

**遠洋集團控股有限公司**  
SINO-OCEAN GROUP HOLDING LIMITED

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



# AT 30

## WE ARE STANDING TALL AND STRONG

**At 30, we have to be self-reliant and self-motivated for improvement.**

**Given our inner strength, substantial capabilities and sensible actions,**

**we are able to establish our business firmly, thrive and ultimately determine our destiny.**

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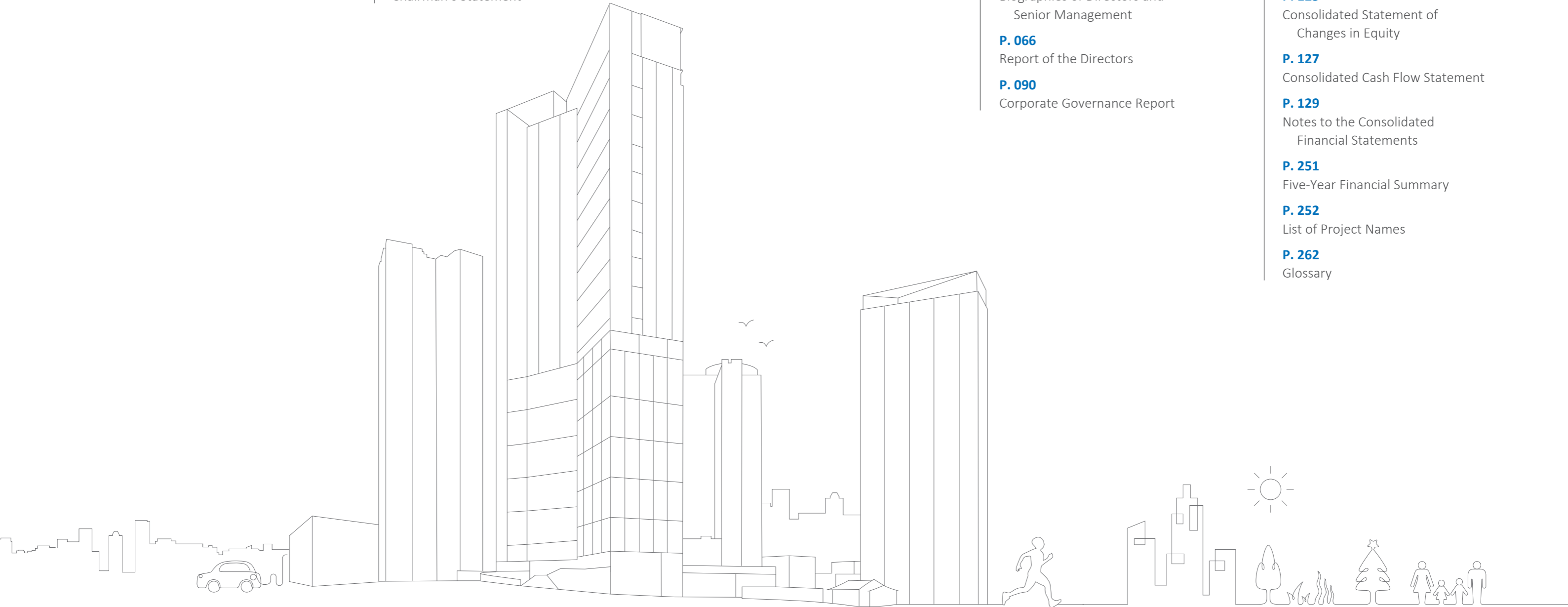
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## ABOUT SINO-OCEAN

Sino-Ocean Group Holding Limited was founded in 1993 and has been listed on the Main Board of The Stock Exchange of Hong Kong Limited since 28 September 2007 (Stock Code: 03377.HK), with China Life Insurance Company Limited and Dajia Life Insurance Co., Ltd. as substantial shareholders.

Sino-Ocean Group has been included as a constituent of Hang Seng Composite Index (HSCI), Hang Seng Composite Industry Index — Properties and Construction, Hang Seng Stock Connect Hong Kong Index and Hang Seng China State-holding Enterprises Index.

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

Sino-Ocean Group currently owns more than 290 property projects in different stages in rapidly growing Chinese cities and metropolitan regions, such as Beijing, Shijiazhuang, Taiyuan and Qinhuangdao in the Beijing Region; Tianjin, Qingdao, Jinan and Dalian in the Bohai Rim Region; Shanghai, Hangzhou, Nanjing and Suzhou in the Eastern Region; Shenzhen, Guangzhou, Fuzhou and Hong Kong in the Southern Region; Wuhan, Zhengzhou, Hefei and Changsha in the Central Region; Chengdu, Chongqing, Xi'an and Kunming in the Western Region. In addition, the Company's business territory has expanded abroad to Singapore, Indonesia, etc. As at 31 December 2022, we had a land reserve of over 42 million sq.m.

# CORPORATE INFORMATION

The corporate information of Sino-Ocean Group as of the Latest Practicable Date is as follows:

## Directors

### Executive Directors

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

### Non-executive Directors

Ms. HUANG Xiumei  
Mr. ZHAO Peng  
Mr. HOU Jun  
Mr. CHEN Ziyang  
Mr. ZHAN Zhong

### Independent Non-executive Directors

Mr. HAN Xiaojing  
Mr. SUEN Man Tak  
Mr. JIN Qingjun  
Ms. LAM Sin Lai Judy  
Mr. LYU Hongbin

## Audit Committee

Ms. LAM Sin Lai Judy (*Chairman of committee*)  
Ms. HUANG Xiumei  
Mr. ZHAO Peng  
Mr. SUEN Man Tak  
Mr. LYU Hongbin

## Nomination Committee

Mr. LI Ming (*Chairman of committee*)  
Mr. HAN Xiaojing  
Mr. JIN Qingjun

## Remuneration Committee

Mr. HAN Xiaojing (*Chairman of committee*)  
Mr. SUEN Man Tak  
Mr. LYU Hongbin

## Strategic and Investment Committee

Mr. LI Ming (*Chairman of committee*)  
Mr. WANG Honghui  
Mr. HOU Jun  
Mr. CHEN Ziyang  
Mr. JIN Qingjun  
Ms. LAM Sin Lai Judy

## Company Secretary

Mr. SUM Pui Ying

## Authorized Representatives

Mr. LI Ming  
Mr. SUM Pui Ying

## Registered Office

Suite 601, One Pacific Place  
88 Queensway  
Hong Kong

## Principal Place of Business

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

## Principal Bankers

*(in alphabetical order)*

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

## Auditor

BDO Limited  
*Certified Public Accountants*

## Legal Advisor

Paul Hastings

## Share Registrar

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

## Listing Information

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

## Company Website

[www.sinooceangroup.com](http://www.sinooceangroup.com)

## Investor Relations Contact

[ir@sinooceangroup.com](mailto:ir@sinooceangroup.com)

LANDBANK DISTRIBUTION

63

Sino-Ocean Group Focuses on Acquiring Quality Land Resources, with Landbank Coverage Extended to 63 Cities all over the PRC and Overseas.

Beijing Region

Beijing Shijiazhuang Taiyuan Qinhuangdao Langfang Zhangjiakou Tangshan Jinzhong  
Total GFA: 14,894,000 sq.m.  
Total landbank: 10,358,000 sq.m.  
Number of projects: 50

Bohai Rim Region

Tianjin Qingdao Jinan Dalian Shenyang Changchun Harbin Anshan  
Total GFA: 14,694,000 sq.m.  
Total landbank: 9,613,000 sq.m.  
Number of projects: 39

Eastern Region

Shanghai Hangzhou Nanjing Suzhou Ningbo Wuxi Changzhou Wenzhou Yangzhou Jiaxing Jinhua Zhenjiang Huai'an Suqian Huzhou  
Total GFA: 9,732,000 sq.m.  
Total landbank: 6,208,000 sq.m.  
Number of projects: 47

Southern Region

Shenzhen Guangzhou Fuzhou Foshan Quanzhou Xiamen Zhangzhou Maoming Jiangmen Zhongshan Zhanjiang Sanya Hong Kong  
Total GFA: 7,034,000 sq.m.  
Total landbank: 4,599,000 sq.m.  
Number of projects: 32

Central Region

Wuhan Zhengzhou Hefei Changsha Nanchang Ganzhou  
Total GFA: 8,259,000 sq.m.  
Total landbank: 5,784,000 sq.m.  
Number of projects: 28

Western Region

Chengdu Chongqing Xi'an Kunming Guiyang Urumqi Lanzhou Liuzhou Luzhou Xining Xishuangbanna  
Total GFA: 9,187,000 sq.m.  
Total landbank: 6,349,000 sq.m.  
Number of projects: 36

Other Region

Singapore Jakarta  
Total GFA: 70,000 sq.m.  
Total landbank: 70,000 sq.m.  
Number of projects: 2



## FINANCIAL & OPERATION HIGHLIGHTS

Financial Highlights (RMB million)	2022	2021	Change
Contracted Sales	100,290	136,260	-26%
Revenue	46,127	64,247	-28%
Gross profit	2,377	11,258	-79%
(Loss)/profit for the year	-15,650	5,091	N/A
(Loss)/profit attributable to owners of the Company	-15,930	2,729	N/A
Total assets	246,072	281,252	-13%
Equity attributable to owners of the Company	31,747	55,074	-42%
Cash resources <sup>1</sup>	9,386	27,079	-65%

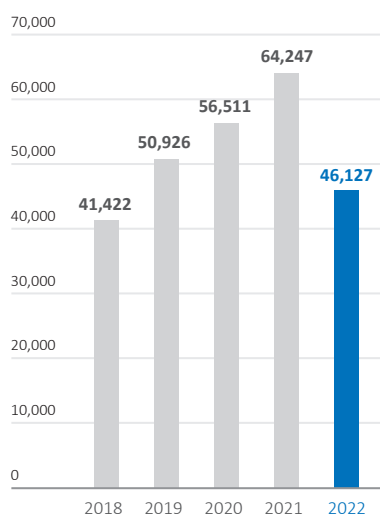
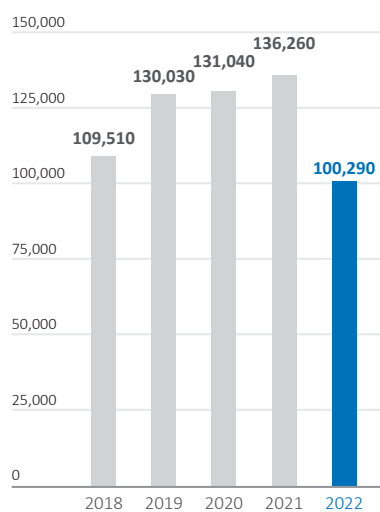
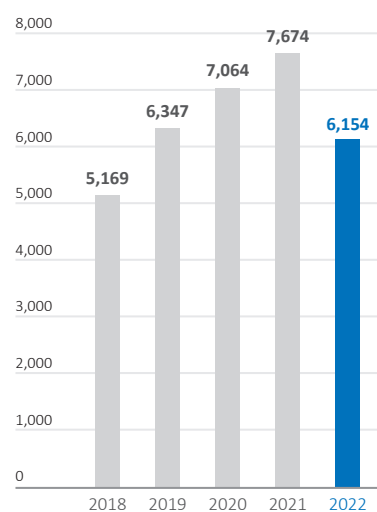
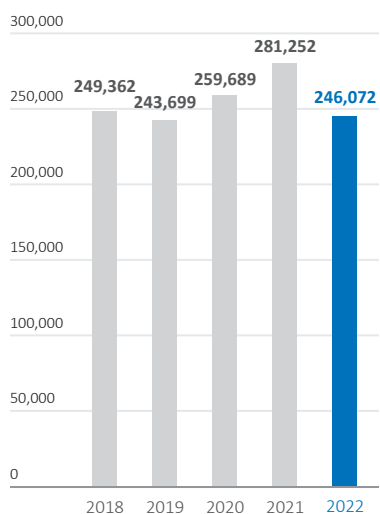
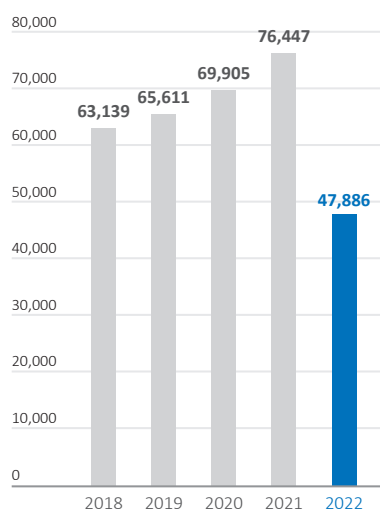
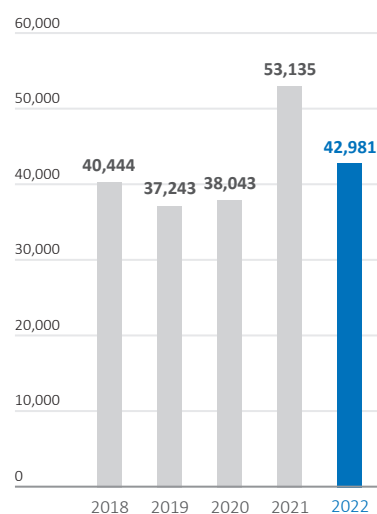
Financial Information per share	2022	2021	Change
(Loss)/earnings per share (RMB)			
— Basic	-2.092	0.358	N/A
— Diluted	-2.092	0.358	N/A

Financial Ratios	2022	2021	Change
Gross profit margin (%)	5%	18%	-13 pts
Net (loss)/profit margin (%)	-34%	8%	-42 pts
Current ratio (times)	1.40	1.65	-15%
Net gearing ratio (%) <sup>2</sup>	183%	85%	98 pts

Notes:

1 Including the restricted bank deposits

2 Total borrowings minus cash resources divided by total equity

**Revenue** (RMB million)**Contracted Sales** (RMB million)**Saleable GFA Sold** ('000 sq.m.)**Total Assets** (RMB million)**Total Equity** (RMB million)**Landbank** ('000 sq.m.)

# CHAIRMAN'S STATEMENT

SINO-OCEAN



Yangtze Opus (Wuhan)

**On behalf of the Board, I have the pleasure in presenting the annual results of the Group for the twelve months ended 31 December 2022.**

## RESULTS OF 2022

Due to the adverse impacts caused by the downturn in the overall real estate market and the continuous novel coronavirus pandemic in the PRC, for the twelve months ended 31 December 2022, the Group recorded RMB46,127 million in revenue, representing a YoY decrease of 28%; gross profit was RMB2,377 million, decreased by 79% compared to the previous year and the gross profit margin in 2022 was 5% (2021: 18%). Loss attributable to owners of the Company and loss per share (basic and diluted) were RMB15,930 million and RMB2.092, respectively.

## 2022 BUSINESS REVIEW

In 2022, in view of a severe market downward environment, credit was tightened even further and refinancing channels in the open market were closed, the Group adopted numerous measures to tackle the challenges, focused on residential development and structural adjustment, worked extensively to encourage cash flow, and persevered with ‘intensive cultivation’ to ensure our operation’s steady progress and on-time payment of debts.

### Remained focused on residential development, sales volume rose steadily

Amid changes in the industry, the Group remained focused on residential development, adjusted our sales strategy and used digital marketing to our advantage. Our sales performance was above industry average and rising in position. In 2022, the Group recorded total sales of approximately RMB100.3 billion, rising to the 20th<sup>1</sup> place in the real estate industry, gaining almost 10 places YoY. Sales in cities with deep penetration topped the charts. We ranked first in Tianjin<sup>2</sup>, ranked third in Zhongshan<sup>3</sup>, and stayed TOP 10 in Beijing<sup>4</sup>. Several projects in core cities in our location planning were front-runners in sales, including Neo-Metropolis (Tianjin) in the Bohai-Rim Region, Ocean Brilliant City (Langfang) in the Beijing Region, and Oriental World View (Wuhan) in the Central Region.

### Delivered to a high standard and on time, satisfaction at industry’s benchmark

In 2022, the Group regarded product delivery as vital and completed smooth delivery of approximately 55,000 units despite the pandemic. The Group also exercised stringent observation of quality requirements. Third party data<sup>5</sup> indicated that the Group was Top 10 among major property enterprises in terms of delivery quality during the year, gaining 6% in property quality satisfaction, 5% in delivery satisfaction and 9% in repair and maintenance satisfaction, with a continuous rise to historic new height and industry’s benchmark. Our delivery quality was fully recognized by owners and the market.

### Actively de-stocked existing landbank, continued to push forward redevelopment

In 2022, the Group adhered strictly to the investment criteria and budgeted expenses according to income. The landbank strategy was primarily on the consumption of existing reserve. New investments were mainly on primary and secondary redevelopment projects that could generate continuous profit. In 2022, the Group acquired 7 new projects and approximately 670,000 sq.m. of new landbank with an average selling price of RMB7,810/sq.m. We had an abundance of landbank mainly in core tier-one and tier-two cities. As at 31 December 2022, the Group’s landbank for secondary development was over 42 million sq.m. In terms of saleable area, the average land cost was RMB7,100/sq.m.

Notes:

- 1 According to the TOP 200 ranking of China Real Estate Developers by Total Sales, 2022 (CRIC)
- 2 According to the total sales area ranking of Tianjin Commodity Housing Sales Chart of Real Estate Developers, 2022 (CRIC)
- 3 According to the TOP 15 ranking of Zhongshan Real Estate Developers by Residential Transactions, 2022 (Hefu Research Institute\* (合富研究院))
- 4 According to the TOP 20 ranking of Beijing Real Estate Developers Sales Results, 2022 (CRIC)
- 5 According to the statistics provided by FG Consulting

In addition, the Group continued to promote redevelopment. To date, contracted redevelopment projects covered 14 million sq.m., mainly in Greater Bay Area cities such as Shenzhen, Dongguan, Zhuhai and Zhongshan. After deducting the recognized sales portion, existing redevelopment land bank of converted and acquired projects was 3.46 million sq.m. Conversion of Ocean Forecast and Ocean Filter in Shenzhen was completed in 2022 and will be launched by stages in 2023.

### Performance of investment property operation continued to improve, asset revitalization increased liquidity

Investment property operation improved steadily and occupancy rate remained at a high level. As at 31 December 2022, occupancy rates of office towers were 97% and 90% for Ocean Plaza (Beijing) and Ocean International Center (Beijing) respectively; for retail space, INDIGO (Beijing) enjoyed 100% occupancy while Grand Canal Place (Hangzhou) scored 97%. In 2022, the Group also collected RMB10 billion in cash by revitalizing China Life Financial Center (Beijing), Sino-Ocean Taikoo Li (Chengdu) and etc. The Group's investment property is of such high quality that disposal and financing of these assets continued to help liquidity. Looking ahead, total gross floor area of the Group's commercial and office investment properties under construction is over 1.7 million sq.m. As the projects gradually complete and come into operation, the Group's rental income will maintain a stable growth.

### Completed payment of all due debts as scheduled, onshore and offshore financing stable

In 2022, the Group completed payments of all due debts as scheduled and RMB12 billion supply chain ABS. The net repayment of credit financing was approximately RMB18.9 billion.

As a result of the industry's continued volatility in 2022, credit debt refinancing became more difficult. The Group grasped opportunities for refinancing to complete several domestic and overseas issuances. Accumulated new open market financing was RMB7.4 billion including USD400 million green bonds; RMB2 billion PPN; redistribution of RMB1.32 billion corporate bonds put back by investors and RMB1.3 billion REITs issue. At the same time, borrowing channels from banks remained open. Additional development loans in the year were in excess of RMB10 billion, involving mainly the 5 major state-owned banks and large joint-stock commercial banks.

In addition, the Group intensified strategic cooperation with financial institutions. From the second half of 2022 till now, the Group has been signing strategic cooperation agreements with numerous banks and received credit facilities exceeding RMB130 billion. As at 31 December 2022, the total approved facilities from banks exceeded RMB250 billion, providing solid support for the Group's operation.

### Resolute with the concept of 'Building · Health' and constructed benchmark projects

In 2022, the Group continued with the concept of 'building · health' and remained focused on customers' needs. Years of practical experience and feedback plus a long process of optimization facilitated the research on an upgraded Sino-Ocean health series 2.0 (2023 version). Based on customers' preference, we adjusted all priorities from the interiors, buildings, landscape, to location and culture, including the five health dimensions that cover all developments, 21 health systems scenarios and 89 essential values. There were now altogether 295 implementation policies and standards. We took into account improvement of the physical environment for health, guidance to a healthy lifestyle, and low carbon technology incorporating three special features. We advocated a healthy lifestyle with the brand new concept of the latest Sino-Ocean health series. As at 31 December 2022, the Sino-Ocean building health series was applied in 136 projects in 47 cities in China, covering more than 22.3 million sq.m. We were awarded authoritative certification and market recognition including the 2022 Real Estate Enterprise with Excellent Product Power.

## MARKET REVIEW AND OUTLOOK

The real estate market in China experienced extreme fluctuations in 2022. It was a tough long year for all in the industry. Real estate enterprises in distress, customers holding back, sales decline and financing difficulties fed negative vibes to each other, creating a deteriorating cycle. Sales volume of commodity housing in the whole year of 2022 dropped by 26.7% YoY. Despite multiple rounds of policies with various emphases rolled out by the government promoting sales, property investment sentiments were brought to freezing point by the frequent outbursts of the pandemic, failed deliveries, lower income expectation and decreasing housing price. The market did not bounce back as in previous cycles but continued to shrink under the combined pressure of "excessive risk-aversion" by financial institutions, scarcity of financing channels in the open market, crunch in both financing cash flow and operational cash flow, and a significant rise in breach of contract by many entities.

Looking ahead in 2023, the Chinese government will be more committed to encouraging stable economic growth, and will firmly position real estate as a pillar industry of the national economy. The Group expects that the government will roll out more policies to support rigid demand and upgraders. Policies in aid of improving quality real estate enterprises' balance sheet will also be in place gradually. The environment will be better than 2022 in terms of policies and credit. Customers' buying sentiments should pick up as China's economy recovers. We are confident that the industry will be revived. However, it will take time for economic recovery and the recovery of upstream and downstream industry chain such as home buyers, financial institutions and suppliers. It will take even longer for the enterprises' cash flow and investment capacity to improve. The industry still needs to tread carefully for a while.

The industry is transforming into a stage of anti-risk and sustainable expansion, and balance sheet reduction. Real estate enterprises need to be even more focused and withdraw from businesses irrelevant to the principal business. In the mid to long term, the real estate market in China will retain the scale of about RMB10 trillion, which will have a long term important role in the industry and macro economy. Using experience from abroad and the real situation in China as reference, the Group firmly believes that various property development businesses should thrive in the future, non-development businesses will be more service-oriented, sustainable and in light asset mode. At the end of the day, future competition in real estate will be in brand and word-of-mouth. Real estate enterprises need to be committed to serving customers with an artisan's spirit, building up capabilities and brands which are the 'invisible backbone' on which we depend for survival and further expansion.

## 2023 COMPANY STRATEGIES

Since the 4th quarter in 2022, there has been a flow of policies favorable for the industry. However, it takes times for the market to interpret and take action and the same for sales and cash collection to turn around. In the meantime, the Group will remain alert to crises, be diligent in diffusing risks, focused on increasing cash flow in all feasible channels, steadfast in serving customers and enhancing product and service capabilities.

**Continue to work across the board to increase liquidity.** We will focus on residential development, sales and cash collection. We will grasp opportunities as the market recovers, using iterative digital marketing, to take early action for early sales and cash collection. We will put in all-out efforts to de-stock assets; recapture credit bond refinancing capability in the open market as soon as possible and restore strategic support from cooperating banks; actively communicate with partners for more effective collection of surplus funds from cooperative projects. Each operating unit needs to be self-financing, consolidate rigid expenses for each project, plan in advance large fund outlay, and determine income based on expenditure to achieve a healthy balance of liquidity.

**Persevere to serve customers with an artisanal spirit, enhance product and service capabilities.** We are unwavering in offering flawless products and constantly refining them. We always aim to improve quality in delivery, interior decorations and views to reach property enterprise Top 5. We provide service with sensitivity and fortify customer confidence through Super Live Site Viewing and progress reports of projects. We will ensure 'seamless delivery' with meticulous organization and efficiency and etc., and at the same time raise existing owners' satisfaction with impeccable property management, re-modeling basic services and investing resources in key areas of owners' concern.

## APPRECIATION

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

**LI Ming**  
Chairman

Hong Kong, 30 March 2023

# MANAGEMENT DISCUSSION & ANALYSIS

SINO-OCEAN



Ocean Seafront Towers (Shenzhen)

A discussion and analysis of the Group for the year ended 31 December 2022 is set out below:






## FINANCIAL REVIEW

Sino-Ocean Group is a pragmatic comprehensive corporation focusing on the principal business of property development while exploring related diversified new businesses. We have secured a leading position in major city clusters including the Beijing Region, the Bohai Rim Region, the Eastern Region, the Southern Region, the Central Region and the Western Region. The Group will continue to stay focused on acquiring quality projects.

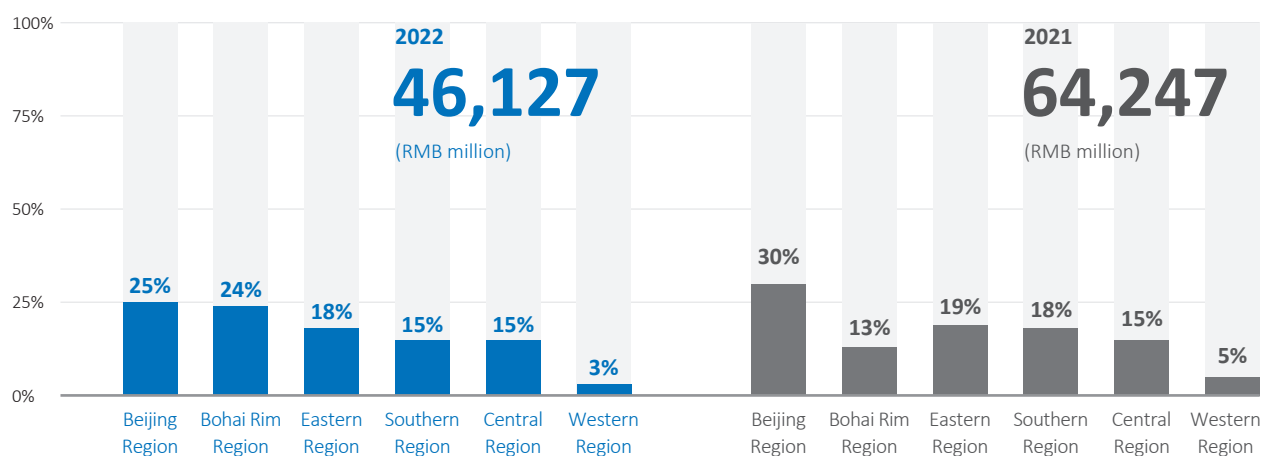
Due to the adverse impacts caused by the downturn trend in the overall real estate market and the novel coronavirus pandemic in the PRC, the Group's contracted sales amount for the year 2022 (including its joint ventures and associates) decreased to RMB100,290 million (2021: RMB136,260 million) with total saleable GFA sold of approximately 6,154,000 sq.m. (2021: 7,673,500 sq.m.). We recorded a decrease in revenue of 28%, to RMB46,127 million (2021: RMB64,247 million). The loss attributable to owners of the Company was RMB15,930 million (2021: profit of RMB2,729 million). Basic loss per share was RMB2.092 (2021: earnings per share of RMB0.358).

### Revenue

The components of the revenue are analyzed as follows:

(RMB million)	2022	2021	Change
 Property development	<b>37,132</b>	55,130	-33%
 Property investment	<b>391</b>	410	-5%
 Property management and related services	<b>2,868</b>	2,530	13%
 Other real estate related businesses	<b>5,736</b>	6,177	-7%
 Total	<b>46,127</b>	64,247	-28%

Revenue contributions by geographical locations are analyzed below:



The Group's revenue in 2022 decreased by 28% to RMB46,127 million, from RMB64,247 million in 2021. Property development segment remained the largest contributor, which accounted for about 80% of total revenue. During 2022, the revenue from property development contributed by the Beijing, Bohai Rim, Eastern, Southern, Central and Western Regions were 12%, 29%, 22%, 15%, 18% and 4%, respectively. We will persistently maintain a balanced project portfolio for mitigating the risk from single market fluctuations and enabling more effective usage of resources, allowing the Group to stay focus of our future development plan.

Property management and related services includes (i) property management and commercial operational services; (ii) community value-added services; and (iii) value-added services to non-property owners. The increase in revenue for our property management and related services in 2022 was mainly due to (i) the increase in GFA under management and increase in number of properties under management; (ii) extension of our commercial operational services to the owners of shopping malls and office buildings; and (iii) expansion of our consultancy services to property developers.

The other real estate businesses cover whole-industrial chain construction services, internet data center, senior living services and etc.

## Cost of sales

In line with the decrease in revenue, the Group's total cost for the year reduced to RMB43,750 million accordingly (2021: RMB52,989 million).

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

Excluding carparks, average land cost per sq.m. of property development business in 2022 decreased to approximately RMB5,700 compared to RMB8,300 in 2021. The decrease was mainly due to more projects located in tier-two cities, which are having relatively lower land costs, being delivered in 2022. Average construction cost per sq.m. (excluding carparks) for property development business decreased by 7% to approximately RMB5,500 for the year, compared to RMB5,900 in 2021. The decrease in average construction cost was mainly because more villa and tier-one projects with higher construction cost were delivered during 2021.

## Gross profit

Gross profit for the year was RMB2,377 million, representing a decrease of 79% compared to that of 2021. Gross profit margin decreased to 5% in 2022 (2021: 18%). The decrease in gross profit margin was mainly affected by the depressed real estate market sentiment in the PRC in 2022, of which (i) so as the Group launched promotions for the leftover unsold units to minimize the Group's operating risks and liquidize remnant assets; and (ii) the provision made by the Group for inventories increased.

## Interest and other income and other (loss)/gains (net)

Interest and other income decreased by 51% to RMB1,094 million in 2022, compared to RMB2,250 million in 2021. The decrease was mainly attributable to the decrease in entrusted loan interest income due to the decline in the weighted average entrusted loan balance and interest rate during the year of 2022.

The Group recorded other losses (net) of RMB2,689 million in 2022 (2021: other gains (net) of RMB76 million). Other losses (net) were mainly comprised of net effect of net exchange losses, fair value losses of financial assets and financial liabilities at fair value through profit or loss and losses on disposal of subsidiaries during the year. The recorded losses in 2022 was primarily due to the net exchange losses of RMB1,178 million (2021: net exchange gains of RMB348 million) arising from the depreciation of RMB against USD to a larger extent during 2022.

## Revaluation of investment properties

Affected by the resurgence of the novel coronavirus pandemic, the Group recognized fair value losses on its investment properties (before tax and non-controlling interests) of RMB256 million for 2022 (2021: fair value losses of RMB64 million).

## Operating expenses

Selling and marketing expenses for 2022 were RMB1,803 million (2021: RMB1,665 million), which was increased by 8% as compared to 2021. The increase was mainly driven by the increase of marketing activities so as to cope with the cooldown of the market in 2022. These costs accounted for approximately 1.8% of the total contracted sales amount for 2022 (2021: 1.2%). The Group put more resources in its sales and marketing activities during the year, to aim for better recognition of the Group's pursuance of quality of residential property development, investment property development and operation, property services and whole-industrial chain construction services and ultimately turn into higher branding value and sustainable revenue growth in the future.

Under the Group's strict control policy, administrative expenses incurred for 2022 slightly decreased to RMB1,698 million (2021: RMB1,777 million (restated)), representing approximately 3.7% of the total revenue for 2022 (2021: 2.8% (restated)). The Group will continue to adopt strict cost control measures to maintain these costs at a relatively stable and lower level.

## Net impairment losses on financial assets

The Group recorded the net impairment losses on financial assets of RMB5,155 million for the year (2021: RMB177 million (restated)). The increase in the expenses was mainly due to the provision made by the Group for expected credit losses on the trade and other receivables and etc., considering the combined effects of sluggish macroeconomic and industry environments, tough financing channels and the resurgence of the pandemic during 2022.

## Finance costs

Our weighted average interest rate increased from 4.96% for the year of 2021 to 5.16% for the year of 2022. As we obtained higher cost of financing during the year, the total interest expenses paid or accrued increased to RMB5,064 million in 2022 (2021: RMB4,639 million), of which RMB3,066 million (2021: RMB2,239 million) was not capitalized and charged through consolidated income statement during the year.

## Taxation

The aggregate of enterprise income tax and deferred tax decreased to RMB1,175 million in 2022 (2021: RMB2,684 million), the decrease in the expense was mainly attributed by the combination of the decrease in revenue and gross profit. In addition, land appreciation tax in 2022 decreased to RMB1,451 million (2021: RMB2,022 million). The decrease was mainly due to lower applicable tax rate was applied during 2022.

## (Loss)/profit attributable to owners of the Company

The loss attributable to owners of the Company was RMB15,930 million for the year of 2022 (2021: profit of RMB2,729 million). The loss recorded for 2022 was mainly attributed to (i) the downturn in the overall real estate market and the continuous novel coronavirus pandemic in the PRC, resulting in the decrease in revenue and gross profit margin, and the increase in the provision for impairment of property projects; (ii) the decrease in the share results from joint ventures and associates; and (iii) the exchange loss due to the depreciation of RMB, for the year. Our management will continue to focus on the improvement of our Shareholders' return as on-going task.

## Financial resources and liquidity

During 2022, the Group continued to refine our funding structure, liquidity and credit policies to minimize its risk exposure under the everchanging financial market and global economic environment. With overwhelming support from investors, the Group successfully issued green notes of USD400 million, corporated bonds of RMB1,320 million, private placement notes of RMB2,000 million and real estate investment trusts of RMB1,303 million in 2022. We are committed to managing the borrowings at an appropriate level, the borrowings increased from RMB92,224 million at the end of 2021 to RMB97,023 million as at the year end of 2022, of which 59% of the borrowings were denominated in RMB. The remaining borrowings were denominated in other currencies, such as HKD and USD. Approximately 67% of the borrowings were made at fixed interest rate.

As at 31 December 2022, the Group had total cash resources (including cash and cash equivalents and restricted bank deposits) of RMB9,386 million, of which approximately 99% (31 December 2021: 89%) of the Group's cash resources were denominated in RMB with the remaining balances denominated in other currencies, such as HKD and USD. The current ratio was 1.40 times. Together with the unutilized credit facilities of approximately RMB165,200 million, the Group is confident with its liquidity.

As at 31 December 2022, the Group's net gearing ratio (i.e. total borrowings less total cash resources divided by total equity) was approximately 183% (31 December 2021: 85%). The increase in net gearing ratio was a result of combined impact from multiple extreme factors including continued market downturn, noticeable decline in overall sales and a very harsh financing environment in 2022 in the PRC. Cash collection remained slow. In addition, RMB depreciated considerably against USD during the year. All these pushed up the net gearing ratio. Facing the sharp deterioration of the overall financing environment of the PRC real estate market, thanks to the strong supports from our major shareholder and financial institutions, the Group maintained the operational soundness. In 2023, following the easing macro policies in the real estate industry, the demand of property will gradually recover. And we would continue to proactively manage the indebtedness and liquidity, so as to have sufficient funding resources to carry out various businesses.

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

(RMB million)	As at 31 December 2022	As a percentage of total borrowings	As at 31 December 2021	As a percentage of total borrowings
Within 1 year	38,092	39%	18,668	20%
1 to 2 years	21,062	22%	17,354	19%
2 to 5 years	30,061	31%	46,077	50%
Over 5 years	7,808	8%	10,125	11%
Total	97,023	100%	92,224	100%

## Other investments

As at 31 December 2022, the Group owned a diversified investment portfolio, such as investments in joint ventures and associates for property development projects, investments in property funds, financial derivatives for hedging purposes, equity financial investments in real estate.

The results of the above investments have been properly reflected in the audited financial information for the year ended 31 December 2022.

## Financial guarantees and charge on assets

As at 31 December 2022, the value of the guarantees provided by the Group to banks for mortgages extended to property buyers before completion of their mortgage registration was RMB20,677 million (2021: RMB15,826 million).

In 2022, the Group had pledged some of plant and equipment, land use rights, properties under development, completed properties held for sale, investment properties and equity interests to secure short-term borrowings (including the current portion of long-term borrowings) of RMB10,370 million (2021: RMB2,029 million) and long-term borrowings of RMB15,275 million (2021: RMB15,167 million). As at 31 December 2022, total pledged assets accounted for approximately 17% of the total assets of the Group (2021: 7%).

## Capital commitments

The Group entered into certain agreements in respect of land acquisition, property development and investment in a joint venture. As at 31 December 2022, the Group had a total capital commitment of RMB18,289 million (2021: RMB24,323 million).

## Contingent liabilities

In line with the prevailing commercial practice in the Mainland China, the Group provides guarantees for mortgages extended to property buyers before completion of their mortgage registration. As at 31 December 2022, the total amount of the aforesaid guarantees provided by the Group was RMB20,677 million (2021: RMB15,826 million). In the past, the Group had not incurred any material loss from providing such guarantees, as the guarantees were given as a transitional arrangement that would be terminated upon the completion of the mortgage registration and were secured by the buyers' properties.

As at 31 December 2022, the Group provided guarantees amounted to approximately RMB5,523 million for borrowings of joint ventures and third party (31 December 2021: RMB2,013 million). For details of financial guarantees, please refer to note 46 to the consolidated financial statements of this annual report.

## Material acquisitions and disposals of subsidiaries, associates and joint ventures

### • Acquisition of the entire equity interests in a property management company

On 12 August 2022, (i) Ocean Homeplus Property Service Corporation Limited\* (遠洋億家物業服務股份有限公司), a wholly-owned subsidiary of Sino-Ocean Service and a non wholly-owned subsidiary of the Company, as purchaser (the "Purchaser"), and (ii) Dalian Sky-Upright Property Limited\* (大連正乾置業有限公司), a wholly-owned subsidiary of the Company, and an associate of the Company as vendors (collectively, the "Vendors") entered into a framework agreement in relation to the acquisition by the Purchaser of 50% equity interests in Tianjin Xihe Supply Chain Services Co., Ltd.\* (天津熙合供應鏈服務有限公司) ("Tianjin Xihe") from each of the Vendors for RMB250 million, i.e. a total consideration of RMB500 million for the entire equity interests in Tianjin Xihe (the "Acquisition"). Tianjin Xihe and its subsidiaries (the "Tianjin Xihe Group") are principally engaged in property management business in the PRC. As at the date of the abovementioned framework agreement, Tianjin Xihe was accounted for as a joint venture of the Company in the consolidated financial statements of the Group. Upon completion of the Acquisition on 3 November 2022, Tianjin Xihe became a wholly-owned subsidiary of Sino-Ocean Service and a non wholly-owned subsidiary of the Company, and the financial results of the Tianjin Xihe Group have been consolidated into the financial statements of each of the Sino-Ocean Service Group and the Group.

Details of the Acquisition have been disclosed in the joint announcement of the Company and Sino-Ocean Service dated 12 August 2022.

- Disposal of interests in property holding companies and property management company

On 15 December 2022, (i) the Company, Sino-Ocean Service, Neo Origin Limited (穎源有限公司) (a wholly-owned subsidiary of the Company), Beijing Yingang Real Estate Development Company Limited\* (北京銀港房地產開發有限公司) (a wholly-owned subsidiary of the Company) (together with Neo Origin Limited, collectively, the “Property Holdco Sellers”), Beijing Yichi Property Services Company Limited\* (北京億馳物業服務有限公司) (a wholly-owned subsidiary of Sino-Ocean Service and a non wholly-owned subsidiary of the Company) (the “PM Seller”), Swire Properties (Chengdu) Limited, Tianjin Linsong City Facilities Development Company Limited\* (天津麟松城市建設開發有限公司) (together with Swire Properties (Chengdu) Limited, collectively, the “Property Holdco Purchasers”) and Beijing Great Well Consultancy Company Limited\* (北京浩倡諮詢有限公司) (the “PM Purchaser”) entered into the first master agreement in respect of the sales and purchases of (a) 15% of the issued shares of Great City China Holdings Limited (乾林中國控股有限公司) (the “Offshore JV Co”), together with 30% of the amounts owed by the Offshore JV Co (or any of its subsidiaries) to any member of the Group as at the completion of the transactions pursuant to the first master agreement (the “First Closing”), (b) 15% equity interest in Chengdu Yingang Real Estate Company Limited\* (成都銀港置業有限公司) (the “Onshore JV Co”), together with 30% of the amounts owed by the Onshore JV Co (or any of its subsidiaries) to any member of the Group as at the First Closing, and (c) 15% equity interest in Chengdu Qianhao Property Services Company Limited\* (成都乾豪物業服務有限公司) (the “PM Co”) (the “First Transaction”); (ii) the Company, Sino-Ocean Service, the PM Seller and the PM Purchaser entered into the second master agreement in respect of the sale and purchase of 35% equity interest in the PM Co (the “Second Transaction”); and (iii) the Company, the Property Holdco Sellers and the Property Holdco Purchasers entered into the third master agreement in respect of the sales and purchases of (a) 35% of the issued shares of the Offshore JV Co, together with all of the amounts owed by the Offshore JV Co (or any of its subsidiaries) to any member of the Group as at the completion of the transactions pursuant to the third master agreement (the “Third Closing”), and (b) 35% equity interest in the Onshore JV Co, together with all of the amounts owed by the Onshore JV Co (or any of its subsidiaries) to any member of the Group as at the Third Closing (together with the First Transaction and the Second Transaction, collectively, the “Aggregated Transaction”). The total consideration for the Aggregated Transaction is RMB5,550,000,000.

Each of the Property Holdco is principally engaged in investment property development and operation. The Offshore JV Co (through its wholly-owned subsidiaries) and the Onshore JV Co are collectively the owners of a retail-led mixed-use development (primarily consisting of an open-plan, lane-driven mall and a boutique hotel with serviced apartments) known as Sino-Ocean Taikoo Li Chengdu (the “Property”) located at Jinjiang District, Chengdu, the PRC jointly developed by the Company and Swire Properties Limited (太古地產有限公司). The PM Co is principally engaged in the provision of property management services to the Property. As at the date of the abovementioned master agreements, each of the Property Holdco was a 50%-owned joint venture of the Company and the PM Co was a 50%-owned joint venture of Sino-Ocean Service. All of the Aggregated Transaction had been completed as of 22 February 2023, following which the Group had ceased to have any interest in the Property Holdco and the PM Co.

Details of the Aggregated Transaction have been disclosed in the joint announcement of the Company and Sino-Ocean Service dated 15 December 2022, the circular of the Company dated 19 January 2023 and the announcement of the Company dated 22 February 2023.

## ADDITIONAL INFORMATION ON AUDIT QUALIFICATIONS

The Company’s independent auditor, BDO Limited (“BDO”), has expressed a qualified opinion on the consolidated financial statements of the Group for the year ended 31 December 2022 (the “2022 Financial Statements”). Such qualified opinion is related to the scope of limitation on (a) interests in associates and (b) transactions and balances relating to the funds transferred to a third party. Details of such qualified opinion are disclosed in the paragraph headed “BASIS FOR QUALIFIED OPINION” in the Independent Auditor’s Report on the 2022 Financial Statements.

### Management’s view

The management of the Company has given careful consideration to the qualified opinion and the basis thereof and has had continuous discussions with BDO during the preparation of the 2022 Financial Statements.

The management understands that the audit qualifications, which relate solely to the scope of limitation, were caused by the lack of sufficient and appropriate audit evidence prior to the date of the Independent Auditor’s Report.

The management considers that best endeavors were made to provide sufficient and appropriate audit evidence during the course of BDO's audit. Except for the audit qualifications, the 2022 Financial Statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2022.

Regarding the audit qualifications, the management is committed to satisfy BDO's audit procedures to ensure sufficient and appropriate audit evidence be provided for the purposes of the audit of the financial statements of the Group for the year ending 31 December 2023, including the improvement of internal control of the Group.

### Audit Committee's view

The Audit Committee had discussions with BDO regarding the financial position of the Group and the necessary sufficient and appropriate evidence required for the audit opinion. The audit qualifications were presented by BDO to the Board and discussed by the Board (including Audit Committee members). The Audit Committee accepted the audit qualifications by BDO and also concurred with the above management's views.

## IMPORTANT EVENTS AFTER THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

### • Acquisition of the entire equity interests in a property development company in the PRC

On 8 February 2023, following completion of the bidding process through the Shandong Property Right Exchange Center (山東產權交易中心), Beijing Yuanshengchang Real Estate Development Co., Ltd.\* (北京遠盛昌房地產開發有限公司) ("Beijing Yuanshengchang"), a wholly-owned subsidiary of the Company, as purchaser, entered into a property right transaction agreement with Shandong Detian Real Estate Co., Ltd.\* (山東德天置業有限公司) ("Shandong Detian"), as seller, in relation to the acquisition by Beijing Yuanshengchang from Shandong Detian of (a) the entire equity interests in Shandong Detian Jiaye Real Estate Co., Ltd.\* (山東德天嘉業置業有限公司) ("Shandong Detian Jiaye") and (b) a loan owing by Shandong Detian Jiaye to Shandong Detian (inclusive of interest) (in the amount of RMB1,584,414,200) at an aggregate consideration of RMB1,584,414,201. The principal business of Shandong Detian Jiaye is property development and its principal asset is four parcels of land situated at the Beihu Core Area, Jinan City, Shandong Province, the PRC with a total land area of 137,504 sq.m. and a total gross floor area of approximately 534,600 sq.m. for residential and commercial purposes.

Details of the above acquisition have been disclosed in the announcement of the Company dated 8 February 2023.

### • Sale and leaseback arrangements

During the period from January to March 2023, Beijing UNIQcloud Technology Co., Ltd.\* (北京雲泰數通互聯網科技有限公司), a non wholly-owned subsidiary of the Company, and certain wholly-owned subsidiaries or entity controlled by it, as lessees, entered into sale and leaseback agreements in respect of certain leased assets (mainly comprising ancillary equipment and facilities for data center) with Chengtong Financial Leasing Company Limited\* (誠通融資租賃有限公司) and CGN International Financial Leasing (Tianjin) Co., Ltd.\* (中廣核國際融資租賃(天津)有限公司), respectively, each as lessor, pursuant to which the relevant lessor will purchase the respective leased assets from the relevant lessee(s) for a maximum aggregate purchase price of RMB475 million and RMB375 million, respectively, and such leased assets will be leased back to the relevant lessee(s) for maximum aggregate lease payments of approximately RMB535.08 million and RMB431.81 million, respectively, each with a term of five years and six years, respectively, subject to early termination in accordance with the terms and conditions of the respective sale and lease agreement(s). Upon the relevant lessee(s) having paid all the lease payments and other payables (if any) to the relevant lessor in accordance with the terms of the respective sale and leaseback agreement(s), the relevant lessee(s) shall have the right to repurchase the respective leased assets at a nominal consideration.

