are based on those of the trade receivables as the contract assets and the trade receivables are from the same customer bases. The provision rates of contract assets are based on days past due of trade receivables for groupings of various customer segments with similar loss patterns (i.e., by credit risk characteristics and the ageing). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's contract assets using a provision matrix:

	2024	2023
Expected credit loss rate	**0.2%**	0%
Gross carrying amount (RMB'000)	**151,903**	31,147
Expected credit losses (RMB'000)	**361**	—

24. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2024 RMB'000	2023 RMB'000
Prepayments	**461,392**	316,757
Deposits	**113,553**	127,464
Payments on behalf of property owners for properties managed on a commission basis, net of provision for expected credit losses (note (a))	**95,299**	96,059
Payments on behalf of property owners for properties managed on a lump sum basis, sub-contractors and staff	**369,063**	367,177
Other receivables	**134,565**	110,975
Total prepayments, deposits and other receivables	**1,173,872**	1,018,432
Portion classified as current assets	**(1,157,023)**	(1,002,172)
Non-current portion	**16,849**	16,260

Notes:

(a) The balance represented payments made on behalf of property owners for properties managed on a commission basis under certain specific circumstances, including but not limited to payments of centralised procurement costs and transitional arrangements for property management projects with temporary working capital needs. Under the Group's policy, such payments on behalf of property owners must be settled within a set period of time depending on the nature of the payment. The Group did not hold any collateral over these balances.

An analysis of payments on behalf of property owners for properties managed on a commission basis, net of provision for expected credit losses, is as follows:

	2024 RMB'000	2023 RMB'000
Gross payments on behalf of property owners for properties managed on a commission basis	**173,798**	162,646
Less: Impairment (note (b))	**(78,499)**	(66,587)
	95,299	96,059

24. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (Continued)

Notes: (Continued)

(b) The movements in the loss allowance for impairment of payments on behalf of property owners for properties managed on a commission basis during the year are as follows:

	2024 RMB'000	2023 RMB'000
At 1 January	**66,587**	74,361
Impairment/(reversal of impairment) recognised during the years, net	**12,871**	(7,063)
Written-off	**(959)**	(711)
At 31 December	**78,499**	66,587

An impairment analysis on payments on behalf of property owners for properties managed on a commission basis is performed at each reporting date by assessing the discounted future cash flows of each relevant property management project estimated by management in determining the recoverability of the amounts receivable by the Group. The discounted future cash flows take into consideration a number of factors, including, among others, past repayment history, existing market conditions and forward-looking estimates on the repayment ability of property owners collectively, at the end of each reporting period, which include estimation on the property management fees, collection rates and operating costs, etc.

(c) There was no recent history of default and past due amounts for financial assets included in deposits, other receivables and, payments on behalf of property owners for properties managed on a lump-sum basis, subcontractors and staff. At 31 December 2024 and 2023, the loss allowance was assessed to be minimal.

25. BALANCES DUE FROM RELATED PARTIES

	Notes	2024 RMB'000	2023 RMB'000
Balance due from the immediate holding company			
Trade nature	(a)	**978**	1,941
Balances due from fellow subsidiaries			
Trade nature	(a)	**707,466**	458,139
Contract assets	(b)	**26,899**	—
Prepayments	(d)	**8,277**	28,063
		742,642	486,202
Balances due from other related companies (including joint ventures and associates of fellow subsidiaries)			
Portion classified as current assets:			
Trade nature	(a)	**90,187**	90,682
Contract assets	(b)	**13,407**	—
Prepayments	(d)	**598**	2,107
		104,192	92,789
Portion classified as non-current assets:			
Non-trade nature	(c)	**75,026**	75,026
Total balances due from related parties		**922,838**	655,958

25. BALANCES DUE FROM RELATED PARTIES (Continued)

Notes:

(a) The ageing analysis of the trade nature balances due from related parties as at the end of the reporting period, based on the invoice date, is as follows:

	2024 RMB'000	2023 RMB'000
Balance due from the immediate holding company		
Within 1 month	**850**	797
1 to 3 months	**120**	116
Over 3 months	**8**	1,028
	978	1,941
Balances due from fellow subsidiaries		
Within 1 month	**302,368**	131,573
1 to 3 months	**86,554**	98,086
3 to 12 months	**170,412**	138,955
1 to 2 years	**106,505**	65,185
Over 2 years	**41,627**	24,340
	707,466	458,139
Balances due from other related companies		
Within 1 month	**34,821**	37,544
1 to 3 months	**7,889**	13,550
3 to 12 months	**25,959**	19,938
1 to 2 years	**13,458**	14,416
Over 2 years	**8,060**	5,234
	90,187	90,682

The trade nature receivables from the immediate holding company, fellow subsidiaries and other related companies mainly represented property management service income from properties managed on a lump sum basis and value-added service income in the PRC, which are due for payment by the corresponding parties upon the issuance of a demand note. There was no material impairment loss provided against these balances as there was no indicator of higher credit risk on these balances and management considered these receivables were still performing as at 31 December 2024 (2023: Nil).

25. BALANCES DUE FROM RELATED PARTIES (Continued)

Notes: (Continued)

(b) Details of contract assets included in balances due from related parties are as follows:

	31 December 2024 RMB'000	31 December 2023 RMB'000	1 January 2023 RMB'000
Unbilled revenue arising from the provision of value-added services			
— fellow subsidiaries	5,713	—	—
— other related companies	6,618	—	—
	12,331	—	—
Retention receivables arising from the provision of engineering services			
— fellow subsidiaries	21,186	—	—
— other related companies	6,789	—	—
	27,975	—	—
Total	40,306	—	—

These balances are contract assets arising from value-added services provided to fellow subsidiaries and other related companies but not yet billed because the rights to receive the consideration are conditional on the acceptance by the customers of the Group.

(c) During the year ended 31 December 2023, a subsidiary of the Group as the lender and a related company of the Group as the borrower entered into a renewal loan agreement to renew a loan of RMB75,026,000 which is unsecured and bears interest at the rate of 4.75% per annum, for a term of three years expiring on 18 October 2026. This transaction constituted a connected transaction as defined in Chapter 14A of the Listing Rules and further details of which are set out in the Company's announcement dated on 26 September 2023. Interest received and receivable from this related company in connection with this loan for the year ended 31 December 2024 amounted to RMB3,362,000 (2023: RMB3,362,000), exclusive of value-added tax.

There was no recent history of default and past due amounts. At 31 December 2024 and 2023, the loss allowance was assessed to be minimal.

(d) Prepayments to fellow subsidiaries as at 31 December 2024 included down payments of RMB2,428,000 (2023: RMB11,943,000) for material procurement and supply chain management services and RMB2,016,000 (2023: RMB10,254,000) for the purchase of right-of-use of car parking spaces.

During the year ended 31 December 2024, the Group committed with fellow subsidiaries for material procurement and supply chain management services at a total lump sum amount of Nil (2023: RMB1,240,000), inclusive of value-added taxes, which constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules.

26. RESTRICTED BANK DEPOSITS

As at 31 December 2024, restricted bank deposits of RMB9,310,000 (2023: Nil) were held for purpose of meeting short-term cash commitments, including pledge of performance guarantees and others.

27. CASH AND BANK BALANCES

	2024 RMB'000	2023 RMB'000
Cash and cash equivalents	**2,928,035**	3,191,750
Bank deposits with original maturity of over three months	**2,875,425**	1,938,910
Cash and bank balances	**5,803,460**	5,130,660

Notes:

(a) At 31 December 2024, the cash and bank balances of the Group denominated in RMB amounted to RMB5,397,948,000 (2023: RMB4,573,511,000). RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

(b) Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits were made for a period of more than three months, and earn interest at short term time deposit rates ranging from 1.92% to 4.14% (2023: 2.99% to 5.34%) per annum. The bank balances and time deposits are deposited with creditworthy banks with no recent history of default. In the opinion of the directors, the carrying amounts of such deposits were approximately to their fair value as at 31 December 2024.

28. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2024 RMB'000	2023 RMB'000
Within 1 month	**734,106**	851,047
1 to 3 months	**646,355**	525,320
3 months to 12 months	**856,934**	475,081
1 to 2 years	**125,153**	112,567
Over 2 years	**62,380**	29,779
	2,424,928	1,993,794

Notes to Financial Statements (Continued)
31 December 2024

29. OTHER PAYABLES AND ACCRUALS

	2024 RMB'000	2023 RMB'000
Special funds (note)	**92,267**	89,278
Accrued staff costs	**393,118**	601,193
Payables for value-added tax and other levies	**73,216**	73,218
Other payables	**179,790**	195,382
	738,391	959,071

Note: Amount mainly represents the special maintenance funds held on custody of property owners for future settlement of construction costs for certain properties managed by the Group.

30. TEMPORARY RECEIPTS FROM PROPERTIES MANAGED

	2024 RMB'000	2023 RMB'000
Temporary receipts from properties managed:		
— on a commission basis	**666,493**	716,661
— on a lump sum basis	**525,358**	566,325
	1,191,851	1,282,986

31. RECEIPTS IN ADVANCE AND OTHER DEPOSITS

	Notes	2024 RMB'000	2023 RMB'000
Contract liabilities — Receipts in advance	(a)	**1,440,311**	1,216,534
Various deposits received	(b)	**483,166**	483,526
		1,923,477	1,700,060

Notes:

(a) Details of contract liabilities are as follows:

	31 December 2024 RMB'000	31 December 2023 RMB'000	1 January 2023 RMB'000
Receipts in advance from customers	**1,440,311**	1,216,534	1,008,638

Except for those classified as balances due to fellow subsidiaries and other related companies as set out in note 32 to the financial statements, contract liabilities of the Group represented the advance payments made by customers while the underlying services are yet to be provided in accordance with HKFRS 15.

The increase in contract liabilities in 2024 and 2023 was mainly due to increase in the number of property management projects.

(b) Various deposits received mainly represent security, tender and quality guarantee deposits held by the Group.

32. BALANCES DUE TO RELATED PARTIES

The breakdown of amounts due to the related parties and the ageing analysis of trade nature balances due to the related parties as at the end of the reporting period, based on the invoice date, are as follows:

	2024 RMB'000	2023 RMB'000
Balance due to immediate holding company		
— trade nature		
Within 1 month	**1,149**	—
Balances due to fellow subsidiaries		
— trade nature		
Within 1 month	**4,427**	6,669
1 to 3 months	**2,838**	1,414
3 to 12 months	**13,535**	2,322
1 to 2 years	**2,392**	715
Over 2 years	**6,305**	1,189
	29,497	12,309
— receipts in advance (note)	**829**	5,498
	30,326	17,807
Balances due to other related companies (including joint ventures and associates of fellow subsidiaries)		
— trade nature		
Within 1 month	**477**	4,267
1–3 months	**1,404**	2,415
3–12 months	**2,117**	12,908
1–2 years	**6,154**	770
Over 2 years	**4,778**	56
	14,930	20,416
— receipts in advance (note)	**7,370**	10,944
	22,300	31,360
Total balances due to related parties	**53,775**	49,167

32. BALANCES DUE TO RELATED PARTIES (Continued)

Note: Details of contract liabilities included in balances due to related parties are as follows:

	31 December 2024 RMB'000	31 December 2023 RMB'000	1 January 2023 RMB'000
Receipts in advance from			
— fellow subsidiaries	**829**	5,498	4,811
— other related companies	**7,370**	10,944	8,811
	8,199	16,442	13,622

These balances are contract liabilities arising from the proposed provision of property management services and value-added services to fellow subsidiaries and other related companies while the underlying services are yet to be completed. The balance of contract liabilities depends on cash receipts during the corresponding year. The decrease in contract liabilities of balances due to fellow subsidiaries and other related companies in 2024 is mainly attributable to the decrease in balances relating to value-added services as at year ended 31 December 2024.

Revenue from property management services of RMB5,372,000 (2023: RMB4,477,000) and RMB7,801,000 (2023: RMB5,910,000) recognised in the current reporting period were included in the balances due to fellow subsidiaries and other related companies as at 1 January 2023, respectively.

33. BANK BORROWINGS

	2024 RMB'000	2023 RMB'000
At 1 January	**56,359**	60,000
Drawdown of bank borrowings	**53,179**	56,359
Repayment of bank borrowings	**(59,538)**	(60,000)
At 31 December	**50,000**	56,359

Note: At 31 December 2024, the Group had unsecured short-term bank borrowings denominated in RMB of RMB50,000,000 (2023: RMB56,359,000), which bear floating interest rates at the PRC Loan Prime Rate minus specific rates. The weighted average effective interest rate was 3.1% per annum during the year ended 31 December 2024 (2023: 3.2%).