Details of the above sale and leaseback arrangements have been disclosed in the announcements of the Company dated 27 February 2023 and 10 March 2023, respectively.

## BUSINESS REVIEW

### Property development

#### Recognized sales

Revenue from property development business decreased by 33% in 2022, amounting to RMB37,132 million (2021: RMB55,130 million). Saleable GFA delivered decreased by 2% from approximately 3,243,000 sq.m. in 2021 to approximately 3,183,000 sq.m. in 2022. Excluding carparks sales, the average selling price recognized in 2022 decreased to approximately RMB13,400 per sq.m. (2021: RMB19,500 per sq.m.). The decrease was mainly due to more projects in tier-two cities being delivered in 2022.

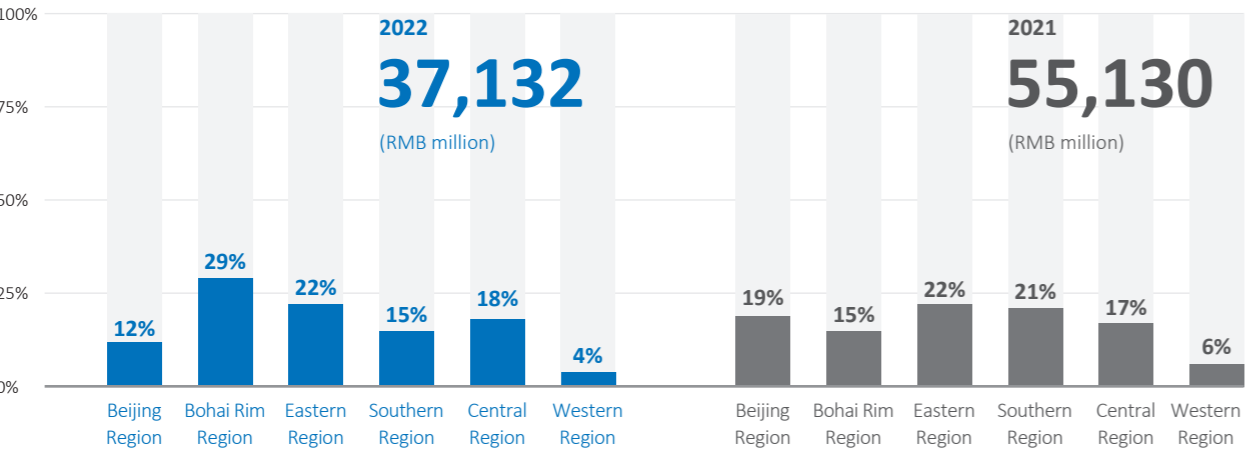
Revenue and saleable GFA delivered by cities during 2022 are set out as follows:

Regions	Cities	Revenue (RMB million)	Saleable GFA delivered (sq.m.)	Approximate average selling price recognized (RMB/sq.m.)
Beijing Region	Beijing	726	15,263	47,600
	Taiyuan	108	10,880	9,900
	Qinhuangdao	421	30,562	13,800
	Langfang	2,765	252,126	11,000
		<b>4,020</b>	<b>308,831</b>	<b>13,000</b>
Bohai Rim Region	Tianjin	562	19,856	28,300
	Qingdao	2,965	85,039	34,900
	Jinan	2,881	232,037	12,400
	Dalian	3,932	251,749	15,600
		<b>10,340</b>	<b>588,681</b>	<b>17,600</b>
Eastern Region	Shanghai	91	4,123	22,100
	Hangzhou	246	8,517	28,900
	Nanjing	3,636	152,407	23,900
	Suzhou	143	15,563	9,200
	Wuxi	14	3,502	4,000
	Wenzhou	2,236	157,609	14,200
	Yangzhou	634	41,528	15,300
	Suqian	958	157,753	6,100
		<b>7,958</b>	<b>541,002</b>	<b>14,700</b>

Regions	Cities	Revenue (RMB million)	Saleable GFA delivered (sq.m.)	Approximate average selling price recognized (RMB/sq.m.)
Southern Region	Shenzhen	545	20,244	26,900
	Guangzhou	1	57	17,500
	Fuzhou	684	49,826	13,700
	Foshan	21	1,876	11,200
	Zhangzhou	1,367	106,740	12,800
	Maoming	172	39,306	4,400
	Jiangmen	213	18,683	11,400
	Zhongshan	433	54,392	8,000
	Zhanjiang	183	22,197	8,200
	Longyan	1,634	157,854	10,400
		<b>5,253</b>	<b>471,175</b>	<b>11,100</b>
Central Region	Wuhan	3,233	143,590	22,500
	Zhengzhou	899	125,395	7,200
	Hefei	311	33,271	9,300
	Nanchang	593	57,845	10,300
	Ganzhou	1,561	220,463	7,100
		<b>6,597</b>	<b>580,564</b>	<b>11,400</b>
Western Region	Chongqing	37	3,137	11,800
	Guiyang	62	5,592	11,100
	Liuzhou	707	94,715	7,500
	Xining	611	59,241	10,300
		<b>1,417</b>	<b>162,685</b>	<b>8,700</b>
	Other projects	216	23,082	9,400
<b>Subtotal (excluding carparks)</b>		<b>35,801</b>	<b>2,676,020</b>	<b>13,400</b>
Carparks (various projects)		1,331	506,720	2,600
<b>Total</b>		<b>37,132</b>	<b>3,182,740</b>	<b>11,700</b>

During 2022, the Group developed a balanced mix of contribution from the six regions on its revenue from property development business.

Revenue from property development by geographical locations are analyzed below:



In terms of property types, residential properties (including villas) continued to contribute the largest portion of property development revenue, accounting for approximately 90% in 2022 (2021: 93%). The average selling price recognized for the revenue from residential properties (including villas) in 2022 decreased by 31% to approximately RMB13,500 per sq.m. (2021: RMB19,700 per sq.m.) and corresponding total saleable GFA delivered decreased by 4% from approximately 2,597,000 sq.m. in 2021 to approximately 2,485,000 sq.m. in 2022.

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

	2022		2021	
	Revenue (RMB million)	GFA delivered ('000 sq.m.)	Revenue (RMB million)	GFA delivered ('000 sq.m.)
Residential and villa	33,548	2,485	51,155	2,597
Office premise	324	28	612	29
Retail space	1,929	163	1,804	119
Carpark	1,331	507	1,559	498



Ocean Mansion (Xi'an)

### Contracted sales

Due to the adverse impacts caused by the downturn trend in the overall real estate market and the novel coronavirus pandemic in the PRC, the contracted sales of the Group, together with its joint ventures and associates, for the twelve months ended 31 December 2022 decreased to RMB100,290 million, representing approximately 26% decrease compared to RMB136,260 million in 2021. Contracted saleable GFA sold in 2022 decreased by 20% to approximately 6,154,000 sq.m. (2021: 7,673,500 sq.m.). The average selling price (excluding car parks) decreased by 7% to approximately RMB18,000 per sq.m. (2021: RMB19,400 per sq.m.).

The contracted sales amounts and saleable GFA sold by cities in 2022 are set out below:

Regions	Cities	Contracted sales (RMB million)	Approximate saleable GFA sold (sq.m.)	Approximate average selling price (RMB/sq.m.)
Beijing Region	Beijing	18,030	483,400	37,300
	Shijiazhuang	1,846	166,000	11,100
	Taiyuan	1,130	117,600	9,600
	Qinhuangdao	867	65,800	13,200
	Langfang	2,260	215,300	10,500
	Zhangjiakou	398	53,000	7,500
	Jinzhong	305	38,600	7,900
		<b>24,836</b>	<b>1,139,700</b>	<b>21,800</b>
Bohai Rim Region	Tianjin	8,589	551,800	15,600
	Qingdao	2,796	123,200	22,700
	Jinan	4,403	329,300	13,400
	Dalian	1,881	159,800	11,800
	Shenyang	538	64,600	8,300
	Changchun	26	2,700	9,600
	Anshan	46	8,100	5,700
		<b>18,279</b>	<b>1,239,500</b>	<b>14,700</b>
Eastern Region	Shanghai	4,731	132,800	35,600
	Hangzhou	141	3,800	37,100
	Nanjing	825	33,500	24,600
	Suzhou	1,845	127,700	14,400
	Wuxi	2,196	109,600	20,000
	Nantong	319	44,800	7,100
	Wenzhou	3,952	181,500	21,800
	Yangzhou	867	58,700	14,800

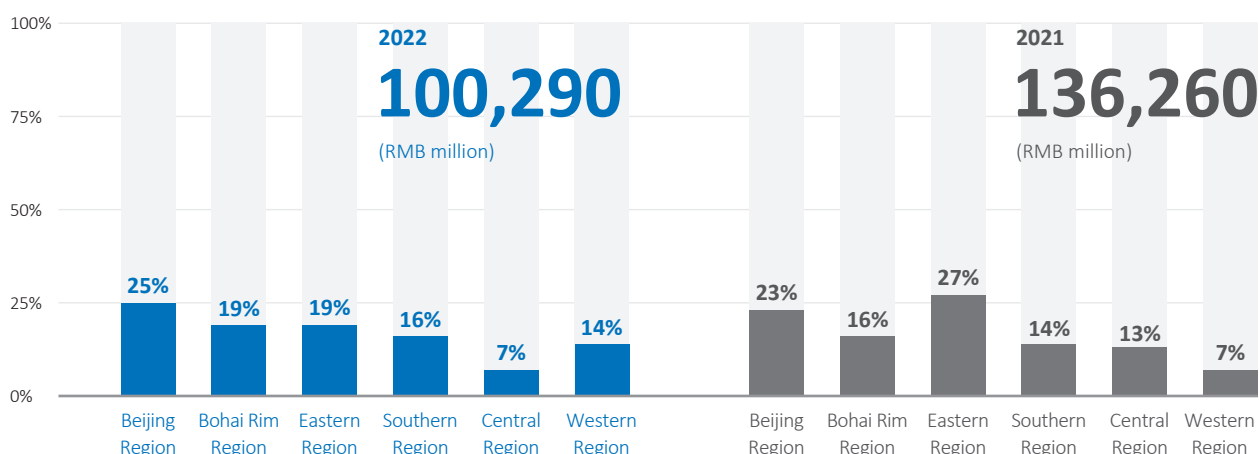
Regions	Cities	Contracted sales (RMB million)	Approximate saleable GFA sold (sq.m.)	Approximate average selling price (RMB/sq.m.)
	Jinhua	878	54,300	16,200
	Zhenjiang	808	78,900	10,200
	Huaian	64	8,700	7,400
	Suqian	360	33,700	10,700
		<b>16,986</b>	<b>868,000</b>	<b>19,600</b>
Southern Region	Shenzhen	7,342	248,400	29,600
	Guangzhou	1,186	65,300	18,200
	Fuzhou	745	44,900	16,600
	Foshan	791	55,500	14,300
	Quanzhou	588	36,800	16,000
	Xiamen	1,513	61,200	24,700
	Zhangzhou	609	39,400	15,500
	Maoming	167	32,400	5,200
	Jiangmen	848	78,800	10,800
	Zhongshan	2,128	199,900	10,600
	Zhanjiang	377	46,000	8,200
	Longyan	3	300	10,000
		<b>16,297</b>	<b>908,900</b>	<b>17,900</b>
Central Region	Wuhan	3,448	147,400	23,400
	Zhengzhou	813	87,500	9,300
	Hefei	431	39,000	11,100
	Changsha	441	25,100	17,600
	Nanchang	489	51,300	9,500
	Ganzhou	575	73,400	7,800
		<b>6,197</b>	<b>423,700</b>	<b>14,600</b>
Western Region	Chengdu	7,834	163,100	48,000
	Chongqing	132	8,600	15,300
	Xi'an	3,487	234,600	14,900
	Kunming	286	45,400	6,300
	Guiyang	1,510	160,300	9,400

Regions	Cities	Contracted sales (RMB million)	Approximate saleable GFA sold (sq.m.)	Approximate average selling price (RMB/sq.m.)
	Urumqi	173	13,600	12,700
	Lanzhou	17	2,800	6,100
	Liuzhou	77	6,200	12,400
	Xining	352	26,000	13,500
	Xishuangbanna	336	57,900	5,800
		<b>14,204</b>	<b>718,500</b>	<b>19,800</b>
	Other projects	1,691	188,400	9,000
<b>Subtotal (excluding carparks)</b>		<b>98,490</b>	<b>5,486,700</b>	<b>18,000</b>
	Carparks (various projects)	1,800	667,300	2,700
<b>Total</b>		<b>100,290</b>	<b>6,154,000</b>	<b>16,300</b>

There were over 210 projects available for sale during 2022 (2021: over 220 projects). Contracted sales from tier-one and tier-two cities accounted for approximately 80% (2021: 86%). In terms of distribution, 56% of the Group's contracted sales were contributed by the Eastern, Southern, Central and Western Regions in 2022 (2021: 61%).







Contracted sales amounts by geographical locations are analyzed below:



In terms of property types, residential properties (including villas) continued to contribute the largest portion of contracted sales amount and accounted for 81% in 2022 (2021: 89%). The average selling price for residential properties (including villas) in 2022 decreased by 5% to approximately RMB18,300 per sq.m. (2021: RMB19,200 per sq.m.) and the saleable GFA sold for residential use decreased by 29% from approximately 6,276,000 sq.m. in 2021 to approximately 4,472,000 sq.m. in 2022.

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

	2022		2021	
	Contracted sales amount (RMB million)	Saleable GFA sold ('000 sq.m.)	Contracted sales amount (RMB million)	Saleable GFA sold ('000 sq.m.)
 Residential and villa	81,658	4,472	120,801	6,276
 Office premise	8,956	447	5,371	247
 Retail space	7,876	568	6,686	343
 Carpark	1,800	667	3,402	808

### Construction Progress and Developing Projects

Affected by the resurgence of the novel coronavirus pandemic, the Group's total GFA and total saleable GFA (including its joint ventures and associates) completed in 2022 were approximately 6,217,700 sq.m. and 4,289,600 sq.m., respectively, which decreased by 33% and 36%, respectively, as compared to that of 2021. The Group will expand the current construction scale in order to have enough GFA available for sale and for delivery to support the growth in 2023.

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

Regions	Cities	Projects	Approximate GFA completed in 2022 (sq.m.)	Approximate targeted GFA to be completed in 2023 (sq.m.)
Beijing Region	Beijing	Captain House	—	131,000
		Central Peak	—	252,600
		Grand Canal Place	59,600	305,900
		Grand Harmony Emerald Residence	166,700	—
		Jasper Epoch	67,000	—
		Liangxiang Project	126,000	—
		Xinchi Tower	67,000	—
	Shijiazhuang	Family Park (including Phase II)	137,800	78,200
		Gaocheng Logistics Project	—	52,200
		Harmony Palace	61,800	—
		Sino-Ocean No. 7	—	115,000
		Vigorous Mansion	60,100	—
	Taiyuan	Glory Mansion	—	149,800
		Ocean Seasons	—	87,600
		Sky Masion	28,700	139,000
	Qinhuangdao	Seatopia	84,300	121,500
	Langfang	Capital Palace	—	30,000
		Ocean Brilliant City	212,000	67,300
	Zhangjiakou	Centrality Mansion	20,500	—
	Jinzhong	Sky Masion	—	524,100
Bohai Rim Region	Tianjin	Fantastic Time	—	151,000
		Happy Light Year	93,800	25,100
		Harmony Mansion	102,000	—
		Ocean Orient	—	119,800
		Sino-Ocean Brilliant Courtyard	160,000	—
		Sky Masion	346,700	—
		Sky Masion Bay	—	253,000

Regions	Cities	Projects	Approximate GFA completed in 2022 (sq.m.)	Approximate targeted GFA to be completed in 2023 (sq.m.)
	Qingdao	Ocean Crown	125,000	–
		Sino-Ocean Harmony	125,300	–
		Sino-Ocean Landscape	–	112,300
	Jinan	Ocean Mansion	124,200	58,100
		Ocean Orient	–	35,900
		Ocean Precious Land	–	226,000
		Sino-Ocean Metropolis	163,200	121,100
	Dalian	Sky Masion	182,500	207,700
		Diamond Bay	127,600	18,700
		Joy of Mountain and Sea	189,400	–
		Ocean Mansion	36,400	–
	Shenyang	Ocean Elite River Prospect	–	186,600
		Ocean Noble Mansion	–	36,200
	Changchun	Guantangyuanzhu	95,900	53,900
	Anshan	International Plaza	124,000	–
Eastern Region	Shanghai	Baoshan Sky Masion	–	74,700
		Hongqiao Origin	–	75,000
		Lingang Aegean Place	–	66,000
		Lingang Sky Masion	–	106,000
	Hangzhou	Ocean New Masterpiece	44,000	–
	Nanjing	The One	211,800	1,200
	Suzhou	Scenert East	14,200	16,300
		Shengze Sky Masion	–	173,800
	Wuxi	Life in Park	–	106,200
		One Residence	–	120,600
		Sky Masion	127,600	95,400
	Nantong	Sky Mansion	24,000	–
		Star Mansion	171,000	–
	Wenzhou	Binhai Sky Masion	140,700	–
		Center Mansion (formerly known as Shan Hai One)	–	123,000
		Harbor Heart	87,000	–
	Yangzhou	Royal Mansion	63,000	–

Regions	Cities	Projects	Approximate GFA completed in 2022 (sq.m.)	Approximate targeted GFA to be completed in 2023 (sq.m.)
Southern Region	Jinhua	Mountain Courtyard	–	119,100
	Zhenjiang	Central Mansion	181,600	–
	Huai'an	International Plaza	34,000	64,800
	Suqian	Shuyang Aegean Place	–	107,000
		Shuyang Sky Masion	210,000	314,800
		Sky Masion	96,400	201,500
	Guangzhou	Hibiscus Villa	15,200	15,700
		Ocean Prospect	–	83,900
	Fuzhou	East Bay Upgrade	51,000	–
		Ocean Tianfu	–	128,000
	Foshan	Landscape	–	80,000
		Natural Mansion	–	18,500
	Zhangzhou	Sea and Star	149,300	116,700
	Maoming	Sino-Ocean Landscape	–	34,600
	Jiangmen	Cloud Mansion	54,900	75,600
		Top Mansion	–	76,000
	Zhongshan	Blossoms Valley	–	101,800
		Natural Mansion	–	76,000
		Ocean Palace	–	81,100
		SCity (formerly known as Suixicun 162&163 Project, Nantou)	85,900	–
	Zhanjiang	Ocean City	–	102,100
	Longyan	Sino-Ocean Landscape	203,000	–
	Hong Kong	Uptify	–	3,000

Regions	Cities	Projects	Approximate GFA completed in 2022 (sq.m.)	Approximate targeted GFA to be completed in 2023 (sq.m.)
Central Region	Wuhan	Citylane	—	79,300
		Oriental World View	—	660,700
	Zhengzhou	Glory Mansion	—	135,000
		Ocean Landscape Courtyard	159,300	—
		Rong Fu	39,900	—
	Hefei	Ideal Bourn	—	104,000
	Changsha	Sky Masion	—	282,000
		Special Mansion	116,800	89,300
	Nanchang	Ocean Palace	89,500	—
		Sky Masion	24,900	—
	Ganzhou	Aegean Place	144,000	—
		Sky Masion	334,200	240,700
Western Region	Chongqing	Life In Art Dist	—	52,000
		Sino-Ocean Garden	19,700	—
	Xi'an	Sino-Ocean Royal Landscape	63,800	216,900
	Guiyang	Sino-Ocean Aristocratic Family	—	60,600
	Urumqi	Royal Mansion	—	81,000
		Sky Palace	—	85,000
	Liuzhou	Glory Mansion	122,300	—
	Xining	Sky Masion	—	331,800
		Sky Palace	51,200	—
	Xishuangbanna	Rainforest Resorts	—	228,100
Other Region	Singapore	Cairnhill 16	—	4,000
<b>Total</b>			<b>6,217,700</b>	<b>9,068,400</b>

## Landbank

In 2022, we acquired 7 plots of land, total GFA and attributable interest GFA were approximately 668,000 sq.m. and 471,000 sq.m., respectively. The average acquisition cost per sq.m. of the newly acquired land plots was approximately RMB7,800. As at 31 December 2022, the landbank of the Group (including its joint ventures and associates) decreased by 19% to approximately 42,981,000 sq.m. (31 December 2021: 53,135,000 sq.m.); while landbank with attributable interest decreased by 21% to approximately 22,603,000 sq.m. (31 December 2021: 28,503,000 sq.m.). In terms of saleable GFA, the average land cost per sq.m. for our landbank as at 31 December 2022 was approximately RMB7,100 (31 December 2021: RMB6,600).

Details of the newly acquired land plots during 2022 are mainly set out as follows:

Cities	Projects	Approximate total GFA acquired ('000 sq.m.)	Approximate GFA attributable to the Group ('000 sq.m.)	Interest attributable to the Group (%)
<b>Landbank</b>				
Tangshan	Ocean Landscape	170	170	100.00%
Dalian	Ocean Season Five	116	81	70.00%
Shenzhen	Ocean Filter	92	92	100.00%
Shenzhen	Ocean Forecast	152	60	39.20%
Quanzhou	Ocean Prospect	51	21	42.00%
Hong Kong	Nga Tsin Long Road Project, Kowloon City	6	6	100.00%
Nanchang	Cloud View	81	41	51.00%
<b>Total</b>		<b>668</b>	<b>471</b>	

The landbank by stages of development as at 31 December 2022 are set out as follows:

	Approximate total GFA ('000 sq.m.)	Approximate total saleable GFA ('000 sq.m.)	Remaining landbank ('000 sq.m.)
Completed properties held for sales	24,729	16,330	3,840
Properties under development	32,754	24,566	32,754
Properties held for future development	6,387	4,343	6,387
<b>Total</b>	<b>63,870</b>	<b>45,239</b>	<b>42,981</b>

The landbank details of the Group and its joint ventures and associates as at 31 December 2022 are set out as follows:

Regions	Cities	Projects	Districts	Approximate total GFA ('000 sq.m.)	Approximate total saleable GFA ('000 sq.m.)	Remaining landbank ('000 sq.m.)	Interest attributable to the Group (%)
Beijing Region	Beijing	Anzhen Project	Chaoyang District, Beijing	46	–	46	14.70%
		Captain House	Fengtai District, Beijing	131	100	131	51.00%
		CBD Plot Z6	Chaoyang District, Beijing	27	21	27	28.57%
		Central Peak	Changping District, Beijing	256	193	251	50.00%
		Gold Mansion	Daxing District, Beijing	118	99	81	25.00%
		Grand Harmony Emerald Residence	Daxing District, Beijing	224	165	92	40.00%
		Hilltime	Mentougou District, Beijing	430	344	430	10.00%
		Jasper Epoch	Daxing District, Beijing	92	78	19	100.00%
		Jialihua Project, Shunyi District	Shunyi District, Beijing	277	206	277	100.00%
		Liangxiang Project	Fangshan District, Beijing	126	102	38	11.10%
		Ocean LA VIE	Chaoyang District, Beijing	318	305	44	85.72%
		Ocean Metropolis	Mentougou District, Beijing	330	276	86	56.88%
		Ocean Poetic Dwelling	Shijingshan District, Beijing	249	187	249	31.00%
		Ocean Wulieepoch	Shijingshan District, Beijing	595	458	130	21.00%
		Our New World	Fangshan District, Beijing	109	91	14	100.00%
		Plot 6002, Mentougou New Town	Mentougou District, Beijing	125	97	75	21.00%
		Royal River Villa	Chaoyang District, Beijing	132	118	14	20.00%
		Sino-Ocean Apple Garden No.6	Shijingshan District, Beijing	69	50	47	51.00%
		World View	Chaoyang District, Beijing	71	52	71	25.00%
		Xanadu & Ocean Epoch	Chaoyang District, Beijing	230	193	30	50.00%
		Xanadu & Ocean Palace	Daxing District, Beijing	300	207	103	50.00%
		Xiji Plot E, Tongzhou District	Tongzhou District, Beijing	139	136	139	50.00%
		Xinchi Tower	Daxing District, Beijing	67	41	67	70.00%
		Yongjingtaoyuan Project	Chaoyang District, Beijing	692	554	692	52.15%
				<b>5,153</b>	<b>4,073</b>	<b>3,153</b>	

Regions	Cities	Projects	Districts	Approximate total GFA (’000 sq.m.)	Approximate total saleable GFA (’000 sq.m.)	Remaining landbank (’000 sq.m.)	Interest attributable to the Group (%)
	Shijiazhuang	Blessing Life Memorial Park	Jingxing County, Shijiazhuang	18	3	18	88.89%
		Chang’an District Redevelopment Project	Chang’an District, Shijiazhuang	147	94	147	30.95%
		Family Park	Chang’an District, Shijiazhuang	132	108	16	35.70%
		Family Park, Phase II	Chang’an District, Shijiazhuang	84	66	84	35.70%
		Gaocheng Logistics Project	Gaocheng District, Shijiazhuang	54	–	54	64.30%
		Harmony Palace	Zhengding New District, Shijiazhuang	152	140	47	38.35%
		Ocean Home Park	Gaocheng District, Shijiazhuang	48	43	48	40.00%
		Sino-Ocean No. 7	Chang’an District, Shijiazhuang	115	103	115	20.00%
		Vigorous Mansion	Chang’an District, Shijiazhuang	228	171	22	51.00%
				<b>978</b>	<b>728</b>	<b>551</b>	
	Taiyuan	Glory Mansion	Xinghualing District, Taiyuan	288	198	288	52.15%
		Jiefang Road Aegean Place	Xinghualing District, Taiyuan	125	–	125	52.15%
		Ocean Seasons	Wanbailin District, Taiyuan	308	254	308	70.00%
		Sky Masion	Yingze District, Taiyuan	394	286	313	36.21%
		Sky of Palace	Wanbailin District, Taiyuan	897	529	897	19.56%
		Villa Epoch	Yangqu County, Taiyuan	54	34	18	44.00%
		Wangjiafeng Aegean Place	Yingze District, Taiyuan	109	–	109	36.21%
				<b>2,175</b>	<b>1,301</b>	<b>2,058</b>	
	Qinhuangdao	Seatopia	Funing District, Qinhuangdao	1,438	1,243	1,113	100.00%
	Langfang	Capital Palace	Anci District, Langfang	404	292	25	52.15%
		Jingkai Logistics Project	Jingkai District, Langfang	151	–	151	19.29%
		Ocean Brilliant City	Guangyang District, Langfang	1,897	954	1,396	43.20%
		Plot I, Guangyang Logistics Project	Guangyang District, Langfang	41	–	41	64.30%
		Plot II, Guangyang Logistics Project	Guangyang District, Langfang	144	–	144	19.29%
		Yanjiao Sanhe Internet Data Center	Yanjiao County, Langfang	73	–	73	24.50%
				<b>2,710</b>	<b>1,246</b>	<b>1,830</b>	
	Zhangjiakou	Centrality Mansion	Qiaodong District, Zhangjiakou	203	163	49	60.00%
	Tangshan	Ocean Landscape	High-tech Zone, Tangshan	170	137	170	100.00%
	Jinzhong	Sky Masion	Yuci District, Jinzhong	2,067	1,537	1,434	30.85%
				<b>14,894</b>	<b>10,428</b>	<b>10,358</b>	

Regions	Cities	Projects	Districts	Approximate total GFA ('000 sq.m.)	Approximate total saleable GFA ('000 sq.m.)	Remaining landbank ('000 sq.m.)	Interest attributable to the Group (%)
Bohai Rim Region	Tianjin	Boda Logistics Project	Wuqing District, Tianjin	285	–	285	64.30%
		Capital Palace	Jizhou District, Tianjin	346	213	194	52.15%
		Fantastic Time	Dongli District, Tianjin	151	115	151	100.00%
		Happy Light Year	Wuqing District, Tianjin	504	317	334	49.98%
		Harmony Mansion	Binhai New Area, Tianjin	102	78	102	100.00%
		Jixian Aegean Place	Jizhou District, Tianjin	87	–	87	52.15%
		Neo-metropolis	Beichen District, Tianjin	3,034	2,615	2,231	51.00%
		Ocean Orient	Binhai New Area, Tianjin	164	126	164	100.00%
		Sino-Ocean Brilliant Courtyard	Binhai New Area, Tianjin	675	488	100	100.00%
		Sky Masion	Binhai New Area, Tianjin	388	231	9	52.15%
		Sky Masion Bay	Binhai New Area, Tianjin	253	182	253	52.15%
		Southend Airport Logistics Project	Dongli District, Tianjin	69	–	69	64.30%
		The Great Habitat Mansion House	Dongli District, Tianjin	562	385	10	60.00%
		UPED	Binhai New Area, Tianjin	653	445	653	51.00%
		Westend Airport Logistics Project	Dongli District, Tianjin	52	–	52	64.30%
		Xanadu	Binhai New Area, Tianjin	185	135	185	30.00%
				<b>7,510</b>	<b>5,330</b>	<b>4,879</b>	
	Qingdao	Ocean Glory	Shibei District, Qingdao	102	76	102	10.75%
		Sino-Ocean Harmony	Shibei District, Qingdao	377	270	34	43.00%
		Sino-Ocean Landscape	Jimo District, Qingdao	113	86	113	100.00%
				<b>592</b>	<b>432</b>	<b>249</b>	
	Jinan	Beihu Plot A-6, Tianqiao District	Tianqiao District, Jinan	97	83	97	60.00%
		Beihu West Plot A, Tianqiao District	Tianqiao District, Jinan	555	461	555	60.00%
		Ocean Crown	Huaiyin District, Jinan	103	87	97	66.50%
		Ocean Epoch	Lixia District, Jinan	390	371	160	50.00%
		Ocean Mansion	Huaiyin District, Jinan	228	190	115	79.60%
		Ocean Orient	Licheng District, Jinan	544	422	544	42.00%
		Ocean Precious Land	Licheng District, Jinan	226	172	226	58.82%
		Sino-Ocean Metropolis	Tianqiao District, Jinan	379	255	198	64.90%
		Sky Masion	Shanghe County, Jinan	583	520	310	30.66%
				<b>3,105</b>	<b>2,561</b>	<b>2,302</b>	

Regions	Cities	Projects	Districts	Approximate total GFA (’000 sq.m.)	Approximate total saleable GFA (’000 sq.m.)	Remaining landbank (’000 sq.m.)	Interest attributable to the Group (%)
	Dalian	Diamond Bay	Ganjingzi District, Dalian	1,497	1,345	722	100.00%
		Joy of Mountain and Sea	Ganjingzi District, Dalian	189	150	24	51.00%
		Ocean Mansion	Shahekou District, Dalian	36	25	36	100.00%
		Ocean Season Five	Jinpu New Area, Dalian	116	113	116	70.00%
		Ocean Tower River Bay	Lyshunkou District, Dalian	234	200	234	100.00%
		Zhonghua Road Plot #2	Ganjingzi District, Dalian	111	52	111	100.00%
				<b>2,183</b>	<b>1,885</b>	<b>1,243</b>	
	Shenyang	Ocean Elite River Prospect	Shenbei New District, Shenyang	400	313	400	60.00%
		Ocean Noble Mansion	Tiexi District, Shenyang	47	32	47	100.00%
				<b>447</b>	<b>345</b>	<b>447</b>	
	Changchun	Guantangyuanzhu	Shuangyang District, Changchun	326	255	326	52.15%
	Harbin	Venice Manor	Songbei District, Harbin	181	152	8	52.15%
	Anshan	International Plaza	Tiedong District, Anshan	350	294	159	52.15%
				<b>14,694</b>	<b>11,254</b>	<b>9,613</b>	
Eastern Region	Shanghai	Baoshan Sky Masion	Baoshan District, Shanghai	213	115	213	52.15%
		Dongtan Villa	Chongming District, Shanghai	1,072	672	674	41.03%
		Hongqiao Origin	Qingpu District, Shanghai	75	53	75	100.00%
		Lingang Aegean Place	Pudong New Area, Shanghai	66	–	66	52.15%
		Lingang Sky Masion	Pudong New Area, Shanghai	172	108	172	52.15%
		Ocean Fortune Center	Pudong New Area, Shanghai	59	45	16	100.00%
		Yuanbo Hotel Project	Putuo District, Shanghai	54	–	54	23.94%
				<b>1,711</b>	<b>993</b>	<b>1,270</b>	
	Hangzhou	Neo 1	Gongshu District, Hangzhou	43	40	15	50.00%
		Ocean New Masterpiece	Gongshu District, Hangzhou	44	33	44	51.00%
		Xixi Mansion	Yuhang District, Hangzhou	395	285	6	100.00%
				<b>482</b>	<b>358</b>	<b>65</b>	
	Nanjing	Ocean Seasons	Lishui District, Nanjing	234	184	30	100.00%
		The One	Jiangning District, Nanjing	213	153	22	100.00%
				<b>447</b>	<b>337</b>	<b>52</b>	

Regions	Cities	Projects	Districts	Approximate total GFA ('000 sq.m.)	Approximate total saleable GFA ('000 sq.m.)	Remaining landbank ('000 sq.m.)	Interest attributable to the Group (%)
	Suzhou	Mansion Yue	Wujiang District, Suzhou	150	147	56	70.00%
		Rocker Park	Huqiu District, Suzhou	240	198	82	30.00%
		Royal Seasons	Taicang City, Suzhou	105	77	28	34.00%
		Scenert East	Zhangjiagang City, Suzhou	108	77	108	100.00%
		Shengze Sky Masion	Wujiang District, Suzhou	262	211	262	34.68%
		Shihu Project	Wuzhong District, Suzhou	49	–	49	100.00%
		Taicang Shaxi Logistics Project I	Taicang City, Suzhou	56	–	56	25.72%
		Taicang Shaxi Logistics Project II	Taicang City, Suzhou	124	–	124	23.41%
		Zhangjiagang Internet Data Center	Zhangjiagang City, Suzhou	24	–	24	75.01%
				<b>1,118</b>	<b>710</b>	<b>789</b>	
	Ningbo	Sino-Fusion Yuyao Simen Logistics Park	Yuyao City, Ningbo	56	–	56	28.19%
	Wuxi	Life in Park	Xinwu District, Wuxi	196	157	196	15.00%
		One Residence	Xinwu District, Wuxi	211	154	211	10.00%
		Sky Masion	Huishan District, Wuxi	223	172	90	31.29%
				<b>630</b>	<b>483</b>	<b>497</b>	
	Changzhou	Aegean Place	Wujin District, Changzhou	197	–	197	52.15%
		International Plaza	Wujin District, Changzhou	508	374	85	52.15%
				<b>705</b>	<b>374</b>	<b>282</b>	
	Wenzhou	Aegean Place	Longwan District, Wenzhou	82	–	82	100.00%
		Binhai Sky Masion	Longwan District, Wenzhou	488	306	8	100.00%
		Center Mansion (formerly known as Plot ZX-14a-1, Central District, Leqing)	Leqing City, Wenzhou	40	30	40	100.00%
		Central Mansion (formerly known as Shan Hai One)	Leqing City, Wenzhou	123	100	123	100.00%
		Four Seasons Mansion	Longwan District, Wenzhou	85	60	85	100.00%
		Harbor Heart	Ouhai District, Wenzhou	87	66	20	84.70%
		Peninsula No.9	Ouhai District, Wenzhou	276	174	276	35.74%
		Xingfuli	Lucheng District, Wenzhou	234	168	12	33.90%
				<b>1,415</b>	<b>904</b>	<b>646</b>	
	Yangzhou	Home Furniture Mall	Hanjiang District, Yangzhou	81	–	81	52.15%
		Royal Mansion	Guangling District, Yangzhou	63	47	63	100.00%
		Sky Masion	Hanjiang District, Yangzhou	467	348	467	52.15%
				<b>611</b>	<b>395</b>	<b>611</b>	

Regions	Cities	Projects	Districts	Approximate total GFA (’000 sq.m.)	Approximate total saleable GFA (’000 sq.m.)	Remaining landbank (’000 sq.m.)	Interest attributable to the Group (%)
	Jiaxing	Pinghu Logistics Project	Pinghu City, Jiaxing	72	–	72	23.41%
	Jinhua	Mountain Courtyard	Wucheng District, Jinhua	171	124	171	26.60%
	Zhenjiang	Central Mansion	Danyang City, Zhenjiang	607	502	539	50.00%
	Huai’an	International Plaza	Qingjiangpu District, Huai’an	319	264	79	22.42%
	Suqian	Aegean Place	Sucheng District, Suqian	117	–	117	36.50%
		Shuyang Aegean Place	Shuyang County, Suqian	107	–	107	100.00%
		Shuyang Sky Masion	Shuyang County, Suqian	545	407	334	100.00%
		Sky Masion	Sucheng District, Suqian	484	411	386	36.50%
				<b>1,253</b>	<b>818</b>	<b>944</b>	
	Huzhou	Anji Internet Data Center	Anji County, Huzhou	135	–	135	64.30%
				<b>9,732</b>	<b>6,262</b>	<b>6,208</b>	
Southern Region	Shenzhen	Lishan Project	Nanshan District, Shenzhen	156	70	156	48.00%
		Longhua District De Ai Industrial Park	Longhua District, Shenzhen	533	282	533	80.00%
		Ocean Express	Longgang District, Shenzhen	556	437	111	100.00%
		Ocean Filter	Longgang District, Shenzhen	92	64	92	100.00%
		Ocean Forecast	Longgang District, Shenzhen	152	108	152	39.20%
		Ocean Palace	Nanshan District, Shenzhen	196	82	7	63.25%
		Ocean Seafront Towers	Nanshan District, Shenzhen	115	52	59	60.00%
		Peace Palace	Longhua District, Shenzhen	278	201	278	63.01%
				<b>2,078</b>	<b>1,296</b>	<b>1,388</b>	
	Guangzhou	East Bay	Zengcheng District, Guangzhou	141	96	8	40.00%
		Elite Palace	Tianhe District, Guangzhou	310	279	41	100.00%
		Hibiscus Villa	Huadu District, Guangzhou	179	87	73	51.00%
		Natural Mansion	Zengcheng District, Guangzhou	76	48	76	100.00%
		Ocean Prospect	Zengcheng District, Guangzhou	133	96	133	100.00%
				<b>839</b>	<b>606</b>	<b>331</b>	
	Fuzhou	Ocean Tianfu	Cangshan District, Fuzhou	128	97	128	63.01%
	Foshan	Delight River	Sanshui District, Foshan	207	192	46	100.00%
		Landscape	Shunde District, Foshan	80	63	80	49.00%
		Natural Mansion	Nanhai District, Foshan	140	107	140	50.00%
				<b>427</b>	<b>362</b>	<b>266</b>	

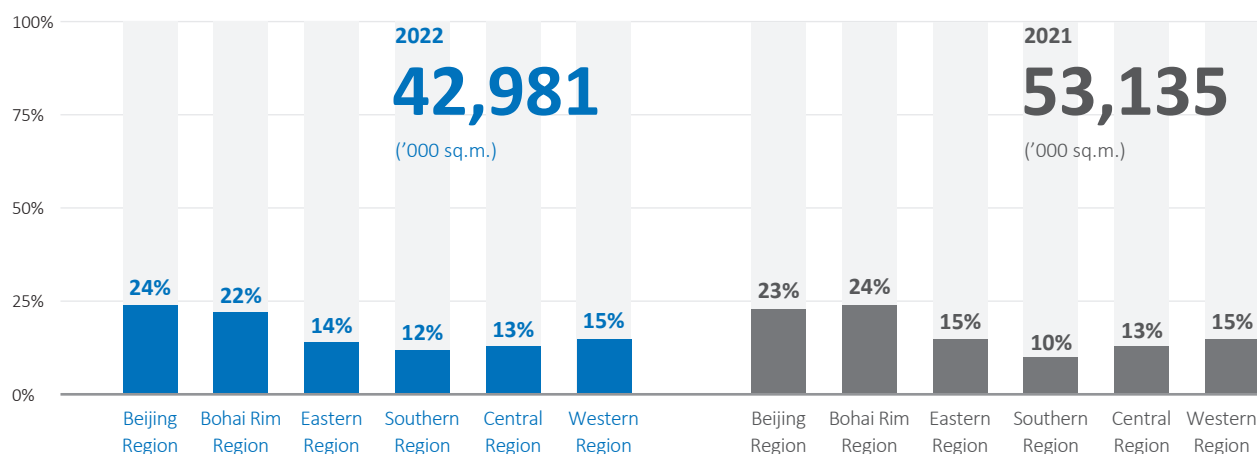
Regions	Cities	Projects	Districts	Approximate total GFA ('000 sq.m.)	Approximate total saleable GFA ('000 sq.m.)	Remaining landbank ('000 sq.m.)	Interest attributable to the Group (%)
	Quanzhou	Ocean Prospect	Luojiang District, Quanzhou	51	35	51	42.00%
	Xiamen	Ocean Prospect	Tong'an District, Xiamen	199	144	199	51.00%
	Zhangzhou	Sea and Star	Longwen District, Zhangzhou	266	210	131	51.00%
	Maoming	Sino-Ocean Landscape	Maonan District, Maoming	299	249	194	51.00%
	Jiangmen	Cloud Mansion	Pengjiang District, Jiangmen	176	133	151	51.00%
		Top Mansion	Pengjiang District, Jiangmen	131	101	131	100.00%
				<b>307</b>	<b>234</b>	<b>282</b>	
	Zhongshan	Blossoms Valley	Shenwan Town, Zhongshan	1,172	1,037	925	75.00%
		Natural Mansion	Xiaolan Town, Zhongshan	76	62	76	51.00%
		Ocean Palace	Southern District, Zhongshan	181	134	181	69.80%
		Sino-Ocean Landscape	Minzhong Town, Zhongshan	210	159	7	51.00%
				<b>1,639</b>	<b>1,392</b>	<b>1,189</b>	
	Zhanjiang	Ocean City	Xiashan District, Zhanjiang	612	493	353	67.50%
	Sanya	Ocean Hill	Jiyang District, Sanya	177	111	75	100.00%
	Hong Kong	Mt. La Vie	Islands District, Hong Kong	3	3	3	100.00%
		Nga Tsin Long Road Project, Kowloon City	Kowloon City District, Hong Kong	6	5	6	100.00%
		Uptify	Yau Tsim Mong District, Hong Kong	3	3	3	100.00%
				<b>12</b>	<b>11</b>	<b>12</b>	
				<b>7,034</b>	<b>5,240</b>	<b>4,599</b>	
Central Region	Wuhan	Aegean Place	Xinzhou District, Wuhan	62	–	62	52.15%
		Citylane	Hanyang District, Wuhan	450	–	450	70.00%
		Dongxihu Xingou Logistics Project	Dongxihu District, Wuhan	112	–	112	64.30%
		Huazhong Big Data Industrial Park	Jiangxia District, Wuhan	89	–	89	12.50%
		Oriental World View	Hanyang District, Wuhan	1,917	1,430	807	70.00%
		Yangtze Opus	Jiang'an District, Wuhan	178	80	178	70.00%
		Zhongjiacun Plot, Hanyang District	Hanyang District, Wuhan	322	229	322	7.75%
				<b>3,130</b>	<b>1,739</b>	<b>2,020</b>	

Regions	Cities	Projects	Districts	Approximate total GFA (’000 sq.m.)	Approximate total saleable GFA (’000 sq.m.)	Remaining landbank (’000 sq.m.)	Interest attributable to the Group (%)
	Zhengzhou	Fontaine Polaris	Zhongmu County, Zhengzhou	176	141	176	24.50%
		Glory Mansion	Xinzheng City, Zhengzhou	135	103	135	28.68%
		Grand Apartment	Jinshui District, Zhengzhou	172	133	172	17.84%
		Ocean Landscape Courtyard	Yinyang District, Zhengzhou	204	150	46	55.00%
		Ocean Melody	Zhongmu County, Zhengzhou	43	38	8	69.30%
		Ocean Prospect	Xinzheng City, Zhengzhou	169	158	35	100.00%
		Rong Fu	Xinzheng City, Zhengzhou	156	101	118	17.84%
		The Collection	Erqi District, Zhengzhou	182	141	182	49.00%
				1,237	965	872	
	Hefei	Hefei Logistics Project, Phase IV	Feidong County, Hefei	66	–	66	64.30%
		Ideal Bourn	Feidong County, Hefei	104	83	104	100.00%
		Ocean Glory	Feidong County, Hefei	197	186	35	100.00%
		Ocean Landscape	Feidong County, Hefei	200	180	33	70.00%
		West Furong Road Plot, Jingkai District	Jingkai District, Hefei	455	279	455	30.00%
			1,022	728	693		
	Changsha	Aegean Place	Yuhua District, Changsha	69	–	69	41.72%
		Sky Masion	Yuhua District, Changsha	878	616	878	41.72%
		Special Mansion	Wangcheng District, Changsha	482	384	482	24.50%
			1,429	1,000	1,429		
	Nanchang	Aegean Place	Wanli District, Nanchang	124	–	124	52.15%
		Cloud View	Jingkai District, Nanchang	81	61	81	51.00%
		Ocean Palace	Wanli District, Nanchang	173	122	28	51.00%
		Sky Masion	Wanli District, Nanchang	175	163	37	52.15%
			553	346	270		
	Ganzhou	Sky Masion	Nankang District, Ganzhou	888	705	500	53.59%
				8,259	5,483	5,784	

Regions	Cities	Projects	Districts	Approximate total GFA ('000 sq.m.)	Approximate total saleable GFA ('000 sq.m.)	Remaining landbank ('000 sq.m.)	Interest attributable to the Group (%)
Western Region	Chengdu	Ocean Ecological Land	Xindu District, Chengdu	199	127	199	100.00%
		Ocean Luxury City	Qinyang District, Chengdu	122	106	11	24.50%
		Qingbaijiang Internet Data Center, Zone A	Qingbaijiang District, Chengdu	193	–	193	36.51%
		Qingbaijiang Internet Data Center, Zone C	Qingbaijiang District, Chengdu	38	–	38	49.00%
		Wenjiang Internet Data Center	Wenjiang District, Chengdu	54	–	54	24.50%
				<b>606</b>	<b>233</b>	<b>495</b>	
	Chongqing	Fenghua Melody	Shapingba District, Chongqing	102	71	20	24.50%
		Fontaine Island	Nan'an District, Chongqing	178	132	3	24.50%
		Liangjiang New Town Internet Data Center	Liangjiang New Area, Chongqing	40	–	40	49.00%
		Life In Art Dist	Jiulongpo District, Chongqing	52	37	52	34.00%
		Poetry of Landscape	Shapingba District, Chongqing	166	119	17	100.00%
		Sino-Ocean Garden	Banan District, Chongqing	592	480	37	56.10%
				<b>1,130</b>	<b>839</b>	<b>169</b>	
	Xi'an	Aegean Place	Xincheng District, Xi'an	104	–	104	26.60%
		Emperor Chic	Weiyang District, Xi'an	321	316	215	24.50%
		Fontaine Island	Chanba Ecological District, Xi'an	147	111	147	24.50%
		Jinghe New Town Internet Data Center	Xixian New Area, Xi'an	60	–	60	49.00%
		Ocean Mansion	Weiyang District, Xi'an	558	416	558	42.33%
		Sino-Ocean Royal Landscape	Chanba Ecological District, Xi'an	292	208	228	80.00%
		Sky Masion	Xincheng District, Xi'an	462	312	462	26.60%
				<b>1,944</b>	<b>1,363</b>	<b>1,774</b>	
	Kunming	In Galaxy (formerly known as Chenggong Project)	Chenggong District, Kunming	222	218	92	69.80%
		In Galaxy (formerly known as Chenggong Project, Phase II)	Chenggong District, Kunming	99	88	99	69.80%
				<b>321</b>	<b>306</b>	<b>191</b>	

Regions	Cities	Projects	Districts	Approximate total GFA (’000 sq.m.)	Approximate total saleable GFA (’000 sq.m.)	Remaining landbank (’000 sq.m.)	Interest attributable to the Group (%)
	Guiyang	Sino-Ocean Aristocratic Family	Shuanglong New District, Guiyang	165	135	165	100.00%
		Sino-Ocean Prospect	Yunyan District, Guiyang	100	75	17	100.00%
		Sky Masion	Guanshanhu District, Guiyang	780	565	780	26.60%
		Sky Masion, Retail	Guanshanhu District, Guiyang	89	–	89	26.60%
				<b>1,134</b>	<b>775</b>	<b>1,051</b>	
	Urumqi	Natural Century	Saybag District, Urumqi	74	63	74	26.60%
		Royal Mansion	Saybag District, Urumqi	402	293	402	28.97%
		Sky Masion	Saybag District, Urumqi	148	111	148	52.15%
		Sky Palace	Saybag District, Urumqi	85	68	85	52.15%
				<b>709</b>	<b>535</b>	<b>709</b>	
	Lanzhou	Sky Masion	Yuzhong County, Lanzhou	397	301	267	31.29%
	Liuzhou	Aegean Place	Yufeng District, Liuzhou	85	–	85	76.55%
		Glory Mansion	Yufeng District, Liuzhou	357	251	112	76.55%
				<b>442</b>	<b>251</b>	<b>197</b>	
	Luzhou	Sky Masion	Jiangyang District, Luzhou	279	207	279	52.15%
	Xining	Aegean Place	Haihu New District, Xining	121	–	121	76.55%
		Sky Masion	Chengzhong District, Xining	1,278	1,018	664	41.72%
		Sky Palace	Chengxi District, Xining	311	254	118	76.55%
				<b>1,710</b>	<b>1,272</b>	<b>903</b>	
	Xishuangbanna	Rainforest Resorts	Jinghong City, Xishuangbanna	515	429	314	26.07%
				<b>9,187</b>	<b>6,511</b>	<b>6,349</b>	
Other Region	Singapore	Cairnhill 16	Area 9, Singapore	4	4	4	30.00%
	Jakarta	Auraya	Greater Jakarta, Indonesia	66	57	66	28.00%
				<b>70</b>	<b>61</b>	<b>70</b>	
<b>Total</b>				<b>63,870</b>	<b>45,239</b>	<b>42,981</b>	

The landbank by geographical locations as at 31 December 2022 and 2021 are analyzed below:



## Property investment

In 2022, revenue from property investment decreased by 5% to RMB391 million (2021: RMB410 million), which was mainly due to the implementation of mid to light asset mode for the Group's investment properties. As at 31 December 2022, the Group held more than 22 operating investment properties. Our investment properties are mainly A-grade office premises, shopping malls, commercial complexes and logistics projects at good locations. The total leasable area amounted to approximately 3,664,000 sq.m. as at 31 December 2022, with office developments about 20%, logistics projects about 46% and others including commercial complexes, car parks and others 34%.



Yangtze Opus (Wuhan)

The investment properties of the Group and its joint ventures and associates as at 31 December 2022 are set out as follows:

Projects	Districts	Approximate leasable area (sq.m.)	Office premises (sq.m.)	Retail space (sq.m.)	Logistics projects (sq.m.)	Others (sq.m.)	Occupancy rate (%)	Interest attributable to the Group (%)
E-wing Center (Beijing)	Haidian District, Beijing	12,000	12,000	–	–	–	87%	100%
Ocean Incom (Beijing)	Shunyi District, Beijing	45,000	32,000	2,000	–	11,000	50%	100%
Ocean International Center (Beijing)	Chaoyang District, Beijing	103,000	76,000	9,000	–	18,000	90%	100%
Ocean Plaza (Beijing)	Xicheng District, Beijing	30,000	26,000	–	–	4,000	97%	72%
Ocean International Center (Tianjin)	Hedong District, Tianjin	53,000	53,000	–	–	–	85%	100%
San Francisco Project (USA)	Financial District, San Francisco	7,000	7,000	–	–	–	99%	100%
Other projects		88,000	–	55,000	–	33,000		
Subtotal		338,000	206,000	66,000	–	66,000		
<b>Other</b>								
INDIGO (Beijing)	Chaoyang District, Beijing	181,000	52,000	48,000	–	81,000	97%	50%
Ocean International Center, Phase II (Beijing)	Chaoyang District, Beijing	70,000	46,000	13,000	–	11,000	87%	35%
Ocean Office Park (Beijing)	Chaoyang District, Beijing	108,000	81,000	12,000	–	15,000	86%	29%
Ocean We-life Plaza (Beijing)	Chaoyang District, Beijing	31,000	–	31,000	–	–	98%	64%
Eco-city Aegean Place (Tianjin)	Binhai New Area, Tianjin	41,000	–	41,000	–	–	70%	52%
Hedong Aegean Place (Tianjin)	Hedong District, Tianjin	94,000	–	94,000	–	–	84%	34%
Ocean We-life (Tianjin)	Binhai New District, Tianjin	28,000	–	28,000	–	–	85%	70%
Ocean We-life Plaza (Tianjin)	Hedong District, Tianjin	42,000	–	42,000	–	–	86%	64%
Aegean Place (Jinan)	Shanghe County, Jinan	35,000	–	35,000	–	–	82%	31%
H88 Yuehong Plaza (Shanghai)	Xuhui District, Shanghai	56,000	56,000	–	–	–	77%	24%
Haixing Plaza (Shanghai)	Huangpu District, Shanghai	14,000	10,000	–	–	4,000	74%	37%
Sino-Ocean Tower (Shanghai)	Huangpu District, Shanghai	64,000	46,000	4,000	–	14,000	79%	15%
Grand Canal Place (Hangzhou)	Gongshu District, Hangzhou	132,000	–	81,000	–	51,000	97%	60%
Aegean Place (Suzhou)	Wujiang District, Suzhou	49,000	–	49,000	–	–	79%	26%
Aegean Place (Fuzhou)	Cangshan District, Fuzhou	92,000	–	92,000	–	–	99%	31%
Sino-Ocean Taikoo Li (Chengdu)	Jinjiang District, Chengdu	174,000	–	84,000	–	90,000	95%	35%
Other projects		2,115,000	242,000	114,000	1,694,000	65,000		
Subtotal		3,326,000	533,000	768,000	1,694,000	331,000		
<b>Total</b>		<b>3,664,000</b>	<b>739,000</b>	<b>834,000</b>	<b>1,694,000</b>	<b>397,000</b>		

## Commercial properties in progress

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

In addition, the Group has commercial property resources pending for development and operation by stages. These include offices of Plot Z6 in Beijing CBD, Grand Canal Place (Beijing), INDIGO II (Beijing) in the PRC and etc. It will boost a strong portfolio of cross regional and diversified products. Meanwhile, the Group has deepened the expansion in the logistics real estate and internet data center, which will provide a sound foundation for favourable investment yield and profitability level in the future.

## Property Management and related services

Our key subsidiary, Sino-Ocean Service, is a comprehensive service provider for customers and cover the entire property management value chain. We always adhere to the customer-oriented and service-first philosophy, and are committed to creating a high-quality life for customers with excellent service capabilities.

For the year ended 31 December 2022, the Group's revenue from property management and related services recorded RMB2,868 million, an increase of 13% from RMB2,530 million in 2021, which was mainly due to the synergy with the principal business and improvement in operating capacity.

As of 31 December 2022, Sino-Ocean Service's total contracted GFA of property management services reached 149.84 million sq.m.<sup>1</sup>, covering 92 cities<sup>1</sup> across 28 provinces, autonomous regions and municipalities<sup>1</sup> in China, total GFA under management reached 100.77 million sq.m.<sup>1</sup> and 519 properties<sup>1</sup> were under our management, including 299 residential communities<sup>1</sup>, 75 commercial properties<sup>1</sup> and 145 other properties<sup>1</sup>.

Our property management services cover a wide range of property types, including residential communities, commercial properties (such as shopping malls and office buildings) and public and other properties (such as hospitals, schools, government buildings and public service facilities). Sino-Ocean Service also provides commercial operational services to shopping malls and office buildings, including pre-opening management services and operational management services.

In addition, we are also dedicated to providing a variety of community value-added services to property owners and residents of the properties under our management, including community asset value-added services, community living services and property brokerage services. In 2022, the value-added services to non-property owners further expanded, covering pre-delivery services, consultancy services and property engineering services to property developers and other property management companies.

Note 1: Including for those provided to the Group and its affiliates



## OTHER INFORMATION

### Key risk factors and uncertainties

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

#### Risks pertaining to the property market and operation

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

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

The Group continues to monitor the above factors for their impact on our significant investments and financial performance of the Group in future and works together with those stakeholders to formulate actions to deliver sustainable development of economic, social and environmental values.

#### Risk of exposure to interest rate fluctuations and related hedging

Certain of the Group's borrowings are with floating interest rates. The weighted average interest rate of the Group for 2022 was 5.16%, which increased by 20 basis points as compared with that for 2021. The Group has implemented certain interest rate management which includes, among others, close monitoring of interest rate movements and acquiring certain interest rate swap hedging instruments.

#### Risk of exposure to exchange rate fluctuations and related hedging

As at 31 December 2022, approximately 41% of the Group's total borrowings were denominated in USD and HKD. As a result, the Group had a net currency exposure to fluctuation in foreign exchange rates. As non-RMB currency borrowings are subject to fluctuations of exchange rates, the Group is careful in having borrowings in non-RMB currencies and has entered into certain forward contracts so as to hedge against the potential exchange loss in future years. The Group has never engaged in the dealing of any financial derivative instruments for speculative purpose. In view of the potential RMB exchange rate fluctuations, the Group will continuously consider appropriate measures including matching non-RMB borrowings with corresponding non-RMB assets and arranging appropriate level of hedging instruments.

## EMPLOYEES AND HUMAN RESOURCES

As at 31 December 2022, the Group had 13,428 employees (31 December 2021: 14,890 employees). The decrease in the number of employees was based on changes in operating scale in each department to proactively optimize staff deployment for improving operational efficiency and resources allocation. Together with the reduction in amortization from share options granted, the Group's staff cost in 2022 was decreased by approximately 10% to RMB2,684 million (2021: RMB2,982 million).

The Group's remuneration system has been determined by reference to, including but not limited to, the corporate business performance, the efficiency and accomplishments of the staff and the remuneration level of the same industry in the market. The Company offers share options to motivate competitive staff at appropriate times. We adhere to the performance-oriented payment concept and incentive scheme to provide timely incentives to outstanding employees; and we focus on the appropriate balance of fixed and variable rewards, which encourages staff to retain for long term. The Group will always keep pace with the times and provide different employee learning and training programmes to achieve the effect of attracting, motivating and retaining talented staff, so that these talented staff can ultimately bring in higher return to our Shareholders and investors.

MAJOR AWARDS AND RECOGNITIONS

**Award received:** ESG Enterprise of the Year  
**Award time:** January 2022

**Award received:** 14th on the Assessment List of Top 500 Real Estate Development Enterprises in Comprehensive Strength  
**Award time:** March 2022

**Award received:** 2022 Top 10 Responsible Real Estate Development Enterprises  
**Award time:** March 2022

**Award received:** 2022 Top 10 in Financing Capability among Top 100 Chinese Real Estate Enterprises  
**Award time:** March 2022

**Award received:** 2022 Excellent Performance in Digital Development  
**Award time:** May 2022

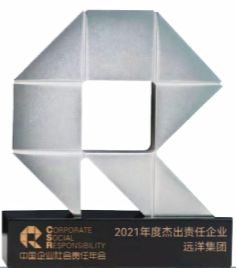
**Award received:** 20th on the 2022 Comprehensive Strength List of Listed Real Estate Companies  
**Award time:** May 2022

**Award received:** Top 10 H-Share Listed Real Estate Companies in 2022  
**Award time:** May 2022

**Award received:** 2022 Top 5 Listed Real Estate Companies in Operational Performance  
**Award time:** May 2022

**Award received:** Digital Intelligence Technology-led Enterprise in the 19th (2022) Blue Chip Annual Conference  
**Award time:** June 2022

**Award received:** 2022 Fortune China 500 (215th)  
**Award time:** July 2022



**Award received:** 2022 Top 100 Chinese Real Estate Enterprises in Brand Value (16th)  
**Award time:** July 2022

**Award received:** China Corporate Social Responsibility List (6th in all industries and 1st in the real estate industry)  
**Award time:** July 2022

**Award received:** Top 10 in 2022 China Green and Low-Carbon Real Estate Index  
**Award time:** August 2022

**Award received:** 2022 ESG Benchmark Enterprise of the Year among Listed Chinese Real Estate Companies  
**Award time:** September 2022

**Award received:** 2022 Top 50 Real Estate Development Enterprises in Brand Value (15th)  
**Award time:** October 2022

**Award received:** 2022 China Real Estate Green Building Award  
**Award time:** November 2022

**Award received:** 2022 Enterprise Brand with Reputable Delivery  
**Award time:** November 2022

**Award received:** Enterprise of the Year in Excellent Operation among 100 Valuable Real Estate Companies in 2022  
**Award time:** December 2022

**Award received:** 2022 Best Real Estate Employer in China  
**Award time:** December 2022

**Award received:** 2022 Real Estate Enterprise with Excellent Product Power  
**Award time:** December 2022

## INVESTOR RELATIONS



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

### PROMOTING COMPANY VALUE THROUGH MEANINGFUL COMMUNICATION

The real estate market in China continued to go through major adjustments in 2022. The depressed market outlook, resurgence of the pandemic in various regions and consistent crisis in mainstream enterprises posed unprecedented challenges to the industry. In the latter half of 2022, with a view to achieving the core policy target of ensuring project delivery, both the Central Government and local authorities offered powerful support for the industry by rolling out numerous relaxation policies with increasing frequency and strength. In addition, the three-pronged stimulus of credit financing, debt financing and equity financing helped open up financing channels for sound property enterprises. Outlook in 2023 is that central policies will continue to underpin the property market with the objective of ensuring delivery and guiding the market to fully overhaul its very foundation. As the policies take effect and credit for enterprises improves, the industry will have a stable growth and thus re-energise the market.

In light of the pandemic, the uncertainties of the economic environment and the changes in the industry, we were agile in response and maintained continuous communication with our investors. In 2022, the Group continued to focus on the principal business of property development and continued to enjoy a solid financial position and fund security, which was widely recognized by both domestic and offshore rating agencies as well as investors. In 2023, the Group will adhere to intensive cultivation in pursuit of quality, stable and sustainable development. We will also focus on residential development and continue to streamline management.

The Group remained connected with the capital market. In 2022 when the market was gripped by continued tightening of the financing environment and capital, the wait-and-see sentiment and sluggish transactions, we shared our views in a timely manner on the overall market, the impact of the policies on the industry and the Group, as well as informing investors of our various response measures and strategic planning. These active communication efforts boosted the confidence of the capital market and gained their recognition and praises. At the same time, our on-line live results announcement, video-conferences and conference-calls with analysts and investors were rewarded with very positive feedback. These communication channels served to reinforce understanding and trust between the Group and the capital market. Furthermore, the Group continued to generate opportunities to interact with analysts and investors individually. On the one hand, we continued to actively participate in securities firms' investors activities and keep a continuous dialogue with investors. On the other hand, we actively kept the capital market posted on the Group's major capital events and financing situation.

Through various communication formats and channels, we were able to foster a deeper understanding and appreciation of the Group's progress, business policies and strategic development among fund managers, institutional and individual investors, analysts and other interested parties. Meanwhile our management also gained better knowledge of the expectations and demands of the capital market on the Group. We will seriously consider and put into practice all constructive suggestions.

## ENSURING FAIR DISCLOSURE AND MAINTAINING TRANSPARENCY

In 2022, we maintained our high standards of information disclosure to ensure the timely dissemination of relevant corporate information via our official website and other channels. In addition, we published our monthly unaudited operating statistics on the website of the Stock Exchange and investors groups to boost transparency and to ensure proper and fair access to relevant data for all parties in the capital market.

## LISTENING ATTENTIVELY AND RECEPTIVELY FROM A WIDE SPECTRUM

We listened carefully to our Shareholders' concerns and addressed them efficiently. In May 2022, the Group held the annual general meeting. As always, after each general meeting, our management representatives reserved time for individual shareholders to voice their opinions and concerns, ensuring all parties present were given opportunity to discuss the key issues with our representatives.

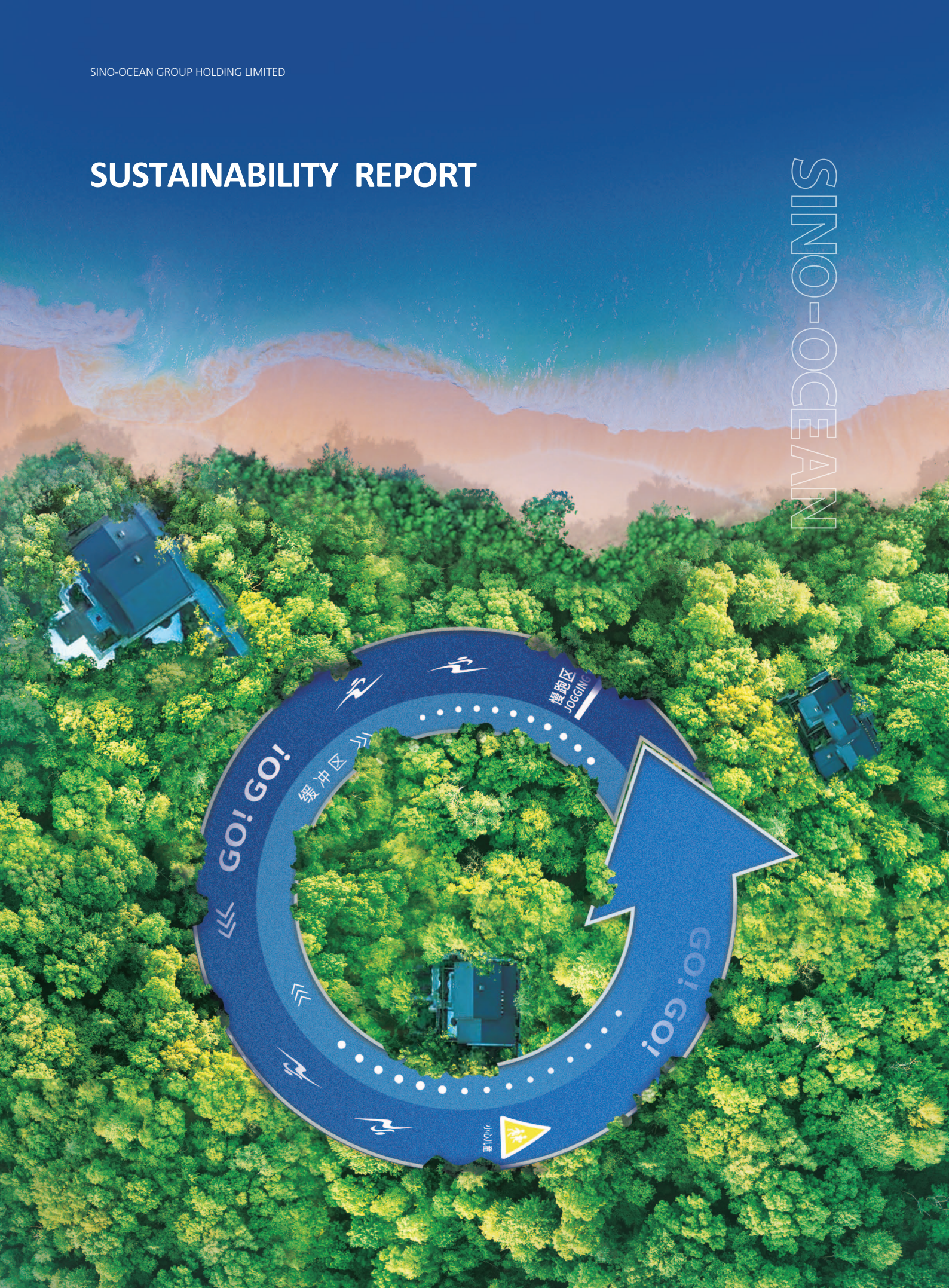
We will continue with our efforts to gain more coverage and obtain more recommendations from securities firms, with the goal of promoting investors' approval, confidence and loyalty, as well as protecting their interests. We are grateful to all stakeholders for their remarkable support. If you have any questions or comments with regards to our work, please contact us at [ir@sinooceangroup.com](mailto:ir@sinooceangroup.com). We promise to provide answers to the extent permitted by applicable laws, regulations and the Listing Rules.

### 2022 Investor Relation Activities



# SUSTAINABILITY REPORT

SINO-OCEAN



As a pioneer of the “Building · Health” concept, the Group strives to achieve operational health, healthy products and services, environmental health, employee health and healthy community by upholding the philosophy, of which to work with stakeholders to promote sustainable development of people, buildings, the environment and society, following the guidance of the United Nations 2030 Sustainable Development Goals (SDGs), and shouldering the responsibility of creating value for its stakeholders. We promote the sustainable and healthy development of the Company by undertaking our responsibilities.

We issued the “Serving with Ingenuity Building Health — Sustainable Development Report 2021 of Sino-Ocean Group” in April 2022, which explained in detail the implementation of the Group’s health strategy and sustainable development strategy, receiving the highest 5-star excellence rating from the Chinese Academy of Social Sciences. The Group issued The Road to Carbon Neutrality Report in July 2022, fully demonstrating its most recently formulated carbon neutrality strategy and planned roadmap, goals, as well as low-carbon practices in its business. Sino-Ocean Group has consistently maintained an excellent standard in sustainable development, receiving high recognition from rating agencies in the capital market. Up to December 2022, the MSCI ESG rating of Sino-Ocean Group has been upgraded in five consecutive years to AA, making it the only China’s property developer (including Hong Kong) receiving this highest rating. We received the highest five-star rating once and four-star rating twice in the Global Real Estate Sustainability Benchmark (GRESB) assessment, with a GRESB Public Disclosure the highest level of “A”, a CDP climate change rating of B and the Environmental Leap Forward Award; and maintained a low ESG risk rating from Sustainalytics.

## Forging Ahead on the Path of Operational Health

In 2022, Sino-Ocean Group persistently focused on its principal business, boosted its risk resilience and consolidated its corporate governance foundation, laying the cornerstone for promoting quality development of the Company and contributing to the stable and sound development of the real estate market. On the back of its sound operation and resilience in development, Sino-Ocean Group ranked 20th on the Comprehensive Strength List of Listed Real Estate Companies in 2022, and was rated as one of the Top 10 H-Share Listed Real Estate Companies in 2022 and Top 5 Listed Real Estate Companies for Operational Performance in 2022.

During the year, we continued to advance the implementation of our sustainable development strategy and moved forward along the direction and path of the fifth phase of our strategic plan. We also fully reviewed and updated the “Sustainable Development Policy of Sino-Ocean Group” to further regulate sustainable development, and continued to work with stakeholders to achieve sustainable value creation.

## Meticulous Attention to Detail for Building · Health

In 2022, Sino-Ocean Group continued to practice the concept of “Building · Health”, continuously boosted its capability in production and insisted on serving with ingenuity to satisfy the needs of the public for a better life. Based on the five health dimensions of healthy indoor environment, healthy buildings, healthy outdoor environment, healthy site selection, and healthy community culture in its self-developed “Sino-Ocean Healthy Building System”, Sino-Ocean Group continued to create a healthy and captive environment and conducted specific scientific research on health intensively. Up to December 2022, the Sino-Ocean Healthy Building System had been applied to more than 136 projects in 47 cities across China, covering an area of over 22.30 million sq.m. As the first enterprise to introduce the WELL Building Standard into China, Sino-Ocean Group has always maintained its professionalism, leadership and continuity in pursuing healthy buildings. Up to December 2022, 30 projects have completed the WELL registration, and 13 projects have officially obtained the final WELL certification.

Sino-Ocean insisted on exploring ways to produce quality products with ingenuity, and steadily improved the product quality and delivery standard of Sino-Ocean Group by implementing the Sino-Ocean 6+1 Quality Control System, the new Sino-Ocean Construction System 2.0 (SCS 2.0), Sino-Ocean Precision Process System 1.0 and Comprehensive Quality Inspection, Acceptance and Evaluation System. As at the end of 2022, we had put in place 17 Sino-Ocean healthy future factories across China, achieving transparency in processes, materials, procedures, standards and management by presenting the details of the house construction and decoration process to customers. In addition, with activities such as Super Live Site Viewing, One File for One Household real-time filming record, construction site video surveillance and property owners’ open day, customers were shown product quality and implementation progress online and offline simultaneously, giving them peace of mind through ingenuity.



## Green Initiatives for Environmental Health

Promoting the harmonious co-existence of man and nature is naturally the responsibility of Sino-Ocean in promoting green and healthy development. To proactively address the challenges of climate change, Sino-Ocean Group commenced and completed its study on carbon neutrality roadmap and strategy to formulate plans for carbon emission reduction and enhance our environmental objectives in a more systematic and scientific way based on its efforts in achieving carbon peak and neutrality. Committed to becoming an advocate and leader in healthy, green, climate-friendly and sustainable city and community construction, we also advanced our carbon neutrality strategy from the five dimensions of zero-carbon products, zero-carbon operations, zero-carbon raw materials, zero-carbon assets and zero-carbon business models. Meanwhile, the Group issued The Road to Carbon Neutrality Report in July 2022, and launched the Sino-Ocean “2050 Net Zero” project at the same time to promote low-carbon initiatives from the two dimensions of achieving net zero at both the company and society levels.

In 2022, Sino-Ocean Group received recognitions including an Excellent rating in carbon peak and carbon neutrality leadership in the real estate industry, TOP10 in 2022 China Green and Low-Carbon Real Estate Index and 2022 China Real Estate Green Building Award.

## Unified Effort for Employee Health

Sino-Ocean Group insists on building a corporate culture of responsibility, sharing and health with the concerted efforts of employees as one. Regarding institutional human resources structure and healthy workplace, we put employee health as our primary obligation. In 2022, we made more consolatory visits to and intensified care for front-line employees; we conducted online and offline visits for nearly 800 projects across the country, involving more than 30,000 employees, to show the Company's immediate care for them when facing various difficulties. In addition, Sino-Ocean conducted family day activities for the third consecutive year, with the third Family Day's Wonderful “Home” Carnival kicked off in full steam in August of 2022, and 560 families across the country participated in the event, feeling the warmth of our Sino-Ocean family in the workplace.

By virtue of its excellent institutional management capabilities, well-established personnel training system and healthy workplace, Sino-Ocean Group received distinguished accolades including China's Best Real Estate Employer in 2022 and ranked 15th among Top 100 Chinese Real Estate Enterprises in Execution Power.



BUILDING · HEALTH





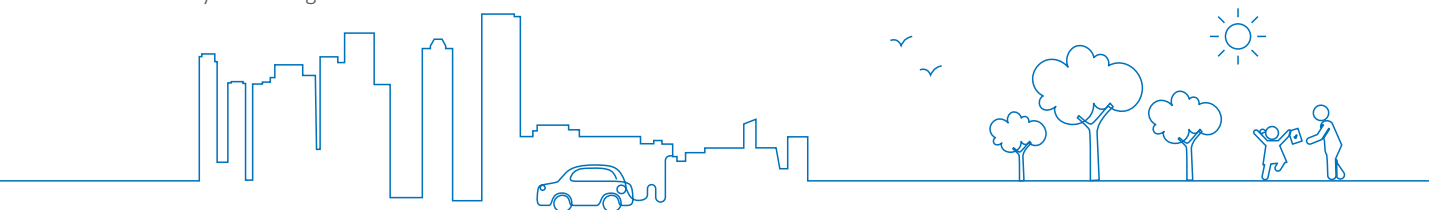
## Collaboration and Shared Growth for Healthy Society

To participate in and promote common prosperity and coordinated development of the community, Sino-Ocean Group takes the construction of sustainable cities and communities as its mission, and is committed to building harmonious, liveable, diverse and inclusive communities with cultural characteristics and innovative vitality. In 2022, Immaculate Conception Cathedral (聖母堂), rated as a Wuhan outstanding historic building and heritage that should not be relocated, was rejuvenated in urban renewal and renovation. The Northern Headquarters Base of Chinese Yachting Association officially settled in Seatopia (Qinhuangdao) in March 2022. Since July 2022, eight cities in Eastern Region, including Nanjing and Wenzhou, successively launched the construction of child-friendly communities, enhancing community resilience and brightening up the healthy development of society.

Meanwhile, Sino-Ocean Group performs its social responsibility through the Sino-Ocean Charity Foundation platform with a focus on education and environmental protection, so as to undertake and put into practice the obligations of a corporate social citizen more systematically. In 2022, to advocate the concept of environmental protection and responsibility and build a green and healthy environment and society, we conducted the Health for Mutual Benefits and Low-Carbon for All — 6th Ocean Marathon, volunteers visit to Xinjiang under the “Little Partner” Education Sponsorship Scheme, Innovative Zero-Carbon and Green Living — “Young Citizens” Innovation Charity Competition, Zero-Carbon Future and Building Health — Students-in-Action Incentive Scheme “Building Healthy Future” Architectural Design Competition cum “Building · Health 2030” Alliance Salon to promote the concept of micro-philanthropic, inclusive and sustainable charity campaigns. Since its founding in 1993, Sino-Ocean Group has actively engaged in social charity and causes when undertaking its social responsibility incessantly. Up to the end of 2022, Sino-Ocean Charity Foundation had donated over RMB246 million in total together with its charity partners, with over 580,000 beneficiaries in more than 260 cities across China.

Sino-Ocean Group believes that the healthy and sustainable development of the Company has unlimited potential and vitality. We will firmly put into practice the concept of “Building · Health”, keep advancing, continue to innovate, safeguard a better life and work with stakeholders to move forward for quality and sustainable development of the industry.

The Group believes that sustainability is crucial to the development of the enterprise, and actively puts into practice the sustainable development philosophy in every aspect of its business. The Group will issue a separate Sustainable Development Report 2022 in accordance with the ESG Reporting Guide specified in Appendix 27 of the Main Board Listing Rules. For further relevant information, please refer to that report. The Sustainable Development Report 2022 will be published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company's website ([www.sinooceangroup.com](http://www.sinooceangroup.com)) within the time limit stipulated by the Listing Rules.



# BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

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

## Executive Directors



Mr. LI Ming

Mr. LI Ming, aged 59, is the Chairman of the Board, an Executive Director, the Chief Executive Officer, chairman of the Nomination Committee and chairman of the Strategic and Investment Committee of the Company. Mr. LI joined the Company as a general manager in July 1997 and became the Chief Executive Officer in August 2006 and has been serving as the Chairman of the Board since March 2010. He is also a director of certain subsidiaries and joint ventures of the Company. Mr. LI was a non-executive director, honorary chairman of the board and chairman of the nomination committee of Gemini Investments (Holdings) Limited, a company listed on the Stock Exchange. Mr. LI has extensive experience in corporate governance, property development and investment and management of listed companies. Mr. LI graduated from Jilin University of Technology (now known as “Jilin University”) and obtained a bachelor’s degree of Engineering in 1985, graduated from the Graduate School of Chinese Academy of Social Sciences in 1996, and graduated from China Europe International Business School and obtained a master’s degree in Business Administration in 1998. Mr. LI is currently a member of the 6th Election Committee in Hong Kong Special Administrative Region, the honorary vice-president of the China Real Estate Association, a Chartered Builder of The Chartered Institute of Building, United Kingdom and also a senior engineer. Mr. LI was a member of the 13th National Committee of the Chinese People’s Political Consultative Conference, a member of each of the 10th and 11th Beijing Municipal Committees of the Chinese People’s Political Consultative Conference and deputy to the 13th, 14th and 15th People’s Congress of Chaoyang District of Beijing. He was an advisory expert of the Ministry of Housing and Urban-Rural Development at real estate market regulation.



Mr. WANG Honghui

Mr. WANG Honghui, aged 43, is an Executive Director, a member of the Strategic and Investment Committee and an Executive President of the Company. He is also a director of certain subsidiaries and associates of the Company. Mr. WANG joined the Company in July 2005 and had served as the investment head for the Beijing region, general manager of the secretarial administration department, general manager of the CEO management centre and general manager of capital operation department of the Company. Mr. WANG was a non-executive director as well as a member of each of the nomination committee and strategic investment committee of Beijing Capital Grand Limited, a company listed on the Stock Exchange. Mr. WANG has extensive experience in real estate investment, equity investment and capital operation. Mr. WANG graduated from Renmin University of China and obtained a bachelor’s degree in Real Estate Operation and Management in 2002 and graduated from the Chinese Academy of Social Sciences and obtained a master’s degree in Regional Economics in 2004. Mr. WANG is the vice president of the China Real Estate Association, the vice president of China Real Estate Chamber of Commerce, a senior economist, specialises in real estate economy, and a registered real estate appraiser in China.



Mr. CUI Hongjie

Mr. CUI Hongjie, aged 50, is an Executive Director, an Executive President and also the general manager of the product construction centre of the Company. Mr. CUI joined the Company in August 1996 and had served as general manager of costing and engineering department, general manager of technology and cost department, assistant to the CEO and vice president of the Company. Mr. CUI is the joint chairman, a non-executive director and a member of each of the audit committee and nomination committee of Sino-Ocean Service, a subsidiary of the Company listed on the Stock Exchange. He is also a director of certain subsidiaries of the Company. Mr. CUI has extensive experience in operation and development of real estate, product creation and management. Mr. CUI graduated from Beijing University of Technology and obtained a bachelor’s degree in Engineering in 1996, graduated from Beijing University of Technology and obtained a master’s degree in Engineering in 2001, and graduated from China Europe International Business School and obtained a master’s degree in Business Administration in 2022. Mr. CUI is a member of the Royal Institution of Chartered Surveyors, a national registered first-class constructor and a senior engineer.

## Non-executive Directors



Ms. HUANG Xiumei

Ms. HUANG Xiumei, aged 55, is a Non-executive Director and a member of the Audit Committee of the Company. Ms. HUANG joined the Board in March 2021. Ms. HUANG has been appointed as an executive director and the president of China Life Property & Casualty Insurance Company Limited\* (中國人壽財產保險股份有限公司) since February 2023. Ms. HUANG serves as a director of each of China Life Asset Management Company Limited and China Life Franklin Asset Management Company Limited. Ms. HUANG has ceased to act as an executive director of China Life Insurance since November 2022, the vice president and the person in charge of finance of China Life Insurance since October 2022. From 2016 to 2020, she was the vice president, the board secretary and the person in charge of finance of China Life Pension Company Limited. From 2014 to 2016, she served as the financial controller and the general manager of the financial management department of China Life Insurance. From 2005 to 2014, Ms. HUANG held various positions at China Life Insurance's Fujian branch, including the assistant to the general manager, the deputy general manager, the branch head, the deputy general manager (responsible for daily operations) and the general manager. From 1999 to 2005, she served as the deputy division chief of the planning and finance division, the manager of the planning and finance department and the manager of the finance department of China Life Insurance's Fujian branch. During the period from 2004 to 2005, she concurrently served as the deputy general manager of China Life Insurance's Fuzhou branch. Ms. HUANG graduated from Fuzhou University, majoring in Accounting with a bachelor's degree. Ms. HUANG is a senior accountant. Ms. HUANG is nominated by China Life Insurance, a substantial Shareholder.



Mr. ZHAO Peng

Mr. ZHAO Peng, aged 49, is a Non-executive Director and a member of the Audit Committee of the Company. Mr. ZHAO joined the Board in July 2021. Mr. ZHAO is currently an assistant general manager and board secretary of Dajia Insurance Group and a director of Dajia Life Insurance. Mr. ZHAO is currently a non-executive director of China Minsheng Banking Corp., Ltd., a company listed on the Stock Exchange and the Shanghai Stock Exchange and a vice chairman of Financial Street Holdings, a company listed on the Shenzhen Stock Exchange. Mr. ZHAO was a director of Beijing Tongrentang Co., Ltd., a company listed on the Shanghai Stock Exchange. Mr. ZHAO has extensive experience in insurance, banking and legal. Mr. ZHAO had previously served as a deputy division director and the division director of the Development and Reform Department of the former China Insurance Regulatory Commission, as well as a member of the team designated by the China Banking and Insurance Regulatory Commission to take over Anbang Insurance Group. Mr. ZHAO graduated from China University of Political Science and Law and obtained his doctorate in Economic Law in 2014. Mr. ZHAO is an economist. Mr. ZHAO is nominated by Dajia Life Insurance, a substantial Shareholder.



Mr. HOU Jun

Mr. HOU Jun, aged 45, is a Non-executive Director and a member of the Strategic and Investment Committee of the Company. Mr. HOU joined the Board in April 2020. Mr. HOU is currently the deputy general manager of the investment management department of China Life Group. Mr. HOU had served in various departments of China Life Group including finance department, asset management department and investment management department. Mr. HOU is currently a non-executive director of Town Health International Medical Group Limited, a company listed on the Stock Exchange. Mr. HOU graduated from Shanxi University of Finance and Economics in July 2000, majoring in Investment Economics with a bachelor's degree in Economics, and graduated from Central University of Finance and Economics in June 2004, majoring in Finance with a master's degree in Economics. Mr. HOU is nominated by China Life Insurance, a substantial Shareholder.

## Non-executive Directors



Mr. CHEN Ziyang

Mr. CHEN Ziyang, aged 46, is a Non-executive Director and a member of the Strategic and Investment Committee of the Company. Mr. CHEN joined the Board in July 2021. Mr. CHEN is currently chief investment officer and general manager of the investment management department of Dajia Insurance Group. He is also an expert consultant of the Expert Consultation Committee on Solvency Regulation under the China Banking and Insurance Regulatory Commission, an expert on the Core Talent Experts' Team for Assets and Liabilities Management under the Insurance Association of China and a member of the Assets and Liabilities Management Specialist Committee under the Insurance Asset Management Association of China. He has extensive experience in investment management and the management of assets and liabilities. Mr. CHEN had previously served as the general manager of the Research and Allocation Department, general manager of the Accounts and Entrusted Management Department, deputy general manager of the Asset Allocation Department and deputy general manager of the Asset Management Department under the Asset Management Centre of China Pacific Life Insurance Co., Ltd.\* (中國太平洋人壽保險股份有限公司). Mr. CHEN graduated from Shanghai University of Finance and Economics and obtained a master's degree in Finance in 2003. Mr. CHEN is a CFA charterholder. Mr. CHEN is nominated by Dajia Life Insurance, a substantial Shareholder.



Mr. ZHAN Zhong

Mr. ZHAN Zhong, aged 54, is a Non-executive Director of the Company. Mr. ZHAN joined the Board in September 2021. Mr. ZHAN has been appointed the vice president of China Life Insurance since July 2019. He served as the marketing director of China Life Insurance from 2017 to 2019 and a supervisor of China Life Insurance from 2015 to 2017. Mr. ZHAN also served as the general manager of the Individual Insurance Division of China Life from 2014 to 2017 and the deputy general manager (responsible for daily operations) and the general manager of China Life Insurance's Qinghai branch from 2013 to 2014. From 2009 to 2013, he served as the deputy general manager and the general manager of the Individual Insurance Division of China Life Insurance. From 2005 to 2009, he served as the general manager of the Individual Insurance Division of China Life Insurance's Guangdong branch and an assistant to the general manager of China Life Insurance's Guangdong branch. Prior to 2005, he had successively served as the director of the Marketing Department of the Chengdu High-tech sub-branch of Zhongbao Life Insurance Company\* (中保人壽保險有限公司), an assistant to the manager and the manager of the Marketing Department of the Chengdu branch, and the deputy general manager of the Chengdu branch of Taikang Life Insurance Company\* (泰康人壽保險公司). Mr. ZHAN graduated from Kunming Institute of Technology in July 1989, majoring in industrial electric automation with a bachelor's degree in Engineering. Mr. ZHAN is nominated by China Life Insurance, a substantial Shareholder.

## Independent Non-executive Directors



Mr. HAN Xiaojing

Mr. HAN Xiaojing, aged 68, is an Independent Non-executive Director, the chairman of the Remuneration Committee and a member of the Nomination Committee of the Company. Mr. HAN joined the Board in June 2007. Mr. HAN is the founding partner of the Commerce & Finance Law Offices. He has over 30 years' experience in the practice of corporate and securities laws in China, especially in the restructuring of large scale state-owned enterprises and private companies and offshore listing of Chinese companies. Mr. HAN is currently an independent non-executive director of each of Far East Horizon Limited, Vital Innovations Holdings Limited and Angelalign Technology Inc., all being companies listed on the Stock Exchange, and a supervisor of Ping An Bank Co., Ltd. ("Ping An"), a company listed on the Shenzhen Stock Exchange. Mr. HAN was an independent director of Ping An and Beijing Haixin Energy Technology Co., Ltd. (formerly Beijing Sanju Environmental Protection and New Material Co., Ltd.), both being companies listed on the Shenzhen Stock Exchange. Mr. HAN graduated from China University of Political Science and Law and obtained a master's degree in Laws in 1985.



Mr. SUEN Man Tak

Mr. SUEN Man Tak, aged 64, is an Independent Non-executive Director and a member of each of the Audit Committee and the Remuneration Committee of the Company. Mr. SUEN joined the Board in December 2015. Mr. SUEN has extensive experience in the enforcement of securities and futures related legislation as well as commercial crime investigations. Mr. SUEN had served with the Securities and Futures Commission of Hong Kong (the "SFC") for more than 17 years. He is now a practicing barrister-at-law specialising in litigation and advisory work on the SFO, the Codes on Takeovers and Mergers and Share Buy-backs, the Listing Rules, the Code of Conduct for Persons Licensed by or Registered with the SFC, market misconduct, white collar crimes and anti-money laundering activities. Mr. SUEN is an independent non-executive director of each of Zijin Mining Group Co., Ltd. and China Jinmao Holdings Group Limited, both being companies listed on the Stock Exchange. Mr. SUEN has ceased to act as an independent director of Inception Growth Acquisition Limited, a company listed on The Nasdaq Global Market, since March 2023. Mr. SUEN received his master's degree in Accountancy from the Charles Sturt University, Australia in September 1996. He further obtained a degree of Juris Doctor in July 2010 and a postgraduate certificate in Laws in July 2011, both from City University of Hong Kong. He was called to the Hong Kong Bar in February 2013. Mr. SUEN has been a member of The Hong Kong Institute of Certified Public Accountants since July 1998 and a member of Hong Kong Securities and Investment Institute since April 1999.



Mr. JIN Qingjun

Mr. JIN Qingjun, aged 65, is an Independent Non-executive Director and a member of each of the Nomination Committee and the Strategic and Investment Committee of the Company. Mr. JIN joined the Board in March 2016. Mr. JIN ceased to be a member of the Audit Committee since March 2023. Mr. JIN is currently the senior partner of King & Wood Mallesons, Beijing. His major areas of practice include securities, finance, investment, corporate and insolvency, as well as foreign-related legal affairs. Mr. JIN currently serves as an independent non-executive director of each of Times China Holdings Limited, Bank of Tianjin Co., Ltd., Central Development Holdings Limited and Goldstream Investment Limited, all being companies listed on the Stock Exchange. Mr. JIN is an independent director of Shenzhen Cheng Chung Design Co., Ltd, and a non-independent director of Shenzhen Kingkey Smart Agriculture Times Co., Ltd, both being companies listed on the Shenzhen Stock Exchange. Mr. JIN was an independent non-executive director of Guotai Junan Securities Co., Ltd., a company listed on the Stock Exchange and the Shanghai Stock Exchange, and a director of Konka Group Co., Ltd., a company listed on the Shenzhen Stock Exchange. Mr. JIN graduated from China University of Political Science and Law and obtained a master's degree in Laws.

## Independent Non-executive Directors



Ms. LAM Sin Lai Judy

Ms. LAM Sin Lai Judy, aged 68, is an Independent Non-executive Director, the chairman of the Audit Committee and a member of the Strategic and Investment Committee of the Company. Professor LAM joined the Board in August 2017. Professor LAM serves as a board director and honorary treasurer of Hong Kong International Film Festival Society Limited. Professor LAM is the first scholar in Hong Kong who was awarded a PhD in Accounting by The Chinese University of Hong Kong and is the first professor in Accounting who was awarded Cheung Kong Scholar Chair Professorship by Ministry of Education in the PRC at Xiamen University. Professor LAM also holds positions as honorary professor and visiting professor at several universities in Mainland China. Professor LAM has retired as a board director of Wuhan College since April 2022. Professor LAM is a fellow member of The Hong Kong Institute of Certified Public Accountants, a chartered professional accountant and chartered accountant of Chartered Professional Accountants of British Columbia, a fellow member of The Chartered Governance Institute, a fellow member of The Hong Kong Chartered Governance Institute, a fellow member of CPA Australia, a fellow member of The Institute of Chartered Accountants in England and Wales ("ICAEW") and the vice-chairman of its Chinese committee. She is a member of the Greater China Strategy Advisory Group of the ICAEW. In 2018, Professor LAM was awarded as the Honorary Member of The Chinese Institute of Certified Public Accountants in Shenzhen. In 2019, Professor LAM was invited by The Chinese Institute of Certified Public Accountants as an editorial member of its professional journal Chinese Certified Public Accountant.