Notes to Financial Statements (Continued)

31 December 2024

34. DEFERRED TAX

Net deferred tax assets and liabilities recognised in the consolidated statement of financial position are as follows:

	2024 RMB'000	2023 RMB'000
Deferred tax assets	**53,528**	44,745
Deferred tax liabilities	**(22,279)**	(13,373)
	31,249	31,372

The movements in deferred tax assets/(liabilities) of the Group, without taking into consideration the offsetting of balances within the same taxation authority, are as follows:

	The PRC withholding income tax on unremitted earnings RMB'000	Impairment provision for financial assets RMB'000	Revaluation of properties and accelerated tax deprecation RMB'000	Provision for unused annual leave RMB'000	Total RMB'000
At 1 January 2023	—	50,672	(29,185)	4,670	26,157
Net deferred tax credited/(charged) to profit or loss during the year	—	9,086	(2,340)	(1,629)	5,117
Exchange realignment	—	—	(25)	123	98
At 31 December 2023 and 1 January 2024	**—**	**59,758**	**(31,550)**	**3,164**	**31,372**
Net deferred tax (charged)/credited to profit or loss during the year	**(20,000)**	**19,522**	**947**	**(645)**	**(176)**
Exchange realignment	**—**	**—**	**(14)**	**67**	**53**
At 31 December 2024	**(20,000)**	**79,280**	**(30,617)**	**2,586**	**31,249**

Notes:

(a) At 31 December 2024, deferred tax assets have not been recognised in respect of unused tax losses of RMB389,261,000 (2023:RMB359,263,000) as they have arisen in the Company and certain subsidiaries that have been loss-making for some time and it is not assured that taxable profits will be available against which such tax losses can be utilised. Out of this amount, tax losses of RMB7,721,000 (2023: RMB9,437,000) will expire in one to five years. The remaining tax losses may be carried forward indefinitely without a fixed term.

34. DEFERRED TAX (Continued)

Notes: (Continued)

(b) Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in the PRC. For the Group, the applicable tax rate is 5% on dividends distributed by subsidiaries established in the PRC, pursuant to the Arrangement between Mainland China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and Prevention of Fiscal Evasion with respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》).

At 31 December 2024, except for deferred tax of RMB20,000,000 (2023:Nil) has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries established in the PRC, in the opinion of directors of the Company, it is not probable that these subsidiaries will distribute other unremitted earnings in the foreseeable future and the Company is able to control the timing of the distribution, as well as the reversal of the temporary differences. The aggregate amount of temporary differences associated with investments in subsidiaries in Mainland China for which deferred tax liabilities have not been recognised totalled approximately RMB3,702,784,000 (2023: RMB2,768,494,000) as at 31 December 2024.

35. SHARE CAPITAL

	2024 RMB'000	2023 RMB'000
Authorised:		
30,000,000,000 ordinary shares of HK$0.001 each	**24,451**	24,451

	Number of ordinary shares of HK$0.001 each	RMB'000
Issued and fully paid:		
At 1 January 2023, 31 December 2023 and 1 January 2024	3,286,860,460	2,679
Shares repurchased and cancelled (Note)	(2,900,000)	(2)
At 31 December 2024	**3,283,960,460**	**2,677**

Note: During the year ended 31 December 2024, the Company repurchased and cancelled a total of 2,900,000 of its shares listed on the Stock Exchange for an aggregate consideration of HK$12,362,100 (equivalent to approximately RMB11,482,000), which was paid out of the Company's retained profits in accordance with Cayman Companies Act.

Notes to Financial Statements (Continued)
31 December 2024

36. A-SHARE RESTRICTED STOCK INCENTIVE PLAN

In the current and prior years, certain employees of the Group, including certain directors and senior management, were granted incentive shares by CSCECL pursuant to its A-share Restricted Stock Incentive Plan, in respect of their services to the Group. The incentive shares granted are subject to a lock-up period of two year service from the grant date, within which these shares are not transferrable, nor subject to any guarantee, indemnity or pledge. One-third of the incentive shares granted are vested at the beginning of each year starting from the third year since the grant date. Subject to CSCECL's achievement of performance conditions and individual's key performance indicators, the restriction over these shares will be removed, otherwise, CSCECL has constructive obligation to repurchase the incentive shares in cash if the performance conditions of CSCECL or individual's key performance indicators are not achieved. The numbers of outstanding incentive shares granted by CSCECL to the employees of the Group as at the end of the reporting period are as follows:

	Grant date	Exercise price	Number of outstanding incentive shares of CSCECL	
			2024	2023
A-share Restricted Stock Incentive Plan:				
Phase III	26 December 2018	RMB3.468 per share	–	5,544,000
Phase IV	23 December 2020	RMB3.06 per share	–	4,260,000
			–	9,804,000

The fair values of incentive shares on the date of grant for the A-shares Restricted Stock Incentive Plan, (Phase III) and (Phase IV) were, RMB2.112 per share and RMB1.94 per share, respectively, which were determined using relevant valuation techniques and the significant inputs such as the market price on the granted date and the exercise price.

As at 31 December 2024, the A-share Restricted Stock Incentive Plan (Phase III) was expired, therefore all of the remaining outstanding incentive shares were vested. During the year, due to the execution of the buyback clause arrangement under the A-share Restricted Stock Incentive Plan (Phase IV), there was a reversal on share-based payment to certain directors, senior management and other employees upon non-achievement of certain performance conditions or individual's key performance indicators, where all of the remaining outstanding incentive shares were lapsed. As at 31 December 2024, there were no outstanding incentive shares of CSCECL.

During the year ended 31 December 2024, there was a reversal on share-based payment amounting to RMB2,392,000 (2023: provision of share-based payment of RMB610,000), which was recognised in profit or loss, with a corresponding debit/credit to equity.

37. RESERVES

(a) The amounts of the Group's reserves and the movements for the current and prior years are presented in the consolidated statement of changes in equity.

(b) PRC statutory reserve of the Group represents the general and development fund reserve applicable to subsidiaries which was established in accordance with the relevant PRC regulations.

(c) Special reserve comprises the differences between (i) the net assets of the entities acquired by the Group under a group reorganisation undertaken in 2015 and other business combinations under common control; and (ii) the considerations paid by the Group for such acquisitions.

(d) Capital reserve represents capital contribution relating to share-based payments borne by an intermediate holding company as set out in note 36 to the financial statements.

38. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

Save as disclosed in note 16 regarding early termination of lease contracts and additions of right-of-use assets and lease liabilities, the Group had no major non-cash transactions of investing and financing activities during the years ended 31 December 2024 and 2023.

(b) Changes in liabilities arising from financing activities

	Bank borrowings RMB'000	Lease liabilities RMB'000 (note)
At 1 January 2023	60,000	121,762
Changes from:		
— financing cash inflow	56,359	—
— financing cash outflow	(61,605)	(50,958)
Interest expenses	1,605	4,914
Non-cash transactions	—	20,839
Exchange realignment	—	716
At 31 December 2023 and 1 January 2024	**56,359**	**97,273**
Changes from:		
— financing cash inflow	**53,179**	**—**
— financing cash outflow	**(61,268)**	**(56,600)**
Interest expenses	**1,730**	**6,797**
Non-cash transactions	**—**	**74,084**
Exchange realignment	**—**	**601**
At 31 December 2024	**50,000**	**122,155**

Note: The total cash outflow for leases included in the consolidated statement of cash flows within operating activities and financing activities for the year ended 31 December 2024 were RMB22,691,000 (2023: RMB40,749,000) and RMB56,600,000 (2023: RMB50,958,000), respectively.

39. CAPITAL COMMITMENTS

The Group had the following capital commitments as at the end of the reporting period:

	2024 RMB'000	2023 RMB'000
Contracted, but not provided for		
Capital investment into a joint venture	**2,550**	2,550
Acquisition of intangible assets	**6,319**	24,006
	8,869	26,556

40. CONTINGENT LIABILITIES

At 31 December 2024, the Group provided (i) counter indemnities to a fellow subsidiary and banks amounting to approximately RMB76,501,000 (2023: RMB77,679,000) and RMB264,632,000 (2023: RMB216,123,000), respectively, for performance guarantees issued by the fellow subsidiary and the banks in respect of certain property management service contracts of the Group; and (ii) guarantees to COLI, China State Construction International Holdings Limited ("CSC") and COGO amounting to RMB50,000,000 (2023: RMB50,000,000), RMB30,000,000 (2023: RMB30,000,000) and RMB20,000,000 (2023: RMB20,000,000), respectively, for tender deposits, performance bonds issued by banks or security deposits on contracts following tender acceptances to ensure contract performance and quality guarantees on settlement, which constituted connected transactions as defined in Chapter 14A of the Listing Rules.

41. RELATED PARTY DISCLOSURES

The table set forth below summarises the name of the major related parties as defined in HKAS 24 (Revised) Related Party Disclosures and the nature of their relationship with the Group as at 31 December 2024:

Related Parties	Relationship with the Group
CSCEC	Ultimate holding company
CSCECL	Intermediate holding company
COHL	Immediate holding company
COLI and its subsidiaries	Fellow subsidiaries
CSC and its subsidiaries	Fellow subsidiaries
COGO, and joint ventures and associates of fellow subsidiaries	Other related companies

41. RELATED PARTY DISCLOSURES (Continued)

(a) Transactions with related parties

In addition to the transactions detailed elsewhere in these financial statements, the Group had the following material transactions with related parties, which also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules, during the year:

	Notes	2024 RMB'000	2023 RMB'000
CSCEC and its subsidiaries (exclusive of COHL and its subsidiaries)			
Property management income and value-added service income	(i)	**207,688**	156,179
Rental expenses paid	(ii)	**4,200**	4,638
COHL and its subsidiaries (exclusive of COLI, CSC and their subsidiaries)			
Property management income and value-added service income	(i)	**15,553**	15,040
Rental expenses paid	(ii)	**2,659**	2,597
COLI, CSC and their subsidiaries (fellow subsidiaries)			
Property management income and value-added service income	(i)	**1,371,050**	1,353,577
Rental and utility expenses paid	(ii)	**181,030**	145,447
Other related companies			
Property management income and value-added service income	(i)	**285,199**	329,170

Notes:

(i) The property management income and value-added service income were based on the rates in accordance with the respective contracts.

(ii) The rental and utility expenses paid were charged in accordance with the respective tenancy agreements and property management agreements. Certain of the rental expenses paid were in relation to leased investment properties and right-of-use assets, as disclosed in notes 15 and 16, respectively.

41. RELATED PARTY DISCLOSURES (Continued)

(b) Performance guarantees

Details of the performance guarantees given by a fellow subsidiary and the counter indemnities given by the Group in connection with the operations of the Group are disclosed in note 40 to the financial statements.

(c) Outstanding balances with related parties

Details of the Group's outstanding balances with related parties are disclosed in notes 25 and 32 to the financial statements.

(d) Key management personnel compensation

	2024 **RMB'000**	2023 RMB'000
Short-term benefits	**14,044**	28,284
Contributions to pension schemes	**217**	591
Total compensation paid to key management personnel	**14,261**	28,875

Further details of directors' emoluments are included in note 9 to the financial statements.

(e) Transactions with other state-owned entities in Mainland China

The Group is active in the provision of property management services, value-added services and car parking space trading business in various provinces in the PRC and the Group operates in an economic environment predominated by entities directly or indirectly owned or controlled by the PRC government. In addition, the Group is itself part of a larger group of companies under CSCEC which is controlled by the PRC government. Apart from the transactions already disclosed above, the Group also conducts business with other state-controlled entities ("Other SOEs"), including but not limited to bank deposits and borrowings and utilities consumptions. The directors consider that the transactions with Other SOEs are activities in the ordinary course of the Group's business, and that the dealings of the Group have not been significantly or unduly affected by the fact that the Group and the Other SOEs are ultimately controlled or owned by the PRC government. Having due regard to the substance of the relationships, the Company's directors are of the opinion that none of these transactions are material related party transactions that require separate disclosure.

42. FINANCIAL INSTRUMENTS BY CATEGORY

Save an equity investment being designated as equity investment at fair value through profit or loss, as further detailed in note 20 to the financial statements, all financial assets and financial liabilities of the Group as at 31 December 2024 and 2023 were classified as financial assets and financial liabilities at amortised cost.

The carrying amounts of each of the financial assets and financial liabilities as at the end of the reporting period are as follows:

Financial assets stated at amortised cost

	2024 RMB'000	2023 RMB'000
Trade receivables	**2,595,032**	2,450,309
Deposits and other receivables	**712,480**	701,675
Financial assets included in balances due from related parties	**873,657**	625,788
Restricted bank deposits	**9,310**	—
Cash and bank balances	**5,803,460**	5,130,660
	9,993,939	8,908,432

Financial liabilities stated at amortised cost

	2024 RMB'000	2023 RMB'000
Trade payables	**2,424,928**	1,993,794
Financial liabilities included in other payables and accruals	**272,057**	284,660
Temporary receipts from properties managed	**1,191,851**	1,282,986
Financial liabilities included in receipts in advances and other deposits	**483,166**	483,526
Financial liabilities included in balances due to related parties	**45,576**	32,725
Bank borrowings	**50,000**	56,359
Lease liabilities	**122,155**	97,273
	4,589,733	4,231,323

42. FINANCIAL INSTRUMENTS BY CATEGORY (Continued)

Equity investment at fair value through profit or loss

	2024 RMB'000	2023 RMB'000
Designated as such upon initial recognition:		
Equity investment designated at fair value through profit or loss	**4,125**	–

43. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

In the opinion of the directors of the Company, the fair values of the financial assets and financial liabilities which are due to be received or settled within one year approximate to their carrying amounts largely due to the short-term maturities of these financial instruments, and therefore, no disclosure of their fair values is made.

For other non-current financial assets and financial liabilities, in the opinion of the directors of the Company, since their carrying amounts are not significantly different from their respective fair values, no disclosure of the fair values is made.