Mr. LYU Hongbin

Mr. LYU Hongbin, aged 48, is an Independent Non-executive Director and a member of each of the Audit Committee and the Remuneration Committee of the Company. Mr. LYU joined the Board in March 2023. Mr. LYU is currently the chairman of Beijing Tiancheng Ruiming Corporate Management Company Limited\* (北京天成睿明企業管理有限公司). Mr. LYU was a director of China Beijing Equity Exchange and Greatwall Life Insurance Co., Ltd., the deputy secretary of the Party Committee, the director and the general manager of Financial Street Holdings, a company listed on the Shenzhen Stock Exchange, from January 2017 to December 2021. Mr. LYU was also an executive director of Financial Street Guangzhou Real Estate Company Limited\* (金融街廣州置業有限公司), the chairman of Financial Street Huizhou Real Estate Company Limited\* (金融街惠州置業有限公司), the deputy general manager of Financial Street Holdings, the executive director of Financial Street (Shanghai) Investment Company Limited\* (金融街(上海)投資有限公司), the executive director, the general manager and the deputy general manager of Financial Street (Tianjin) Real Estate Company Limited\* (金融街(天津)置業有限公司), and the project general manager of Tianjin World Financial Center\* (天津環球金融中心). Mr. LYU graduated from Hohai University with a double bachelor's degree major in Hydrogeology and Engineering Geology from College of Civil Engineering and Management Engineering from College of Management. He also graduated from Tsinghua University and obtained a degree in Executive Master of Business Administration (EMBA) in 2019. Mr. LYU is a senior engineer.

## SENIOR MANAGEMENT

### Mr. SUM Pui Ying

Mr. SUM Pui Ying, aged 61, is the Chief Financial Officer of the Company and has been appointed as the Company Secretary since August 2022. Mr. SUM joined the Company in May 2007. Mr. SUM has also been the company secretary of Sino-Ocean Service since August 2022. Mr. SUM is also the chairman of the board, an executive director, the chairman of the investment committee and the chairman of the nomination committee of Gemini Investments (Holdings) Limited, an associate of the Company and listed on the Stock Exchange. He is also a director of certain subsidiaries of the Company. Mr. SUM has extensive experience in corporate management of listed companies, investment and financing and financial management. Mr. SUM graduated from The Hong Kong Polytechnic University and obtained a professional diploma in Accounting in 1988, graduated from University of Wales and obtained a master's degree in Business Administration in 1991, and graduated from The University of Hong Kong and obtained a diploma in Legal Studies in 1996. Mr. SUM is currently a fellow member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the ICAEW.

### Mr. DING Hui

Mr. DING Hui, aged 47, is the Vice President of the Company and the deputy general manager of the construction management centre of the Company. Mr. DING joined the Company in August 2002, and has served as the general manager of Beijing Yuan Hao Company, general manager of the development management department, general manager of the operational management centre, general manager of the commercial property department, general manager of the data procedure centre of the Company and assistant to the CEO of the Group, with extensive experience in development and management of real estate and commercial property operation. Mr. DING graduated from Tongji University and obtained a bachelor's degree in engineering in 1996 and graduated from Tsinghua University and obtained a master's degree in Structural Engineering in 2002.

### Mr. LI Zesheng

Mr. LI Zesheng, aged 59, is the Vice President of the Company. Mr. LI joined the Company in September 2019. Mr. LI was the general manager of the brand promotion department of China Life Group. He has extensive experience in brand marketing and market research. Mr. LI is a PhD graduate in Business Management. He graduated from Beijing Technology and Business University with a bachelor's degree in Accounting in 1987. Mr. LI has studied in Japan for many years and is engaged in studies and research in international business and marketing.

## COMPANY SECRETARY

### Mr. SUM Pui Ying

Mr. SUM Pui Ying, aged 61, has been appointed as the Company Secretary since August 2022. For his biographical information, please refer to the paragraph headed "SENIOR MANAGEMENT" above in this section.

# REPORT OF THE DIRECTORS

SINO-OCEAN



Indigo II (Beijing)

**The Board is pleased to present this report and the audited consolidated financial statements of the Group for the year ended 31 December 2022.**

## PRINCIPAL ACTIVITIES

The Company is an investment holding company. The Group is mainly engaged in development of residential property, investment property development and operation, property services and whole-industrial chain construction services, with its scope of businesses also covering senior living service, internet data center, logistics real estate, real estate financing, etc. The Group is one of the leading property developers with developments in key economic regions in the PRC.

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

## RESULTS AND APPROPRIATIONS

Results of the Group for the year ended 31 December 2022 are set out in the consolidated income statement and the consolidated statement of comprehensive income on pages 121 and 122 of this annual report respectively.

The Board resolved not to pay interim dividend for the six months ended 30 June 2022 (2021: RMB0.046 per Share). The Board did not recommend the payment of final dividend for the year ended 31 December 2022 (2021: RMB0.026 per Share) after considering that it would take time for the recovery of market confidence and the improvement of the cash flow in the industry.

## CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 22 May 2023 to Thursday, 25 May 2023 (both dates inclusive), during which period no transfer of Shares will be registered. In order to ascertain the right to attend and vote at the forthcoming AGM to be held on Thursday, 25 May 2023, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for the registration no later than 4:30 p.m. on Friday, 19 May 2023.

## DIVIDEND POLICY

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

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

## RESERVES

Movements in the reserves of the Group and the Company during the year under review are set out in Consolidated Statement of Changes in Equity and notes 28 and 51 to the consolidated financial statements of this annual report.

## DISTRIBUTABLE RESERVES

The Company's total distributable reserves as at 31 December 2022 amounted to approximately RMB61 million.

## SHARE CAPITAL

Movements in the share capital of the Company during the year under review and as at 31 December 2022 are set out in note 26 to the consolidated financial statements of this annual report.

## FIXED ASSETS

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

## BORROWINGS

Details of borrowings are set out in note 32 to the consolidated financial statements of this annual report. Details of the Group's capitalized interest expenses and other borrowing costs during the year under review are set out in note 41 to the consolidated financial statements of this annual report.

## DONATIONS

For the year ended 31 December 2022, the Group's donations to charity and for other purposes were approximately RMB1.24 million (2021: RMB13.76 million).

## BUSINESS REVIEW

A review of the business of the Group during the year and a discussion on the Group's future business development are set out in the paragraphs headed "2022 BUSINESS REVIEW" and "2023 COMPANY STRATEGIES" under the section headed "Chairman's Statement" in this annual report, respectively. The description of principal risks and uncertainties that the Group may be facing are set out in the paragraphs headed "MARKET REVIEW AND OUTLOOK" under the section headed "Chairman's Statement", note 4 to the consolidated financial statements and the paragraphs headed "OTHER INFORMATION" under the section headed "Management Discussion & Analysis" in this annual report. Particulars of important events affecting the Company that have occurred since the end of the year are set out in the paragraphs headed "IMPORTANT EVENTS AFTER THE FINANCIAL YEAR ENDED 31 DECEMBER 2022" under the section headed "Management Discussion & Analysis" in this annual report. An analysis of the Group's performance during the year using financial key performance indicators is set out in the section headed "Financial & Operation Highlights" and in the section headed "Management Discussion & Analysis", respectively, in this annual report.

## ENVIRONMENTAL POLICIES AND PERFORMANCE

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

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

## STAKEHOLDER RELATIONS

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

The Board recognizes that the support of Shareholders and investors in the Group is essential. The Group has been upholding honesty and openness and adhering to the principles of accuracy, transparency and consistency in disclosure, and is dedicated to implementing effective communication with the financial community and other relevant parties. Apart from results conferences and roadshows, the Group also takes a proactive role in participating in investor conferences and arranging regular communications that allow for two-way communication with investors. After each general meeting, the management reserved time for direct dialogues with individual Shareholders, ensuring all Shareholders were given the opportunity to directly discuss the issues in concern with the management. For further information, please refer to the section headed “Investor Relations” in this annual report.

It is a basic requirement for an enterprise to support national policies to respond to government expectations and demands. Over the years, Sino-Ocean Group has not only actively echoed and conscientiously implemented the government’s demand for “real estate market’s continuous and healthy development”, but also closely followed national policies and strictly observed new regulations on real estate financing, while showing a persistent concern and support for people’s livelihood. We have never ceased to bring the strengths of our professional skills into full play. While developing projects for our market segments, we adhered to our commitment and social responsibility as a property developer, and improved people’s living standard, paid attention to and satisfied their increasingly demanding material and cultural needs, continuously striving to provide more families with a better living space.

The sustainable development of Sino-Ocean Group is dependent upon the diligent work under shared values and mutual progress of all employees. In 2022, Sino-Ocean Group continued to shape its corporate culture with “Responsibility”, “Sharing” and “Health” as core elements, and garnered accolades such as “2022 Best Real Estate Employer in China” and “No. 15 Among Top 100 China Real Estate Companies By Organizational Capability” on the back of its outstanding corporate and institutional development capability, sound talent nurturing mechanism and healthy workplace caring environment as an employer. For further information, please refer to the paragraph headed “Unified Effort for Employee Health” in the section headed “Sustainability Report” in this annual report.

Sino-Ocean Group treasures its customers as one of the most important groups of stakeholders, adheres to the “user-oriented” principle to work for dedicated projects and produce quality products through artistry, and is committed to promoting healthy lifestyles, quality life, amicable fellow relations and a civil small-community atmosphere in Sino-Ocean communities. For more details, please refer to the “Sustainability Report” in this annual report.

On the environmental front, please refer to “ENVIRONMENTAL POLICIES AND PERFORMANCE” above and the contents of the “Sustainability Report” in this annual report.

Committed to mutual growth and benefit with all its business partners, the Group drives them to develop in a sustainable manner while undertaking social responsibility at the same time. Sino-Ocean Group has over 20,000 business partners (by increasing over 6,000 business partners as compared with the same period of last year) across the nation. The Group gives priority to local suppliers based on the locations of relevant projects, and engages in regular communication and exchanges with business partners. Strategic procurement suppliers are assessed and classified (based on the results of the assessment) on a semi-annual basis, while feedback on cooperation in strategic procurement is collected every other two months to ensure timely understanding of partners’ business, development and environmental performance. The Group also formulated the “Sino-Ocean Group Code of Conduct for Suppliers” and carried out supplier ESG assessments for three consecutive years, ensuring the suppliers of Sino-Ocean held and put into practice the Group’s views on accountability. In the meantime, Sino-Ocean Group has also shared the philanthropic values of “Micro-philanthropic, inclusiveness and sustainability” with all its partners. Under the proposition of “shared benefits”, an increasing number of them have joined hands with Sino-Ocean as “partners with shared benefits” to create a better world together.

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

For the environmental policies and performance of the Group as well as the full content related to stakeholder relations, please refer to the “Sustainable Development Report 2022 of Sino-Ocean Group”, which will be published on the websites of the Company and the Stock Exchange within the period as required by the Listing Rules.

## COMPLIANCE WITH LAWS AND REGULATIONS

The real estate industry in China is the core industry which PRC laws, regulations and policies pay much attention to. There are laws and regulations of different levels restricting various aspects of the real estate industry, such as the transfer of land use rights, the establishment of property development enterprises, the development and construction of real estate projects, environmental protection and foreign exchange control. The Group recognises the importance of the compliance with the laws and regulations in commercial activities, and the failure to comply with the above could result in serious risk and consequences. The Group has reasonably allocated legal, corporate governance, financial and human resources, in particular, the setting up of the compliance and risk management team, to ensure ongoing compliance with respective requirements of the laws and regulations and the policies. Meanwhile, the Group maintains good relationships with Government regulators through effective communication. During the year under review, to the best of our knowledge, the Group has complied with the following salient PRC laws and regulations, namely the Foreign Investment Law, the Company Law, the Land Administration Law, the Law of the Administration of Urban Real Estate, the Regulations on Administration of Urban Real Estate Development, the Construction Law, the Environmental Protection Law, Control of Foreign Exchange Regulations and other relevant laws and regulations.

The Group is also committed to the compliance with the following salient laws and regulations in Hong Kong, including but not limited to the Companies Ordinance, the Listing Rules and the SFO and has been working with external professionals to develop internal guidelines and educating its employees so as to ensure that the Group and its employees will adopt business practices that are compliant with the relevant laws from time to time.

## CORPORATE GOVERNANCE

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

## REMUNERATION POLICY AND RETIREMENT BENEFITS OF THE GROUP

A reasonable and comprehensive remuneration package is one of the measures in attracting, retaining and motivating experienced people of high caliber. The Group’s remuneration system has been determined by reference, including but not limited to the corporate business performance, the efficiency and accomplishments of the staff, and the remuneration level of the same industry in the market. The Company offers share options to competitive staff at appropriate times so as to provide staff remuneration package with market competitiveness and to ensure availability of human resources for the sustained development of the Company.

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

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

## BASIS OF DETERMINING REMUNERATION TO DIRECTORS

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

## FIVE-YEAR FINANCIAL SUMMARY

A five-year financial summary of the Group is set out on page 251 of this annual report.

## RESTRICTED SHARE AWARD SCHEME

The purpose of the Award Scheme is to provide an incentive to retain and encourage employees for the continual operation and development of our Group. The participants of the Award Scheme are the formal employees of the Group, and the Board may grant restricted shares to eligible employees of the Group (including Directors) and determine the number of restricted shares to be awarded at its absolute discretion pursuant to the terms of the Award Scheme. The Award Scheme, which was in full force and effect from the RSS Adoption Date (i.e. 22 March 2010) for a term of 10 years, had expired on 22 March 2020. Although the Award Scheme had expired, the restricted shares already awarded under such scheme before its expiration but yet to be vested remain valid. Following the expiry of the Award Scheme, no further restricted share can be awarded thereunder.

According to the Award Scheme, the maximum number of Shares to be awarded under the Award Scheme is 169,104,822 Shares, representing approximately 3.00% and 2.22% of the total issued share capital of the Company as at the RSS Adoption Date and the date of this report, respectively. There is no maximum entitlement for each participant under the Award Scheme. The restricted shares will be purchased by the trustee from the market out of cash contributed by the Group and be held in trust for the relevant selected employees until such shares are vested with the relevant selected employees in accordance with the provisions of the Award Scheme. The Shares were awarded to the Directors and employees of the Group at nil consideration (i.e. the awardee does not have to pay any purchase price on acceptance and vesting of the awarded Shares) and the Shares will be vested in tranches over a period of three years commencing from the date of award, of which 40% will be vested on the first anniversary of the date of award and the remaining 60% will be vested in eight tranches over the next two years, with 7.5% of the awarded Shares being vested every three months.

During the year under review, the trustee of the Award Scheme, pursuant to the terms of the rules and trust deed of the Award Scheme, acquired 6,773,523 Shares from the market at an aggregate consideration of approximately RMB6,400,979 (including transaction costs). Since the RSS Adoption Date and up to 31 December 2022, an aggregate of 168,579,820 Shares, representing approximately 2.99% and 2.21% of the total issued share capital of the Company as at the RSS Adoption Date and the date of this report, respectively, had been acquired from the market at an aggregate consideration of approximately RMB543,737,142 (including transaction costs), and from receiving scrip Shares in lieu of cash dividend by the trustee.

Details of the number of Shares awarded under the Award Scheme but yet to be vested and the number of Shares vested during the year under review are set out below:

Category of awardees	Date of award	No. of Shares awarded but yet to be vested as at 1 January 2022	No. of Shares awarded during the year	No. of Shares vested during the year (Note v)	No. of Shares lapsed during the year	No. of Shares awarded but yet to be vested as at 31 December 2022
<b>Employees of the Group</b> (Note iv)	20 March 2020	25,748,727	–	20,336,480	525,000	4,887,247

Notes:

- (i) The Shares awarded under the Award Scheme are vested in tranches over a period of three years commencing on the date of award, where 40% of awarded Shares will be vested on the first anniversary of the date of award and the remaining 60% of the awarded Shares will be vested in eight tranches over the next two years, with 7.5% of the awarded Shares being vested every three months.
- (ii) During the year ended 31 December 2022, no Share was awarded or cancelled with respect to the Award Scheme.
- (iii) None of the unvested Shares was awarded to a Director or the five highest paid individuals of the Group.
- (iv) Employees of the Group exclude the Directors and the five highest paid individuals of the Group.
- (v) The weighted average closing price of the Shares immediately before the dates on which the relevant awarded Shares were vested was approximately HKD1.24.

## SHARE OPTION SCHEMES OF THE COMPANY

The 2007 Option Scheme (details of which were set out in the prospectus of the Company dated 14 September 2007) was valid and effective for a period of 10 years and had expired on 27 September 2017. Although the 2007 Option Scheme had expired, the share options already granted under such scheme before its expiration remain valid.

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

A summary of the principal terms of each of the 2007 Option Scheme and the 2018 Option Scheme is set out below:

### The 2007 Option Scheme

The scope of the participants applicable to the 2007 Option Scheme shall be determined by the Board. In general, the participants of the 2007 Option Scheme are the formal employees (i.e. who have signed valid employment contracts with the Group for one year or more) of the Group. The Board may decide to grant share options to eligible employees of the Group and Directors. The purpose of the 2007 Option Scheme is to provide an incentive for employees of the Group to work with commitment towards enhancing the value of the Company and its Shares for the benefit of our Shareholders, and to compensate employees of the Group for their contribution based on their individual performance and that of the Company.

As at 31 December 2022, all the share options granted under the 2007 Option Scheme before its expiry had lapsed. Without prior approval from the Shareholders, the number of shares in respect of which share options were granted and may be granted to any individual in any 12-month period is not permitted to exceed 1% of the Shares in issue. For any grant of options to a substantial Shareholder or an INED, or any of their respective associates, the Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person within any 12-month period shall not exceed 0.1% of the issued Shares in aggregate and be with an aggregate value (based on the closing price of the Shares at the date of grant) in excess of HKD5 million. Following the expiry of the 2007 Share Option Scheme on 27 September 2017, no further share options can be granted thereunder.

The share options granted under the 2007 Option Scheme are exercisable within a five-year period in which 40% of share options become exercisable after one year from the grant date, 70% of share options become exercisable after two years from the grant date, and all share options become exercisable after three years from the grant date. A consideration of HKD1.00 is payable by each grantee accepting the grant of share options within 21 days after the date of the notice of the grant of share options issued by the Company. Options are exercisable at a price that is determined by the Board, which will not be less than the higher of the closing price of the Shares on the respective date of grant, and the average closing prices of the Shares for the five business days immediately preceding the respective date of grant.

Particulars of share options outstanding under the 2007 Option Scheme at the beginning and at the end of the financial year ended 31 December 2022 and share options granted, exercised, cancelled or lapsed under the 2007 Option Scheme during the year were as follows:

Category of participant	Date of share options granted	Exercise period	Exercise price of share options (HKD)	No. of share options outstanding as at 1 January 2022	No. of share option lapsed during the year	No. of share options outstanding as at 31 December 2022
<b>Directors</b>						
Mr. WANG Honghui	24 Aug 2017	24 Aug 2018 – 23 Aug 2022	4.70	2,000,000	(2,000,000)	–
Mr. CUI Hongjie	24 Aug 2017	24 Aug 2018 – 23 Aug 2022	4.70	2,000,000	(2,000,000)	–
Ms. LAM Sin Lai Judy	24 Aug 2017	24 Aug 2018 – 23 Aug 2022	4.70	500,000	(500,000)	–
<b>Subtotal</b>				<b>4,500,000</b>	<b>(4,500,000)</b>	<b>–</b>
<b>Five highest paid individuals of the Group</b> (Note iii)	24 Aug 2017	24 Aug 2018 – 23 Aug 2022	4.70	2,000,000	(2,000,000)	–
<b>Other employees of the Group</b> (Note iv)	24 Aug 2017	24 Aug 2018 – 23 Aug 2022	4.70	34,000,000	(34,000,000)	–
<b>Total</b>				<b>40,500,000</b>	<b>(40,500,000)</b>	<b>–</b>

Notes:

- (i) The share options granted under the 2007 Option Scheme are exercisable during a period of five years commencing on the date of grant, where 40% of share options shall become exercisable after one year from the date of grant, 70% of share options shall become exercisable after two years from the date of grant, and all share options shall become exercisable after three years from the date of grant.
- (ii) During the year ended 31 December 2022, no share option was granted, exercised or cancelled with respect to the 2007 Option Scheme.
- (iii) Among the five individuals whose emoluments were the highest in the Group for the year ended 31 December 2022, three of whom were Directors, namely Mr. LI Ming, Mr. WANG Honghui and Mr. CUI Hongjie. The particulars of the share options included under the category of “Five highest paid individuals of the Group” exclude those of the share options granted to the Directors. For particulars of the share options granted to the Directors, please refer to the category under “Directors”.
- (iv) Other employees of the Group exclude the Directors and the five highest paid individuals of the Group.

## The 2018 Option Scheme

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

The total number of Shares in respect of which share options may be granted under the 2018 Option Scheme is not permitted to exceed 761,528,565 Shares, representing approximately 10% of the total number of issued Shares as at the date of this report. The number of share options available for grant under the 2018 Option Scheme was 17,400,000 at the beginning and the end of the financial year ended 31 December 2022, representing approximately 0.23% of the total number of the issued Shares as at the date of this report. As at 31 December 2022, the total number of Shares which may be issued upon exercise of all outstanding share options granted under the 2018 Option Scheme is 744,128,565, representing approximately 9.77% of the total number of the issued Shares as at the date of this report. Without prior approval from the Shareholders, the number of shares in respect of which share options were granted and may be granted to any individual in any 12-month period is not permitted to exceed 1% of the Shares in issue. For any grant of options to a substantial Shareholder or an INED, or any of their respective associates, the Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person within any 12-month period shall not exceed 0.1% of the issued Shares in aggregate and be with an aggregate value (based on the closing price of the Shares at the date of grant) in excess of HKD5 million.

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

Particulars of share options outstanding under the 2018 Option Scheme at the beginning and at the end of the financial year ended 31 December 2022 and share options granted, exercised, cancelled or lapsed under the 2018 Option Scheme during the year were as follows:

Category of participant	Date of share options granted	Exercise period	Exercise price of share options (HKD)	No. of share options outstanding as at 1 January 2022	No. of share options outstanding as at 31 December 2022
<b>Directors</b>					
Mr. LI Ming	4 Sep 2018	4 Sep 2019 – 3 Sep 2023	3.96	25,000,000	25,000,000
	27 Mar 2019	27 Mar 2020 – 26 Mar 2024	3.37	50,000,000	50,000,000
	25 Mar 2020	25 Mar 2021 – 24 Mar 2025	2.106	600,000	600,000
Mr. HAN Xiaojing	4 Sep 2018	4 Sep 2019 – 3 Sep 2023	3.96	600,000	600,000
	27 Mar 2019	27 Mar 2020 – 26 Mar 2024	3.37	600,000	600,000
	25 Mar 2020	25 Mar 2021 – 24 Mar 2025	2.106	600,000	600,000
Mr. SUEN Man Tak	4 Sep 2018	4 Sep 2019 – 3 Sep 2023	3.96	600,000	600,000
	27 Mar 2019	27 Mar 2020 – 26 Mar 2024	3.37	600,000	600,000
	25 Mar 2020	25 Mar 2021 – 24 Mar 2025	2.106	600,000	600,000
Mr. WANG Zhifeng	4 Sep 2018	4 Sep 2019 – 3 Sep 2023	3.96	600,000	600,000
	27 Mar 2019	27 Mar 2020 – 26 Mar 2024	3.37	600,000	600,000
	25 Mar 2020	25 Mar 2021 – 24 Mar 2025	2.106	600,000	600,000
Mr. JIN Qingjun	4 Sep 2018	4 Sep 2019 – 3 Sep 2023	3.96	600,000	600,000
	27 Mar 2019	27 Mar 2020 – 26 Mar 2024	3.37	600,000	600,000
	25 Mar 2020	25 Mar 2021 – 24 Mar 2025	2.106	600,000	600,000
Ms. LAM Sin Lai Judy	4 Sep 2018	4 Sep 2019 – 3 Sep 2023	3.96	600,000	600,000
	27 Mar 2019	27 Mar 2020 – 26 Mar 2024	3.37	600,000	600,000
	25 Mar 2020	25 Mar 2021 – 24 Mar 2025	2.106	600,000	600,000
<b>Subtotal</b>				<b>84,000,000</b>	<b>84,000,000</b>

Category of participant	Date of share options granted	Exercise period	Exercise price of share options (HKD)	No. of share options outstanding as at 1 January 2022	No. of share options outstanding as at 31 December 2022
<b>Five highest paid individuals of the Group</b> (Note iii)	4 Sep 2018	4 Sep 2019 – 3 Sep 2023	3.96	10,000,000	10,000,000
<b>Other employees of the Group</b> (Note iv)	4 Sep 2018	4 Sep 2019 – 3 Sep 2023	3.96	194,600,000	194,600,000
	27 Mar 2019	27 Mar 2020 – 26 Mar 2024	3.37	455,528,565	455,528,565
<b>Subtotal</b>				<b>650,128,565</b>	<b>650,128,565</b>
<b>Total</b>				<b>744,128,565</b>	<b>744,128,565</b>

Notes:

- (i) The share options granted under the 2018 Option Scheme are exercisable during a period of five years commencing on the date of grant, where 50% of share options will become exercisable after 12 months from the date of grant and all share options will become exercisable after 24 months from the date of grant.
- (ii) During the year ended 31 December 2022, no share option was granted, exercised, cancelled or lapsed with respect to the 2018 Option Scheme.
- (iii) Among the five individuals whose emoluments were the highest in the Group for the year ended 31 December 2022, three of whom were Directors, namely Mr. LI Ming, Mr. WANG Honghui and Mr. CUI Hongjie. The particulars of the share options included under the category of “Five highest paid individuals of the Group” exclude those of the share options granted to the Directors. For particulars of the share options granted to the Directors, please refer to the category under “Directors”.
- (iv) Other employees of the Group exclude the Directors and the five highest paid individuals of the Group.

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

Sino-Ocean Land Treasure IV Limited, a wholly-owned subsidiary of the Company, has redeemed its USD500,000,000 5.25% guaranteed notes due 2022 (the "Notes") in full at its outstanding principal amount of USD498,000,000, plus interest accrued on its final maturity date, with a total amount of USD511,072,500 paid at maturity, and the redeemed Notes had been cancelled. For details of the redemption, please refer to the announcement of the Company dated 2 May 2022.

Save as disclosed above and in the section headed "RESTRICTED SHARE AWARD SCHEME" in this report, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company during the year under review.

## DIRECTORS

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

Name	Position
Mr. LI Ming	Chairman and Executive Director
Mr. WANG Honghui	Executive Director
Mr. CUI Hongjie	Executive Director
Ms. HUANG Xiumei	Non-executive Director
Mr. ZHAO Peng	Non-executive Director
Mr. HOU Jun	Non-executive Director
Mr. CHEN Ziyang	Non-executive Director
Mr. ZHAN Zhong	Non-executive Director
Mr. HAN Xiaojing	Independent Non-executive Director
Mr. SUEN Man Tak	Independent Non-executive Director
Mr. JIN Qingjun	Independent Non-executive Director
Ms. LAM Sin Lai Judy	Independent Non-executive Director
Mr. LYU Hongbin	Independent Non-executive Director (appointed on 31 March 2023)
Mr. WANG Zhifeng	Independent Non-executive Director (resigned on 31 March 2023)

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

## DIRECTORS OF SUBSIDIARIES

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

## DIRECTORS' SERVICE CONTRACTS

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

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

## PERMITTED INDEMNITY

The Articles provides that, subject to the provisions of the Companies Ordinance, each Director or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he or she may sustain or incur in or about the execution of the duties of his or her office or otherwise in relation thereto. In addition, the Company has maintained appropriate directors and officers liability insurance in respect of relevant legal actions against the Directors and officers of the Group. The relevant provisions in the Articles and the directors and officers liability insurance were in force during the financial year ended 31 December 2022 and as at the date of this report.

## DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

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

## DIRECTORS' RIGHTS TO PURCHASE SHARES OR DEBENTURES

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

## EQUITY-LINKED AGREEMENTS

Save for the Company's share option schemes as disclosed in the section headed "SHARE OPTION SCHEMES OF THE COMPANY" of this report, no equity-linked agreements were entered into by the Group during the year or subsisted at the end of the year.

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

As at 31 December 2022, the interests and short positions of each of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

### Long position in the Shares and the underlying Shares

Name of Directors	Capacity/nature of interest	As at 31 December 2022			
		No. of Shares held	No. of underlying Shares comprised in share options (Note i)	Total	Approximate percentage in the Company's total issued share capital (Note iv)
Mr. LI Ming	Founder of discretionary trust	127,951,178 (Note ii)	–	127,951,178	1.680%
	Beneficiary of trust	14,914,200 (Note iii)	–	14,914,200	0.196%
	Beneficial owner	65,445,000	75,000,000	140,445,000	1.844%
Mr. WANG Honghui	Beneficial owner	273,295	–	273,295	0.004%
Mr. CUI Hongjie	Beneficial owner	369,571	–	369,571	0.005%
Ms. HUANG Xiumei	–	–	–	–	–
Mr. ZHAO Peng	–	–	–	–	–
Mr. HOU Jun	–	–	–	–	–
Mr. CHEN Ziyang	–	–	–	–	–
Mr. ZHAN Zhong	–	–	–	–	–
Mr. HAN Xiaojing	Beneficial owner	460,000	1,800,000	2,260,000	0.030%
Mr. SUEN Man Tak	Beneficial owner	120,000	1,800,000	1,920,000	0.025%
Mr. WANG Zhifeng	Beneficial owner	120,000	1,800,000	1,920,000	0.025%
Mr. JIN Qingjun	Beneficial owner	120,000	1,800,000	1,920,000	0.025%
Ms. LAM Sin Lai Judy	Beneficial owner	–	1,800,000	1,800,000	0.024%

Notes:

(i) The share options were granted pursuant to the share option schemes of the Company, details of which are set out in the section headed "SHARE OPTION SCHEMES OF THE COMPANY" in this report.

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

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

(iv) Calculated based on the Company's total number of issued Shares of 7,616,095,657 Shares as at 31 December 2022.

## Long position in the shares of the associated corporation

Name of Director	Name of associated corporation	Capacity/ nature of interest	As at 31 December 2022	
			No. of ordinary shares of associated corporation held	Approximate percentage of total issued share capital of associated corporation (Note)
Mr. WANG Honghui	Gemini Investments (Holdings) Limited	Beneficial owner	132,000	0.021%

Note: Calculated based on Gemini Investments (Holdings) Limited's total number of issued ordinary shares of 635,570,000 shares as at 31 December 2022.

Save as disclosed above, none of the Directors nor the chief executives of the Company had any interest or short positions in any of the shares, underlying shares or debentures of the Company or any of its associated corporations (with the meaning of Part XV of the SFO) as at 31 December 2022 as recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

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

As at 31 December 2022, other persons' interests and short positions in shares and underlying shares of the Company (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under section 336 of the SFO were as follows:

Name of the Shareholders	Capacity/nature of interest	Long/short position	As at 31 December 2022	
			No. of Shares held	Approximate percentage in the Company's total issued share capital (Note iii)
China Life Group (Note i)	Interest of controlled corporation	Long	2,253,459,151	29.59%
Dajia Insurance Group (Note ii)	Interest of controlled corporation	Long	2,252,646,115	29.58%

Notes:

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

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

(iii) Calculated based on the Company's total number of issued Shares of 7,616,095,657 Shares as at 31 December 2022.

Save as disclosed above, the Company had not been notified by any person or corporation who had interests or short positions in the shares or underlying shares of the Company as at 31 December 2022 as recorded in the register required to be kept by the Company under section 336 of the SFO.

## COMPETING INTERESTS

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

## MANAGEMENT CONTRACTS

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

## MAJOR SUPPLIERS AND CUSTOMERS

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

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

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

## CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

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

### Connected transactions

#### Disposal of the entire equity interests in a wholly-owned subsidiary

On 17 October 2022, Shanghai Chongyuan Enterprise Management Consultancy Co., Ltd.\* (上海崇遠企業管理諮詢有限公司) (the "Transferor", a wholly-owned subsidiary of the Company) and Beijing Wanyang Shiji Chuangye Investment Management Co., Ltd.\* (北京萬洋世紀創業投資管理有限公司) (the "Target Company") entered into (i) an equity transfer agreement (the "First Equity Transfer Agreement") with China Life Qihang Phase I (Tianjin) Equity Investment Fund Partnership (Limited Partnership) (國壽啟航壹期(天津)股權投資基金合夥企業(有限合夥)) (the "First Transferee"), and (ii) an equity transfer agreement (the "Second Equity Transfer Agreement", together with the First Equity Transfer Agreement, collectively the "Equity Transfer Agreements") with China Life Properties Investment Management Company Limited (國壽置業投資管理有限公司) (the "Second Transferee", together with the First Transferee, collectively the "Transferees"), pursuant to which the Transferor has agreed to sell, and the First Transferee and the Second Transferee have agreed to acquire, 99.9% and 0.1% of the equity interests in the Target Company, respectively, which in aggregate represent the entire equity interests thereof (the "Disposal").

The Target Company is a company established under the laws of the PRC with limited liability which, as at the date of the Equity Transfer Agreements, was principally engaged in investment holding and its principal asset was the 10% of the equity interests in Guoshou Yuanotong Real Estate Company Limited (國壽遠通置業有限公司) (the “Project Company”), a company established under the laws of the PRC with limited liability which in turn was the sole owner of an international grade-A office complex known as China Life Financial Center (Beijing) located at the Central Business District, East Third Ring Road, Chaoyang District, Beijing, the PRC (the “Property”). The remaining 90% of the equity interests in the Project Company was, as at the date of the Equity Transfer Agreements, in aggregate held by subsidiaries of China Life Group, the holding company of China Life Insurance.

The total consideration for the Disposal is RMB233,170,000 (subject to adjustment, capped at RMB243,170,000), of which RMB232,936,830 (subject to adjustment, capped at RMB242,936,830) is payable by the First Transferee in two tranches and RMB233,170 is payable by the Second Transferee. As at the date of the Equity Transfer Agreements, the Project Company was in the process of obtaining the land and building title certificates in respect of the Property and the resolution of disputes regarding the main contractor’s construction fees with the project’s main contractor in respect of the Property. The Transferor had undertaken to assist the Project Company in obtaining the land and building title certificates in respect of the Property within one year after the signing of the Equity Transfer Agreements. In the event that the actual fees and costs incurred by the Project Company (as audited) for the obtaining of the land and building title certificates and the resolution of aforementioned disputes are different from the estimated fees and costs thereof, the consideration shall be adjusted on dollar-for-dollar basis based on 10% of the difference between such actual and estimated amounts, but in no event the total consideration as adjusted shall be more than RMB243,170,000.

The consideration for the Disposal was determined after arm’s length negotiations between the Transferor and the Transferees with reference to a number of factors including but not limited to (i) the estimated value of the Property taking into account the recent market conditions and selling prices of comparable properties, (ii) the assets and liabilities amounts of the Project Company, (iii) the estimated fees and costs to be incurred by the Project Company for the obtaining of the land and building title certificates in respect of the Property and the resolution of disputes regarding the main contractor’s construction fees with the project’s main contractor in respect of the Property, and (iv) the assets and liabilities amounts of the Target Company.

The Transferees shall have the right to rescind or terminate the Equity Transfer Agreements upon occurrence of any of the following events, in which case, the Transferor shall return the amount of consideration it has received from the Transferees on the date of the termination: (a) any objection or obstruction having been raised by governmental authority(ies) in respect of the transactions as contemplated under the Equity Transfer Agreements; or (b) the Transferor having failed to assist the Project Company in obtaining the land and building title certificates in respect of the Property within one year after the signing of the Equity Transfer Agreements.

The Disposal allowed the Group to crystallise the value of its investment with respect to the Property and redeploy its resources to other projects in which the Group had substantial controlling interests, and through the Disposal, the Group could better allocate its resources among its existing other projects.

As at the date of the Equity Transfer Agreements, the Target Company was a wholly-owned subsidiary of the Company. Upon completion of the Disposal on 18 October 2022, the Group ceased to hold any equity interest in the Target Company and the financial results of the Target Company ceased to be consolidated into the financial statements of the Group.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, as at the date of the Equity Transfer Agreements, the First Transferee was a limited partnership whose limited partnership interest was held as to approximately 99.99% by China Life Insurance, a substantial Shareholder, and approximately 0.01% by the Second Transferee, whilst the Second Transferee was a wholly-owned subsidiary of China Life Group, the holding company of China Life Insurance. Each of the Transferees was therefore an associate of China Life Insurance and thus a connected person of the Company, and the Disposal as contemplated under the Equity Transfer Agreements constituted connected transactions of the Company under Chapter 14A of the Listing Rules.

Ms. HUANG Xiumei, Mr. HOU Jun and Mr. ZHAN Zhong, being Directors nominated by China Life Insurance, had abstained from voting on the relevant Board resolution approving the transactions as contemplated under the Equity Transfer Agreements.

Details of the connected transactions under the Equity Transfer Agreements have been disclosed in the announcement of the Company dated 17 October 2022 in compliance with Chapter 14A of the Listing Rules.

## Continuing connected transactions

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

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

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

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

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

- (1) credit products and unsecured products shall not exceed RMB3,500,000,000 (or its equivalent in other currencies) per annum; and
- (2) various types of perpetual loan that are issued in or outside the PRC, whether publicly or non-publicly issued, shall not exceed RMB1,500,000,000 (or its equivalent in other currencies) per annum.

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

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

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

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

Ms. HUANG Xiumei, Mr. HOU Jun and Mr. ZHAN Zhong, being Directors nominated by China Life Insurance, had abstained from voting on the relevant Board resolution approving the transactions as contemplated under the Framework Agreement.

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

No transaction involving the subscription by China Life Insurance of financial products that were secured by assets of the Group was incurred during the year ended 31 December 2022.

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

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

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

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

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

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

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

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

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

Mr. ZHAO Peng and Mr. CHEN Ziyang, each a Director holding a major position in Dajia Insurance Group and/or Dajia Life Insurance, had abstained from voting on the relevant Board resolution approving the transactions as contemplated under the Master Agreement.

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

For the year ended 31 December 2022, the transaction amount under the Master Agreement was RMB29,450,000, which was within its annual cap.

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

- (1) in the ordinary and usual course of business of the Group;
- (2) on normal commercial terms or better; and
- (3) according to the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

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

- (1) have not been approved by the Board;
- (2) (for transaction involving the provision of goods or services by the Group) were not, in all material respects, in accordance with the pricing policies of the Group;
- (3) were not entered into, in all material respects, in accordance with the relevant agreements governing the transactions; and
- (4) have exceeded the annual cap.

## RELATED PARTY TRANSACTIONS

A summary of significant related party transactions entered into by the Group during the year under review is set out in note 50 to the consolidated financial statements of this annual report. Save as disclosed above in the section headed “CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS”, none of the related party transactions referred to in the aforementioned note constitutes a non-exempt connected transaction or continuing connected transaction under Chapter 14A of the Listing Rules.

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

## DISCLOSURE PURSUANT TO RULE 13.22 OF THE LISTING RULES

As at 31 December 2022, the aggregate amount of financial assistance to affiliated companies by the Group exceeded 8% under the assets ratios as defined in Rule 14.07(1) of the Listing Rules.

In accordance with the requirements under Rule 13.22 of the Listing Rules, a proforma combined statement of financial position of the affiliated companies as at 31 December 2022 is presented as follows:

	<b>RMB (million)</b>
Non-current assets	25,686
Current assets	47,878
Current liabilities	(44,966)
Non-current liabilities	(19,670)
<b>Net assets</b>	<b>8,928</b>

The Group’s attributable interest in the affiliated companies as at 31 December 2022 amounted to approximately RMB5,955 million.

The proforma combined statement of financial position of the affiliated companies has been prepared by combining their statements of financial position, after making adjustments to conform with the Group’s significant accounting policies as at 31 December 2022.

## CHANGES IN DIRECTORS' INFORMATION

Pursuant to Rule 13.51B(1) of the Listing Rules, changes in the information of Directors during the period from 6 September 2022 (being the latest practicable date prior to the issue of the interim report of the Company for the period ended 30 June 2022) to the Latest Practicable Date required to be disclosed are set out below:

- Ms. HUANG Xiumei, a NED, resigned as an executive director, the vice president and the person in charge of finance of China Life Insurance, a company listed on the Stock Exchange and the Shanghai Stock Exchange (delisted from The New York Stock Exchange on 2 September 2022), on 1 November 2022 and 27 October 2022 respectively.
- Mr. WANG Honghui, an ED, was appointed as the vice president of China Real Estate Chamber of Commerce, on 29 November 2022.
- Mr. SUEN Man Tak, an INED, resigned as an independent director of Inception Growth Acquisition Limited, a company listed on The Nasdaq Global Market, on 1 March 2023.
- The Director's fee of each of the NEDs (including INEDs) would be adjusted from HKD380,000 to HKD460,000 per annum with retrospective effect from 1 January 2022, as proposed by the Remuneration Committee and approved by the Board on 30 March 2023.
- Mr. JIN Qingjun, an INED, was appointed as a member of the Nomination Committee and ceased to be a member of the Audit Committee with effect from 31 March 2023.
- Mr. LYU Hongbin was appointed as an INED, a member of each of the Audit Committee and the Remuneration Committee with effect from 31 March 2023.
- Mr. WANG Zhifeng resigned as an INED and ceased to be a member of each of the Nomination Committee and the Remuneration Committee with effect from 31 March 2023. Mr. WANG also resigned as an independent supervisor of Liaoning Port Co., Ltd., a company listed on the Stock Exchange and the Shanghai Stock Exchange, on 14 November 2022.

## SUFFICIENT PUBLIC FLOAT

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

## AUDITORS

At the request of the Board, PricewaterhouseCoopers ("PwC") had agreed to resign as the auditor of the Company with effect from 9 November 2022. At the recommendation of the Audit Committee, the Board resolved to appoint BDO Limited ("BDO") as the new auditor of the Company to fill the casual vacancy following the resignation of PwC, whose appointment took effect from 11 November 2022 and it will hold office until the conclusion of the next AGM. Details of the change of auditor of the Company have been disclosed in the announcement of the Company dated 11 November 2022.

The consolidated financial statements for the year ended 31 December 2022 have been audited by BDO, Certified Public Accountants, who will retire and, being eligible, offer itself for re-appointment, at the forthcoming AGM.

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

### By order of the Board

**LI Ming**  
Chairman

Hong Kong, 30 March 2023

# CORPORATE GOVERNANCE REPORT

## SINO-OCEAN

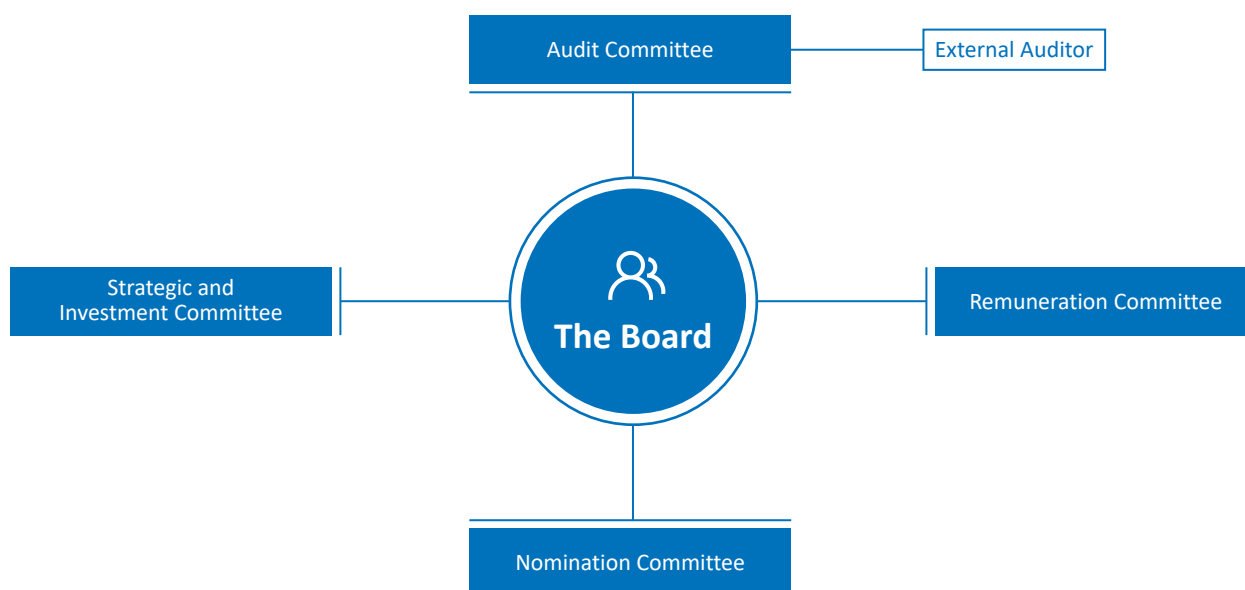
The Board is pleased to present the Corporate Governance Report of the Company.

## COMMITMENT TO CORPORATE GOVERNANCE

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

The Stock Exchange published its consultation conclusions on the consultation paper entitled "Review of Corporate Governance Code and Related Listing Rules" in December 2021, and the revised Listing Rules and the new CG Code came into effect on 1 January 2022. In this regard, the Company has implemented and/or updated, including but not limited to, the terms of reference of the Audit Committee, Nomination Policy, Whistleblowing Policy, Anti-fraud and Anti-bribery Policy as well as Shareholders Communication Policy.

### Corporate governance structure



### Compliance with the corporate governance code

In the opinion of the Board, the Company had applied the principles of the CG Code, which was in force throughout the year under review, to its corporate governance structure and practices as described in this report and complied with the applicable code provisions of the CG Code, except for the deviations as disclosed herein.