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise trade receivables, deposits under current assets and current liabilities, other receivables, amounts due from/(to) the immediate holding company, fellow subsidiaries and other related companies, trade payables, other payables and accruals, temporary receipts from properties managed, lease liabilities, bank borrowings, restricted bank deposits and cash and bank balances.

The Group does not enter into or trade financial instruments, including derivative financial instruments, for hedging or speculative purposes.

Market risk

The Group's activities expose it primarily to the financial risks of the changes in interest rates.

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Interest rate risk

The Company's cash flow interest rate risk relates primarily to its variable-rate bank balances amounting to approximately RMB5,803,460,000 (2023: RMB5,130,660,000). Management monitors interest rate exposure on a dynamic basis and will consider hedging significant interest rate exposure should the need arise.

Interest rate risk sensitivity analysis is prepared assuming the amount of assets/liabilities outstanding at the end of the reporting period was outstanding for the whole year. A 25 basis point increase or decrease is used as it represents management's assessment of the reasonably possible change in interest rates.

If interest rates have been 25 basis points higher/lower and all other variables were held constant, the Group's profit before tax for the year end would increase/decrease by approximately RMB14,509,000 (2023: RMB12,827,000). This is mainly attributable to the Group's exposure to cash flow interest rates on its variable-rate bank balances.

Foreign currency risk

The Company's dividend receivable/received from PRC subsidiaries are denominated in RMB while the Company's functional currencies is HK$, hence exposures to exchange rate fluctuation arise. Taking into consideration that RMB is still exposed to fluctuations in the short term but would become stable in the medium term, the foreign exchange risk should be short-term and relatively controllable. Management manages its foreign currency risk by closely reviewing the movements of the foreign currency rates and considers hedging significant foreign currency exposure should the need arise.

Credit risk

Credit risk arises from the potential failure of the Group's counterparties to meet their obligations under property management services agreements, value-added services agreements and trading of car parking spaces agreements. Credit risk exposure is minimised by the management of the Group through monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual receivable balance at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced. The Group had no concentration of credit risk in respect of trade receivables and contract assets with exposure spread over a number of customers, e.g., property owners of the properties managed on a lump sum basis by the Group and customers of value-added services. In order to enhance the timeliness of property management fee and other payments, the Group has undertaken effective measures aimed at boosting the collections of trade receivables and contract assets.

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk (Continued)

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December 2024 and 2023. The amounts presented are gross carrying amounts of financial assets.

At 31 December 2024

	12-month ECLs	Lifetime ECLs			
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	Total RMB'000
Trade receivables	–	–	–	2,827,771	2,827,771
Contract assets	–	–	–	151,903	151,903
Deposits and other receivables					
— Normal*	617,181	–	–	–	617,181
— Well covered*	51,390	–	–	–	51,390
— Not well covered*	–	122,408	–	–	122,408
Due from the immediate holding company	–	–	–	978	978
Due from fellow subsidiaries	–	–	–	707,466	707,466
Due from other related companies (trade)	–	–	–	90,187	90,187
Due from other related companies (non-trade)					
— Normal*	75,026	–	–	–	75,026
Restricted bank deposits	9,310	–	–	–	9,310
Cash and bank balances	5,803,460	–	–	–	5,803,460
	6,556,367	122,408	–	3,778,305	10,457,080

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk (Continued)

At 31 December 2023

	12-month ECLs	Lifetime ECLs			
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	Total RMB'000
Trade receivables	—	—	—	2,620,531	2,620,531
Contract assets	—	—	—	31,147	31,147
Deposits and other receivables					
— Normal*	605,616	—	—	—	605,616
— Well covered*	40,838	—	—	—	40,838
— Not well covered*	—	121,808	—	—	121,808
Due from the immediate holding company	—	—	—	1,941	1,941
Due from fellow subsidiaries	—	—	—	458,139	458,139
Due from other related companies (trade)	—	—	—	90,682	90,682
Due from other related companies (non-trade)					
— Normal*	75,026	—	—	—	75,026
Cash and bank balances	5,130,660	—	—	—	5,130,660
	5,852,140	121,808	—	3,202,440	9,176,388

For trade receivables and contract assets to which the Group applies the simplified approach for impairment, information are disclosed in notes 22 and 23 to the financial statements.

The credit risk of the Group's other financial assets, including amounts due from the immediate holding company, fellow subsidiaries and other related companies and cash and bank balances, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

* The credit quality of the deposits and other receivables (other than payments on behalf of property owners for properties managed on a commission basis) and amounts due from other related companies (non-trade) is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. When the net present value of the expected cash inflow in the cash flow forecasts is able to cover the gross carrying amount of payments on behalf of property owners for properties managed on a commission basis, the credit quality of the receivables is considered "well covered". While credit risk of the payments on behalf of property owners for properties managed under a commission basis has increased significantly since initial recognition, the credit quality of them is considered "not well covered" when the net present value of the expected cash inflow in the cash flow forecasts is not able to cover the gross carrying amount of the receivables.

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of bank balances and cash deemed adequate by management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

At 31 December 2024, the Group has been granted with undrawn borrowing facilities of RMB894,751,000 (2023: RMB865,350,000) in Mainland China, HK$700,000,000 (equivalent to approximately RMB651,000,000) (2023: HK$700,000,000 (equivalent to approximately RMB635,600,000)) in Hong Kong. The bank borrowing facilities granted in Mainland China may be drawn at any time in RMB at floating interest rates and the facilities will expire within 1 to 2 years (2023: 1 to 2 years) after the end of the reporting period. The bank borrowing facilities granted in Hong Kong may be drawn at any time in HK$ at either Hong Kong Inter-bank Offered Rate plus 1.35% per annum (2023: at either Hong Kong Inter-bank Offered Rate plus 1.35% per annum) and the expiry date will be reviewed annually.

The Group has the following bank borrowings and lease liabilities as at the end of the reporting period:

	2024 **RMB'000**	2023 RMB'000
Bank borrowings	**50,000**	56,359
Lease liabilities	**122,155**	97,273
Total	**172,155**	153,632
Analysed into:		
Bank borrowings repayable within one year	**50,000**	56,359
Lease liabilities:		
Within one year	**53,598**	42,081
In the second year	**42,816**	24,094
In the third to fifth year, inclusive	**20,041**	24,758
Beyond five years	**5,700**	6,340
	122,155	97,273
Total	**172,155**	153,632

Notes to Financial Statements (Continued)
31 December 2024

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Liquidity risk (Continued)

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

At 31 December 2024

	Within 1 year or on demand RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
Trade payables	2,424,928	–	–	–	2,424,928
Other payables	272,057	–	–	–	272,057
Other deposits	483,166	–	–	–	483,166
Temporary receipts from properties managed	1,191,851	–	–	–	1,191,851
Due to the immediate holding company	1,149	–	–	–	1,149
Due to fellow subsidiaries	29,497	–	–	–	29,497
Due to other related companies	14,930	–	–	–	14,930
Bank borrowings	51,348	–	–	–	51,348
Lease liabilities	63,239	46,347	21,101	6,116	136,803
	4,532,165	46,347	21,101	6,116	4,605,729

At 31 December 2023

	Within 1 year or on demand RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
Trade payables	1,993,794	–	–	–	1,993,794
Other payables	284,660	–	–	–	284,660
Other deposits	483,526	–	–	–	483,526
Temporary receipts from properties managed	1,282,986	–	–	–	1,282,986
Due to fellow subsidiaries	12,309	–	–	–	12,309
Due to other related companies	20,416	–	–	–	20,416
Bank borrowings	57,825	–	–	–	57,825
Lease liabilities	45,932	24,227	27,999	10,749	108,907
	4,181,448	24,227	27,999	10,749	4,244,423

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Capital management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from the prior year.