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

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

Code provision C.6.2 of the CG Code stipulates that a board meeting should be held to discuss the appointment of the company secretary and the matter should be dealt with by a physical board meeting rather than a written resolution. The appointment of the Company Secretary was made in April and August 2022 respectively, and each appointment was approved by way of passing written resolutions in lieu of a physical board meeting in accordance with the Articles. Prior to the execution of the written resolutions, Board papers regarding the appointment of the Company Secretary were provided to all Directors in advance for their review and consideration. It is considered that the approval process by way of the adoption of the written resolutions is an efficient and appropriate way for the appointment of the Company Secretary.

## THE BOARD

### Responsibilities

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

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

During the year under review, the Board has considered and approved the annual budget, management results and performance update against annual budget, together with business reports from the management, interim results for the six months ended 30 June 2022, the annual results for the year ended 31 December 2021 and the recommendation of final dividend for the year ended 31 December 2021, notifiable, connected and continuing connected transactions and publication of the related announcements, the Company’s ESG strategy and implementation plan, the publication of interim and annual reports (including Corporate Governance Report) and the Company’s Sustainable Development Report 2021.

The Board also discussed, considered and approved the debt issuance and repayment and other critical business operations. Besides, it considered and approved the adoption of revised terms of reference of the Audit Committee, Whistleblowing Policy, Anti-fraud and Anti-bribery Policy and Shareholders Communication Policy after having assessed the corporate governance, internal control and the financial matters of the Group and for purpose of compliance with the revised Listing Rules and the new CG Code that came into effect on 1 January 2022.

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

## Board composition

As at the Latest Practicable Date, the Board comprised thirteen Directors, including three EDs, Mr. LI Ming (Chairman), Mr. WANG Honghui and Mr. CUI Hongjie; five NEDs, Ms. HUANG Xiumei, Mr. ZHAO Peng, Mr. HOU Jun, Mr. CHEN Ziyang and Mr. ZHAN Zhong; and five INEDs, Mr. HAN Xiaojing, Mr. SUEN Man Tak, Mr. JIN Qingjun, Ms. LAM Sin Lai Judy and Mr. LYU Hongbin. An updated list of the Directors and their roles and functions is published on the websites of the Company and the Stock Exchange. Composition of the Board is also disclosed, and the INEDs are identified, in all corporate communications to the Shareholders.

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

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

### (i) Chairman and Chief Executive Officer

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

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

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

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

Each of Ms. HUANG Xiumei, Mr. ZHAO Peng, Mr. HOU Jun, Mr. CHEN Ziyang and Mr. ZHAN Zhong, all being NEDs, has agreed not to receive the Director’s fee of HKD460,000 during the year under review.

## Appointment and re-election of Directors

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

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

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

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

## Meetings

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

During the year, the attendance of each Director at the Board and Board Committees (where applicable) meetings and the AGM is set out in the following table:

	Number of meetings attended/eligible to attend					
	Board	Audit Committee	Remuneration Committee	Nomination Committee	Strategic and Investment Committee	AGM held on 20 May 2022
<b>Directors</b>						
Mr. Li Ming	4/4	–	–	1/1	1/2	1/1
Mr. WANG Honghui	4/4	–	–	–	2/2	1/1
Mr. CUI Hongjie	4/4	–	–	–	–	1/1
Ms. HUANG Xiumei	3/4	2/2	–	–	–	0/1
Mr. ZHAO Peng	4/4	2/2	–	–	–	1/1
Mr. HOU Jun	4/4	–	–	–	1/2	1/1
Mr. CHEN Ziyang	4/4	–	–	–	2/2	1/1
Mr. ZHAN Zhong	2/4	–	–	–	–	0/1
Mr. HAN Xiaojing	4/4	–	1/1	1/1	–	1/1
Mr. SUEN Man Tak	4/4	2/2	1/1	–	–	1/1
Mr. WANG Zhifeng	4/4	–	1/1	1/1	–	1/1
Mr. JIN Qingjun	3/4	1/2	–	–	1/2	1/1
Ms. LAM Sin Lai Judy	4/4	2/2	–	–	2/2	1/1

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

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

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

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

During the year under review, the Chairman and the chairman of the Board Committees, and all other Directors, except Ms. HUANG Xiumei and Mr. ZHAN Zhong, attended the AGM held on 20 May 2022.

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

## Training for Directors

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

There are also arrangements in place for providing continuing briefing and professional development to Directors, whenever necessary, in order to ensure that they have a proper understanding of the Company's operations and business. To assist their continuous professional development, the Company Secretary recommends relevant seminars and courses for the Directors to attend. During the year, trainings organized by The Hong Kong Institute of Directors titled "Corporate governance: updated rules and updated requirements" and "Moving towards better corporate governance and ESG management" were provided to the Board.

All Directors also understand the importance of continuous professional development. They are committed to participating in suitable training to develop and refresh their knowledge and skills. A record of the training received by the respective Directors is kept and updated by the Company Secretary.

During the year under review, the Directors participated in the following trainings:

Directors	Type of trainings
Mr. LI Ming	A, B, C
Mr. WANG Honghui	A, C
Mr. CUI Hongjie	A, C
Ms. HUANG Xiumei	A, C
Mr. ZHAO Peng	A, C
Mr. HOU Jun	A, C
Mr. CHEN Ziyang	A, C
Mr. ZHAN Zhong	A, C
Mr. HAN Xiaojing	A, C
Mr. SUEN Man Tak	A, B, C
Mr. WANG Zhifeng	A, C
Mr. JIN Qingjun	A, C
Ms. LAM Sin Lai Judy	A, C

Remarks:

A: attending seminars, conferences and/or forums

B: giving speeches at seminar(s) or forum(s)

C: reading professional journals and updates relating to the economy, general business, real estate or director's duties and responsibilities etc.

## Directors' and relevant employees' securities transactions

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

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

## Directors' and officers' liability insurance and indemnity

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

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

## BOARD COMMITTEES

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

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

### Audit Committee

After Mr. JIN Qingjun ceased to act as a member of the Audit Committee and the appointment of the Mr. LYU Hongbin as a member of the Audit Committee with effect from 31 March 2023, the Audit Committee consists of three INEDs, namely Ms. LAM Sin Lai Judy, Mr. SUEN Man Tak and Mr. LYU Hongbin, and two NEDs, namely Ms. HUANG Xiumei and Mr. ZHAO Peng. Ms. LAM Sin Lai Judy is the chairman of the Audit Committee. She has professional qualifications in accountancy. None of the members of the Audit Committee is a member of the former or existing auditors of the Company or has any financial interest in the firm.

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

The responsibilities and work performed by the Audit Committee during the year under review include the following:

#### (i) Financial reporting

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

#### (ii) External auditor

The Audit Committee considered and recommended the change of auditor, and reviewed and approved the terms of engagement and the level of remuneration of the new external auditor.

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

The Audit Committee has also met the external auditor in the absence of Executive Directors and senior management to discuss issues regarding audit. The Audit Committee discussed with the external auditor on the matters including the impact of national macro policies to real estate companies, currency risk, financing structure, taxes, progress of various projects, joint venture operations etc.

**(iii) Internal audit, risk management and internal control**

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

**(iv) Others**

The Audit Committee reviewed the continuing connected transactions conducted by the Group during the year.

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

In response to the new CG Code which has come into effect since 1 January 2022, the Audit Committee has also reviewed and recommended the adoption of the revised terms of reference of the Audit Committee, Whistleblowing Policy and Anti-fraud and Anti-bribery Policy.

## Remuneration Committee

After Mr. WANG Zhifeng ceased to act as a member of the Remuneration Committee and the appointment of Mr. LYU Hongbin as a member of the Remuneration Committee with effect from 31 March 2023, the Remuneration Committee comprises three members, all being INEDs, namely Mr. HAN Xiaojing, Mr. SUEN Man Tak and Mr. LYU Hongbin. Mr. HAN Xiaojing is the chairman of the Remuneration Committee.

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

During the year under review and up to the date of this report, the Remuneration Committee has reviewed and approved, among others, the report of the labour cost for the years ended 31 December 2021 and 2022 and the budget of the overall labour cost for the year ended 31 December 2022 and the year ending 2023, the report of remuneration packages for EDs and senior management of the Company for the year ended 31 December 2022 and the year ending 2023, the remuneration policy for Directors and senior management of the Company, and the remuneration packages for a new senior management, and also make a recommendation to the Board for the Director's fee of a newly appointed INED and adjust the Director's fee of all NEDs (including INEDs). No material matters relating to share schemes under Chapter 17 of the Listing Rules were required to be reviewed or approved by the Remuneration Committee during the year under review.

Details of emoluments of Directors for the year under review are set out in note 52 to the consolidated financial statements. The emoluments paid to senior management during the year under review were within the following bands:

	Number of senior management
Nil to HKD3 million	1
Above HKD3 million to HKD4 million	2

## Nomination Committee

After Mr. WANG Zhifeng ceased to act as a member of the Nomination Committee and the appointment of Mr. JIN Qingjun as a member of the Nomination Committee with effect from 31 March 2023, the Nomination Committee comprises three members, being an ED, Mr. LI Ming, and two INEDs, namely Mr. HAN Xiaojing and Mr. JIN Qingjun. Mr. LI Ming is the chairman of the Nomination Committee.

The main duties of the Nomination Committee are to review the structure, size and composition of the Board, assess the independence of INEDs, identify, consider and nominate candidates for directorship and make recommendations to the Board on appointment and re-appointment of Directors. If necessary, the Nomination Committee will also convene meetings and submit relevant reports to the Board. The written terms of reference of the Nomination Committee are available on the websites of the Company and the Stock Exchange.

During the year under review and up to the date of this report, the Nomination Committee has reviewed and approved, among others, the adoption of the revised Nomination Policy, and the structure, size, composition and diversity of the Board and considered the Board consists of a diverse mix of members and provides a balance of skills and experience appropriate to the Group's business needs. It also reviewed the implementation and effectiveness of the mechanisms that ensure independent views and input are available to the Board remain sound and valid, assessed the independence of INEDs as well as considered all Directors are able to devote sufficient time and effect to perform their duties, despite some of them holding multiple directorship positions. Furthermore, it considered and recommended the appointment of a new INED and adjusted the composition of relevant Board Committees, and reviewed the biographical details (including qualification, capacity, diversity and experience) of the Retiring Directors in accordance with the Nomination Policy and the Board Diversity Policy and then recommended the aforementioned recommendations to the Board.

## Summary of Nomination Policy

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

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

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

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

## Independent views and input

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

### (i) Composition of the Board and Board Committees

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

### (ii) Independence assessment

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

### (iii) Remuneration

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

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

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

The Company has received annual confirmations from all INEDs, Mr. HAN Xiaojing, Mr. SUEN Man Tak, Mr. WANG Zhifeng, Mr. JIN Qingjun and Ms. LAM Sin Lai Judy, in respect of their independence for the year ended 31 December 2022 pursuant to Rule 3.13 of the Listing Rules. The Nomination Committee reviewed and concluded that all the INEDs are independent parties in accordance with the independence guidelines set out in the Listing Rules and free of any relationship that could materially interfere with the exercise of their independent judgements. The Nomination Committee also reviewed and considered that the above-mentioned mechanisms and the governance structure are effective in ensuring that independent views and inputs are provided to the Board.

#### Summary of Board Diversity Policy






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

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

## Board diversity

The Nomination Committee has reviewed the current Board composition and diversity, currently with two female Directors out of thirteen Directors, and believed that the existing gender diversity of the Board is in the best interests of the Company and thus there is no need to search for any potential female Director candidate. However, the Company is committed to improving gender diversity when identifying suitable candidates.

An analysis of the Board composition as of 31 December 2022 is set out as below:

 No. of Directors	1	2	3	4	5	6	7	8	9	10	11	12	13
 Gender	Female		Male										
 Category	EDs		NEDs					INEDs					
 Age Group	Below 50				50 or above and below 60				60 or above				
 Skill, knowledge and experience	<ul style="list-style-type: none"><li>• Expertise in property development, construction management and property management</li><li>• Corporate strategies and risk management</li><li>• Capital market, investment management and finance</li><li>• Insurance, banking industry experience</li><li>• Legal and compliance</li><li>• Accounting and education</li><li>• Listed company corporate governance</li></ul>												

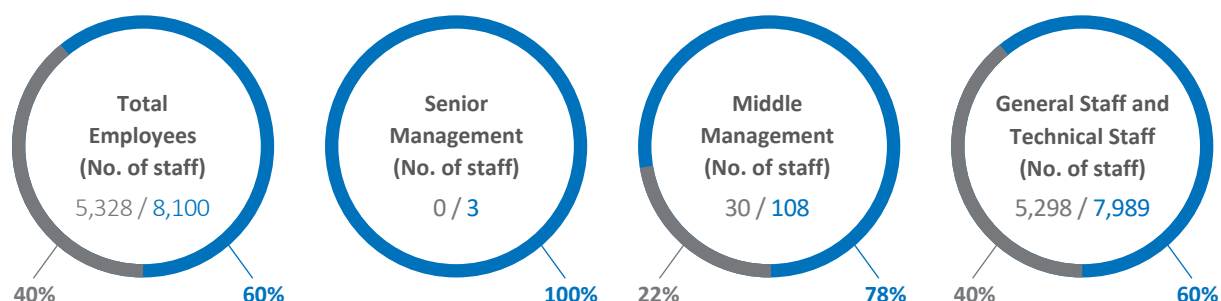
## Gender diversity of workforce

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

As at the date of this report, Nomination Committee reviewed the gender diversity of workforce (including senior management) of the Group for the year ended 31 December 2022. As at 31 December 2022, we maintained a 60:40 male to female ratio in the workplace. The Company believes that the gender diversity of all employees in the Group is balanced currently and the gender diversity in the workforce level will be maintained. The Company will also ensure that there is gender diversity when recruiting staff at mid to senior level in the future and the Company is committed to provide career development opportunities for female staff with a view to developing a pipeline of potential successors to the Board for maintaining gender diversity.

As at 31 December 2022, the gender diversity of the workforce of the Group are set out as below:

○ Female    ● Male



The Group has implemented a number of measures to promote gender diversity in the workplace, in particular to ensure that female staff are provided with fair job opportunities and treatment at work, and are fully cared for in terms of learning and group activities, so that they could develop their talents to the fullest through work.

### Strategic and Investment Committee

The Strategic and Investment Committee comprises six members, being two EDs, namely Mr. LI Ming and Mr. WANG Honghui, two NEDs, namely Mr. HOU Jun and Mr. CHEN Ziyang and two INEDs, namely Mr. JIN Qingjun and Ms. LAM Sin Lai Judy. Mr. LI Ming is the chairman of the Strategic and Investment Committee. It will meet at the request of any member of the committee and the head of the strategic and investment department will also participate in discussions. The Strategic and Investment Committee is authorized, at the expense of the Company, to seek advice from external professionals or to arrange them to attend the meetings.

The main duties of the Strategic and Investment Committee are to research and make recommendation on the Company's development strategies, to review and approve investments within the authority delegated by the Board, to make recommendations to the Board on major investments which are beyond its authority, to make subsequent assessments of investments and to review and consider the overall investment direction and business development of the Company. The written terms of reference of the Strategic and Investment Committee are available on the websites of the Company and the Stock Exchange.

During the year under review, the Strategic and Investment Committee reviewed the report on the Company's annual investments in 2021, and reviewed and discussed the work summary of the investments for the first half of 2022 as well as the investment plans for the second half of 2022.

## Corporate Culture

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

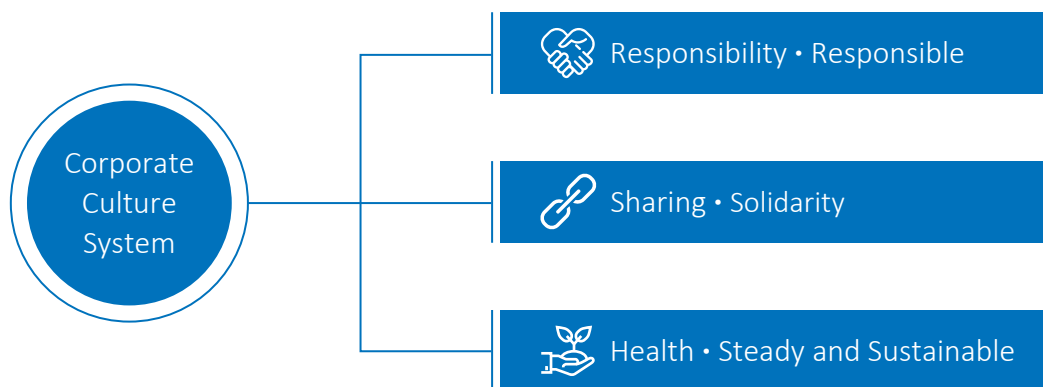
### Development strategy

**Vision:** creator of building health and social value

**Mission:** to be a pragmatic integrated corporation focusing on the principal business of property development while exploring related diversified new businesses

**Goals:** to focus on the development of principal business and achieve growth with quality and scale, cater for future corporate operation and focus on key capacity building, and work with stakeholders to achieve sustainable value creation

### Corporate culture system



Corporate culture is the soul of an enterprise. Sino-Ocean Group gives full play to the guiding, motivating, leading and unifying roles of corporate culture in the process of high-quality development. By establishing a high-standard corporate culture system, it comprehensively promotes the level of the Company's operations and management and constantly enhances its innovation, cohesion and core competitiveness.

The Company commits to the core value concepts of its corporate culture of “Responsibility, Sharing, Health”, gradually inculcating the top-down phased implementation from senior management to the specific work of all levels and businesses across the Group by furthering the connotation and extension of each value concept, making them the employees’ standards of action and important ways to promote the development of the Company and establishment of its brand image, in respect of which some remarkable results have been accomplished. Employees are the valuable assets of the Group. After the management regularly collects and listens to the feedback, opinions, and recommendations through various channels from employees at various levels, departments and project companies on the implementation of each strategy, it also regularly reviews or adjusts the operation and management mindset of the Company and timely formulates or adjusts the relevant management mechanisms and systems to conform with the development strategy of the Company.

## Corporate culture — Responsibility

### The road to carbon neutrality

Sino-Ocean Group proactively undertakes its social responsibility, adheres to the concept of sustainable development and seeks to make effort for urban development, social progress, and people’s happiness in the new era of the PRC. In 2022, Sino-Ocean Group completed the first complete carbon neutrality roadmap in the industry and finished the compiling of “SINO-OCEAN GROUP — The Road to Carbon Neutrality” for public release. During the research process, it independently developed a carbon emissions calculation platform for use by internal units in carbon emissions management. On the basis of the research report, a more systematic and scientific path was formulated to implement emissions reduction and Sino-Ocean “2050 Net-Zero Emissions” project was launched to promote low-carbon works from the two dimensions of “Net-Zero” at the corporate and societal levels.

### Ensuring delivery

The Group is committed to undertaking its corporate responsibility, providing customers with quality products and services while creating greater value for investors. The Group worked together with relevant partners to deliver over 50,000 housing units to customers in 2022. Amid the significant increase in overall delivery, we overcame difficulties and tackled challenges, and resolved difficulties including disruptions in material supply, workforce shortages and constraints on deployment of resources arising from the pandemic and extreme weather. All regions achieved quality and stable delivery on the whole.

## Corporate culture — Sharing

### Participating in urban revitalisation schemes

The Group upholds the core value of sharing and development to achieve breakthroughs externally for collaborative development with partners and stakeholders in various professions and fields, forming business development synergy and sharing the achievement of corporate development. We constantly explore new business models, strengthen research on old area renovation projects and step up the roadmapping in key cities in the Greater Bay Area, such as Shenzhen, Guangdong and Dongguan. By the end of 2022, the Group had signed contracts for old area renovation projects of approximately 14.00 million sq.m., of which approximately 3.46 million sq.m. of landbank was converted and acquired. Old area renovation projects are conducive to catering to the needs of the local people and the government for urban revitalisation as well as sharing the achievement of development with stakeholders.

## Corporate culture — Health

### Healthy products

The Group advocates providing more healthy products and services for the consumers and users to improve their healthy living standards and contribute to building a healthy China. In 2022, Sino-Ocean Group strengthened its research on healthy building systems and built autonomous technology systems. It adopted Sino-Ocean Health Building System 2.0 in all newly acquired projects, with a coverage of 100%. During the year, WELL certification was obtained for two projects, of which Neo 1 was the first project in Hangzhou to introduce WELL standards, while Zhenjiang Central Mansion was the first project in Jiangsu to obtain dual certification as an individual and a community project. In terms of research on special subjects, we have completed the study on “Impact and Effect of Healing Landscape on Human Health, the Air Quality Control System in Model Rooms, the Visual System for Healthy Environment of Healing Landscape in Smart Communities”.

### Healthy team

The Group is committed to maintaining a high level principle of business integrity, honesty, fairness and impartiality as one of the elements of the Group’s corporate culture, and strives to cultivate a workforce of positive mentality, enterprising attitude, and sound mental and physical health, thereby creating a healthy team atmosphere that is simple, straightforward, fair and impartial. To ensure the maintenance of good corporate governance, the Group has adopted and implemented a series of internal policies and procedures, including but not limited to the “Measures for Dealing with Disciplinary Violations by Employees”, the “Measures for the Inspection and Trial of Supervisory Cases”, the “Management Measures for Inside Information”, the Whistleblowing Policy and the Anti-fraud and Anti-bribery Policy.

For details, please refer to the “Corporate Culture” paragraphs in the “Company Profile” sub-section of the “About Us” section on the Company’s website.

## ACCOUNTABILITY AND AUDIT

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

The statement of the independent auditor of the Company about their reporting responsibilities and opinion on the financial statements of the Company for the year ended 31 December 2022 is set out in the Independent Auditor’s Report on pages 113 to 120 of this annual report.

The Company's independent auditor has expressed a qualified opinion on the consolidated financial statements of the Group for the year ended 31 December 2022. Such qualified opinion is related to the scope of limitation on (a) interests in associates and (b) transactions and balances relating to the funds transferred to a third party. Details of such qualified opinion as well as the views of the management of the Company and the Audit Committee are disclosed in the paragraphs headed "BASIS FOR QUALIFIED OPINION" in the Independent Auditor's Report and the paragraphs headed "ADDITIONAL INFORMATION ON AUDIT QUALIFICATIONS" under the section headed "Management Discussion & Analysis" in this annual report. It is also stated in note 2 to the consolidated financial statements that conditions that indicate the existence of material uncertainties may cast significant doubt on the Group's ability to continue as a going concern and therefore, the Group may not be able to realise its assets and discharge its liabilities in the normal course of its businesses. The auditor's opinion is not modified in respect of this matter. Based on the cash flow projection of the Group covering a period from the end of the reporting period up to 30 June 2024 after taking into consideration actions or events as mentioned in note 2 to the consolidated financial statements, the Directors are of the view that the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due in the foreseeable future and as such, the consolidated financial statements have been prepared on the going concern basis. Please refer to note 2 to the consolidated financial statement for details.

## RISK MANAGEMENT AND INTERNAL CONTROL

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

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

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

The Board requires the management to maintain sound and effective internal control. The Group has an internal audit function. Evaluation of the Group's risk management and internal control and the internal audit are independently conducted by our risk management department. They report to the Audit Committee at least twice each year on, among others, any significant findings and effectiveness of the internal audit, risk management and internal control systems. The Board and the Audit Committee considered that the risk management and internal control systems are implemented effectively for the year ended 31 December 2022. Furthermore, the Board, through the Audit Committee, at least annually, has conducted the review of the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting, internal audit, financial reporting function as well as those relating to the Group's ESG performance and reporting, and the effectiveness of the Group's risk management and internal control systems that cover all material controls for the year ended 31 December 2022, including financial, operational and compliance controls and risk management function, and considered all the above were adequate.

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

Due to the changes in macro policy environment and industry environment, the Group's risk management department has summarized and analyzed the principal risks faced by the Group, and formulated the corresponding measures. The principal risk areas include strategic risks, investment risks, operational risks, financial risks, compliance risks, etc. The Group's risk management department reported to the Audit Committee the implementation of key concerns, major risks and corresponding measures, and the subsequent work plans at the Audit Committee meetings held in March and August 2022. Response plans for the related risks were submitted to the Audit Committee and confirmed by the Board. The Group's risk management department will present to the Audit Committee the risk management and internal control report of the Group for 2022 in early 2023.

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

## Internal audit process

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

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

## Sustainable development

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

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

The Sustainable Development Committee held three communication meetings during the year. It discussed and endorsed the Group's strategies for carbon neutrality, pathway planning and targets, and monitored the progress of targets achievement, further reviewed our medium-term and long-term targets combined with the research results in order to further enhance the emission reduction actions in a more standardized and efficient manner set under the long-term goal of "Achieving carbon neutrality by 2050". It also reviewed the process of sustainability reporting and ESG disclosures. Sustainable Development Committee also discussed relevant global trends including ESG double materiality issues (i.e. financial materiality and impact materiality), sustainable finance, climate risks, national policies adopted by the government and the recommendations of the TCFD. For further details of sustainability development of the governance structure and management, and sustainable development of the Group, please refer to the "Sustainable Development Report 2022 of Sino-Ocean Group".

## Whistleblowing Policy

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

## Anti-fraud and Anti-bribery Policy

The Company has revised the Anti-fraud and Anti-bribery Policy and also posted it on the Company's website. Our Anti-fraud and Anti-bribery Policy provides that all Directors and employees are strictly prohibited from any forms of fraud, bribery, money-laundering and financing of terrorism in all business transactions. Report any cases in accordance with the Whistleblowing Policy in a timely manner if they become aware of or reasonably suspect that individuals or enterprises engaged in business transactions with the Group which might involve in fraud or bribery.

During the year, the Group's risk management department and the risk management departments of the subsidiaries have provided anti-fraud and anti-bribery training to the staff.

## INDEPENDENT AUDITOR

At the request of the Board, PwC had agreed to resign as the auditor of the Company on 9 November 2022. On 11 November 2022, BDO was appointed as the new auditor of the Company to fill the casual vacancy following the resignation of PwC and will hold office until the conclusion of the next AGM. BDO was responsible for auditing and forming an independent opinion on the Group's annual consolidated financial statements for the year ended 31 December 2022.

During the year ended 31 December 2022, details of the total fees paid/payable in respect of the audit and non-audit services provided by the auditor to the Group are set out below:

Services rendered	Fees paid/ payable RMB (million)
Audit services	8.00
Non-audit services related to review of interim financial information, major transaction and continuing connected transactions	3.55

## COMPANY SECRETARY

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

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

## CONSTITUTIONAL DOCUMENTS

There was no change in the Company's constitutional documents during the year ended 31 December 2022.

## SHAREHOLDERS' RIGHTS AND COMMUNICATION

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

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

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

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

## Communication with Shareholders and investors

The Chairman ensures that appropriate steps are taken to maintain effective communication with the Shareholders and that their views are communicated to the Board as a whole. The Company is committed to carefully listening and evaluating the impact of operations to its stakeholders, including the Shareholders, the employees, the investors and the community. During the year, the Board has reviewed the implementation and effectiveness of the Shareholders Communication Policy and revised Shareholders Communication Policy to reflect the current practices of the Company for communication with the Shareholders and the effectiveness of this revised policy was confirmed. This policy aims at ensuring the Shareholders are provided with ready, equal and timely access to balanced and understandable information about the Company, in order to enable Shareholders to exercise their rights in an informed manner and to enhance communication between the Company and the Shareholders.

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

### (i) Results conferences

For results conference in relation to the interim and final results announcements in physical form and/or by webcast, the invited investor community can bring along the Company's invitation to participate in the relevant conference, at which the Executive Directors and/or senior management are available to answer the questions regarding the operation and financial performance of the Group.

### (ii) Corporate communication

Annual and interim reports, financial statements, results announcements, circulars and notices of general meetings and associated explanatory documents were published in a timely manner on the websites of the Company and the Stock Exchange.

Corporate communication of the Company will be provided to the Shareholders in plain language and in both English and Chinese versions to facilitate the Shareholders' understanding.

Shareholders can choose to receive corporate communications via electronic means, with the aim of reducing resource consumption relating to printing and distribution of hard copies.

### (iii) Shareholders' enquiries and general meetings of the Company

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

### (iv) Capital market communications

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

During the year, the Company held two results conferences in the form of live webcast and communicated with analysts and investors via video-conferences and conference-calls. In addition, the Company proactively generated opportunities to interact with analysts and investors individually, continued to participate actively in securities firms' investors activities and meanwhile, regularly kept the capital market posted on the Group's major capital events and financing situation in order to conduct proactive and timely communication. We also published the monthly unaudited operating statistics on the websites of the Company and the Stock Exchange respectively and shared the latest development on various aspects of the Group via investors groups.

Further information about investor relations is set out in the section headed "Investor Relations" of this annual report.

# INDEPENDENT AUDITOR'S REPORT



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**To the Shareholders of Sino-Ocean Group Holding Limited**  
(incorporated in Hong Kong with limited liability)

## QUALIFIED OPINION

We have audited the consolidated financial statements of Sino-Ocean Group Holding limited (the “Company”) and its subsidiaries (the “Group”) set out on pages 121 to 250, which comprise the consolidated balance sheet as at 31 December 2022, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended; and the notes to the consolidated financial statements, including significant accounting policies and other explanatory information.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified opinion section of our report, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2022, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified public Accountants (“HKICPA”) and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

## BASIS FOR QUALIFIED OPINION

In response to the following matters, we have encountered various limitations during the course of our audit of the consolidated financial statements for the year ended 31 December 2022.

### (1) Scope of limitation — interest in associates

As disclosed in note 15 to the consolidated financial statements, Fortune Joy Ventures Limited (“Fortune Joy”) (as denoted as associate no.18 in note 15(a)), an associate of the Group, held a wholly owned subsidiary, namely Sino-Ocean Capital Limited (“Sino-Ocean Capital”) as at 31 December 2022. Fortune Joy and its subsidiaries are collectively known as the Fortune Joy Group hereinafter. During the year ended 31 December 2022, the Group recognised a share of loss of the interests in the Fortune Joy Group of RMB771 million in the consolidated income statement based on the unaudited financial information prepared by management of the Fortune Joy Group. And as at 31 December 2022, the carrying amount relating to the Group’s interests in Fortune Joy Group was RMB1,921 million.

We assessed and determined that a component audit on the financial information of the Fortune Joy Group should be carried out for the purpose of obtaining sufficient appropriate evidence as a basis for our audit opinion on the Group’s consolidated financial statement for the year ended 31 December 2022. In addition, as this is our first year audit of the Group’s consolidated financial statements and we are required to obtain sufficient appropriate audit evidence on the opening balance of the Group’s interests in Fortune Joy Group as at 1 January 2022. However, up to the date of this report, we did not obtain sufficient appropriate audit evidence on the financial information of Fortune Joy Group based on the work performed by the component auditor.

As a result, we were unable to determine whether the financial information of the Fortune Joy Group used by the management of the Company contains any material misstatement and thus whether (i) the Group’s share of loss of Fortune Joy Group for the year ended 31 December 2022 of RMB771 million as included in the consolidated income statement for the year ended 31 December 2022, (ii) the Group’s share of net assets of Fortune Joy Group as at 31 December 2022 and 1 January 2022 of RMB1,921 million and RMB2,692 million respectively included in the consolidated balance sheet were properly determined and (iii) the disclosures about the financial information of the Fortune Joy Group are properly disclosed in note 15 to the consolidated financial statements. There were no other satisfactory procedures that we could perform to determine whether any adjustments to these amounts were necessary.

## (2) Scope of limitation — Transactions and balances relating to the funds transferred to a third party

During our audit, we noted that Beijing Zhonglian Real Estate Development Co., Ltd. (“Zhonglian Real Estate”), a non-wholly owned subsidiary of the Group had an amount due from Wuhu Deye Investment Management Center (Limited Partnership) (“Wuhu Deye”) with the resultant balance of RMB10.6 billion as at 31 December 2022. Management of the Company explained that the purpose of providing funds to Sino-Ocean Capital for its working capital requirements and its investments.

At the date of our auditor’s report, the management of Sino-Ocean Capital unable to provide us the information that we considered necessary to verify the resultant balance was actually made for the above designated purposes as explained by the management of Company. Therefore, we were unable to satisfy ourselves as to whether the effects of these transactions have been properly accounted, including whether the balance of the other receivable of RMB10.6 billion were properly classified as at 31 December 2022, the impairment loss of RMB2.75 billion recognized in the consolidated income statement for the year ended 31 December 2022 was properly determined in relation to the recoverability of the gross receivable balance due from Wuhu Deye as at 31 December 2022. For the details and background of the transaction, please refer to Note 21(b).

Based on the above, any adjustments that might have been found to be necessary in respect of (i) the carrying amounts of the interests in the Fortune Joy Group as at 31 December 2022 and 1 January 2022; and (ii) the net carrying amount of the amount due from Wuhu Deye as at 31 December 2022 and the amount due from Zhonglian Real Estate as at 1 January 2022 would have a consequential effect on the Group’s net assets as at 31 December 2022 and 1 January 2022, and the Group’s loss for the year then ended and related disclosures in these consolidated financial statements.

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSA”) 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 qualified opinion.

## MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to Note 2 to the financial statements, which indicates for the year ended 31 December 2022, the Group incurred a loss of RMB15,650 million and has a net cash outflow from its operating activities of RMB15,529 million. Based on the financial position of the Group, the relevant bank and financial institutions borrowings totaling RMB22,017 million were classified as current liabilities as at 31 December 2022 (which included approximately RMB12,135 million with a scheduled repayment date beyond one year after 31 December 2022) due to the terms in the relevant loan agreements with potential repayment on demand, while its cash and cash equivalents and net current assets amounted to RMB4,623 million and RMB54,746 million respectively as at 31 December 2022. As stated in Note 2, these conditions indicate that the existence of material uncertainty may cast significant doubt on the Group’s ability to continue as a going concern and therefore, the Group may not be able to realise its assets and discharge its liabilities in the normal course of its businesses. Our opinion is not modified in respect of this matter.

## KEY AUDIT MATTERS

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

In addition to the matters described in the “Basis of Qualified Opinion” and “Material Uncertainty Related to Going Concern”, key audit matters identified in our audit are summarised as follows:

- Recoverability of entrusted loans and amounts due from third parties, joint ventures, associates and non-controlling interests
- Valuation of investment properties
- Assessment of net realizable value of properties under development and completed properties held for sale

Key Audit Matter	How our audit addressed the Key Audit Matter
<p><i>Recoverability of entrusted loans and amounts due from third parties, joint ventures, associates and non-controlling interests (collectively, the “Counterparties”)</i></p> <p>As at 31 December 2022, the balance of entrusted loans and amounts due from the Counterparties is approximately RMB60,780 million, and the accumulated allowance amounted to approximately RMB1,839 million has been recognised.</p> <p>Such amounts were provided to the Counterparties for the launch and development of the projects of real estate.</p> <p>The Group took into account reasonable and substantiated historical data such as principal and interest payment schedule, ageing of the balance, repayment history and financial information of the Counterparties, and available forward-looking information to determine whether or not the credit risk has significantly increased since initial recognition and to calculate expected credit losses.</p> <p>We focus on this area due to the assessment of the recoverability of entrusted loans and amounts due from the Counterparties involves significant management judgements and estimates as it involves the consideration of a number of factors including financial position of the Counterparties, historical data and forward-looking information.</p>	<p>We obtained an understanding of the management’s internal control and assessment process of recoverability of entrusted loans and amounts due from the Counterparties and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors such as complexity, subjectivity and changes.</p> <p>We evaluated the historical data used by management in determining the recoverability of entrusted loans and amounts due from the Counterparties to assess the effectiveness of management’s estimation process.</p> <p>We evaluated and tested, on a sample basis, the key management controls over the assessment on recoverability of entrusted loans and amounts due from the Counterparties.</p> <p>We had interviews with the management to get knowledge of each of the Counterparties and the development status of the projects as cooperated with the Counterparties. We performed site visits to the projects of real estate, on a sample basis, to collaborate with the understanding from management.</p>

Key Audit Matter	How our audit addressed the Key Audit Matter
	<p>We evaluated and tested the historical data used by the management to determine whether or not the credit risk has significantly increased since initial recognition and to calculate expected credit losses.</p> <p>We involved auditor's expert to assist us in assessing the methodologies and assumptions used by the management to calculate expected credit losses.</p> <p>We inquired with management and challenged the reasonableness of their judgements and estimations on the recoverability of amounts due from the Counterparties, the adequacy of the impairment provision and adjustment due to the current and forward- looking information on macroeconomic factors. We evaluated and tested on the information and evidence collected by management for the purpose of their assessment.</p> <p>We assessed the adequacy of the disclosures related to recoverability of entrusted loans and amounts due from the Counterparties in the context of the applicable financial reporting framework.</p> <p>We found the judgements and estimates made by the management in the assessment of recoverability of entrusted loans and amounts due from the Counterparties were supportable by the evidence obtained and procedures performed.</p>

**Key Audit Matter****How our audit addressed the Key Audit Matter***Valuation of investment properties*

Refer to Note 12 to the consolidated financial statements

The Group's investment properties were measured at fair value and carried at approximately RMB7,734 million as at 31 December 2022 with a fair value loss of approximately RMB256 million for the year then ended. The fair values of investment properties were determined by the management based on the valuations performed by independent professional valuers (the "Valuers") engaged by the Group.

The Group's investment properties as at 31 December 2022 are all completed investment properties in Mainland China and the United States.

The valuation of these investment properties was derived using the income capitalization method and the relevant key assumptions as adopted in the valuation primarily included capitalization rates and prevailing market rents.

All the relevant key assumptions were influenced by the prevailing market conditions and each property's characteristics.

We focus on this area due to the significant quantum to the consolidated financial statements, and the relevant key assumptions in valuation involved significant judgements and estimates.

We obtained an understanding of the management's internal control and assessment process of the valuation of investment properties and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors such as complexity, subjectivity and changes.

We evaluated and tested, on a sample basis, the key management controls over the valuation of investment properties.

We assessed the competence, capabilities and objectivity of the Valuers.

We obtained the valuation report of each property and assessed the appropriateness of the valuation methods applied.

We assessed the reasonableness of relevant key assumptions used in valuation (including capitalization rates and prevailing market rents) by gathering and analysing the data of comparable properties in the market and characteristics of the Group's properties such as location, size, occupancy rate, current rental and age.

We involved auditor's expert to assist us in assessing the methodologies and assumptions used by the Valuers and compared the valuations of investment properties, on a sample basis, to our independently formed market expectations.

In light of the above, we found the significant judgements and estimates made by management on the valuation of investment properties were in the acceptable range.

Key Audit Matter	How our audit addressed the Key Audit Matter
<p><i>Assessment of net realisable value of properties under development and completed properties held for sale</i></p> <p>Refer to Note 3.13(a) of accounting policy of properties under development, Note 3.13(b) of accounting policy of completed properties held for sale, Note 5(g) of critical accounting estimates and judgements, Note 19 of properties under development and Note 22 of completed properties held for sale to the consolidated financial statements.</p> <p>At 31 December 2022, properties under development (“PUD”) and completed properties held for sale (“CPHFS”) totalled RMB93,534 million and accounted for approximately 38% of the Group’s total assets. PUD and CPHFS are stated at the lower of cost and net realisable value with accumulated provision of losses on realisable value amounted to RMB1,977 million as at 31 December 2022.</p> <p>We identified the net realisable value assessment of the Group’s PUD and CPHFS as a key audit matter because the determination of net realisable values of PUD and CPHFS involved critical accounting estimates on the selling price, selling expenses and estimated costs to completion of PUD.</p>	<p>We obtained an understanding of the management’s assessment process of the net realisable value of PUD and CPHFS and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors.</p> <p>We obtained management’s net realisable value assessment on PUD and CPHFS and performed the following audit procedures:</p> <ul style="list-style-type: none"> <li>i) Estimated selling price which is based on the prevailing market conditions, we compared the estimated selling price, on a sample basis, to the recent market transactions by making reference to the Group’s selling price of the pre-sale units in the same project or the prevailing market price of the comparable properties with similar type, size and location;</li> <li>ii) We understood, evaluated and tested the internal control over the Group’s process in determining the costs to completion of PUD;</li> <li>iii) Estimated selling expenses as a percentage of the related estimated selling price of the properties, we compared the above estimated percentage with the actual average selling expenses to revenue ratio of the Group in recent year;</li> <li>iv) Estimated costs to completion for PUD, we reconciled the estimated costs to completion to the budgets approved by management and examined, on a sample basis, the signed construction contracts or compared the anticipated completion costs to the actual costs of similar type of completed properties of the Group; and</li> <li>v) We involved auditor’s expert to assist us in assessing the assumptions used by the management in assessment of net realisable value.</li> </ul> <p>We found that the data used and key assumptions in the net realisable value assessment of the Group’s PUD and CPHFS were supported by the available evidence.</p>

## OTHER MATTER

The consolidated financial statements of the Group for the year ended 31 December 2021 were audited by another auditor who expressed an unmodified opinion on those statements on 23 March 2022.

## OTHER INFORMATION IN THE ANNUAL REPORT

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include 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.

## DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

Our 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. This report is made solely to you, as a body, in accordance with Section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

As part of an audit in accordance with HKSAAs, we exercise professional judgement and maintain professional skepticism 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.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.
- From the matters communicated with the directors, 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.