The capital structure of the Group consists of bank balances and cash and equity of the Group, comprising issued share capital, retained profits and other reserves.

The directors of the Company review the capital structure periodically. As part of this review, the directors of the Company assess budgets of major projects taking into account the provision of funding. Based on the operating budgets, the directors consider the cost of capital and the risks associated with each class of capital, and to maintain or adjust the Group's overall capital structure through the payment of dividends, new share issues as well as the issue of new debt or the redemption of existing debts.

The Group was in a net cash position as at 31 December 2024 and 2023.

Fair value estimation

The table below analyses the Group's financial instruments carried at fair value, by valuation method. The different levels have been 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 asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).

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

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2024.

At 31 December 2024

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Equity investment designated at fair value through profit or loss				
Unlisted equity investment, at fair value	–	–	4,125	4,125

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Fair value estimation (Continued)

There were no transfers between the levels during the year (2023: Nil).

The following table presents the changes in level 3 instruments for the years ended 31 December 2024 and 2023:

	2024 RMB'000	2023 RMB'000
At 1 January	—	—
Addition	4,125	—
At 31 December	4,125	—

The changes in fair value of the above financial instruments in level 3 were recognised in profit or loss.

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1, which are classified as equity investment designated at FVTPL.

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.

Specific valuation techniques used to value financial instruments include:

- Market value provided by the issuers as their best estimate of the fair value of the investment.

- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Fair value estimation (Continued)

The unobservable inputs of the valuation include estimated revenue and discount rate by reference to other investments that are substantially the same. Changing unobservable inputs used in the level 3 valuation to reasonable alternative assumptions would not change significantly the fair values recognised.

The fair value of the following financial assets and liabilities approximate to their carrying amounts:

- Trade receivables
- Deposits under current assets and current liabilities
- Other receivables
- Amounts due from/(to) the immediate holding company, fellow subsidiaries and other related companies
- Trade payables
- Other payables and accruals
- Temporary receipts from properties managed
- Lease liabilities
- Bank borrowings
- Restricted bank deposits
- Cash and bank balances

Notes to Financial Statements (Continued)
31 December 2024

45. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2024 RMB'000	2023 RMB'000
NON-CURRENT ASSETS		
Property, plant and equipment	127	380
Right-of-use assets	5,719	7,976
Investments in subsidiaries	384,897	384,897
Total non-current assets	390,743	393,253
CURRENT ASSETS		
Prepayments, deposits and other receivables	2,042	1,817
Due from the immediate holding company	786	766
Due from subsidiaries	185,094	70,904
Due from fellow subsidiaries	11	—
Cash and bank balances	290,069	372,163
Total current assets	478,002	445,650
CURRENT LIABILITIES		
Other payables and accruals	12,736	13,527
Due to a subsidiary	458,436	359,238
Due to fellow subsidiaries	483	270
Due to other related companies	20	—
Income tax payable	45,000	45,500
Lease liabilities	2,564	2,434
Total current liabilities	519,239	420,969
NET CURRENT (LIABILITIES)/ASSETS	(41,237)	24,681
TOTAL ASSETS LESS CURRENT LIABILITIES	349,506	417,934
NON-CURRENT LIABILITIES		
Lease liabilities	3,532	5,951
Net assets	345,974	411,983
EQUITY		
Issued capital	2,677	2,679
Reserves (note)	343,297	409,304
Total equity	345,974	411,983

45. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Note: A summary of the Company's reserves is as follows:

	Capital Reserve RMB'000	Exchange fluctuation reserve RMB'000	Retained profits RMB'000	Total RMB'000
At 1 January 2023	20,533	(8,750)	278,598	290,381
Profit for the year	–	–	527,671	527,671
Other comprehensive loss for the year:				
Exchange differences on translations of the Company's financial statements	–	(1,504)	–	(1,504)
Total comprehensive (loss)/income for the year	–	(1,504)	527,671	526,167
Capital contribution relating to share-based payments borne by an intermediate holding company	610	–	–	610
2022 final dividend	–	–	(240,427)	(240,427)
2023 interim dividend	–	–	(167,427)	(167,427)
At 31 December 2023 and 1 January 2024	**21,143**	**(10,254)**	**398,415**	**409,304**
Profit for the year	**–**	**–**	**463,984**	**463,984**
Other comprehensive loss for the year:				
Exchange differences on translations of the Company's financial statements	**–**	**(5,550)**	**–**	**(5,550)**
Total comprehensive (loss)/income for the year	**–**	**(5,550)**	**463,984**	**458,434**
Capital contribution relating to share-based payments borne by an intermediate holding company	**(2,392)**	**–**	**–**	**(2,392)**
Shares repurchased and cancelled	**–**	**–**	**(11,480)**	**(11,480)**
2023 final dividend	**–**	**–**	**(256,680)**	**(256,680)**
2024 interim dividend	**–**	**–**	**(253,889)**	**(253,889)**
At 31 December 2024	**18,751**	**(15,804)**	**340,350**	**343,297**

46. COMPARATIVE AMOUNTS

Certain comparative amounts have been reclassified and re-presented to conform to the current year's presentation.

47. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 27 March 2025.