#### **BDO Limited**

*Certified Public Accountants*

#### **Au Yiu Kwan**

*Practising Certificate Number P04855*

Hong Kong, 30 March 2023

# CONSOLIDATED INCOME STATEMENT

	Notes	Year ended 31 December	
		2022 RMB'000	2021 RMB'000
<b>Revenue</b>	6	<b>46,126,585</b>	64,247,332
Cost of sales	39	<b>(43,749,646)</b>	(52,989,257)
<b>Gross profit</b>		<b>2,376,939</b>	11,258,075
Interest and other income	37	<b>1,093,965</b>	2,249,551
Other gains and losses — net	38	<b>(2,688,919)</b>	76,267
Fair value losses on investment properties	12	<b>(256,118)</b>	(63,862)
Selling and marketing expense	39	<b>(1,803,313)</b>	(1,664,606)
Impairment loss on financial assets	39	<b>(5,154,805)</b>	(177,476)
Administrative expense	39	<b>(1,697,513)</b>	(1,777,378)
<b>Operating (loss)/profit</b>		<b>(8,129,764)</b>	9,900,571
Finance costs	41	<b>(3,066,124)</b>	(2,238,690)
Share of results of joint ventures		<b>(956,523)</b>	1,572,808
Share of results of associates		<b>(872,045)</b>	562,425
<b>(Loss)/profit before income tax</b>		<b>(13,024,456)</b>	9,797,114
Income tax expense	42	<b>(2,625,399)</b>	(4,705,828)
<b>(Loss)/profit for the year</b>		<b>(15,649,855)</b>	5,091,286
<b>(Loss)/profit for the year attributable to:</b>			
— Owners of the Company		<b>(15,930,209)</b>	2,729,143
— Non-controlling interests		<b>280,354</b>	2,362,143
		<b>(15,649,855)</b>	5,091,286
<b>(Loss)/earnings per share attributable to owners of the Company during the year</b> (expressed in RMB)			
<b>Basic (loss)/earnings per share</b>	43	<b>(2.092)</b>	0.358
<b>Diluted (loss)/earnings per share</b>	43	<b>(2.092)</b>	0.358

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 December	
	2022 RMB'000	2021 RMB'000
<b>(Loss)/profit for the year</b>	<b>(15,649,855)</b>	5,091,286
<b>Other comprehensive income, net of tax</b>		
<b>Items that will not be reclassified subsequently to profit or loss:</b>		
Fair value losses on financial assets at fair value through other comprehensive income, net of tax	<b>(4,686,266)</b>	(307,251)
<b>Items that may be reclassified subsequently to profit or loss:</b>		
Currency translation differences	<b>(1,546,051)</b>	254,949
Deferred hedging gains and losses	<b>43,346</b>	5,171
Share of other comprehensive income of investments accounted for using the equity method	<b>2,752</b>	12,545
<b>Other comprehensive loss for the year</b>	<b>(6,186,219)</b>	(34,586)
<b>Total comprehensive (loss)/income for the year</b>	<b>(21,836,074)</b>	5,056,700
<b>Total comprehensive (loss)/income for the year attributable to:</b>		
— Owners of the Company	<b>(22,453,066)</b>	2,825,695
— Non-controlling interests	<b>616,992</b>	2,231,005
<b>Total comprehensive (loss)/income for the year</b>	<b>(21,836,074)</b>	5,056,700

# CONSOLIDATED BALANCE SHEET

	Notes	As at 31 December	
		2022 RMB'000	2021 RMB'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	7	3,536,637	3,204,097
Right-of-use assets	8	362,198	406,749
Land use rights	9	275,873	197,949
Intangible assets	10	459,807	219,074
Goodwill	11	888,654	378,198
Investment properties	12	7,734,474	6,441,213
Interests in joint ventures	14	20,463,935	25,290,806
Interests in associates	15	4,847,594	6,730,935
Financial assets at fair value through other comprehensive income	17	971,614	6,234,811
Financial assets at fair value through profit and loss	18	4,478,828	4,924,143
Trade and other receivables and prepayments	21	8,387,895	12,506,992
Deferred income tax assets	33	1,527,180	1,983,856
Total non-current assets		53,934,689	68,518,823
Current assets			
Properties under development	19	73,299,924	81,334,265
Inventories, at cost		1,223,421	779,431
Land development cost recoverable	20	1,275,688	1,283,191
Completed properties held for sale	22	20,234,097	23,498,303
Financial assets at fair value through profit and loss	18	972,284	563,118
Trade and other receivables and prepayments	21	83,490,813	77,969,815
Contract assets		29,177	226,052
Restricted bank deposits	23	4,763,360	5,423,573
Cash and cash equivalents	24	4,623,126	21,655,471
		189,911,890	212,733,219
Assets classified as held for sale	25	2,225,754	–
Total current assets		192,137,644	212,733,219

	Notes	As at 31 December	
		2022 RMB'000	2021 RMB'000
Current liabilities			
Borrowings	32	38,091,736	18,667,628
Lease liabilities	8	74,782	65,832
Trade and other payables	34	44,882,027	55,235,731
Contract liabilities	35	41,025,991	42,348,003
Income tax payable		13,149,119	11,964,046
Financial liabilities at fair value through profit and loss	36	168,420	384,193
Total current liabilities		137,392,075	128,665,433
Net current assets		54,745,569	84,067,786
Total assets less current liabilities		108,680,258	152,586,609
Non-current liabilities			
Borrowings	32	58,931,713	73,556,834
Lease liabilities	8	323,616	361,241
Trade and other payables	34	56,176	19,167
Deferred income tax liabilities	33	1,482,767	2,201,998
Total non-current liabilities		60,794,272	76,139,240
Net assets		47,885,986	76,447,369
EQUITY			
Equity attributable to owners of the Company			
Capital	26	27,329,232	27,329,232
Shares held for Restricted Share Award Scheme	26	(1,062)	(52,317)
Reserves	28	(7,337,248)	(87,891)
Retained earnings	27	11,756,560	27,884,787
		31,747,482	55,073,811
Non-controlling interests		16,138,504	21,373,558
Total equity		47,885,986	76,447,369

The consolidated financial statements on pages 121 to 250 were approved and authorised for issue by the board of directors and are signed on its behalf by:

**LI Ming**  
Executive director

**WANG Honghui**  
Executive director

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Notes	Attributable to owners of the Company					Non-controlling interests			Total equity RMB'000
		Share capital RMB'000	Shares held for Restricted Share Award Scheme RMB'000	Other reserves RMB'000	Retained earnings RMB'000	Total RMB'000	Capital instrument RMB'000	Perpetual subordinate guaranteed capital securities RMB'000	Others RMB'000	
<b>At 1 January 2022</b>		<b>27,329,232</b>	<b>(52,317)</b>	<b>(87,891)</b>	<b>27,884,787</b>	<b>55,073,811</b>	<b>4,359,000</b>	<b>4,013,051</b>	<b>13,001,507</b>	<b>76,447,369</b>
(Loss)/profit for the year		-	-	-	(15,930,209)	(15,930,209)	243,128	223,413	(186,187)	(15,649,855)
Fair value losses on financial assets at fair value through other comprehensive income, net of tax		-	-	(4,686,266)	-	(4,686,266)	-	-	-	(4,686,266)
Deferred hedging gains and losses		-	-	43,346	-	43,346	-	-	-	43,346
Currency translation differences		-	-	(1,882,689)	-	(1,882,689)	-	336,638	-	(1,546,051)
Share of other comprehensive income of investments accounted for using the equity method		-	-	2,752	-	2,752	-	-	-	2,752
<b>Total comprehensive income, net of tax</b>		<b>-</b>	<b>-</b>	<b>(6,522,857)</b>	<b>(15,930,209)</b>	<b>(22,453,066)</b>	<b>243,128</b>	<b>560,051</b>	<b>(186,187)</b>	<b>(21,836,074)</b>
<b>Transactions with owners of the company</b>										
Dividends relating to 2021	44	-	-	-	(198,018)	(198,018)	-	-	-	(198,018)
Expenses on share-based payment	28	-	-	13,158	-	13,158	-	-	-	13,158
Vesting of shares under Restricted Share Award Scheme	26	-	57,674	(57,674)	-	-	-	-	-	-
Purchase of shares for Restricted Share Award Scheme	26	-	(6,419)	-	-	(6,419)	-	-	-	(6,419)
Distribution relating to capital instrument		-	-	-	-	-	(243,128)	-	-	(243,128)
Distribution relating to non-controlling interest		-	-	-	-	-	-	-	(867,751)	(867,751)
Distribution relating to capital securities		-	-	-	-	-	-	(223,413)	-	(223,413)
Capital injection from non-controlling interests		-	-	-	-	-	-	-	3,810	3,810
Redemption of capital instrument		-	-	-	-	-	(2,000,000)	-	-	(2,000,000)
<b>Total contributions by and distributions to owners of the company</b>		<b>-</b>	<b>51,255</b>	<b>(44,516)</b>	<b>(198,018)</b>	<b>(191,279)</b>	<b>(2,243,128)</b>	<b>(223,413)</b>	<b>(863,941)</b>	<b>(3,521,761)</b>
Acquisition of subsidiaries		-	-	-	-	-	-	-	332,777	332,777
Disposal of subsidiaries		-	-	-	-	-	-	-	(1,726,196)	(1,726,196)
Acquisition and disposal of partial interests in subsidiaries		-	-	(681,984)	-	(681,984)	-	-	(1,128,145)	(1,810,129)
<b>Total transactions with owners of the company</b>		<b>-</b>	<b>51,255</b>	<b>(726,500)</b>	<b>(198,018)</b>	<b>(873,263)</b>	<b>(2,243,128)</b>	<b>(223,413)</b>	<b>(3,385,505)</b>	<b>(6,725,309)</b>
<b>At 31 December 2022</b>		<b>27,329,232</b>	<b>(1,062)</b>	<b>(7,337,248)</b>	<b>11,756,560</b>	<b>31,747,482</b>	<b>2,359,000</b>	<b>4,349,689</b>	<b>9,429,815</b>	<b>47,885,986</b>

	Notes	Attributable to owners of the Company				Non-controlling interests				Total equity RMB'000
		Share capital RMB'000	Shares held for Restricted Share Award Scheme RMB'000	Other reserves RMB'000	Retained earnings RMB'000	Total RMB'000	Capital instrument RMB'000	Perpetual subordinated guaranteed capital securities RMB'000	Others RMB'000	
<b>At 1 January 2021</b>		27,329,232	(179,840)	400,974	26,098,570	53,648,936	4,359,000	4,144,189	7,753,202	69,905,327
Profit for the year		–	–	–	2,729,143	2,729,143	339,850	197,643	1,824,650	5,091,286
Fair value losses on financial assets at fair value through other comprehensive income, net of tax		–	–	(307,251)	–	(307,251)	–	–	–	(307,251)
Deferred hedging gains and losses		–	–	5,171	–	5,171	–	–	–	5,171
Currency translation differences		–	–	386,087	–	386,087	–	(131,138)	–	254,949
Share of other comprehensive income of investments accounted for using the equity method		–	–	12,545	–	12,545	–	–	–	12,545
<b>Total comprehensive income, net of tax</b>		–	–	96,552	2,729,143	2,825,695	339,850	66,505	1,824,650	5,056,700
<b>Transactions with owners of the company</b>										
Dividends relating to 2020		–	–	–	(571,239)	(571,239)	–	–	–	(571,239)
Dividends relating to 2021		–	–	–	(347,595)	(347,595)	–	–	–	(347,595)
Expenses on share-based payment	28	–	–	72,160	–	72,160	–	–	–	72,160
Transfer from retained earnings	28	–	–	24,092	(24,092)	–	–	–	–	–
Vesting of shares under Restricted Share Award Scheme	26	–	137,176	(137,176)	–	–	–	–	–	–
Purchase of shares for Restricted Share Award Scheme	26	–	(9,653)	–	–	(9,653)	–	–	–	(9,653)
Distribution relating to capital instrument		–	–	–	–	–	(339,850)	–	–	(339,850)
Distribution relating to non-controlling interest		–	–	–	–	–	–	–	(380,066)	(380,066)
Distribution relating to capital securities		–	–	–	–	–	–	(197,643)	–	(197,643)
Capital injection from non-controlling interests		–	–	–	–	–	–	–	3,098,679	3,098,679
<b>Total contributions by and distributions to owners of the company</b>		–	127,523	(40,924)	(942,926)	(856,327)	(339,850)	(197,643)	2,718,613	1,324,793
Acquisition of subsidiaries		–	–	–	–	–	–	–	899,978	899,978
Disposal of subsidiaries		–	–	–	–	–	–	–	(285,927)	(285,927)
Acquisition and disposal of partial interests in subsidiaries		–	–	(544,493)	–	(544,493)	–	–	90,991	(453,502)
<b>Total transactions with owners of the company</b>		–	127,532	(585,417)	(942,926)	(1,400,820)	(339,850)	(197,643)	3,423,655	1,485,342
<b>At 31 December 2021</b>		27,329,232	(52,317)	(87,891)	27,884,787	55,073,811	4,359,000	4,013,051	13,001,507	76,447,369

# CONSOLIDATED CASH FLOW STATEMENT

	Notes	Year ended 31 December	
		2022 RMB'000	2021 RMB'000
Cash flows from operating activities			
Cash (used in)/generated from operations	45	(10,155,758)	1,949,378
Interest paid		(4,725,684)	(4,622,495)
Income tax paid		(647,989)	(5,270,388)
Net cash used in operating activities		(15,529,431)	(7,943,505)
Cash flows from investing activities			
Purchases of property, plant and equipment		(320,658)	(265,638)
Proceeds from sale of property, plant and equipment	45	102,118	10,959
Proceeds from sale of investment properties		329,969	–
Purchases of investment properties		–	(55,725)
Purchases of intangible assets and land use rights		(89,190)	(31,844)
Purchases of financial assets at fair value through profit or loss		(794,922)	(636,197)
Proceeds from disposal of financial assets at fair value through profit or loss		1,013,234	362,096
Dividends received from financial instruments	37	114,780	175,637
Acquisition of subsidiaries, net of cash acquired		(41,204)	(19,277)
Increase due to disposal of interests in subsidiaries, net of cash disposed		(113,900)	1,659,200
Capital injection to joint ventures		(755,959)	(2,854,280)
Proceeds from disposal of joint ventures		1,659,609	315,017
Capital injection to associates	15	(113,211)	(575,681)
Proceeds from disposal of interests in associates		766,734	7,159
Dividends received from joint ventures and associates		120,140	1,969,757
Entrusted loans to third parties and related parties		(6,173,623)	(25,325,561)
Repayment of entrusted loans to third parties and related parties		15,236,754	20,394,999
The amounts advanced to related and third parties		(53,713,317)	(85,693,914)
The amounts repaid from related and third parties		47,726,112	75,758,809
Interest received		1,517,750	2,121,388
Net cash generated from/(used in) investing activities		6,471,216	(12,683,096)

	Notes	Year ended 31 December	
		2022 RMB'000	2021 RMB'000
Cash flows from financing activities			
Proceeds from borrowings		31,191,648	53,770,649
Repayments of borrowings		(33,736,867)	(51,357,619)
Capital injection from non-controlling interests		3,810	3,098,679
Redemption of capital instrument		(2,000,000)	–
Dividends paid to non-controlling interests		(867,751)	(380,066)
Dividends paid to the shareholders of the Company		(198,018)	(918,834)
Distribution relating to capital securities		(223,413)	(197,643)
Purchase of shares for Restricted Share Award Scheme		(6,419)	(9,653)
Consideration paid for transaction with non-controlling interests		(1,810,129)	(333,174)
Distribution relating to capital instrument		(243,128)	(339,850)
Payments of lease liabilities		(88,391)	(109,660)
Net cash (used in)/generated from financing activities		(7,978,658)	3,222,829
Decrease in cash and cash equivalents		(17,036,873)	(17,403,772)
Cash and cash equivalents at beginning of the year	24	21,655,471	39,129,442
Effect of exchange rate changes on cash and cash equivalents		4,528	(70,199)
Cash and cash equivalents at end of the year	24	4,623,126	21,655,471

The notes on pages 129 to 250 are an integral part of these consolidated financial statements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1. GENERAL INFORMATION

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

The consolidated financial statements are presented in Renminbi (“RMB”), unless otherwise stated. The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

The consolidated financial statements have been approved for issue by the Board of Directors on 30 March 2023.

## 2. BASIS OF PREPARATION

### Basis of measurement and going concern assumption

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

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

For the year ended 31 December 2022, the Group incurred a loss of RMB15,650 million and had a net cash outflow from its operating activities of RMB15,529 million. Based on the financial position of the Group, the relevant bank and financial institutions borrowings totaling RMB22,017 million were classified as current liabilities as at 31 December 2022 (which included approximately RMB12,135 million with a scheduled repayment date beyond one year after 31 December 2022) due to the terms in the relevant loan agreements with potential repayment on demand, while its cash and cash equivalents and net current assets amounted to RMB4,623 million and RMB54,746 million respectively as at 31 December 2022. These conditions indicate that the existence of material uncertainty may cast significant doubt on the Group’s ability to continue as a going concern and therefore, the Group may not be able to realise its assets and discharge its liabilities in the normal course of its businesses.

Nevertheless, the consolidated financial statements have been prepared on the going concern basis because the Directors are of the view that the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due in the foreseeable future, based on the cash flow projection of the Group covering a period from the end of the reporting period up to 30 June 2024 (the “Forecast Period”) after taking into consideration the following actions or events:

- (i) The Group is actively negotiating with the banks and financial institutes to resolve their concerns of the financial position of the Group in order to avoid demand repayments and liaising the renewal of the Group’s borrowings when fall due;

## 2. BASIS OF PREPARATION (Continued)

- (ii) As of the date of this report, the Group successfully obtained a new credit line of RMB131.5 billion; and
- (iii) Subsequent to the reporting period, the Group received remaining considerations of RMB4,550 million upon the completion of the disposal of its joint ventures in February 2023 as disclosed in Note 25.

Based on the cash flow projection over the Forecast Period, and in the absence of any adverse unforeseen circumstances, the Directors had a reasonable expectation that the Group would be able to fulfill with the terms in the loan agreements within the Forecast Period. Notwithstanding that there is inherent uncertainty associated with the future outcomes of the Group's plans in the cashflow projection, including whether the Group is able to improve the financial performance and maintain its banking facilities, the Directors are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis. Should the Group be unable to continue in business as a going concern, adjustments would have to be made in the financial statements to write down carrying amounts of the assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and liabilities as current assets and liabilities, respectively. The effect of these adjustments have not been reflected in the consolidated financial statements.

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

### 3.1 Changes in accounting policy and disclosures

#### (a) Amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2022:

Proceeds before intended use — amendment to HKAS 16

Reference to the Conceptual Framework — amendments to HKFRS 3

Onerous Contracts- Cost of Fulfilling a Contract — amendments to HKAS 37

Amendments to HKFRS 1 First-time Adoption of HKFRS, Amendment to HKFRS 9 Financial Instruments, Amendment to illustrative examples accompanying HKFRS 16 Leases and Amendment to HKAS 41 Agriculture — Annual Improvements to HKFRSs 2018-2020 cycle

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

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 3.1 Changes in accounting policy and disclosures (Continued)

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

Certain new accounting standards and interpretations have been published that are not mandatory for the reporting period ended 31 December 2022 and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

#### 3.2 Subsidiaries

##### 3.2.1 Consolidation

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

##### (a) Business combinations

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

Acquisition-related costs are expensed as incurred.

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

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

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 3.2 Subsidiaries (Continued)

##### 3.2.1 Consolidation (Continued)

###### (a) Business combinations (Continued)

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

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

###### (b) Asset acquisition

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

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

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

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

###### (d) Disposal of interests in subsidiaries

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

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 3.2 Subsidiaries (Continued)

##### 3.2.2 Separate financial statements

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

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

#### 3.3 Joint arrangements

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

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

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

#### 3.4 Associates

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

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

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 3.4 Associates (Continued)

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

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

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

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

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

#### 3.5 Segment reporting

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

#### 3.6 Foreign currency translation

##### (a) Functional and presentation currency

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

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

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 3.6 Foreign currency translation (Continued)

##### (b) Transactions and balances

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

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

##### (c) Group companies

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

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- (iii) all resulting exchange differences are recognised in other comprehensive income.

#### 3.7 Properties

##### (a) Investment properties

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

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

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 3.7 Properties (Continued)

##### (a) Investment properties (Continued)

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

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

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

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

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

##### (b) Land use rights

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

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

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

#### 3.8 Property, plant and equipment

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

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

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 3.8 Property, plant and equipment (Continued)

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

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

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

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

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

#### 3.9 Goodwill

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

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

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

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 3.10 Impairment of non-financial assets

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

#### 3.11 Financial assets

##### 3.11.1 Classification

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

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

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

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

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

##### 3.11.2 Recognition and derecognition

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

##### 3.11.3 Measurement

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

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

##### Debt instruments

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

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

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 3.11 Financial assets (Continued)

##### 3.11.3 Measurement (Continued)

###### Debt instruments (Continued)

- **FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.
- **FVPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

###### Equity instruments

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

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

##### 3.11.4 Impairment

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

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

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

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 3.12 Derivatives and hedging activities

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

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

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

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

##### (i) Cash flow hedges that qualify for hedge accounting

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

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

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

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

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 3.12 Derivatives and hedging activities (Continued)

##### (i) Cash flow hedges that qualify for hedge accounting (Continued)

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

- Where the hedged item subsequently results in the recognition of a non-financial asset (such as inventory), both the deferred hedging gains and losses and the deferred time value of the option contracts or deferred forward points, if any, are included within the initial cost of the asset. The deferred amounts are ultimately recognised in profit or loss as the hedged item affects profit or loss (for example through cost of sales).
- The gain or loss relating to the effective portion of the interest rate swaps hedging variable rate borrowings is recognised in profit or loss within finance cost at the same time as the interest expense on the hedged borrowings.

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

##### (ii) Net investment hedges

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

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

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

##### (iii) Derivatives that do not qualify for hedge accounting

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

#### 3.13 Inventories

##### (a) Properties under development

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

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

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 3.13 Inventories (Continued)

##### (a) Properties under development (Continued)

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

##### (b) Completed properties held for sale

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

##### (c) Other inventories

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

#### 3.14 Trade receivables

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

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

#### 3.15 Contract assets and contract liabilities

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

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

#### 3.16 Cash and cash equivalents

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

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 3.17 Share capital

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

#### 3.18 Capital securities and capital instrument

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

#### 3.19 Trade payables

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

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

#### 3.20 Borrowings and Borrowing costs

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

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

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

#### 3.21 Current and deferred income tax

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

##### 3.21.1 Current income tax

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

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 3.21 Current and deferred income tax (Continued)

##### 3.21.2 Deferred income tax

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

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

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

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

##### 3.21.3 Offsetting

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

#### 3.22 Employee benefits

##### (a) Employee leave entitlements

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

##### (b) Bonus entitlements

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

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 3.22 Employee benefits (Continued)

##### (c) Retirement benefits

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

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

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

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

#### 3.23 Share-based payments

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

##### • Share option scheme

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

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

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

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

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 3.23 Share-based payments (Continued)

- **Restricted Shares Award Scheme**

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

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

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

#### 3.24 Provisions

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

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

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

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

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

Where guarantees in relation to loans or other payables of subsidiaries or associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment in the financial statements of the Group.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 3.25 Revenue recognition

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

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

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

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

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

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

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

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

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

##### (b) Property management and agency fee income

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

##### (c) Dividend income

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

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 3.26 Interest income

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

#### 3.27 Leases

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

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

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

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

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

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

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

To determine the incremental borrowing rate, the Group:

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

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 3.27 Leases (Continued)

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

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

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

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

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

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

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

#### 3.28 Dividend distribution

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

#### 3.29 Assets classified as held for sales

Non-current assets are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Such classification requires the asset or the disposal group must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset or disposal group and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets as held for sale are measured at the lower of their previous carrying amount and fair value less costs of sell.

## 4. FINANCIAL RISK MANAGEMENT

### 4.1 Financial risk factors

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

#### (a) Market risk

##### (i) Foreign exchange risk

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

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

As at 31 December 2022, if RMB had weakened/strengthened by 5% against HKD and USD with all other variable held constant, post-tax loss/profit for the year of the Group would have been approximately RMB1,261,107,000 lower/higher (2021: RMB582,851,000 lower/higher), mainly as the result of the foreign exchange losses/gains on translation of HKD/USD dominated borrowings, net of foreign exchange gains/losses on translation of HKD/USD dominated cash and cash equivalents.

##### (ii) Cash flow and fair value interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates.

The Group's interest rate risk arises from long-term borrowings with prevailing market interest rates. Such risk is partly offset by cash held at prevailing market interest rates. During 2022 and 2021, the Group's borrowings at prevailing market interest rates were denominated in RMB, HKD and USD.

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

As at 31 December 2022, if interest rates have increased/decreased by 50 basis points with all other variables held constant, the Group's post-tax loss/profit, after taking into account the impact of interest capitalization, would decrease/increase by approximately RMB19,372,000 (2021: RMB28,815,000).

##### (iii) Price risk

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

## 4. FINANCIAL RISK MANAGEMENT (Continued)

### 4.1 Financial risk factors (Continued)

#### (b) Credit risk

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

Especially the following indicators are incorporated:

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

#### (i) Cash in banks

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

#### (ii) Trade receivables and contract assets

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

## 4. FINANCIAL RISK MANAGEMENT (Continued)

### 4.1 Financial risk factors (Continued)

#### (b) Credit risk (Continued)

##### (ii) Trade receivables and contract assets (Continued)

As at 31 December 2022, the loss allowance was determined as follows for trade receivables and contract assets:

	Within 6 months RMB'000	Between 6 months to 1 year RMB'000	Between 1 year to 2 years RMB'000	Between 2 years to 3 years RMB'000	Over 3 years RMB'000	Total RMB'000
Expected loss rate	1.6%	9.6%	5.3%	31.6%	100.0%	8.8%
Gross carrying amount						
— trade receivables	1,952,854	2,047,211	1,269,705	443,507	74,246	5,787,523
Gross carrying amount						
— contract assets	29,177	—	—	—	—	29,177
Loss allowance						
— trade receivables and contract assets	32,633	195,988	67,599	140,166	74,246	510,632

As at 31 December 2021, the loss allowance was determined as follows for trade receivables and contract assets:

	Within 6 months RMB'000	Between 6 months to 1 year RMB'000	Between 1 year to 2 years RMB'000	Between 2 years to 3 years RMB'000	Over 3 years RMB'000	Total RMB'000
Expected loss rate	1.0%	1.7%	2.9%	7.7%	49.1%	2.4%
Gross carrying amount						
— trade receivables	3,747,552	980,880	1,144,667	214,573	99,186	6,186,858
Gross carrying amount						
— contract assets	229,013	—	—	—	—	229,013
Loss allowance						
— trade receivables and contract assets	38,570	17,033	32,683	16,526	48,729	153,541

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group. The Group made written-off of approximately RMB332,000 (2021: RMB56,024,000) for trade receivables and contract assets during the year ended 31 December 2022.

## 4. FINANCIAL RISK MANAGEMENT (Continued)

### 4.1 Financial risk factors (Continued)

#### (b) Credit risk (Continued)

##### (iii) Other receivables

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

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

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

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

As at 31 December 2022, the loss allowance was determined as follows for other receivables:

	Entrusted loans to and amount due from third parties, joint ventures, associates and non-controlling interests RMB'000	Receivables from other third parties excluding prepayments RMB'000	Total RMB'000
Carrying amount of other receivables	71,339,947	7,841,716	79,181,663
Expected credit loss rate	6.43%	6.93%	6.48%
Loss allowance	4,588,868	543,823	5,132,691
Other receivables, net	66,751,079	7,297,893	74,048,972

## 4. FINANCIAL RISK MANAGEMENT (Continued)

### 4.1 Financial risk factors (Continued)

#### (b) Credit risk (Continued)

##### (iii) Other receivables (Continued)

As at 31 December 2021, the loss allowance was determined as follows for other receivables:

	Entrusted loans to and amount due from third parties, joint ventures, associates and non-controlling interests RMB'000	Receivables from other third parties excluding prepayments RMB'000	Total RMB'000
Carrying amount of other receivables	62,430,346	11,455,090	73,885,436
Expected credit loss rate	0.36%	1.03%	0.46%
Loss allowance	224,234	118,104	342,338
Other receivables, net	62,206,112	11,336,986	73,543,098

Other receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group. The Group made written-off of approximately RMB4,068,000 for other receivables during the year ended 31 December 2022 (2021: RMB69,000).

#### (iv) Financial guarantee

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

The Group also provides guarantees to certain related parties of the Group to obtain borrowings after assessing the credit history of these related parties. The Group closely monitors the repayment progress of the relevant borrowings by these related parties. In the opinion of the directors of the Group, the related party transactions were carried out in the normal course of business and at terms mutually negotiated between the Group and the respective related parties. The directors consider that the likelihood of default in payments is minimal and the financial guarantees measured at fair value is immaterial.

## 4. FINANCIAL RISK MANAGEMENT (Continued)

### 4.1 Financial risk factors (Continued)

#### (c) Liquidity risk

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

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

	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
<b>At 31 December 2022</b>					
Borrowings	42,111,473	23,836,677	33,335,420	8,776,239	108,059,809
Lease liabilities	140,471	43,485	120,948	300,150	605,054
Trade and other payables excluding statutory liabilities	37,564,361	37,009	19,167	—	37,620,537
	<b>79,816,305</b>	<b>23,917,171</b>	<b>33,475,535</b>	<b>9,076,389</b>	<b>146,285,400</b>
	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
<b>At 31 December 2021</b>					
Borrowings	22,330,160	19,493,006	52,242,641	11,301,374	105,367,181
Lease liabilities	84,154	69,042	109,896	338,496	601,588
Trade and other payables excluding statutory liabilities	48,752,423	—	19,167	—	48,771,590
	<b>71,166,737</b>	<b>19,562,048</b>	<b>52,371,704</b>	<b>11,639,870</b>	<b>154,740,359</b>

## 4. FINANCIAL RISK MANAGEMENT (Continued)

### 4.1 Financial risk factors (Continued)

#### (c) Liquidity risk (Continued)

The amounts have not included financial guarantee contracts:

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

Based on expectations at the end of the reporting period, the Group considers that it is more likely than not that no amount will be payable under the arrangement.

### 4.2 Capital risk management

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

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

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

The gearing ratios at 31 December 2022 and 2021 were as follows.

	As at 31 December	
	2022 RMB'000	2021 RMB'000
Total borrowings (Note 32)	97,023,449	92,224,462
Less: cash and cash equivalents (Note 24)	(4,623,126)	(21,655,471)
Net debt	92,400,323	70,568,991
Total equity	47,885,986	76,447,369
Total capital	140,286,309	147,016,360
Gearing ratio	66%	48%

The increase in gearing ratio in 2022 is primarily due to the increase in borrowings and decrease in cash and cash equivalents which is mainly attributed to the net cash used in operating activities and investing activities.

## 4. FINANCIAL RISK MANAGEMENT (Continued)

### 4.3 Fair value estimation

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

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

The following table presents the Group's assets or liabilities that are measured at fair value at 31 December 2022 and 2021. See Note 12 for disclosures of the investment properties that are measured at fair value.

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
<b>At 31 December 2022</b>				
<b>Assets</b>				
Financial assets at fair value through profit or loss (Note 18)	481,284	229,227	4,740,601	5,451,112
Financial assets at fair value through other comprehensive income (Note 17)	16,020	–	955,594	971,614
	497,304	229,227	5,696,195	6,422,726
<b>Liabilities</b>				
Financial liabilities at fair value through profit or loss (Note 36)	–	(168,420)	–	(168,420)
<b>At 31 December 2021</b>				
<b>Assets</b>				
Financial assets at fair value through profit or loss (Note 18)	174,145	423,863	4,889,253	5,487,261
Financial assets at fair value through other comprehensive income (Note 17)	290,823	–	5,943,988	6,234,811
	464,968	423,863	10,833,241	11,722,072
<b>Liabilities</b>				
Financial liabilities at fair value through profit or loss (Note 36)	–	(384,193)	–	(384,193)

## 4. FINANCIAL RISK MANAGEMENT (Continued)

### 4.3 Fair value estimation (Continued)

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

#### (a) Financial instruments in Level 1

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

#### (b) Financial instruments in Level 2

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

#### (c) Financial instruments in Level 3

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

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

## 4. FINANCIAL RISK MANAGEMENT (Continued)

### 4.3 Fair value estimation (Continued)

#### (c) Financial instruments in Level 3 (Continued)

The following table presents the changes in Level 3 instruments for the year ended 31 December 2022.

	Financial asset at fair value through other comprehensive income and through profit or loss RMB'000
<b>Financial assets in Level 3</b>	
Opening balance	10,833,241
Addition	481,470
Increase due to acquisition of a subsidiary	1,000
Fair value losses	(5,411,552)
Currency translation difference	453,175
Disposal	(661,139)
Closing balance	5,696,195

The following table presents the changes in Level 3 instruments for the year ended 31 December 2021.

	Financial asset at fair value through other comprehensive income and through profit or loss RMB'000
<b>Financial assets in Level 3</b>	
Opening balance	9,863,839
Addition	1,045,530
Increase due to disposal of a subsidiary	346,649
Increase due to acquisition of a subsidiary	39,000
Fair value losses	(315,852)
Currency translation difference	(96,921)
Disposal	(49,004)
Closing balance	10,833,241

## 4. FINANCIAL RISK MANAGEMENT (Continued)

### 4.3 Fair value estimation (Continued)

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

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

As at 31 December 2022 and 2021, the underlying portfolio invested by equity fund are all properties located in Mainland China, United States and Hong Kong, the valuation of equity fund investment is determined based on the valuation of properties.

Description	Valuation technique	Significant unobservable inputs	Range/ value	Relationship of unobservable inputs to fair value
Unlisted fund investments which principally invests in residential and commercial real estate	Market Approach	Premium or discount for quality of properties (e.g. location, view, size, condition and time of the properties)	-10% to 10%	The higher discount rate, the lower fair value
		Lack of marketability discount	10% to 29%	The higher discount rate, the lower fair value
	Income Approach	Discount rate	9.11%	The higher discount rate, the lower fair value
Unlisted fund investments which invests in real estate related project	Market Approach	Premium or discount for quality of properties (e.g. location, view, size, condition and time of the properties)	-3% to 20%	The higher discount rate, the lower fair value
	Income Approach	Discount rate	9.11%	The higher discount rate, the lower fair value

As at 31 December 2022 and 2021, the significant unlisted equity investments are mainly include perpetual and preferred equity instruments issued by Associates of the Group.

Description	Valuation technique	Significant unobservable inputs	Range/value	Relationship of unobservable inputs to fair value
Unlisted equity investments	Income Approach	Discount rate	8.91% to 46.3%	The higher discount rate, the lower fair value
	Binominal pricing model	Risk-free interest rate	3.65%	The higher the interest rate, the lower fair value
		Volatility	51.84%	The higher the interest rate, the higher fair value

## 4. FINANCIAL RISK MANAGEMENT (Continued)

### 4.3 Fair value estimation (Continued)

#### (e) Valuation process

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

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

## 5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

#### (a) Estimate of fair value of investment properties

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

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

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

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

## 5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

### (b) Income taxes and land appreciation tax (“LAT”) (Continued)

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

### (c) Deferred income tax

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

### (d) Estimations for total properties construction cost

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

### (e) Revenue recognition

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

The Group recognises property development revenue over time by reference to the progress towards complete satisfaction of the performance obligation at the reporting date. The progress is measured based on the Group’s efforts or inputs to the satisfaction of the performance obligation, by reference to the contract costs incurred up to the end of reporting period as a percentage of total estimated costs for each property unit in the contract. The Group calculated the cost allocation based on type of properties, gross and saleable floor areas. Significant judgments and estimations are required in determining the completeness of the estimated total costs and the accuracy of progress towards complete satisfaction of the performance obligation at the reporting date. Changes in cost estimates in future periods can have effect on the Group’s revenue recognised. In making the above estimations, the Group relies on past experience and work of contractors and, if appropriate, surveyors.

### (f) Estimated impairment of non-financial assets

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

## 5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

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

Property under development and completed properties held for sale is reviewed by management for impairment, whenever events or changes in circumstances indicate that the carrying amount may be higher than net realisable value. The net realisable value is the higher of estimated selling price of the properties in the ordinary course of business, less estimated costs to complete the development of properties (applicable to properties under development) and selling expenses and carrying amount of the properties under development and completed properties held for sale. Management makes judgments on whether such events or changes in circumstances have occurred, and makes estimates mainly for selling price and cost to complete the development of the properties (applicable to properties under development) and cost to sell in determining the net realisable value.

### (h) Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in the tables in note 4.

### (i) Going concern

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

## 6. SEGMENT INFORMATION

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

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

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

## 6. SEGMENT INFORMATION (Continued)

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

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

The segment information provided to the executive directors of the Company for the reportable segments for the years ended 31 December 2022 and 2021 is as follows:

	Property Development						Property investment	Property management	All other segments	Total
	Beijing	Bohai Rim	Eastern	Southern	Central	Western				
	RMB'000	Region RMB'000	China RMB'000	China RMB'000	China RMB'000	China RMB'000				
Year ended 31 December 2022										
Total revenue	4,234,290	10,873,200	8,245,348	5,497,254	6,810,585	1,499,089	394,866	3,269,905	9,321,561	50,146,098
Inter-segment revenue	–	(1,426)	–	(24,271)	(2,323)	(156)	(3,666)	(401,546)	(3,586,125)	(4,019,513)
Revenue (from external customers)	4,234,290	10,871,774	8,245,348	5,472,983	6,808,262	1,498,933	391,200	2,868,359	5,735,436	46,126,585
Segment operating (loss)/profit	(1,082,525)	(1,371,760)	(917,236)	(1,115,455)	547,376	(280,289)	122,726	46,909	(760,174)	(4,810,428)
Depreciation and amortization (Note 39)	(653)	(12,712)	(2,367)	(5,206)	(2,181)	(1,903)	(1,664)	(28,784)	(237,098)	(292,568)
Year ended 31 December 2021										
Total revenue	10,661,357	8,463,618	11,857,705	11,571,912	9,370,075	3,237,363	419,035	2,965,559	11,095,095	69,641,719
Inter-segment revenue	–	–	–	(32,080)	–	–	(9,405)	(435,410)	(4,917,492)	(5,394,387)
Revenue (from external customers)	10,661,357	8,463,618	11,857,705	11,539,832	9,370,075	3,237,363	409,630	2,530,149	6,177,603	64,247,332
Segment operating profit	544,926	2,457,322	2,273,764	1,214,294	1,044,032	261,555	233,705	153,944	2,245,009	10,428,551
Depreciation and amortization (Note 39)	(13,214)	(1,531)	(6,955)	(9,524)	(1,213)	(2,118)	(48)	(29,272)	(218,833)	(282,708)

## 6. SEGMENT INFORMATION (Continued)

	Property Development						Property investment	Property management	All other segments	Total
	Beijing	Bohai Rim Region	Eastern China	Southern China	Central China	Western China				
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000				
As at 31 December 2022										
Total segment assets	16,002,920	22,739,272	21,100,106	23,452,087	25,991,484	7,528,940	3,699,509	3,831,075	88,361,868	212,707,261
Additions to non-current assets (other than financial instruments and deferred income tax assets)	530,580	40,457	41	905	653	417	29	100,324	2,153,553	2,826,959
Total segment liabilities	6,170,793	15,356,930	15,458,748	13,118,688	15,354,419	5,026,319	174,213	1,836,577	27,015,024	99,511,711
As at 31 December 2021										
Total segment assets	14,193,182	28,698,044	23,095,005	31,067,543	33,984,311	5,343,727	7,153,348	3,505,593	88,406,107	235,446,860
Additions to non-current assets (other than financial instruments and deferred income tax assets)	1,097	4,621	7,189	9,150	4,111	2,353	16,172	78,378	2,216,713	2,339,784
Total segment liabilities	6,446,310	19,822,624	16,555,536	17,822,890	20,004,168	3,729,717	358,291	1,335,528	23,918,956	109,994,020

A reconciliation of segment operating (loss)/profit to (loss)/profit before income tax is provided as follows:

	Year ended 31 December	
	2022 RMB'000	2021 RMB'000
Segment operating profit	(4,810,428)	10,428,551
Corporate finance income	626	2,649
Corporate overheads	(374,925)	(543,034)
Fair value losses on investment properties (Note 12)	(256,118)	(63,862)
Other gains and losses — net (Note 38)	(2,688,919)	76,267
Finance costs (Note 41)	(3,066,124)	(2,238,690)
Share of results of joint ventures	(956,523)	1,572,808
Share of results of associates	(872,045)	562,425
<b>(Loss)/profit before income tax</b>	<b>(13,024,456)</b>	<b>9,797,114</b>

## 6. SEGMENT INFORMATION (Continued)

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

	As at 31 December	
	2022 RMB'000	2021 RMB'000
Total segment assets	<b>212,707,261</b>	235,446,860
Corporate cash and cash equivalents	<b>103,637</b>	77,513
Interests in joint ventures (Note 14)	<b>20,463,935</b>	25,290,806
Interests in associates (Note 15)	<b>4,847,594</b>	6,730,935
Financial assets at fair value through other comprehensive income (Note 17)	<b>971,614</b>	6,234,811
Financial assets at fair value through profit or loss (Note 18)	<b>5,451,112</b>	5,487,261
Deferred income tax assets (Note 33)	<b>1,527,180</b>	1,983,856
<b>Total assets per consolidated balance sheet</b>	<b>246,072,333</b>	281,252,042
Total segment liabilities	<b>99,511,711</b>	109,994,020
Current borrowings (Note 32)	<b>38,091,736</b>	18,667,628
Non-current borrowings (Note 32)	<b>58,931,713</b>	73,556,834
Deferred income tax liabilities (Note 33)	<b>1,482,767</b>	2,201,998
Financial liabilities at fair value through profit or loss (Note 36)	<b>168,420</b>	384,193
<b>Total liabilities per consolidated balance sheet</b>	<b>198,186,347</b>	204,804,673

For the year ended 31 December 2022, included in the revenue of sales of properties, approximately RMB36,274,009,000 (2021: RMB54,210,558,000) was recognised as a point in time, approximately RMB857,581,000 (2021: RMB919,392,000) was recognised over time.

The Company is incorporated in Hong Kong, with most of its major subsidiaries domiciled in the PRC. Revenues from external customers of the Group are mainly derived in the PRC for the years ended 31 December 2022 and 2021.

As at 31 December 2022, total non-current assets (other than financial instruments and deferred income tax assets) located in the PRC amounted to approximately RMB38,366,805,000 (2021: RMB42,622,070,000), total non-current assets located in Hong Kong and in the United States amounted to approximately RMB2,963,000 (2021: RMB4,675,000) and approximately RMB199,404,000 (2021: RMB242,276,000), respectively.

For the years ended 31 December 2022 and 2021, the Group does not have any single customer with the transaction value over 10% of the total external sales.

## 7. PROPERTY, PLANT AND EQUIPMENT

	Buildings and leasehold improvements RMB'000	Machinery RMB'000	Vehicles RMB'000	Office equipment RMB'000	Electronic equipment RMB'000	Construction in progress RMB'000	Total RMB'000
<b>Year ended 31 December 2022</b>							
Opening net book amount	1,656,407	5,264	6,929	4,010	497,142	1,034,345	3,204,097
Additions	161,338	11,752	16,717	27,232	18,598	85,022	320,659
Acquisition of subsidiaries	67,775	63,429	4,884	342	685	8,268	145,383
Transfer	–	–	–	23,377	–	(23,377)	–
Transfer to investment properties (Note 12)	(310,854)	–	–	–	–	–	(310,854)
Transfer from properties under development (Note 19)	526,844	–	–	–	–	–	526,844
Disposals	(40,617)	(303)	(13,911)	(422)	(7,269)	(38,919)	(101,441)
Depreciation charge (Note 39)	(26,245)	(3,550)	(3,205)	(21,985)	(73,554)	–	(128,539)
Disposal of interests in subsidiaries	–	–	–	(121)	(156)	(119,235)	(119,512)
Closing net book amount	2,034,648	76,592	11,414	32,433	435,446	946,104	3,536,637
<b>At 31 December 2022</b>							
Cost	2,069,770	94,010	57,640	137,337	733,840	946,104	4,038,701
Accumulated depreciation	(35,122)	(17,418)	(46,226)	(104,904)	(298,394)	–	(502,064)
Net book amount	2,034,648	76,592	11,414	32,433	435,446	946,104	3,536,637
<b>Year ended 31 December 2021</b>							
Opening net book amount	885,056	2,990	9,129	28,013	41,521	1,508,994	2,475,703
Additions	68,513	3,085	1,592	9,594	11,240	171,614	265,638
Acquisition of subsidiaries	670,915	–	588	1,763	509,048	13,025	1,195,339
Transfer	138,377	–	–	–	–	(138,377)	–
Transfer from investment properties (Note 12)	48,943	–	–	–	–	–	48,943
Transfer to properties under development (Note 19)	(92,380)	–	–	–	–	(520,911)	(613,291)
Disposals	–	–	(294)	(13,115)	(120)	–	(13,529)
Depreciation charge (Note 39)	(60,580)	(811)	(4,086)	(22,164)	(60,847)	–	(148,488)
Disposal of interests in subsidiaries	(2,437)	–	–	(81)	(3,700)	–	(6,218)
Closing net book amount	1,656,407	5,264	6,929	4,010	497,142	1,034,345	3,204,097
<b>At 31 December 2021</b>							
Cost	1,867,259	9,749	54,625	120,047	614,916	1,034,345	3,700,941
Accumulated depreciation	(210,852)	(4,485)	(47,696)	(116,037)	(117,774)	–	(496,844)
Net book amount	1,656,407	5,264	6,929	4,010	497,142	1,034,345	3,204,097

## 7. PROPERTY, PLANT AND EQUIPMENT (Continued)

Depreciation expenses of approximately RMB112,913,000 (2021: RMB130,198,000) and approximately RMB15,626,000 (2021: RMB18,290,000) have been charged in “cost of sales” and in “administrative expenses”, respectively.

Construction in progress as at 31 December 2022 and 31 December 2021 represents buildings and data centers under construction mainly in Beijing, Shijiazhuang, Dalian, Hangzhou, and Suzhou with intended use for senior housing or health care related services and operation of data centers.

As at 31 December 2022, property, plant and equipment of the Group with carrying values of approximately RMB687,001,000 (2021: RMB131,897,000) were pledged as collateral for the Group’s borrowings.

## 8. LEASES

### (a) Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to leases:

	As at 31 December	
	2022 RMB'000	2021 RMB'000
<b>Right-of-use assets</b>		
Leased buildings	<b>360,447</b>	403,550
Other	<b>1,751</b>	3,199
<b>Total right-of-use assets per consolidated balance sheet</b>	<b>362,198</b>	406,749
<b>Lease liabilities</b>		
Current	<b>74,782</b>	65,832
Non-current	<b>323,616</b>	361,241
<b>Total lease liabilities per consolidated balance sheet</b>	<b>398,398</b>	427,073

## 8. LEASES (Continued)

### (b) Amounts recognised in the statement of profit or loss

The statement of profit or loss shows the following amounts relating to leases:

	Year ended 31 December	
	2022 RMB'000	2021 RMB'000
<b>Depreciation charge of right-of-use assets</b>		
Leased buildings	(76,787)	(101,960)
Other	(2,247)	(1,691)
<b>Total</b>	<b>(79,034)</b>	<b>(103,651)</b>
Interest expense (Note 41)	24,204	27,712

### (c) The Group's leasing activities and how these are accounted for

The Group mainly leases various offices. Rental contracts are typically made for fixed periods of 15 months to 20 years.

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

## 9. LAND USE RIGHTS

The Group's interests in land use rights represent prepaid operating lease payments in the PRC which are held on leases of less than 50 years (including 50 years). The movements are as follows:

	Year ended 31 December	
	2022 RMB'000	2021 RMB'000
<b>At beginning of the year</b>	<b>197,949</b>	177,320
Additions	87,418	24,729
Transfer from properties under development (Note 19)	19,866	–
Amortization charge (Note 39)	(29,360)	(4,100)
<b>At end of the year</b>	<b>275,873</b>	197,949

As at 31 December 2022, the land use rights of the Group with carrying values of approximately RMB4,698,000 (2021: RMB4,846,000) were pledged as collateral for the Group's borrowings.

## 10. INTANGIBLE ASSETS

	Year ended 31 December	
	2022 RMB'000	2021 RMB'000
<b>At beginning of the year</b>	<b>219,074</b>	108,746
Additions	<b>1,772</b>	7,115
Acquisition of subsidiaries	<b>294,596</b>	157,337
Disposal of interests in subsidiaries	–	(27,655)
Amortization charge (Note 39)	<b>(55,635)</b>	(26,469)
<b>At end of the year</b>	<b>459,807</b>	219,074

## 11. GOODWILL

	Year ended 31 December	
	2022 RMB'000	2021 RMB'000
At the beginning of the year	<b>378,198</b>	147,415
Acquisition of subsidiaries	<b>511,394</b>	251,776
Derecognition of goodwill (Note 39)	<b>(938)</b>	(20,993)
At the end of the year	<b>888,654</b>	378,198

## 11. GOODWILL (Continued)

Goodwill was generated from business combination and allocated to a cash generating unit or a group of cash generating units, from the acquisition date, that is expected to benefit from the synergies of the combination. Derecognition of goodwill allocated to a cash generating unit or a group of cash generating units was recognised due to disposal of the relevant properties.

Goodwill is allocated to the Group's cash generating units identified which is not larger than an operating segment. A summary of the goodwill allocation is presented below:

	As at 31 December	
	2022 RMB'000	2021 RMB'000
Internet digital center related business (i)	213,948	213,948
Property management (ii)	458,359	92,632
Property development (iii)	5,376	6,314
Other (iv)	210,971	65,304
	<b>888,654</b>	<b>378,198</b>

- (i) Goodwill relating to internet digital center service contracts and customer relationship arose from the acquisition of internet digital center service companies.
- (ii) Goodwill relating to property management arose from the acquisition of property management companies. On 12 August 2022, (i) 遠洋億家物業服務股份有限公司, a non wholly-owned subsidiary of the Group, as purchaser (the "Purchaser"), and (ii) 大連正乾置業有限公司, a wholly-owned subsidiary of the Group, and Sino-Ocean Capital Limited, an associate of the Group, as vendors (collectively, the "Vendors") entered into the acquisition agreement for 50% equity interests in 天津熙合供應鏈服務有限公司 from each of the Vendors for RMB250,000,000 (i.e. a total consideration of RMB500,000,000). After the completion of the acquisition in October 2022, the Group has recognised a goodwill amounted to RMB365,727,000.
- (iii) Goodwill relating to property development arose from the acquisition of properties development companies, the impairment of such goodwill is considered together with the impairment of the properties under development and completed properties held for sales of the Group.
- (iv) Such goodwill raised from the acquisition of companies engaged in other fields, including landscaping and other construction companies. Impairment of such goodwill is considered together with the impairment of other non-financial assets of the Group.

As of 31 December 2022 and 2021, management performed impairment assessment on goodwill. The recoverable amount of goodwill is determined based on value-in-use calculations. These calculations use cash flow projections based on management's financial budgets covering periods of no more than 5 years. The Group expects cash flows beyond such periods will be similar to that of the respective final forecast years on existing scale.

Key assumptions applied in the impairment test for the goodwill include the expected growth in revenue, terminal growth rate and pre-tax discount rate and so on. Management determined these key assumptions based on past performance and its expectation on market development. Management believes that any reasonably possible change in any of these key assumption on which recoverable amounts are based may not cause the carrying amounts of goodwill to exceed their recoverable amounts. As at 31 December 2022, the range of revenue growth rate, terminal growth rate and pre-tax discount rate used for the analysis of each of the CGUs are from 2.88% to 29.05%, 2.2% and 6.73% to 21.52% respectively. The results of the tests undertaken as at 31 December 2022 indicated no impairment charge was necessary.

## 12. INVESTMENT PROPERTIES

	Completed investment properties RMB'000	Investment properties under development RMB'000	Total RMB'000
<b>At fair value</b>			
<b>Year ended 31 December 2022</b>			
At beginning of the year	6,441,213	–	6,441,213
Disposal	(393,593)	–	(393,593)
Acquisition of subsidiaries	1,394,884	–	1,394,884
Transfer from completed properties held for sales	222,068	–	222,068
Transfer from property, plant and equipment (Note 7)	310,854	–	310,854
Currency translation differences	15,166	–	15,166
Fair value losses recognised in profit or loss	(256,118)	–	(256,118)
<b>At end of the year</b>	<b>7,734,474</b>	<b>–</b>	<b>7,734,474</b>
<b>At fair value</b>			
<b>Year ended 31 December 2021</b>			
At beginning of the year	6,976,798	5,079,000	12,055,798
Additions	16,172	39,553	55,725
Transfer to property, plant and equipment (Note 7)	(48,943)	–	(48,943)
Transfer to properties under development	(95,476)	–	(95,476)
Disposal of interests in subsidiaries	(331,000)	(5,112,000)	(5,443,000)
Currency translation differences	(19,029)	–	(19,029)
Fair value losses recognised in profit or loss	(57,309)	(6,553)	(63,862)
<b>At end of the year</b>	<b>6,441,213</b>	<b>–</b>	<b>6,441,213</b>

(a) Amounts recognised in profit or loss for investment properties

	Year ended 31 December	
	2022 RMB'000	2021 RMB'000
Rental income	391,200	409,630
Direct operating expenses arising from investment properties that generate rental income	(135,461)	(132,768)
Direct operating expenses that did not generate rental income	(8,686)	(29,865)
	<b>247,053</b>	246,997

## 12. INVESTMENT PROPERTIES (Continued)

### (b) Valuation basis

Fair value measurements using significant unobservable inputs

	31 December 2022						
	Beijing RMB'000	Completed investment properties Tianjin RMB'000	Dalian RMB'000	United States RMB'000	Sub total RMB'000	Investment properties under development Beijing RMB'000	Total RMB'000
Opening balance as at 1 January	5,755,937	–	443,000	242,276	6,441,213	–	6,441,213
Disposal	–	–	(393,593)	–	(393,593)	–	(393,593)
Acquisition of subsidiaries	662,884	732,000	–	–	1,394,884	–	1,394,884
Transfer from completed properties held for sales	222,068	–	–	–	222,068	–	222,068
Transfer from property, plant and equipment (Note 7)	310,854	–	–	–	310,854	–	310,854
Currency translation differences	–	–	–	15,166	15,166	–	15,166
Net losses from fair value adjustment	(167,723)	–	(30,357)	(58,038)	(256,118)	–	(256,118)
Closing balance as at 31 December	6,784,020	732,000	19,050	199,404	7,734,474	–	7,734,474

Fair value measurements using significant unobservable inputs

	31 December 2021						
	Beijing RMB'000	Completed investment properties Tianjin RMB'000	Dalian RMB'000	United States RMB'000	Sub total RMB'000	Investment properties under development Beijing RMB'000	Total RMB'000
Opening balance as at 1 January	5,949,181	331,000	455,196	241,421	6,976,798	5,079,000	12,055,798
Additions	11,160	–	5,012	–	16,172	39,553	55,725
Transfer to property, plant and equipment	(48,943)	–	–	–	(48,943)	–	(48,943)
Transfer to properties under development	(78,268)	–	(17,208)	–	(95,476)	–	(95,476)
Disposal of interests in subsidiaries	–	(331,000)	–	–	(331,000)	(5,112,000)	(5,443,000)
Currency translation differences	–	–	–	(19,029)	(19,029)	–	(19,029)
Net (losses)/gains from fair value adjustment	(77,193)	–	–	19,884	(57,309)	(6,553)	(63,862)
Closing balance as at 31 December	5,755,937	–	443,000	242,276	6,441,213	–	6,441,213

## 12. INVESTMENT PROPERTIES (Continued)

### (b) Valuation basis (Continued)

#### Valuation processes of the Group

The Group measures its investment properties at fair value. The investment properties were mainly revalued by Cushman & Wakefield Limited, Graval Consulting Limited and Colliers International, independent qualified valuers not related to the Group, who hold recognised relevant professional qualifications and have recent experiences in the location and segments of the investment properties valued. For all investment properties, their current use equates to the highest and best use.

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

At each financial year end the finance department of the Group:

- Verifies all major inputs to the independent valuation report;
- Assess property valuations movements when compared to the prior year valuation report;
- Holds discussions with the independent qualified valuers.

#### Valuation techniques

Fair values of completed commercial properties in Beijing, Tianjin, Dalian and the United States are generally derived using the income capitalization method. These valuation methods are based on the capitalization of the net income and reversionary income potential by adopting appropriate capitalization rates, which are derived from analysis of sale transactions and valuers' interpretation of prevailing investor requirements or expectations. The prevailing market rents adopted in the valuation have reference to recent lettings, within the subject properties and other comparable properties.

There were no changes to the valuation techniques during the year and there were no transfers between fair value hierarchy during the year.

#### Significant unobservable inputs used to determine fair value

- Completed investment properties

Description	Fair value at 31 December 2022 (RMB'000)	Valuation technique(s)	Range of significant unobservable inputs	
			Prevailing market rents	Capitalization rates (%)
Completed investment properties — Beijing	6,784,020	Income capitalization	RMB25 to RMB981 per month per square meter	4.50-8.85
Completed investment properties — Tianjin	732,000	Income capitalization	RMB71 to RMB85 per month per square meter	6.50
Completed investment properties — Dalian	19,050	Income capitalization	RMB64 to RMB111 per month per square meter	6.00
Completed investment properties — United States	199,404	Income capitalization	USD3 per month per square feet	6.50

## 12. INVESTMENT PROPERTIES (Continued)

### (b) Valuation basis (Continued)

#### Significant unobservable inputs used to determine fair value (Continued)

- Completed investment properties (Continued)

Description	Fair value at 31 December 2021 (RMB'000)	Valuation technique(s)	Range of significant unobservable inputs	
			Prevailing market rents	Capitalization rates (%)
Completed investment properties — Beijing	5,755,937	Income capitalization	RMB30 to RMB593 per month per square meter	5.75 to 7.00
Completed investment properties — Dalian	443,000	Income capitalization	RMB64 to RMB111 per month per square meter	6.00
Completed investment properties — United States	242,276	Income capitalization	USD5 per month per square feet	6.00

Prevailing market rents are estimated based on valuers' view of recent lettings, within the subject properties and other comparable properties. The lower the rents, the lower the fair value.

Capitalization rates are estimated by valuers based on the risk profile of the properties being valued. The higher the rates, the lower the fair value.

### (c) Non-current assets pledged as security

As at 31 December 2022 and 2021, investment properties of the Group with carrying values of approximately RMB4,872,057,000 and RMB3,145,057,000, respectively, were pledged as collateral for the Group's borrowings.

## 13. SUBSIDIARIES

The following is a list of the subsidiaries as at 31 December 2022 which, in the opinion of the directors, materially affect the results or assets of the Group:

Name	Place of incorporation and kind of legal entity	Principal activities and place of operation	Issued/paid in capital (In thousand)	Ownership interest held by the Group		Ownership interest held by non-controlling interest	
				2022	2021	2022	2021
(1) Sino-Ocean Holding Group (China) Limited 遠洋控股集團（中國）有限公司	PRC, Limited liability company	Investment holding	RMB7,064,870	100%	100%	–	–
(2) 遠洋國際建設有限公司	PRC, Limited liability company	Renovation service in PRC	RMB600,000	100%	100%	–	–
(3) 北京遠盛置業有限公司	PRC, Limited liability company	Property development in PRC	RMB100,000	100%	100%	–	–
(4) Beijing Yuankun Real Estate Development Company, Limited 北京遠坤房地產開發有限公司	PRC, Limited liability company	Investment holding	RMB500,000	100%	100%	–	–
(5) 北京碧城創業投資管理有限公司	PRC, Limited liability company	Investment holding	RMB336,000	100%	100%	–	–
(6) Beijing Qian Yuan Property Co., Ltd. 北京乾遠置業有限公司	PRC, Limited liability company	Investment holdings in PRC	RMB300,000	100%	100%	–	–
(7) Beijing Yuan Yang Building Co., Ltd. 北京遠洋大廈有限公司	PRC, Limited liability company	Investment property in PRC	USD30,000	72%	72%	28%	28%
(8) Beijing Wuhe Real Estate Development Company, Limited 北京五河房地產開發有限公司	PRC, Limited liability company	Land development in PRC	RMB100,000	75%	75%	25%	25%
(9) Beijing Jun De Land Development Company Limited 北京駿德置業有限公司	PRC, Limited liability company	Investment holding	RMB90,000	100%	100%	–	–
(10) Beijing Dong long Real Estate Development Co., Ltd. 北京東隆房地產開發有限公司	PRC, Limited liability company	Property development in PRC	USD12,370	85.72%	85.72%	14.28%	14.28%
(11) Beijing Jin He Wan Sheng Real Estate Development Company Limited 北京金和萬盛房地產開發有限公司	PRC, Limited liability company	Land development in PRC	RMB75,000	100%	100%	–	–
(12) Beijing Yuan Hao Land Development Company, Limited 北京遠豪置業有限公司	PRC, Limited liability company	Property development in PRC	RMB60,000	100%	100%	–	–
(13) Beijing Tianlin Real Estate Development Company, Limited 北京市天麟房地產開發有限公司	PRC, Limited liability company	Investment holding	RMB30,000	100%	100%	–	–

## 13. SUBSIDIARIES (Continued)

Name	Place of incorporation and kind of legal entity	Principal activities and place of operation	Issued/paid in capital (In thousand)	Ownership interest held by the Group		Ownership interest held by non-controlling interest	
				2022	2021	2022	2021
(14) 北京遠東新地置業有限公司	PRC, Limited liability company	Investment holding	RMB200,000	100%	100%	–	–
(15) Beijing Yin Gang Real Estate Development Company Limited 北京銀港房地產開發有限公司	PRC, Limited liability company	Investment holdings in PRC	RMB10,000	100%	100%	–	–
(16) Beijing Yuan-lian Real Estate Development Company, Limited 北京遠聯置地房地產開發有限公司	PRC, Limited liability company	Property development in PRC	RMB10,000	100%	100%	–	–
(17) 天津宇華房地產開發有限公司	PRC, Limited liability company	Property development in PRC	RMB800,000	100%	100%	–	–
(18) Tianjin Yuanying Real Estate Development Company, Limited 天津市遠贏置業有限公司	PRC, Limited liability company	Property development in PRC	RMB30,000	100%	100%	–	–
(19) 大連新悅置業有限公司	PRC, Sino-foreign equity joint venture	Property development in PRC	USD241,000	100%	100%	–	–
(20) 大連滙洋置業有限公司	PRC, Wholly foreign owned enterprise	Property development in PRC	USD15,142	100%	100%	–	–
(21) 大連廣宇置業有限公司	PRC, Sino-foreign equity joint venture	Property development in PRC	USD36,320	100%	100%	–	–
(22) 大連世甲置業有限公司	PRC, Sino-foreign equity joint venture	Property development in PRC	USD16,785	100%	100%	–	–
(23) Dalian Sunny-Ocean Property Limited 大連明遠置業有限公司	PRC, Limited liability company	Property development in PRC	USD20,000	100%	100%	–	–
(24) Dalian Sky-upright Property Limited 大連正乾置業有限公司	PRC, Limited liability company	Property development in PRC	USD106,931	100%	100%	–	–
(25) 大連源豐置業有限公司	PRC, Sino-foreign equity joint venture	Property development in PRC	USD50,700	100%	100%	–	–
(26) 大連遠佳產業園開發有限公司	PRC, Wholly foreign owned enterprise	Property development in PRC	USD15,000	100%	100%	–	–
(27) 遠洋地產（遼寧）有限公司	PRC, Limited liability company	Property development in PRC	RMB70,000	100%	100%	–	–
(28) 長春東方聯合置業有限公司	PRC, Limited liability company	Property development in PRC	RMB200,000	100%	100%	–	–

## 13. SUBSIDIARIES (Continued)

Name	Place of incorporation and kind of legal entity	Principal activities and place of operation	Issued/paid in capital (In thousand)	Ownership interest held by the Group		Ownership interest held by non-controlling interest	
				2022	2021	2022	2021
(29) 青島遠豪置業有限公司	PRC, Sino-foreign equity joint venture	Property development in PRC	RMB150,000	100%	100%	–	–
(30) 遠洋地產（上海）有限公司	PRC, Limited liability company	Investment holding	RMB20,000	100%	100%	–	–
(31) 大連鑫融置業有限公司	PRC, Wholly foreign owned enterprise	Property development in PRC	USD120,000	100%	100%	–	–
(32) 天基房地產開發（深圳）有限公司	PRC, Wholly foreign owned enterprise	Property development in PRC	HKD160,000	100%	100%	–	–
(33) 三亞南國奧林匹克花園有限公司	PRC, Limited liability company	Property development in PRC	RMB64,100	100%	100%	–	–
(34) 天津遠頤房地產開發有限公司	PRC, Limited liability company	Property development in PRC	RMB50,000	100%	100%	–	–
(35) 大連利遠置業有限公司	PRC, Sino-foreign equity joint venture	Property development in PRC	USD143,410	100%	100%	–	–
(36) 遠洋養老運營管理有限公司	PRC, Limited liability company	Senior housing service in PRC	RMB500,000	100%	100%	–	–
(37) Tianjin Yuan-bin Real Estate Development Company, Limited 天津市遠濱房地產開發有限公司	PRC, Sino-foreign equity joint venture	Property development in PRC	RMB600,000	100%	100%	–	–
(38) 大連宏宇置業有限公司	PRC, Limited liability company	Property development in PRC	RMB50,000	100%	100%	–	–
(39) 北京遠山置業有限公司	PRC, Limited liability company	Property development in PRC	RMB100,000	100%	100%	–	–
(40) 盈創再生資源有限公司	PRC, Limited liability company	Investment property in PRC	RMB361,670	100%	96.19%	–	3.81%
(41) 上海銳盈置業有限公司	PRC, Wholly foreign owned enterprise	Property development in PRC	RMB145,000	100%	100%	–	–
(42) 遠洋地產（深圳）有限公司 (formerly named as 深圳市樂安房地產有限公司)	PRC, Limited liability company	Property development in PRC	RMB50,000	100%	100%	–	–
(43) 北京遠新資產管理有限公司	PRC, Limited liability company	Investment property in PRC	RMB20,000	100%	100%	–	–
(44) 北京市佳利華經濟開發有限責任公司	PRC, Limited liability company	Senior housing service in PRC	RMB30,000	100%	100%	–	–

### 13. SUBSIDIARIES (Continued)

Name	Place of incorporation and kind of legal entity	Principal activities and place of operation	Issued/paid in capital (In thousand)	Ownership interest held by the Group		Ownership interest held by non-controlling interest	
				2022	2021	2022	2021
(45) Sino-Ocean Service Holding Limited 遠洋服務控股有限公司	Cayman Islands, Limited liability company	Property management in PRC	RMB99,829	<b>67.57%</b>	67.57%	<b>32.43%</b>	32.43%
(46) 上海遠滙置業有限公司	PRC, Wholly foreign owned enterprise	Property development in PRC	RMB2,200,000	<b>100%</b>	100%	–	–
(47) 深圳市金楓房地產開發有限公司 ("Shenzhen Jinfeng")	PRC, Limited liability company	Property development in PRC	RMB50,000	<b>60%</b>	60%	<b>40%</b>	40%
(48) 深圳市高誠達投資發展有限公司	PRC, Limited liability company	Property development in PRC	RMB50,000	<b>80%</b>	80%	<b>20%</b>	20%
(49) 三亞德商房地產開發有限公司	PRC, Sino-foreign equity joint venture	Property development in PRC	USD30,000	<b>100%</b>	100%	–	–
(50) 南京金遠置業有限公司	PRC, Limited liability company	Property development in PRC	RMB33,330	<b>70%</b>	70%	<b>30%</b>	30%
(51) 上海椿萱茂養老服務有限公司	PRC, Limited liability company	Senior housing service in PRC	RMB10,000	<b>100%</b>	100%	–	–
(52) 湖北福星惠譽常青置業有限公司 ("Hubei Fuxing")	PRC, Limited liability company	Property development in PRC	RMB10,000	<b>51%</b>	51%	<b>49%</b>	49%
(53) 成都嘉昱房地產有限責任公司	PRC, Limited liability company	Property development in PRC	RMB10,000	<b>60%</b>	60%	<b>40%</b>	40%
(54) 北京遠奧置業有限公司	PRC, Limited liability company	Property development in PRC	RMB50,000	<b>100%</b>	100%	–	–
(55) 天津濱海房地產經營有限公司	PRC, Limited liability company	Property development in PRC	RMB100,000	<b>60%</b>	60%	<b>40%</b>	40%
(56) 遠洋地產鎮江有限公司	PRC, Limited liability company	Property development in PRC	RMB50,000	<b>55%</b>	55%	<b>45%</b>	45%
(57) 西安遠洋中央公園置業有限責任公司	PRC, Wholly foreign owned enterprise	Property development in PRC	USD80,000	<b>100%</b>	100%	–	–
(58) 宜興遠博置業有限公司	PRC, Limited liability company	Property development in PRC	RMB20,000	<b>100%</b>	100%	–	–
(59) 瀋陽銀基新世紀置業有限公司	PRC, Limited liability company	Property development in PRC	RMB150,000	<b>100%</b>	100%	–	–
(60) 廣州市遠翔房地產開發有限公司	PRC, Sino-foreign equity joint venture	Property development in PRC	RMB1,800,000	<b>100%</b>	100%	–	–

## 13. SUBSIDIARIES (Continued)

Name	Place of incorporation and kind of legal entity	Principal activities and place of operation	Issued/paid in capital (In thousand)	Ownership interest held by the Group		Ownership interest held by non-controlling interest	
				2022	2021	2022	2021
(61) 北京遠川房地產開發有限公司	PRC, Limited liability company	Property development in PRC	RMB20,000	100%	100%	–	–
(62) 成都恒茂置地有限公司	PRC, Limited liability company	Property development in PRC	RMB50,000	100%	100%	–	–
(63) 海寧遠置置業有限公司	PRC, Limited liability company	Property development in PRC	RMB20,000	100%	100%	–	–
(64) 溫州宸遠置業有限公司	PRC, Limited liability company	Property development in PRC	RMB20,000	100%	100%	–	–
(65) 南京遠乾置業有限公司	PRC, Limited liability company	Property development in PRC	RMB20,000	100%	100%	–	–
(66) 天津城投濱海房地產經營有限公司	PRC, Limited liability company	Property development in PRC	RMB200,000	100%	64.28%	–	35.72%
(67) 中山市遠昇房地產開發有限公司	PRC, Limited liability company	Property development in PRC	RMB20,400	100%	75%	–	25%
(68) 大連宏澤置業有限公司	PRC, Wholly foreign owned enterprise	Property development in PRC	USD151,060	100%	100%	–	–
(69) 山西明遠房地產開發有限公司	PRC, Limited liability company	Property development in PRC	RMB10,000	80%	80%	20%	20%
(70) 貴州築宸府置業有限公司	PRC, Limited liability company	Property development in PRC	RMB12,500	100%	80%	–	20%
(71) 秦皇島潤海房地產開發有限公司	PRC, Limited liability company	Property development in PRC	RMB636,000	100%	100%	–	–
(72) 秦皇島潤濱房地產開發有限公司	PRC, Limited liability company	Property development in PRC	RMB212,000	100%	100%	–	–
(73) 秦皇島潤鴻房地產開發有限公司	PRC, Limited liability company	Property development in PRC	RMB61,200	100%	100%	–	–
(74) 秦皇島潤澤房地產開發有限公司	PRC, Limited liability company	Property development in PRC	RMB21,200	100%	100%	–	–
(75) 秦皇島潤港房地產開發有限公司	PRC, Limited liability company	Property development in PRC	RMB21,200	100%	100%	–	–
(76) 秦皇島潤鑫房地產開發有限公司	PRC, Limited liability company	Property development in PRC	RMB21,200	100%	100%	–	–
(77) 大連盈合置業有限公司	PRC, Limited liability company	Property development in PRC	RMB20,000	51%	51%	49%	49%

### 13. SUBSIDIARIES (Continued)

Name	Place of incorporation and kind of legal entity	Principal activities and place of operation	Issued/paid in capital (In thousand)	Ownership interest held by the Group		Ownership interest held by non-controlling interest	
				2022	2021	2022	2021
(78) 大連峰景美墅地產發展有限公司	PRC, Limited liability company	Property development in PRC	RMB181,614	<b>100%</b>	100%	–	–
(79) 上海崇遠企業管理諮詢有限公司	PRC, Limited liability company	Investment holding	RMB10,000	<b>100%</b>	100%	–	–
(80) 茂名市錦繡河山房地產開發有限公司	PRC, Limited liability company	Property development in PRC	RMB19,000	<b>51%</b>	51%	<b>49%</b>	49%
(81) 龍巖遠盛房地產開發有限公司	PRC, Limited liability company	Property development in PRC	RMB30,000	<b>51%</b>	51%	<b>49%</b>	49%
(82) 上海潤翔商務諮詢有限公司	PRC, Limited liability company	Investment holding	RMB161,925	<b>56.77%</b>	56.77%	<b>43.23%</b>	43.23%
(83) 煙台遠景置業有限公司	PRC, Limited liability company	Property development in PRC	RMB20,000	<b>100%</b>	100%	–	–
(84) 上海雋品置業有限公司	PRC, Limited liability company	Property development in PRC	RMB50,000	<b>100%</b>	51%	–	49%
(85) 杭州雋遠置業有限公司	PRC, Limited liability company	Property development in PRC	RMB50,000	<b>100%</b>	51%	–	49%
(86) 湖南樂住置業投資有限公司	PRC, Limited liability company	Property development in PRC	RMB30,000	<b>95%</b>	95%	<b>5%</b>	5%
(87) 貴陽遠滙房地產開發有限公司	PRC, Limited liability company	Property development in PRC	RMB50,000	<b>100%</b>	100%	–	–
(88) 佛山昱辰房地產開發有限公司 (i)	PRC, Limited liability company	Property development in PRC	RMB174,148	<b>50%</b>	50%	<b>50%</b>	50%
(89) Zhejiang Guoheng Xixi Real Estate Co., Ltd 浙江國恆西溪置業有限公司	PRC, Limited liability company	Property development in PRC	RMB50,000	<b>100%</b>	100%	–	–
(90) Wuhan Yuanhui Real Estate Co., Ltd 武漢元慧置業有限公司	PRC, Limited liability company	Property development in PRC	RMB50,000	<b>70%</b>	70%	<b>30%</b>	30%
(91) Shenzhen Tianheng Chuangxing Industrial Co., Ltd 深圳市天恆創興實業有限公司	PRC, Limited liability company	Property development in PRC	RMB100,000	<b>63.25%</b>	63.25%	<b>36.75%</b>	36.75%
(92) Shenzhen Yuanguan Real Estate Co., Ltd 深圳市遠冠置業有限公司	PRC, Limited liability company	Property development in PRC	RMB100,000	<b>63.25%</b>	63.25%	<b>36.75%</b>	36.75%
(93) 江西軍邦房地產開發有限公司	PRC, Limited liability company	Property development in PRC	RMB30,000	<b>51%</b>	51%	<b>49%</b>	49%

## 13. SUBSIDIARIES (Continued)

Name	Place of incorporation and kind of legal entity	Principal activities and place of operation	Issued/paid in capital (In thousand)	Ownership interest held by the Group		Ownership interest held by non-controlling interest	
				2022	2021	2022	2021
(94) 深圳市恆裕國宏房地產開發有限公司	PRC, Limited liability company	Property development in PRC	RMB101,000	<b>100%</b>	100%	–	–
(95) 中山市駿盈房產開發有限公司	PRC, Limited liability company	Property development in PRC	RMB50,000	<b>51%</b>	51%	<b>49%</b>	49%
(96) Beijing UNIQloud Technology Co. Ltd. 北京雲泰數通互聯網科技有限公司 ("Beijing UNIQloud")	PRC, Limited liability company	Colocation services in PRC	RMB5,000,000	<b>50.92%</b>	50.92%	<b>49.08%</b>	49.08%
(97) 北京遠創興城置業有限公司 (i)	PRC, Limited liability company	Property development in PRC	RMB100,000	<b>50%</b>	50%	<b>50%</b>	50%
(98) 武漢弘盛永泰置業有限公司	PRC, Limited liability company	Property development in PRC	RMB50,000	<b>70%</b>	70%	<b>30%</b>	30%
(99) 上海熙序企業管理有限公司	PRC, Limited liability company	Investment holdings in PRC	RMB5,000	<b>51%</b>	51%	<b>49%</b>	49%
(100) 西寧遠鐸房地產開發有限公司 (formerly named as 西寧愛琴海房地產開發有限公司)	PRC, Limited liability company	Property development in PRC	RMB50,000	<b>51%</b>	51%	<b>49%</b>	49%
(101) 柳州星遠房地產有限公司 (formerly named as 柳州紅星房地產有限公司)	PRC, Limited liability company	Property development in PRC	RMB50,000	<b>51%</b>	51%	<b>49%</b>	49%
(102) 溫州星龍房地產開發有限責任公司	PRC, Limited liability company	Property development in PRC	RMB50,000	<b>100%</b>	100%	–	–
(103) 涿陽星龍房地產開發有限公司	PRC, Limited liability company	Property development in PRC	RMB20,000	<b>100%</b>	100%	–	–
(104) 成都遠實房地產開發有限責任公司	PRC, Limited liability company	Property development in PRC	RMB10,000	<b>100%</b>	100%	–	–
(105) 溫州遠康置業有限公司	PRC, Limited liability company	Property development in PRC	RMB20,000	<b>100%</b>	100%	–	–
(106) 蘇州遠祺房地產開發有限公司	PRC, Sino-foreign equity joint venture	Property development in PRC	RMB332,500	<b>100%</b>	100%	–	–
(107) 溫州遠溪置業有限公司	PRC, Limited liability company	Property development in PRC	RMB100,000	<b>100%</b>	100%	–	–
(108) 廣州市遠昊房地產開發有限公司	PRC, Limited liability company	Property development in PRC	RMB50,000	<b>100%</b>	100%	–	–
(109) Sino-Ocean land (Hong Kong) Limited 遠洋地產 (香港) 有限公司	Hong Kong, Limited company	Investment holding in Hong Kong	HKD10	<b>100%</b>	100%	–	–

### 13. SUBSIDIARIES (Continued)

Name	Place of incorporation and kind of legal entity	Principal activities and place of operation	Issued/paid in capital (In thousand)	Ownership interest held by the Group		Ownership interest held by non-controlling interest	
				2022	2021	2022	2021
(110) Shine Wind Development Limited 耀勝發展有限公司	BVI, Limited company	Investment holding in BVI	USD10	100%	100%	–	–
(111) Mission Success Limited 穎博有限公司	Hong Kong, Limited company	Investment holding in Hong Kong	HKD–	100%	100%	–	–
(112) Dynamic Class Limited 昇能有限公司	Hong Kong, Limited company	Investment holding in Hong Kong	HKD–	100%	100%	–	–
(113) Mega Precise Profits Limited	BVI, Limited company	Investment holding in BVI	USD–	100%	100%	–	–
(114) Smart State Properties Limited	BVI, Limited company	Investment holding in BVI	USD–	100%	100%	–	–
(115) Faith Ocean International Limited 信洋國際有限公司	BVI, Limited company	Investment holding in BVI	USD–	100%	100%	–	–
(116) World luck Corporation Limited 寰福有限公司	Hong Kong, Limited company	Investment holding in Hong Kong	HKD–	100%	100%	–	–
(117) Fame Gain Holdings Limited 名得控股有限公司	BVI, Limited company	Investment holding in BVI	USD–	100%	100%	–	–
(118) Sino-Ocean Land Property Development Limited 遠洋地產國際發展有限公司	Hong Kong, Limited company	Investment holding in Hong Kong	HKD20	100%	100%	–	–
(119) Fast Fame Capital Investment Limited 迅榮創富有限公司	Hong Kong, Limited company	Investment holding in Hong Kong	HKD–	100%	100%	–	–
(120) Sino-Ocean Land Treasure Finance I Limited	BVI, Limited company	Investment holding in BVI	USD–	100%	100%	–	–
(121) Sino-Ocean Land Treasure Finance II Limited	BVI, Limited company	Investment holding in BVI	USD–	100%	100%	–	–
(122) Sino-Ocean Land Treasure III Limited	BVI, Limited company	Investment holding in BVI	USD–	100%	100%	–	–
(123) Sino-Ocean Land Treasure IV Limited	BVI, Limited company	Investment holding in BVI	USD–	100%	100%	–	–
(124) New Advance Limited	Hong Kong, Limited company	Property development in Hong Kong	HKD1,000	100%	100%	–	–
(125) Rich Group Creation Limited	Hong Kong, Limited company	Property development in Hong Kong	HKD–	100%	100%	–	–
(126) 南昌靖淞置業有限公司	PRC, Limited liability company	Property development in PRC	RMB10,000	51%	–	49%	–
(127) 深圳市華興展房地產開發有限公司(ii)	PRC, Limited liability company	Property development in PRC	RMB101,960	49%	–	51%	–

## 13. SUBSIDIARIES (Continued)

Name	Place of incorporation and kind of legal entity	Principal activities and place of operation	Issued/paid in capital (In thousand)	Ownership interest held by the Group		Ownership interest held by non-controlling interest	
				2022	2021	2022	2021
(128) 杭州遠宸建祥置業有限公司(iii)	PRC, Limited liability company	Property development in PRC	RMB100,000	51%	–	49%	–
(129) 山東泰洋置業有限公司	PRC, Limited liability company	Property development in PRC	RMB25,000	60%	–	40%	–
(130) 廊坊市裕豐房地產開發有限公司(iv)	PRC, Limited liability company	Property development in PRC	RMB50,000	35.7%	–	64.3%	–
(131) 山東遠泉置業有限公司	PRC, Limited liability company	Property development in PRC	RMB20,000	60%	–	40%	–
(132) 大連遠曙企業管理諮詢有限公司	PRC, Limited liability company	Property development in PRC	RMB144,355	87.5%	–	12.5%	–
(133) 北京中聯置地房地產開發有限公司(v)	PRC, Limited liability company	Property development in PRC	RMB622,200	90%	–	10%	–

- (i) Although the Group only owns 50% equity interests in these companies, the Group has the power to control and direct the key operating and financing activities of these companies as the majority of the board of directors of these companies are appointed by the Group. Consequently, these companies are considered as subsidiaries of the Group.
- (ii) Although the Group only owns 49% equity interests in this company, the Group are entitled to appoint 3 out of 5 directors and 51% voting right in the Shareholder Board. The Group has the power to control and direct its key operating and financing activities. The company is considered as a subsidiary of the Group.
- (iii) As at 31 December 2021 and 2022, the Group only owns 51% interests in this company, During the year ended 31 December 2022, the M&A revised the passing rate of Shareholder Board from 100% to 50%. Hence, the Group has control over the financial and operating activities. The company is considered as a subsidiary of the Group in 2022.
- (iv) As at 31 December 2022, although the Group only owns 35.7% interests in this company, the Group has the power to control and direct its key operating and financing activities through entering into an acting in concert agreement with other shareholders. By executing the acting in concert agreement, other shareholders agreed to follow all decisions made by the Group when unanimous consent is not being reached. Consequently, the company is considered as a subsidiary of the Group.
- (v) During the year ended 31 December 2022, the Group acquired additional 76.5% interest in this company, and is entitled to appointed all directors in the board of director of the company. Consequently, the company is considered as a subsidiary of the Group.

## 13. SUBSIDIARIES (Continued)

### (a) Material non-controlling interests

The total non-controlling interests as at 31 December 2022 is approximately RMB16,138,504,000 which mainly consists of non-controlling interests of approximately RMB560,375,000 and non-controlling interests of approximately RMB353,971,000 deriving from Hubei Fuxing and Shenzhen Jinfeng, being 51% and 60% owned subsidiaries, respectively. The non-controlling interests in respect of other subsidiaries is not material.

Cash and short-term deposits held by Hubei Fuxing and Shenzhen Jinfeng as at 31 December 2022 was amounted to approximately RMB7,619,000 in aggregate are held in China and are subject to local exchange control regulations. These local exchange control regulations provide for restrictions on exporting capital from the country, other than through normal dividends.

Set out below are the summarized financial information for each subsidiary that has non-controlling interests that are material to the Group.

#### Summarized balance sheet

	Hubei Fuxing		Shenzhen Jinfeng	
	2022 RMB'000	2021 RMB'000	2022 RMB'000	2021 RMB'000
Current				
Assets	<b>1,901,493</b>	3,053,314	<b>2,533,314</b>	2,465,272
Liabilities	<b>(777,524)</b>	(1,927,383)	<b>(1,606,653)</b>	(1,579,553)
Total current net assets	<b>1,123,969</b>	1,125,931	<b>926,661</b>	885,719
Non-current				
Assets	<b>19,651</b>	4,696	<b>23,634</b>	23,634
Liabilities	—	—	<b>(42,346)</b>	—
Total non-current net assets/(liabilities)	<b>19,651</b>	4,696	<b>(18,712)</b>	23,634
Net assets	<b>1,143,620</b>	1,130,627	<b>907,949</b>	909,353
Accumulated non-controlling interests	<b>560,375</b>	554,008	<b>353,917</b>	363,741

## 13. SUBSIDIARIES (Continued)

### (a) Material non-controlling interests (Continued)

#### Summarized income statement

	Hubei Fuxing		Shenzhen Jinfeng	
	2022 RMB'000	2021 RMB'000	2022 RMB'000	2021 RMB'000
Revenue	504,485	2,877,364	47,252	1,151,326
Profit before income tax	22,536	821,574	61,008	339,197
Income tax expense	(9,543)	(361,677)	(46,975)	(109,372)
Post-tax profit	12,993	459,897	14,033	229,825
Total comprehensive income	12,993	459,897	14,033	229,825
Total comprehensive income allocated to non-controlling interests	6,367	225,350	5,613	91,930
Dividend paid to non-controlling Interests	—	—	15,437	—

#### Summarized cash flows

	Hubei Fuxing		Shenzhen Jinfeng	
	2022 RMB'000	2021 RMB'000	2022 RMB'000	2021 RMB'000
Cash flows from operating activities				
Cash generated from operations	(91,238)	1,472,239	62,048	581,266
Interest paid	—	—	—	(32,501)
Income tax paid	(99,347)	(60,741)	(59,263)	(22,896)
Net cash (used in)/generated from operating activities	(190,585)	1,411,498	2,785	525,869
Net cash used in investing activities	(147,984)	(1,376,735)	—	—
Net cash used in financing activities	—	—	—	(540,000)
Net (decrease)/increase in cash and cash equivalents	(338,569)	34,763	2,785	(14,131)
Cash and cash equivalents at beginning of the year	341,174	306,411	2,229	16,360
Cash and cash equivalents at end of the year	2,605	341,174	5,014	2,229

The information above is the amount before inter-company eliminations.

## 14. INTERESTS IN JOINT VENTURES

	Year ended 31 December	
	2022 RMB'000	2021 RMB'000
At beginning of the year	25,290,806	21,218,447
Capital injection	755,959	2,215,105
Dividend	(973,897)	(1,052,544)
Disposal	(2,049,214)	(314,427)
Deemed disposal of joint ventures, net	(218,155)	(52,505)
Increase due to partial disposal of interests in a subsidiary, net	859,158	1,985,939
Transferred to assets classified as held-for-sale (Note 25)	(2,225,754)	—
Share of results of joint ventures		
— after adjustment for unrealized profit or loss from inter-company transactions between the Group and the joint ventures	(977,994)	1,329,726
Currency translation difference	3,026	(38,935)
At end of the year	20,463,935	25,290,806

## 14. INTERESTS IN JOINT VENTURES (Continued)

- (a) Following are the details of part of the joint ventures held by the Group as at 31 December 2022, all of which are unlisted:

	Name	Country of incorporation and operation	Legal status	Issued/paid in capital (In thousand)	Effective interest held as at 31 December 2022	Effective interest held as at 31 December 2021	Nature of relationship	Principal activities
(1)	Beijing Linlian Property Company Limited 北京麟聯置業有限公司	PRC	Limited liability company	RMB400,000	50%	50%	(iii)	Investment property development
(2)	Chengdu Qianhao Real Estate Company Limited 成都乾豪置業有限公司	PRC	Limited liability company	USD329,000	0%	50%	(iii), (vi)	Investment property development
(3)	Chengdu Yingang Real Estate Company Limited 成都銀港置業有限公司	PRC	Limited liability company	RMB8,000	0%	50%	(iii), (vi)	Investment property development
(4)	北京遠騰置業有限公司	PRC	Limited liability company	RMB1,820,000	50%	50%	(iii)	Land and property development
(5)	深圳市遠盛業投資有限公司	PRC	Limited liability company	RMB200,000	51%	51%	(i), (iv)	Investment management
(6)	北京遠洋新光商業管理有限公司	PRC	Limited liability company	RMB10,000	50%	50%	(iv)	Investment management
(7)	北京遠新房地產開發有限公司	PRC	Limited liability company	RMB100,000	50%	50%	(iii)	Land and property development
(8)	北京遠洋新揚子資產管理有限公司	PRC	Limited liability company	RMB2,000	50%	50%	(iv)	Investment management
(9)	鴻基偉業（北京）房地產開發有限公司	PRC	Limited liability company	RMB20,000	50%	50%	(iii)	Land and property development
(10)	北京房地鑫洋房地產開發有限公司	PRC	Limited liability company	RMB30,000	30%	30%	(ii), (iii)	Land and property development
(11)	Tianjin Yijiahe Real Estate Company Limited 天津市億嘉合置業有限公司	PRC	Limited liability company	RMB80,000	51%	51%	(i), (iii)	Land and property development
(12)	Sol Investment Fund LP	Cayman Islands	Limited partnership	HKD2,679,000	50%	50%	(iv)	Investment management
(13)	天津市富士房地產開發有限公司	PRC	Limited liability company	RMB30,000	51%	51%	(i), (iii)	Land and property development
(14)	北京房地天銳鑫洋房地產開發有限公司	PRC	Limited liability company	RMB41,180	30%	30%	(ii), (iii)	Land and property development

## 14. INTERESTS IN JOINT VENTURES (Continued)

- (a) Following are the details of part of the joint ventures held by the Group as at 31 December 2022, all of which are unlisted (Continued):

Name	Country of incorporation and operation	Legal status	Issued/paid in capital (In thousand)	Effective interest held as at 31 December 2022	Effective interest held as at 31 December 2021	Nature of relationship	Principal activities
(15) 上海新證財經信息諮詢有限公司	PRC	Limited liability company	RMB142,500	45%	45%	(ii), (v)	Investment management
(16) 北京卓信瑞通投資有限公司	PRC	Limited liability company	RMB1,000	33%	33%	(ii), (iv)	Investment management
(17) 天津旭浩房地產開發有限公司	PRC	Limited liability company	RMB120,000	25%	25%	(ii), (iii)	Land and property development
(18) 北京新揚子投資基金管理中心 (有限合夥)	PRC	Limited liability partnership	RMB1,000,000	50%	50%	(iv)	Investment management
(19) 北京房地銘洋房地產開發 有限公司	PRC	Limited liability company	RMB30,000	49%	49%	(ii), (iii)	Land and property development
(20) 張家口富利嘉房地產開發 有限公司	PRC	Limited liability company	RMB30,000	60%	60%	(i), (iii)	Land and property development
(21) 河北川滙房地產開發有限公司	PRC	Limited liability company	RMB5,000	51%	51%	(i), (iii)	Land and property development
(22) 石家庄永熹房地產開發有限公司	PRC	Limited liability company	RMB10,000	20%	20%	(ii), (iii)	Land and property development
(23) 深圳市遠康置地投資有限公司	PRC	Limited liability company	RMB50,000	65%	65%	(i), (iv)	Investment management
(24) 長春王府井遠洋商業投資 有限公司	PRC	Limited liability company	RMB210,000	40%	40%	(ii), (iv)	Investment management
(25) 中山祥盛房地產開發有限公司	PRC	Limited liability company	RMB100,000	50%	50%	(iii)	Land and property development
(26) 合肥永拓置業發展有限公司	PRC	Limited liability company	RMB400,000	25%	25%	(ii), (iii)	Land and property development
(27) 深圳市國通厚德房地產開發 有限公司	PRC	Limited liability company	RMB10,000	70%	70%	(i), (iii)	Land and property development
(28) 鄭州建業十八城置業有限公司	PRC	Limited liability company	RMB200,000	50%	50%	(iii)	Land and property development
(29) 北京遠創興茂置業有限公司	PRC	Limited liability company	RMB100,000	40%	40%	(ii), (iii)	Land and property development
(30) 愛車(天津)房地產開發 有限公司	PRC	Limited liability company	RMB150,000	49.98%	49.98%	(ii), (iii)	Land and property development

## 14. INTERESTS IN JOINT VENTURES (Continued)

- (a) Following are the details of part of the joint ventures held by the Group as at 31 December 2022, all of which are unlisted (Continued):

Name	Country of incorporation and operation	Legal status	Issued/paid in capital (In thousand)	Effective interest held as at 31 December 2022	Effective interest held as at 31 December 2021	Nature of relationship	Principal activities
(31) 贏家（天津）房地產開發有限公司	PRC	Limited liability company	RMB850,000	<b>49.98%</b>	49.98%	(ii), (iii)	Land and property development
(32) 北京創遠亦程置業有限公司	PRC	Limited liability company	RMB100,000	<b>50%</b>	50%	(iii)	Land and property development
(33) 太倉滙置置業有限公司	PRC	Limited liability company	RMB200,000	<b>34%</b>	34%	(ii), (iii)	Land and property development
(34) 北京遠和置業有限公司	PRC	Limited liability company	RMB810,000	<b>25%</b>	25%	(ii), (iii)	Land and property development
(35) 上海遠緒置業有限公司	PRC	Limited liability company	RMB10,000	<b>50%</b>	50%	(iii)	Land and property development
(36) 天津吉慶置業有限公司	PRC	Limited liability company	RMB30,000	<b>50%</b>	50%	(iii)	Land and property development
(37) 鄭州遠啟博奧企業管理諮詢有限公司	PRC	Limited liability company	RMB10,000	<b>70%</b>	70%	(i), (iv)	Investment management
(38) 中山市遠聞房地產開發有限公司	PRC	Limited liability company	RMB40,000	<b>51%</b>	51%	(i), (iii)	Land and property development
(39) 中山盛哲房地產開發有限公司	PRC	Limited liability company	RMB20,000	<b>30%</b>	30%	(ii), (iii)	Land and property development
(40) 西安恆正隆房地產有限公司	PRC	Limited liability company	USD132,274	<b>34%</b>	34%	(ii), (iii)	Land and property development
(41) 長沙遠曜投資管理合夥企業	PRC	Limited liability company	RMB1,267,000	<b>24.96%</b>	24.96%	(ii), (iv)	Investment management
(42) 北京樂優富拓投資有限公司	PRC	Limited liability company	RMB1,000	<b>25%</b>	25%	(ii), (iv)	Investment management
(43) 嘉興金久房地產開發有限公司	PRC	Limited liability company	RMB10,000	<b>33%</b>	33%	(ii), (iii)	Land and property development
(44) 龍洋生命（開曼）有限公司	Cayman Islands	Limited liability company	RMB6,500	<b>50%</b>	50%	(iii)	Land and property development
(45) SO CTCO Investments, L.P.	Cayman Islands	Limited liability partnership	USD100,000	<b>50%</b>	50%	(iv)	Investment management
(46) 石家莊新聯遠鴻房地產開發有限公司	PRC	Limited liability company	RMB100,000	<b>31%</b>	31%	(ii), (iii)	Land and property development

## 14. INTERESTS IN JOINT VENTURES (Continued)

- (a) Following are the details of part of the joint ventures held by the Group as at 31 December 2022, all of which are unlisted (Continued):

Name	Country of incorporation and operation	Legal status	Issued/paid in capital (In thousand)	Effective interest held as at 31 December 2022	Effective interest held as at 31 December 2021	Nature of relationship	Principal activities
(47) 西安遠瑞置業有限公司	PRC	Limited liability company	RMB10,000	60%	60%	(i), (iii)	Land and property development
(48) 溫州龍巖陵園有限公司	PRC	Limited liability company	USD66,700	50%	50%	(iii)	Land and property development
(49) 天津市遠馳房地產開發有限公司	PRC	Limited liability company	RMB400,000	30%	30%	(ii), (iii)	Land and property development
(50) 北京睿暉商業管理有限公司	PRC	Limited liability company	RMB1,000	30%	30%	(ii), (iii)	Land and property development
(51) 北京睿鴻商業管理有限公司	PRC	Limited liability company	RMB1,000	30%	30%	(ii), (iii)	Land and property development
(52) Sino-Ocean Meridian Holding, LLC	USA	Limited liability company	USD11,659	40%	40%	(ii), (v)	Elderly care
(53) TSKY Carinphill Pte. Ltd	SG	Limited liability company	USD 20,000	30%	30%	(ii), (iii)	Land and property development
(54) 杭州遠洋新河酒店置業有限公司	PRC	Limited liability company	USD132,590	60%	60%	(i), (iii)	Land and property development
(55) 杭州遠洋運河商務區開發有限公司	PRC	Limited liability company	USD143,210	60%	60%	(i), (iii)	Land and property development
(56) 杭州遠洋天祺置業有限公司	PRC	Limited liability company	USD147,760	60%	60%	(i), (iii)	Land and property development
(57) 北京建遠萬譽房地產開發有限公司	PRC	Limited liability company	RMB100,000	51%	51%	(i), (iii)	Land and property development
(58) 北京商務中心區開發建設有限責任公司	PRC	Limited liability company	RMB680,850	47%	47%	(ii), (iii)	Land and property development
(59) 武漢設計之心建設發展有限公司	PRC	Limited liability company	RMB50,000	70%	70%	(i), (iii)	Land and property development
(60) 來安縣遠錦房地產開發有限公司	PRC	Limited liability company	RMB12,000	30%	30%	(ii), (iii)	Land and property development
(61) 北京遠盛泰房地產開發有限公司	PRC	Limited liability company	RMB10,000	60%	60%	(i), (iv)	Investment management
(62) 山東遠舜置業有限公司	PRC	Limited liability company	RMB50,000	58.82%	58.82%	(i), (iii)	Land and property development