FIVE YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years, is set out below:

Consolidated results

	Year ended 31 December				
	2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000	2020 RMB'000
REVENUE	**14,023,767**	13,051,250	10,899,824	7,799,121	5,824,940
Direct operating expenses	**(11,698,259)**	(10,981,430)	(9,164,314)	(6,443,153)	(4,760,995)
GROSS PROFIT	**2,325,508**	2,069,820	1,735,510	1,355,968	1,063,945
Other income and gains, net	**197,103**	169,698	160,016	108,900	107,830
Fair value loss of self-owned investment properties, net	**(6,705)**	(6,640)	(2,635)	(1,571)	(4,263)
Selling and administrative expenses	**(431,367)**	(386,916)	(399,945)	(354,091)	(302,234)
Impairment of financial assets and contract assets, net	**(72,189)**	(42,535)	(43,412)	(19,446)	(33,964)
OPERATING PROFIT	**2,012,350**	1,803,427	1,449,534	1,089,760	831,314
Finance costs	**(8,527)**	(6,519)	(12,027)	(2,672)	(2,813)
Share of profit of a joint venture	**5,993**	6,281	4,030	1,202	479
Share of profit of an associate	**206**	188	159	158	163
PROFIT BEFORE TAX	**2,010,022**	1,803,377	1,441,696	1,088,448	829,143
Income tax expenses	**(488,514)**	(451,873)	(341,593)	(273,478)	(199,737)
Profit for the year	**1,521,508**	1,351,504	1,100,103	814,970	629,406
ATTRIBUTABLE TO:					
Ordinary equity holders of the Company	**1,510,918**	1,342,503	1,093,633	812,678	623,007
Non-controlling interests	**10,590**	9,001	6,470	2,292	6,399
	1,521,508	1,351,504	1,100,103	814,970	629,406
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY					
Basic and diluted (RMB cents per share)	**46.00**	40.84	33.27	24.72	18.95

Consolidated financial position

	At 31 December				
	2024 RMB'000	2023 RMB'000 (note)	2022 RMB'000 (note)	2021 RMB'000 (note)	2020 RMB'000 (note)
NON-CURRENT ASSETS					
Property, plant and equipment	**129,608**	112,812	100,358	90,464	57,739
Investment properties	**156,115**	174,420	184,060	135,660	137,200
Right-of-use assets	**84,683**	57,335	73,146	65,642	60,782
Intangible assets	**247,496**	184,516	101,045	48,269	17,680
Investment in a joint venture	**20,688**	14,695	8,414	4,384	3,183
Investment in an associate	**362**	149	290	117	277
Equity investment designated at fair value through profit or loss	**4,125**	—	—	—	—
Due from a related company	**75,026**	75,026	—	75,026	75,026
Prepayments	**16,849**	16,260	14,404	21,324	1,986
Deferred tax assets	**53,528**	44,745	41,049	35,281	32,578
	788,480	679,958	522,766	476,167	386,451
CURRENT ASSETS					
Inventories	**652,797**	735,645	854,311	759,460	511,862
Trade receivables	**2,595,032**	2,450,309	1,866,250	1,111,737	680,162
Contract assets	**151,542**	31,147	16,068	14,883	33,976
Prepayments, deposits and other receivables	**1,157,023**	1,002,172	849,154	483,422	324,573
Due from the immediate holding company	**978**	1,941	1,910	331	754
Due from fellow subsidiaries	**742,642**	486,202	492,381	338,212	109,015
Due from other related companies	**104,192**	92,789	175,803	93,314	53,644
Restricted bank deposits	**9,310**	—	—	—	—
Cash and bank balances	**5,803,460**	5,130,660	4,128,185	3,478,100	3,127,613
	11,216,976	9,930,865	8,384,062	6,279,459	4,841,599
CURRENT LIABILITIES					
Trade payables	**2,424,928**	1,993,794	1,334,917	630,507	389,179
Other payables and accruals	**738,391**	959,071	1,132,676	895,768	841,109
Temporary receipts from properties managed	**1,191,851**	1,282,986	1,294,849	1,253,100	1,085,097
Receipts in advance and other deposits	**1,923,477**	1,700,060	1,432,211	1,218,652	788,997
Due to the immediate holding company	**1,149**	—	—	880	—
Due to fellow subsidiaries	**30,326**	17,807	35,802	9,191	15,292
Due to other related companies	**22,300**	31,360	37,741	10,178	15,419
Income tax payables	**304,592**	281,723	218,553	184,009	180,128
Bank borrowings	**50,000**	56,359	60,000	—	—
Lease liabilities	**53,598**	42,081	47,236	33,491	20,926
	6,740,612	6,365,241	5,593,985	4,235,776	3,336,147
Net current assets	**4,476,364**	3,565,624	2,790,077	2,043,683	1,505,452
Total assets less current liabilities	**5,264,844**	4,245,582	3,312,843	2,519,850	1,891,903

Five Year Financial Summary (Continued)

Consolidated financial position (Continued)

	At 31 December				
	2024 **RMB'000**	2023 RMB'000 (note)	2022 RMB'000 (note)	2021 RMB'000 (note)	2020 RMB'000 (note)
NON-CURRENT LIABILITIES					
Lease liabilities	**68,557**	55,192	74,526	26,665	32,589
Deferred tax liabilities	**22,279**	13,373	14,892	14,555	15,760
	90,836	68,565	89,418	41,220	48,349
Net assets	**5,174,008**	4,177,017	3,223,425	2,478,630	1,843,554
EQUITY					
Equity attributable to ordinary equity holders of the Company					
Issued capital	**2,677**	2,679	2,679	2,679	2,679
Reserves	**5,107,805**	4,118,686	3,175,309	2,433,351	1,810,934
	5,110,482	4,121,365	3,177,988	2,436,030	1,813,613
Non-controlling interests	**63,526**	55,652	45,437	42,600	29,941
TOTAL EQUITY	**5,174,008**	4,177,017	3,223,425	2,478,630	1,843,554

Note: For presentation purpose, the contract assets for these financial years were reclassified and separately disclosed to conform to the current year's presentation.

PARTICULARS OF MAJOR PROPERTIES & PROPERTY INTERESTS

(a) Property held for investment

	Usage	Leasehold/ Freehold	Attributable interest %
Level 2, Southern Office Podium, Haili Building, 1018 Wenjin Middle Road, Luohu District, Shenzhen, Guangdong Province, the PRC	Office	Leasehold	100%
26 car parking spaces, Haili Building, 1018 Wenjin Middle Road, Luohu District, Shenzhen, Guangdong Province, the PRC	Carparks	Leasehold	100%
21 car parking spaces, Haibin Plaza, 1040 Fuiqiang Road, Futian District, Shenzhen, Guangdong Province, the PRC	Carparks	Leasehold	100%
94 car parking spaces, Zhonghai Lee Garden, 1070 Nanshan Avenue, Nanshan District, Shenzhen, Guangdong Province, the PRC	Carparks	Leasehold	100%
19 car parking spaces, Zhonghai Jinyuan, 951–961 Binjiang East Road, Haizhu District, Guangzhou, Guangdong Province, the PRC	Carparks	Leasehold	100%
26 car parking spaces, Haixing Plaza, 1 Ruijin South Road, Huangpu District, Shanghai, the PRC	Carparks	Leasehold	100%
Level 2, Eastern & Western Office Podium, Haili Building, 1018 Wenjin Middle Road, Luohu District, Shenzhen, Guangdong Province, the PRC	Office	Leasehold	100%
Unit 2001 on Level 20, 1 Linglan Street, Cannes Garden,Tianhe District, Guangzhou, Guangdong Province, the PRC	Residential	Leasehold	100%

Particulars of Major Properties & Property Interests (Continued)

(a) Property held for investment (Continued)

	Usage	Leasehold/ Freehold	Attributable interest %
7 car parking spaces, Cannes Garden, 9 Linglan Street, Tianhe District, Guangzhou, Guangdong Province, the PRC	Carparks	Leasehold	100%
Unit D5 and D6–2 on Level 4, Haixing Plaza 1 Ruijin South Road, Huangpu District, Shanghai, the PRC	Office	Leasehold	100%
Unit C2 on Level 2, Haihua Commercial Building, 8 Dapu Road Huangpu District, Shanghai the PRC	Retails	Leasehold	100%
Units 01 and 02 on Level 1 and Swimming pool on Level –1 & 1, Zhonghai Xinyuan, 23&25 8th Lane of Qinzhou South Road, Xuhui District, Shanghai, the PRC	Retails	Leasehold	100%
Level 7, Citic Mansion, 1 Jianxin South Road, Jiangbei District, Chongqing, the PRC	Office	Leasehold	100%
China Architecture Cultural Centre (Partial) 13 Sanlihe Road, Haidian District, Beijing, the PRC	Commercial	Leasehold	100%
China State Construction Development Building 18 (Partial) 51 Tengfei Boulevard, Qingyang District, Chengdu Province, the PRC	Industrial	Leasehold	100%
Unit 301 52 Haibin South Road, Xiangzhou District, Zhuhai, Guangdong Province, the PRC	Commercial	Leasehold	100%

(b) Property held as inventories

	Usage	Leasehold/ Freehold	Attributable interest (%)
1,458 car parking spaces located at No. 66, Section 1, Huayang Mei'an Road, Tianfu New District, Chengdu, the PRC	Carparks	Leasehold	100%
216 car parking spaces located at No. 60–3 Zhuyu West Street, Zhongshan District, Dalian, Liaoning Province, the PRC	Carparks	Leasehold	100%
619 car parking spaces located at Zhonghai Jincheng, 1 Haiba East Road, Nanhai District, Foshan, the PRC	Carparks	Leasehold	100%
2,407 car parking spaces located at the North Garden of Glory City, Guangzhou, Guangdong Province, the PRC	Carparks	Leasehold	100%
873 car parking spaces located at Zhonghai Cheng, Yuhong District, Shenyang, the PRC	Carparks	Leasehold	100%
444 car parking spaces located at Zhonghai Jincheng, No. 160 Xijiang Street, Yuhong District, Shenyang City, Liaoning Province, the PRC	Carparks	Leasehold	100%
187 car parking spaces located at Zhonghai Blue Bay, Baotou Street, Shihan District, Huhehaote, the PRC	Carparks	Leasehold	100%
140 car parking spaces located at No. 1118–2, Yishan East Road, Fengman District, Jilin City, Jilin Province, the PRC	Carparks	Leasehold	100%

Particulars of Major Properties & Property Interests (Continued)

(b) Property held as inventories (Continued)

	Usage	Leasehold/ Freehold	Attributable interest (%)
42 car parking spaces located at No. 1455 Hengshan East Road, Fengman District, Jilin City, Jilin Province, the PRC	Carparks	Leasehold	100%
157 car parking spaces located at No. 135, Wusong West Road, Yuebei Town, Chuanying District, Jilin City, Jilin Province, the PRC	Carparks	Leasehold	100%
605 car parking spaces located at No. 404, Linyin Road, Changyi District, Jilin City, Jilin Province, the PRC	Carparks	Leasehold	100%
713 car parking spaces located at Zhonghai Sunshine Rose Garden, No. 1699 Huanggu Road, Qingshan Lake District, Nanchang City, Jiangxi Province, the PRC	Carparks	Leasehold	100%
110 car parking spaces located at Zhonghai Markham Hee, No. 9, Guantian Yangyili, Xike Town, Tong'an District, Xiamen, Fujian Province, the PRC	Carparks	Leasehold	100%
82 car parking spaces located at Zhongxin Haibin Garden, Longhu District, Shantou, Guangdong Province, the PRC	Carparks	Leasehold	100%
704 car parking spaces located at Zhonghai Universe, No. 2 Bolan Road, Haojiang District, Shantou, Guangdong Province, the PRC	Carparks	Leasehold	100%
100 car parking spaces located at Xu Riverside Garden, No. 333, Tongjing South Road, Gusu District, Suzhou, the PRC	Carparks	Leasehold	100%

(b) Property held as inventories (Continued)

	Usage	Leasehold/ Freehold	Attributable interest (%)
1,404 car parking spaces located at Sixinli& Wufuli Tianjin, Heiniucheng Road and Dongting Road, Hexi District, Tianjin, the PRC	Carparks	Leasehold	100%
197 car parking spaces located at No. 58, Nanwei Lane, High-tech Industrial Development Zone, Urumqi, Xinjiang Uyghur Autonomous Region, the PRC	Carparks	Leasehold	100%
49 car parking spaces located at No. 1029 East Kashi Road, High-tech Industrial Development Zone, Urumqi, Xinjiang Uyghur Autonomous Region, the PRC	Carparks	Leasehold	100%
683 car parking spaces located at Nanhu Avenue, Jingkai District, Wuxi City, Jiangsu Province, the PRC	Carparks	Leasehold	100%
419 car parking spaces located at Zhonghai International Community, No. 919, Zhengyuan Souith Street, Jinfeng District, Yinchuan, the PRC	Carparks	Leasehold	100%
131 car parking spaces located at Zhonghai, Nanyang Road, Lvyuan District, Changchun, Jilin Province, the PRC	Carparks	Leasehold	100%
1,537 car parking spaces located at Zhonghai Universe, Jingkai North District, Changchun, Jilin Province, the PRC	Carparks	Leasehold	100%
66 car parking spaces located at No. 1501 Kuanda Road, Jingkai North District, Changchun, Jilin Province, the PRC	Carparks	Leasehold	100%

Particulars of Major Properties & Property Interests (Continued)

(b) Property held as inventories (Continued)

	Usage	Leasehold/ Freehold	Attributable interest (%)
77 car parking spaces located at CITIC Triumph Blue Bank, No. 29, Section 3, Furong South Road, Tianxin District, Changsha, Hunan Province, the PRC	Carparks	Leasehold	100%
43 car parking spaces located at Silver Bay, No. 299 Lovers Road, Xiangzhou District, Zhuhai, Guangdong Province, the PRC	Carparks	Leasehold	100%

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