## 14. INTERESTS IN JOINT VENTURES (Continued)

- (a) Following are the details of part of the joint ventures held by the Group as at 31 December 2022, all of which are unlisted (Continued):

Name	Country of incorporation and operation	Legal status	Issued/paid in capital (In thousand)	Effective interest held as at 31 December 2022	Effective interest held as at 31 December 2021	Nature of relationship	Principal activities
(63) 山東遠赫房地產開發有限公司	PRC	Limited liability company	RMB10,000	60%	60%	(i), (iii)	Land and property development
(64) 北京遠景中安置業有限公司	PRC	Limited liability company	RMB2,100,000	31%	31%	(ii), (iii)	Land and property development
(65) 濟南滙遠產業園開發有限公司	PRC	Limited liability company	RMB30,000	42%	42%	(ii), (iii)	Land and property development
(66) 福州遠裕興置業有限公司	PRC	Limited liability company	RMB30,000	51%	51%	(i), (iii)	Land and property development
(67) 北京盛霖市政園林有限公司	PRC	Limited liability company	RMB50,000	74.5%	74.5%	(i), (v)	Landscaping services
(68) 北京星泰通港置業有限公司	PRC	Limited liability company	RMB9,500,000	64.79%	64.79%	(i), (iii)	Land and property development
(69) PT MAKNA AIAM SEJAHTERA	Indonesia	Limited liability company	Rupiah 10,000,000	28%	28%	(ii), (iii)	Land and property development
(70) 北京椿萱茂投資管理有限公司	PRC	Limited liability company	RMB30,000	70%	70%	(i), (v)	Elderly care
(71) Sunrise River Ventures Limited	BVI	Limited company	USD-	49%	49%	(ii), (v)	Landscaping services
(72) 太原遠廣房地產開發有限公司	PRC	Limited liability company	RMB10,000	55%	55%	(i), (iii)	Land and property development
(73) 丹陽愛家房地產有限公司	PRC	Limited liability company	RMB20,000	50%	50%	(iii)	Land and property development
(74) 鄭州鑫沃置業有限公司	PRC	Limited liability company	RMB20,000	49%	49%	(ii), (iii)	Land and property development
(75) 深圳市遠璽置業有限公司	PRC	Limited liability company	RMB50,000	51%	51%	(i), (iii)	Land and property development
(76) 江西洪大博康地產開發有限公司	PRC	Limited liability company	RMB20,000	45%	45%	(ii), (iii)	Land and property development

## 14. INTERESTS IN JOINT VENTURES (Continued)

- (a) Following are the details of part of the joint ventures held by the Group as at 31 December 2022, all of which are unlisted (Continued):

Name	Country of incorporation and operation	Legal status	Issued/paid in capital (In thousand)	Effective interest held as at 31 December 2022	Effective interest held as at 31 December 2021	Nature of relationship	Principal activities
(77) 中山市遠維房地產開發有限公司	PRC	Limited liability company	RMB1,000	60%	60%	(i), (iii)	Land and property development
(78) 天津普利達房地產建設開發有限公司	PRC	Limited liability company	RMB600,000	70%	70%	(i), (iii)	Land and property development
(79) 合肥啟迪厚德置業有限公司	PRC	Limited liability company	RMB50,000	30%	30%	(ii), (iii)	Land and property development
(80) 遠洋（海南）產業發展有限公司	PRC	Limited liability company	RMB100,000	30%	30%	(ii), (iii)	Land and property development
(81) 遠洋裝飾工程股份有限公司	PRC	Limited liability company	RMB725,846	51%	51%	(i), (v)	Renovation service
(82) 佛山市展翰房地產開發有限公司	PRC	Limited liability company	RMB100,000	50%	50%	(iii)	Land and property development
(83) 山東遠宏投資置業有限公司	PRC	Limited liability company	RMB10,000	60%	60%	(i), (iii)	Land and property development
(84) Active Growth Ventures Limited	BVI	Limited liability company	USD–	50%	50%	(ii), (iii)	Land and property development
(85) Sino-Ocean Logistics Property Holding Limited	Cayman Islands	Limited liability company	HKD10	30%	30%	(ii), (iii)	Land and property development
(86) Sino-Ocean Prime Office Partners I LP	Cayman Islands	Limited partnership	USD1,400,000	28.57%	28.57%	(ii), (iii)	Investment property development
(87) 廈門遠宏安房地產開發有限公司 (viii)	PRC	Limited liability company	RMB50,000	51%	–	(i), (iii)	Land and property development
(88) 青島海駿置業有限公司(vii)	PRC	Limited liability company	RMB14,884	43%	–	(ii), (iv)	Land and property development
(89) 石家莊遠乾房地產開發有限公司	PRC	Limited liability company	RMB100,000	51%	–	(i), (iv)	Land and property development
(90) 廣州潤嘉置業有限公司	PRC	Limited liability company	RMB50,000	40%	–	(ii), (iv)	Land and property development
(91) 西安雅荷名城房地產開發有限公司	PRC	Limited liability company	RMB20,000	80%	–	(i), (iv)	Land and property development
(92) 福滿有限公司	Cayman Islands	Limited liability company	HKD–	30%	–	(ii), (iii)	Land and property development

## 14. INTERESTS IN JOINT VENTURES (Continued)

- (a) Following are the details of part of the joint ventures held by the Group as at 31 December 2022, all of which are unlisted (Continued):
- (i) Although the Group holds more than 50% of the equity shares of these entities, the Group exercises joint control under the contractual agreements in the strategic financial and operating policy decisions of these entities. Accordingly, these entities are considered as joint ventures of the Group by the directors.
  - (ii) Although the Group holds less than 50% of the equity shares of these entities, the Group exercises joint control under the contractual agreements in the strategic financial and operating policy decisions of these entities. Accordingly, these entities are considered as joint ventures of the Group by the directors.
  - (iii) Interests in these joint ventures provide more business opportunities in property development and investment properties.
  - (iv) Interests in these joint ventures provide more business opportunities in real estate investment activities.
  - (v) Interests in these joint ventures provide more business opportunities for the Group in other business activities.
  - (vi) Partial interests in these joint ventures was disposed during the year ended 31 December 2022 and the remaining interests in these joint ventures are classified as held for sale as at year ended 31 December 2022. Please refer to Note 25 for more details.
  - (vii) As at 31 December 2021, although the Group only owns 43% interests in this company, the Group has the power to control and direct its key operating and financing activities through entering into an acting in concert agreement with other shareholders. By executing the acting in concert agreement, other shareholders agreed to follow all decisions made by the Group when unanimous consent is not being reached. Consequently, the company is considered as a subsidiary of the Group. During the year ended 31 December 2022, the Group and the other shareholders has further signed an agreement to rescind the acting in concert agreement. Hence, the Group no longer has control over the financial and operating policies of this company but has significant influence over it. Accordingly, the company is considered as a joint venture of the Group.
  - (viii) As at 31 December 2022, the Group owns 51% equity interests in this company. However, the Group does not have the power to control and direct the key operating and financing policy decisions as full consent from directors is required in order to pass any board resolution. Consequently, the company is considered as a joint venture of the Group.
  - (ix) As at 31 December 2022, the Group has the outstanding capital commitment to joint ventures amounting to approximately RMB2,749,924,000 (2021: RMB2,433,210,000).

### (b) Individually immaterial joint venture

The directors considered that none of the joint ventures individually are material to the Group. The Group's interests in individually immaterial joint ventures that are accounted for using the equity method:

	2022 RMB'000	2021 RMB'000
Aggregate carrying amount of individually immaterial joint ventures	20,463,935	25,290,806
Aggregate amounts of the Group's share of:		
(Loss)/Profit from continuing operations	(956,523)	1,572,808
Total comprehensive income	(956,523)	1,572,808

## 15. INTERESTS IN ASSOCIATES

	Year ended 31 December	
	2022 RMB'000	2021 RMB'000
At beginning of the year	6,730,935	6,696,748
Capital injection	113,211	575,681
Disposal	(766,734)	—
Dividend	(51,839)	(682,213)
(Decrease)/increase due to partial disposal of interests in a subsidiary, net	(178,264)	101,801
Decrease due to deemed disposal of associates, net	(137,843)	(486,639)
Share of results of associates		
— after adjustment for unrealized profit or loss from inter-company transactions between the Group and the associates	(870,195)	562,920
Currency translation difference	8,323	(37,363)
At end of the year	4,847,594	6,730,935

(a) Following are the details of part of the associates of the Group at 31 December 2022:

Name	Country of incorporation and operation	Legal status	Issued/paid in capital (In thousand)	Effective interest held as at 31 December 2022	Effective interest held as at 31 December 2021	Nature of relationship	Principal activities
(1) Beijing Shengyong property Development and Investment Company Limited 北京盛永置業投資有限公司	PRC	Limited liability company	RMB500,000	35%	35%	(ii)	Investment property development
(2) CIGIS (China) Company limited 建設綜合勘察研究設計院有限公司	PRC	Limited liability company	RMB50,000	35%	35%	(iii)	Survey and design
(3) 北京興佰君泰房地產開發有限公司	PRC	Limited liability company	RMB90,000	21%	21%	(ii)	Land and property development
(4) 北京達成光遠置業有限公司	PRC	Limited liability company	RMB100,000	23%	23%	(ii)	Land and property development
(5) 廣州宏嘉房地產開發有限公司	PRC	Limited liability company	RMB300,000	16.66%	16.66%	(i), (ii)	Land and property development
(6) Beijing Capital Grand limited. 首創鉅大有限公司	Cayman Islands	Limited liability company	HKD20,345	9.9%	9.9%	(i), (ii)	Land and property development

## 15. INTERESTS IN ASSOCIATES (Continued)

(a) Following are the details of part of the associates of the Group at 31 December 2022: (Continued):

Name	Country of incorporation and operation	Legal status	Issued/paid in capital (In thousand)	Effective interest held as at 31 December 2022	Effective interest held as at 31 December 2021	Nature of relationship	Principal activities
(7) 杭州北晨房地產開發有限公司	PRC	Limited liability company	RMB100,000	50%	50%	(ii), (vii)	Land and property development
(8) 武漢遠駿置業有限公司	PRC	Limited liability company	RMB50,000	34%	34%	(iii)	Land and property development
(9) 天津中建致恒地產有限公司	PRC	Limited liability company	RMB700,000	42.86%	42.86%	(ii)	Land and property development
(10) 成都青銅滙股權投資基金 合夥企業 (有限合夥)	PRC	Limited liability partnership	RMB515,611	42.86%	42.86%	(iv)	Investment management
(11) 北京瑞成永創科技有限公司	PRC	Limited liability company	RMB50,000	22.2%	22.2%	(iv)	Investment management
(12) 南昌國遠盈潤置業有限公司	PRC	Limited liability company	RMB98,000	49%	49%	(ii)	Land and property development
(13) Gemini Investments (Holdings) Limited 盛洋投資 (控股) 有限公司	Hong Kong	Limited company	HKD22,550	25%	25%	(vi)	Investment management
(14) 武漢遠悅置業有限公司(viii)	PRC	Sino-foreign equity joint venture	RMB2,144,436	7.75%	–	(i), (ii)	Land and property development
(15) Coldwest Fund I LP	Cayman Islands	Limited partnership	USD105,000	47.62%	47.62%	(iv)	Investment management
(16) Delos China (HK)Limited	Hong Kong	Limited company	USD16,000	25%	25%	(v)	Healthy renovation service
(17) 上海棟鼎企業管理有限公司	PRC	Limited liability company	RMB30,000	49%	49%	(ii)	Investment property development
(18) Fortune Joy Ventures Limited	BVI	Limited liability company	USD580,000	49%	49%	(v)	Investment management
(19) 北京誼城置業有限公司	PRC	Limited liability company	RMB10,000	21%	21%	(ii)	Land and property development
(20) 上饒市棕遠生態環境有限公司	PRC	Limited liability company	RMB320,000	28.98%	28.98%	(v)	Environmental governance
(21) 北京遠創置業有限公司	PRC	Limited liability company	RMB300,000	51%	51%	(ii),(vi)	Land and property development
(22) 北京金開旭泰房地產開發 有限公司	PRC	Limited liability company	RMB1,360,000	25%	25%	(i),(ii)	Land and property development

## 15. INTERESTS IN ASSOCIATES (Continued)

(a) Following are the details of part of the associates of the Group at 31 December 2022: (Continued):

	Name	Country of incorporation and operation	Legal status	Issued/paid in capital (In thousand)	Effective interest held as at 31 December 2022	Effective interest held as at 31 December 2021	Nature of relationship	Principal activities
(23)	北京駿洋時代置業有限公司	PRC	Limited liability company	RMB320,000	51%	51%	(ii),(vi)	Land and property development
(24)	納什空間創業科技(北京)有限公司	PRC	Limited liability company	RMB73,000	20%	20%	(v)	Office services
(25)	石家庄遠福房地產開發有限公司	PRC	Limited liability company	RMB10,000	40%	40%	(ii)	Land and property development
(26)	佛山市遠凱房地產開發有限公司	PRC	Limited liability company	RMB50,000	49%	49%	(ii)	Investment property development

Among the associates mentioned above, Beijing Capital Grand Limited and Gemini Investments (Holdings) limited are listed on Stock Exchange of Hong Kong Limited, the quoted fair value and carrying amount of these associates are presented as below:

	Name	Country of incorporation and operation	Legal status	Quoted market value		Carrying amount	
				2022 RMB'000	2021 RMB'000	2022 RMB'000	2021 RMB'000
(1)	Beijing Capital Grand Limited	Cayman Islands and PRC	Limited liability company	49,319	79,000	57,133	96,040
(2)	Gemini Investments (Holdings) Limited	Hong Kong	Limited liability company	50,387	84,000	137,366	202,033

## 15. INTERESTS IN ASSOCIATES (Continued)

(a) Following are the details of part of the associates of the Group at 31 December 2022: (Continued):

Even though quoted market values of equity investments mentioned above are less than carrying amounts respectively, the recoverable amounts, which are determined by the value-in-use of net assets of these companies attributable to the Group, are higher than the carrying amounts respectively, no impairment charge is recognised for the investments.

- (i) Although the Group holds less than 20% of the equity shares of these entities, the Group exercises significant influence in the strategic financial and operating policy decisions through the Group's presence in the Board of Directors of these companies.
- (ii) Interests in these associates provide more business opportunities in property development.
- (iii) Interests in these associates provide more opportunities to involve in related services to support property development, such as architectural design and property management.
- (iv) Interests in these associates provide more business opportunities in real estate investment activities.
- (v) Interests in these associates provide more business opportunities in other activities.
- (vi) Although the Group holds more than 50% of the equity shares of this company, all significant decisions are passed at shareholders meeting which requires 2/3 of casting vote and there is more than one combination of shareholders to pass a decision. Hence, the Group has no control over the financial and operating policies of this company but has significant influence over it. Accordingly, the company is considered as an associate of the Group by the directors.
- (vii) Although the Group holds 50% of the equity shares of this company, all significant decisions are passed at Board of Directors meeting which requires 2/3 of casting vote, and only 2 of 5 directors are appointed by the Group. Hence, the Group has no control nor joint control over the financial and operating policies of this company but has significant influence over it. Accordingly, the company is considered as an associate of the Group by the directors.
- (viii) As at 31 December 2022, although the Group only owns 7.75% interests in this company, the Group has the power to appoint a director to participate in the company's key operating and financing policy decisions. As the Group has significant influence over it, the company is considered as an associate of the Group.
- (ix) As at 31 December 2022, the Group has the outstanding capital commitment to associates amounting to approximately RMB206,456,100 (2021: RMB496,566,000).

(b) Individually immaterial associates

The directors considered that none of the associates individually are material to the Group. The Group's interests in individually immaterial associates that are accounted for using the equity method:

	2022 RMB'000	2021 RMB'000
Aggregate carrying amount of individually immaterial associates	4,847,594	6,730,935
Aggregate amounts of the Group's share of:		
(Loss)/Profit from continuing operations	(872,045)	562,425
Total comprehensive income	(872,045)	562,425

## 16. FINANCIAL INSTRUMENTS BY CATEGORY

	As at 31 December	
	2022 RMB'000	2021 RMB'000
<b>Financial assets</b>		
Financial assets at amortised cost:		
Trade and other receivables and prepayments (Note 21)	91,878,708	90,476,807
Less: prepayments	(12,552,845)	(10,897,431)
— Trade and other receivables and prepayments excluding prepayments	79,325,863	79,579,376
— Restricted bank deposits	4,763,360	5,423,573
— Cash and cash equivalents (Note 24)	4,623,126	21,655,471
Financial assets at fair value through other comprehensive income (Note 17)	971,614	6,234,811
Financial assets at fair value through profit or loss (Note 18)	5,451,112	5,487,261
	<b>95,135,075</b>	<b>118,380,492</b>
<b>Financial liabilities</b>		
Liabilities at amortised cost:		
— Borrowings (Note 32)	97,023,449	92,224,462
— Lease liabilities (Note 8)	398,398	427,073
— Trade and other payables excluding other tax payables (Note 34)	38,124,319	49,310,199
Financial liabilities at fair value through profit or loss (Note 36)	168,420	384,193
	<b>135,714,586</b>	<b>142,345,927</b>

## 17. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

### (i) Classification of financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income (FVOCI) comprise:

- Equity securities which are not held for trading, and which the Group has irrevocably elected at initial recognition to recognise in this category. These are strategic investments and the Group considers this classification to be more relevant.

## 17. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Continued)

### (ii) Equity investments at fair value through other comprehensive income

	As at 31 December	
	2022 RMB'000	2021 RMB'000
Listed securities (a)	16,020	290,823
Unlisted securities (b)	955,594	5,943,988
	971,614	6,234,811
Less: Non-current portion	(971,614)	(6,234,811)
Current portion	—	—

(a) Investment in listed equity securities is stated at fair value based on the quoted price of the equity securities.

(b) Investment in unlisted equity securities are denominated in HKD and RMB. For the valuation of unlisted equity securities, please refer to Note 4.3.

The following table presents the changes in equity investments at fair value through other comprehensive income for the year ended 31 December 2022:

	Equity investments at fair value through other comprehensive income RMB'000
Opening balance	6,234,811
Fair value losses	(5,115,016)
Disposal	(495,120)
Currency translation difference	346,939
Closing balance	971,614

## 17. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Continued)

### (ii) Equity investments at fair value through other comprehensive income (Continued)

The following table presents the changes in equity investments at fair value through other comprehensive income for the year ended 31 December 2021:

	Equity investments at fair value through other comprehensive income RMB'000
Opening balance	6,751,919
Fair value losses	(306,251)
Disposal	(147,958)
Currency translation difference	(62,899)
Closing balance	6,234,811

## 18. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

### (i) Classification of financial assets at fair value through profit or loss

The Group classifies the following financial assets at fair value through profit or loss (FVPL):

- debt investments that do not qualify for measurement at either amortised cost or FVOCI, and
- equity investments that are held for trading, and
- equity investments for which the entity has not elected to recognise fair value gains and losses through OCI.

## 18. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

### (i) Classification of financial assets at fair value through profit or loss (Continued)

Financial assets mandatorily measured at FVPL include the following:

	As at 31 December	
	2022 RMB'000	2021 RMB'000
Investment in fund and bond investments	4,717,622	4,839,591
Investment in other unlisted equity securities	316,654	290,548
Investment in listed equity securities	4,160	10,473
Derivative financial instruments	412,676	346,649
	5,451,112	5,487,261
Less: Non-current portion	(4,478,828)	(4,924,143)
Current portion	972,284	563,118

Changes in fair values of financial assets at fair value through profit or loss are recorded in “other gains and losses — net” in the income statement.

### (ii) Amounts recognised in profit or loss

During the year, the following losses were recognised in profit or loss:

	Year ended 31 December	
	2022 RMB'000	2021 RMB'000
Fair value losses recognised in other gains and losses— net	(448,727)	(317,528)

### (iii) Risk exposure and fair value measurements

Information about the Group's exposure to price risk is disclosed in Note 4.1. Information about the methods and assumptions used in determining fair value is disclosed in note 4.3.

## 19. PROPERTIES UNDER DEVELOPMENT

	Year ended 31 December	
	2022 RMB'000	2021 RMB'000
At beginning of the year	81,334,265	74,718,502
Additions	29,159,575	65,388,687
Transfer (to)/from property, plant and equipment (Note 7)	(526,844)	613,291
Transfer from investment properties (Note 12)	–	95,476
Disposal of interests in subsidiaries	(7,514,441)	(9,270,878)
Provision for impairment	(1,253,754)	(96,790)
Transfer to completed properties held for sale	(27,879,011)	(49,734,610)
Transfer to land use rights (Note 9)	(19,866)	–
Recognised in cost of sales	–	(379,413)
At end of the year	73,299,924	81,334,265
Properties under development comprises:		
Land use rights	41,062,541	46,188,044
Construction costs and capitalized expenditure	21,518,491	25,247,808
Interest capitalized	10,718,892	9,898,413
	73,299,924	81,334,265

Properties under development are mainly located in the PRC. As at 31 December 2022, properties under development of approximately RMB32,859,420,000 (2021: RMB17,065,869,000) were pledged as collateral for the Group's borrowings.

All properties under development are expected to be completed within the normal operating cycle of the Group, in which approximately RMB36,823,552,000 (2021: RMB52,667,783,000) is expected to be completed and available for sale more than twelve months after the balance sheet date.

## 20. LAND DEVELOPMENT COST RECOVERABLE

Land development cost recoverable refers to capitalised costs on primary land development projects. The land use right certificates belong to the government for these projects. Main activities for primary land development projects included house dismantlement and land leveling works, in order to make sure the land is connected to water, gas, and electric power supplies.

## 21. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	As at 31 December	
	2022 RMB'000	2021 RMB'000
Trade receivables (a)	5,276,891	6,036,278
Other receivables and prepayments (b)	86,601,817	84,440,529
	91,878,708	90,476,807
Less: non-current portion	(8,387,895)	(12,506,992)
Current portion	83,490,813	77,969,815

### (a) Trade receivables

	As at 31 December	
	2022 RMB'000	2021 RMB'000
Trade receivables	5,787,523	6,186,858
Less: provision for impairment of trade receivables	(510,632)	(150,580)
	5,276,891	6,036,278
Less: non-current portion	—	—
Current portion	5,276,891	6,036,278

## 21. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (Continued)

### (a) Trade receivables (Continued)

Proceeds from services and sales rendered are to be received in accordance with the term of respective agreement, and the credit term is very short. An ageing analysis of trade receivables mainly based on invoice or bills issuance date at the respective balance sheet dates is as follows:

	As at 31 December	
	2022 RMB'000	2021 RMB'000
Within 6 months	1,952,854	3,747,552
Between 6 months to 1 year	2,047,211	980,880
Between 1 year to 2 years	1,269,705	1,144,667
Between 2 years to 3 years	443,507	214,573
Over 3 years	74,246	99,186
	<b>5,787,523</b>	<b>6,186,858</b>

As at 31 December 2022, no trade receivables (2021: nil) were pledged as collateral for the Group's borrowings.

Movements on the provision for impairment of trade receivables are as follows:

	Year ended 31 December	
	2022 RMB'000	2021 RMB'000
At 1 January	(150,580)	(149,198)
Provision for receivable impairment	(360,384)	(57,406)
Write-off	332	56,024
At 31 December	<b>(510,632)</b>	<b>(150,580)</b>

## 21. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (Continued)

### (b) Other receivables and prepayments

	As at 31 December					
	2022			2021		
	Current RMB'000	Non-current RMB'000	Total RMB'000	Current RMB'000	Non-current RMB'000	Total RMB'000
Entrusted loans due from joint ventures (i)	3,842,277	439,078	4,281,355	2,399,956	5,632,615	8,032,571
Entrusted loans due from associates (ii)	–	–	–	5,130,863	38,015	5,168,878
Entrusted loans due from third parties (iii)	757,182	579,240	1,336,422	1,933,947	1,629,544	3,563,491
Entrusted loan due from non-controlling interests (iv)	–	–	–	15,000	310,000	325,000
Amounts due from joint ventures (v)	23,035,988	3,366,986	26,402,974	24,902,831	1,906,179	26,809,010
Amounts due from non-controlling interests (v)	6,052,263	310,000	6,362,263	8,307,710	–	8,307,710
Amounts due from associates (v)	10,255,224	10,000	10,265,224	7,722,884	–	7,722,884
Amounts due from third parties (iii), (ix)	22,029,602	662,107	22,691,709	2,500,802	–	2,500,802
	65,972,536	5,367,411	71,339,947	52,913,993	9,516,353	62,430,346
Less: provision for impairment	(4,415,040)	(173,828)	(4,588,868)	(192,548)	(31,686)	(224,234)
	61,557,496	5,193,583	66,751,079	52,721,445	9,484,667	62,206,112
Receivables from government (vi)	762,181	–	762,181	2,547,202	–	2,547,202
Payment for the cooperation of potential properties development projects (vii)	2,307,819	–	2,307,819	2,778,550	–	2,778,550
Receivables from disposal of interest in subsidiaries	22,603	2,732,942	2,755,545	8,004	2,586,295	2,594,299
Other receivables	1,816,171	200,000	2,016,171	3,335,039	200,000	3,535,039
	4,908,774	2,932,942	7,841,716	8,668,795	2,786,295	11,455,090
Less: provision for impairment	(538,989)	(4,834)	(543,823)	(84,882)	(33,222)	(118,104)
	4,369,785	2,928,108	7,297,893	8,583,913	2,753,073	11,336,986
Tax prepayments	8,516,285	3,037	8,519,322	9,573,304	2,060	9,575,364
Other prepayments (viii)	3,770,356	263,167	4,033,523	1,054,875	267,192	1,322,067
	12,286,641	266,204	12,552,845	10,628,179	269,252	10,897,431
Total other receivables and prepayments	78,213,922	8,387,895	86,601,817	71,933,537	12,506,992	84,440,529

## 21. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (Continued)

### (b) Other receivables and prepayments (Continued)

- (i) Entrusted loans due from joint ventures are unsecured, interest bearing from 0% to 13% (2021: from 3.38% to 13%) per annum. Balances of approximately RMB3,842,277,000 (2021: RMB2,399,956,000) are repayable within one year. The remaining balances of approximately RMB439,078,000 (2021: RMB5,632,615,000) are repayable after one year and included in the non-current portion.
- (ii) Entrusted loans due from associates are unsecured, interest bearing from 0% (2021: from 4.28% to 15%) per annum. During the year ended 31 December 2022, the entrusted loans due from associates has been fully settled. As at 31 December 2021: balances of approximately RMB5,130,863,000 are repayable within one year. The remaining balances of approximately RMB38,015,000 are repayable after one year and included in the non-current portion.
- (iii) Entrusted loans and amounts due from third parties represent amounts paid to joint ventures and associates of the Group's joint ventures and associates in order to support the development of their real estate projects. As the Group has no direct equity interests in these companies to which the amounts paid are classified as entrusted loans and amounts due from third parties.

As at 31 December 2022 and 2021, entrusted loans to third parties comprised:

	As at 31 December	
	2022 RMB'000	2021 RMB'000
Unsecured loans	<b>1,336,422</b>	3,563,491
Less: non-current portion	<b>(579,240)</b>	(1,629,544)
	<b>757,182</b>	1,933,947

Unsecured loans bear interest ranging from 8.5% to 15% (2021: from 5.50% to 13%) per annum.

Amounts due from third parties are unsecured, interest free, and repayable on demand.

## 21. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (Continued)

### (b) Other receivables and prepayments (Continued)

- (iv) Entrusted loans due from non-controlling interests are unsecured, bearing interest from 0% (2021: from 7% to 10%) per annum. Balances of approximately RMB0 (2021: RMB15,000,000) are repayable within one year. The remaining balances of approximately RMB0 (2021: RMB310,000,000) are repayable after one year and included in the non-current portion.
- (v) Amounts due from joint ventures, associates and non-controlling interests are unsecured, interest free, and repayable on demand.
- (vi) Receivables from government mainly represent payments made for land development cost, deposits paid to government in the activities of land purchasing, and funds to government for cooperation intention in real estate project development, which will be subsequently reimbursed by the government.
- (vii) Amounts mainly represent the payment for cooperation of potential properties development projects. As at 31 December 2022, such cooperation is still in negotiation stage. Balances of approximately RMB150,000,000 (2021: RMB150,000,000) are unsecured, interest bearing 8.8% (2021: 8.8%) per annum. The remaining balances of approximately RMB2,157,819,000 (2021: RMB2,628,550,000) are unsecured and interest free. Balances of approximately RMB2,307,819,000 (2021: RMB2,778,550,000) are repayable on demand.
- (viii) As at 31 December 2022, included in prepayments of approximately RMB2,163,792,000 represented an amount paid for redevelopment project of certain land parcels in the PRC designated to a subsidiary of the Company by the local PRC government. The demolition work of redevelopment project has been completed.
- (ix) During the year ended 31 December 2022, total fund transfers to and from Wuhu Deye were RMB28.2 billion and RMB15.9 billion respectively from Zhonglian Real Estate with the resultant balance of RMB10.6 billion as at 31 December 2022. As at 31 December 2022, an impairment loss of RMB2.75 billion of this receivable balance was recognized in the consolidated income statement for the year.

Regarding the above fund transfers with Zhonglian Real Estate and Wuhu Deye, management of the Company explained that the funds transferred to/from Wuhu Deye were actually made under a verbal trilateral agreement between the Company, Wuhu Deye and Sino-Ocean Capital (the "Funding Arrangements"). Fund transfers under the Funding Arrangements is unsecured, interest-free and repayable on demand whereas Sino-Ocean Capital provides corporate guarantee to the Company for the amount due from Wuhu Deye to the Group under the Funding Arrangements. It was also explained by the management of Sino-Ocean Capital that the Funding Arrangements were made for the purpose of providing funds to Sino-Ocean Capital for its working capital requirement and its investments in property development projects.

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivable mentioned above. The carrying amounts of the Group's trade and other receivables and prepayments are mainly denominated in RMB.

The carrying amounts of trade and other receivables and prepayments approximate their respective fair values as at 31 December 2022 and 2021.

Movements on the provision for impairment of other receivables and prepayments are as follows:

	Year ended 31 December	
	2022 RMB'000	2021 RMB'000
At 1 January	(342,338)	(222,337)
Provision for receivable impairment	(4,794,421)	(120,070)
Write-off	4,068	69
At 31 December	(5,132,691)	(342,338)

## 22. COMPLETED PROPERTIES HELD FOR SALE

All completed properties held for sale are located in the PRC on leasehold lands with lease terms between 40 to 70 years.

	As at 31 December	
	2022 RMB'000	2021 RMB'000
Completed properties held for sale comprised:		
Land use rights	6,841,760	8,539,796
Construction costs and capitalised expenditure	11,109,650	11,656,138
Interest capitalised	2,282,687	3,302,369
	<b>20,234,097</b>	23,498,303

Movements on the provision for impairment of completed properties held for sale are as follows:

	As at 31 December	
	2022 RMB'000	2021 RMB'000
At beginning of the year	237,024	340,390
Addition	127,196	125,629
Write-off upon sales of completed properties held for sale	(162,672)	(228,995)
At end of the year	<b>201,548</b>	237,024

As at 31 December 2022, completed properties held for sale of approximately RMB1,502,472,000 (2021: RMB250,000,000) were pledged as collateral for the Group's borrowings.

## 23. RESTRICTED BANK DEPOSITS

Restricted bank deposits are mainly denominated in RMB, which are guaranteed deposits for the mortgage loan facilities granted by the banks to the purchasers of the Group's properties, as well as for projects co-developed with third parties. The balances also include guaranteed deposits placed in the banks, as guaranteed funds of construction projects to meet certain local authorities' requirements. The effective interest rate on restricted bank deposits ranging from 0.25% to 0.35% (2021: 0.30% to 0.35 %) per annum for the year ended 31 December 2022.

## 24. CASH AND CASH EQUIVALENTS

	As at 31 December	
	2022 RMB'000	2021 RMB'000
Cash at bank and in hand	4,612,003	21,644,415
Short-term bank deposits	11,123	11,056
Cash and cash equivalents	4,623,126	21,655,471
Denominated in:		
— RMB	4,522,191	18,697,399
— HKD	52,019	164,271
— USD	48,916	2,793,801
	4,623,126	21,655,471

The Group's cash and cash equivalents denominated are deposited with banks in the Mainland China and Hong Kong, respectively. The conversion of the RMB denominated balances into foreign currencies, which are placed within the PRC, is subject to the rules and regulations of foreign exchange control promulgated by the PRC Government.

## 25. ASSETS CLASSIFIED AS HELD FOR SALE

On 15 December 2022, the Company, Neo Origin Limited, an indirect wholly owned subsidiary of the Company, Beijing Yingang Real Estate Development Company Limited\* (北京銀港房地產開發有限公司), an indirect wholly owned subsidiary of the Company and Beijing Yichi Property Services Company Limited\* (北京億馳物業服務有限公司), an indirect wholly owned subsidiary of Sino-Ocean Service Holding Limited and an indirect non-wholly owned subsidiary of the Company (together, "the sellers") and Swire Properties (Chengdu) Limited, Tianjin Linsong City Facilities Development Company Limited\* (天津麟松城市建設開發有限公司) and Beijing Great Well Consultancy Company Limited\* (北京浩倡諮詢有限公司) (together, the "purchaser") entered into master agreements to disposal 50% equity interest in Chengdu Qianhao Property Services Company Limited\* (成都乾豪物業服務有限公司), a joint venture of Sino-Ocean Service Holding Limited, Great City China Holdings Limited (乾林中國控股有限公司) and Chengdu Yingang Real Estate Company Limited\* (成都銀港置業有限公司), currently joint ventures of the Company, (together, "the Disposal Companies"), for an aggregate consideration of RMB5,550,000,000 (the "Disposal"). The disposal of 15% of the equity interest in the Disposal Companies was completed before the year ended 31 December 2022 for a consideration of RMB1,000,000,000. The disposal of the remaining 35% of the equity interest in the Disposal Companies for an aggregate consideration of RMB4,550,000,000 was subsequently completed in February 2023. Accordingly, the investment in the Disposal Companies had been classified as interests in joint ventures classified as held for sale and were presented separately in the consolidated balance sheet as at 31 December 2022. By reference to the sales consideration and the carrying value of the Disposal Companies as at 31 December 2022, no impairment loss was recorded for the year ended 31 December 2022.

The Investment in Joint Ventures classified as held for sale as at 31 December 2022 were as follows:

	As at 31 December 2022 RMB'000
Investment in Joint Ventures	2,225,754

## 26. CAPITAL

	Number of ordinary shares	Share capital HKD'000	Equivalent share capital RMB'000	Shares held for Restricted Share Award Scheme RMB'000	Total RMB'000
Opening balance 1 January 2022	7,616,095,657	30,413,634	27,329,232	–	27,329,232
Issue of shares pursuant to exercise of employee share options	–	–	–	–	–
Vesting of shares under Restricted Share Award Scheme	–	–	–	–	–
	7,616,095,657	30,413,634	27,329,232	–	27,329,232
Restricted Share Award Scheme (a)					
Opening balance 1 January 2022	(18,450,202)	–	–	(52,317)	(52,317)
Shares purchased during the year	(6,773,523)	–	–	(6,419)	(6,419)
Vesting of shares under Restricted Share Award Scheme	20,336,480	–	–	57,674	57,674
	(4,887,245)	–	–	(1,062)	(1,062)
At 31 December 2022	7,611,208,412	30,413,634	27,329,232	(1,062)	27,328,170

## 26. CAPITAL (Continued)

	Number of ordinary shares	Share capital HKD'000	Equivalent share capital RMB'000	Shares held for Restricted Share Award Scheme RMB'000	Total RMB'000
Opening balance 1 January 2021	7,616,095,657	30,413,634	27,329,232	–	27,329,232
Issue of shares pursuant to exercise of employee share options	–	–	–	–	–
Vesting of shares under Restricted Share Award Scheme	–	–	–	–	–
	7,616,095,657	30,413,634	27,329,232	–	27,329,232
Restricted Share Award Scheme (a)					
Opening balance 1 January 2021	(54,364,745)	–	–	(179,840)	(179,840)
Shares purchased during the year	(7,000,000)	–	–	(9,653)	(9,653)
Vesting of shares under Restricted Share Award Scheme	42,914,543	–	–	137,176	137,176
	(18,450,202)	–	–	(52,317)	(52,317)
At 31 December 2021	7,597,645,455	30,413,634	27,329,232	(52,317)	27,276,915

- (a) On 22 March 2010, the Board of the Company resolved to adopt a Restricted Share Award Scheme, the purpose of the Scheme is to recognise and motivate the contribution of certain employees and to provide incentives and help the Group in retaining its existing employees and recruiting additional employees and to provide them with a direct economic interest in attaining the long-term business objectives of the Company.

Restricted Share Award Scheme was administered by an independent trustee appointed by the Group, the trustee shall purchase from the market such number of shares awarded as specified by the Board of the Company and shall hold such shares until they are vested in accordance with the Restricted Share Award Scheme Rules. When the selected employee has satisfied all vesting conditions specified by the Board of the Company at the time of making the award and become entitled to the shares forming the subject of the award, the trustee shall transfer the relevant vested shares to that employee.

## 26. CAPITAL (Continued)

Movements in the number of awarded shares for the years ended 31 December 2022 and 2021 are as follows:

	Shares (thousands)
At 1 January 2022	25,748
Granted	–
Vested	(20,336)
Forfeited	(525)
At 31 December 2022	4,887
At 1 January 2021	68,663
Granted	–
Vested	(42,915)
At 31 December 2021	25,748

The fair value of the awarded shares was calculated based on the market price of the Company's shares at the respective grant date. The expected dividends during the vesting period have been taken into account when assessing the fair value of these awarded shares.

The outstanding awarded shares as of 31 December 2022 were divided into several tranches on an equal basis as at their grant dates. The outstanding awarded shares will be exercised after a specified period ranging from one to three years from the grant date.

## 27. RETAINED EARNINGS

	Year ended 31 December	
	2022 RMB'000	2021 RMB'000
At 1 January	<b>27,884,787</b>	26,098,570
(Loss)/profit for the year	<b>(15,930,209)</b>	2,729,143
Dividends relating to 2020	–	(571,239)
Dividends relating to 2021 (Note 44)	<b>(198,018)</b>	(347,595)
Transfer to statutory reserve fund	–	(24,092)
At 31 December	<b>11,756,560</b>	27,884,787

## 28. RESERVES

	Merger reserve RMB'000	Statutory reserve RMB'000	Translation reserve RMB'000	Investment revaluation reserve RMB'000	Employee share option RMB'000	Restricted Share Award Scheme RMB'000	Other reserve RMB'000	Total RMB'000
At 1 January 2022	(763,427)	1,596,937	767,907	(1,420,510)	615,289	(19,856)	(864,231)	(87,891)
Fair value losses on financial assets at fair value through other comprehensive income	-	-	-	(4,686,266)	-	-	-	(4,686,266)
Deferred hedging gains and losses	-	-	-	-	-	-	43,346	43,346
Currency translation differences	-	-	(1,882,689)	-	-	-	-	(1,882,689)
Expense on share-based payment	-	-	-	-	75	13,083	-	13,158
Vesting of shares under Restricted Share Award Scheme	-	-	-	-	-	(57,674)	-	(57,674)
Share of other comprehensive income of investments accounted for using the equity method	-	-	-	-	-	-	2,752	2,752
Decrease in non-controlling interests as a result of acquisition of additional interests in a subsidiary from non-controlling interests	-	-	-	-	-	-	(681,984)	(681,984)
At 31 December 2022	(763,427)	1,596,937	(1,114,782)	(6,106,776)	615,364	(64,447)	(1,500,117)	(7,337,248)

## 28. RESERVES (Continued)

	Merger reserve RMB'000	Statutory reserve RMB'000	Translation reserve RMB'000	Investment revaluation reserve RMB'000	Employee share option RMB'000	Restricted Share Award Scheme RMB'000	Other reserve RMB'000	Total RMB'000
At 1 January 2021	(763,427)	1,572,845	381,820	(1,113,259)	591,595	68,854	(337,454)	400,974
Fair value losses on financial assets at fair value through other comprehensive income	–	–	–	(307,251)	–	–	–	(307,251)
Deferred hedging gains and losses	–	–	–	–	–	–	5,171	5,171
Currency translation differences	–	–	386,087	–	–	–	–	386,087
Expense on share-based payment	–	–	–	–	23,694	48,466	–	72,160
Vesting of shares under Restricted Share Award Scheme	–	–	–	–	–	(137,176)	–	(137,176)
Transfer from retained earnings	–	24,092	–	–	–	–	–	24,092
Share of other comprehensive income of investments accounted for using the equity method	–	–	–	–	–	–	12,545	12,545
Decrease in non-controlling interests as a result of acquisition of additional interests in a subsidiary from non-controlling interests	–	–	–	–	–	–	(544,493)	(544,493)
At 31 December 2021	(763,427)	1,596,937	767,907	(1,420,510)	615,289	(19,856)	(864,231)	(87,891)

Statutory reserves represent reserves of the PRC incorporated companies which are set aside for future development purposes in accordance with the regulations in the PRC. The allocation is based on certain percentages of the companies' profit of the year, which is allocated on an annual basis.

## 29. SHARE OPTIONS

The establishment of the Group's shares schemes plan was approved on 3 September 2007 and 6 August 2018, respectively by the shareholders. The share option plan is designed to provide long-term incentives for senior managers and above to deliver long-term shareholder returns. Under the schemes, participants are granted options which only vest if certain performance standards are met. Participation in the plan is at the Board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

Share options granted from 2015 to 2017 are granted to several directors and to selected employees, in which 40% of the options are exercisable after 1 year from the grant date; additional 30% of the options are exercisable after 2 years from the grant date, and remaining 30% of the options are exercisable after 3 years from the grant date.

Share options granted from 2018 to 2019 are granted to several directors and to selected employees, in which 50% of the options are exercisable after 1 year from the grant date, and remaining 50% of the options are exercisable after 2 years from the grant date.

Share options granted in 2020 are granted to several directors and to selected employees, in which 50% of the options are exercisable after 1 year from the grant date, and remaining 50% of the options are exercisable after 2 years from the grant date.

The options have a contractual option term of 5 years. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	Average exercise price per share (HKD)	Shares (thousands)
At 1 January 2022	3.60	784,629
Lapsed during the year	4.70	(40,500)
At 31 December 2022	3.55	744,129

	Average exercise price per share (HKD)	Shares (thousands)
At 1 January 2021	3.63	873,119
Lapsed during the year	3.82	(88,490)
At 31 December 2021	3.60	784,629

Out of the 744,129,000 outstanding options (2021: 784,629,000), 744,129,000 (2021: 783,129,000) were exercisable as at 31 December 2022.

As a result of the options exercised during the year ended 31 December 2022, nil ordinary shares (2021: nil) were issued by the Company. The weighted average price of the shares at 2022 was HKD3.55 per share.

## 29. SHARE OPTIONS (Continued)

Share options outstanding as at 31 December 2022 have the following expiry dates and exercise prices:

Expiry date	Exercise price per share (HKD)	Shares (thousands)
04-Sep-2023	3.960	232,600
27-Mar-2024	3.370	508,529
25-Mar-2025	2.106	3,000
		744,129

## 30. CAPITAL SECURITIES

On 21 September 2017, Sino-Ocean Land Treasure III limited (“Sino-Ocean Land III”), a wholly owned subsidiary, issued perpetual subordinated guaranteed capital securities (“capital securities”), which are redeemable only at the Issuer’s discretion, with initial aggregate principal amount of approximately USD600,000,000.

The capital securities have no maturity date, and the payments of distribution of such capital securities can be deferred at the discretion of Sino-Ocean Land III. When Sino-Ocean Land III and the Company elects to declare dividends to their shareholders, Sino-Ocean Land III should make a distribution at an initial rate of 4.900% till 21 September 2022, and then at a fixed rate per annum equal to the sum of (i) the then-prevailing U.S. Treasury rate and (ii) the spread till 21 September 2027. In respect of the period from 21 September 2022 to 20 September 2023, Sino-Ocean Land III should make a distribution at 6.946% per annum, as defined in the subscription agreement. Such capital securities are guaranteed by the Company.

## 31. CAPITAL INSTRUMENT

- (a) On 18 and 25 February 2020, Sino-Ocean Holding Group (China) limited (“Sino-Ocean Holding”), a wholly owned subsidiary, issued capital instruments of principal amount of RMB3,378,000,000, which are callable only at the Company’s discretion. In 2022, Sino-Ocean Holding redeemed RMB2,000,000,000 of the capital instruments. As at 31 December 2022, the carrying amount from the capital instrument amounted to approximately RMB1,378,000,000. The capital instrument have no maturity date, and the payments of distribution of such capital instrument can be deferred at the discretion of Sino-Ocean Holding. When Sino-Ocean Holding and the Company elect to declare dividends to their shareholders, Sino-Ocean Holding should make a distribution to the holders of the capital instrument at the distribution rate as defined in the subscription agreement.
- (b) On 26 June 2019, Sino-Ocean Holding issued a capital instrument, which is callable only at the Company’s discretion. As at 31 December 2022, the carrying amount from the capital instrument amounted to approximately RMB981,000,000. The capital instrument have no maturity date, and the payments of distribution of such capital instrument can be deferred at the discretion of Sino-Ocean Holding. When Sino-Ocean Holding and the Company elect to declare dividends to their shareholders, Sino-Ocean Holding should make a distribution to the holders of the capital instrument at the distribution rate as defined in the subscription agreement.

## 32. BORROWINGS

	As at 31 December	
	2022 RMB'000	2021 RMB'000
<b>Non-current</b>		
Bank borrowings (a)	11,124,911	27,691,263
Other borrowings (b)	47,806,802	45,865,571
Total non-current borrowings	58,931,713	73,556,834
<b>Current</b>		
Current portion of long-term bank borrowings (a)	21,543,973	3,427,455
Current portion of long-term other borrowings (b)	9,009,857	13,841,064
Short-term bank borrowings (a)	3,775,306	1,297,767
Short-term other borrowings (b)	3,762,600	101,342
Total current borrowings	38,091,736	18,667,628
<b>Total borrowings</b>	<b>97,023,449</b>	<b>92,224,462</b>

- (a) As at 31 December 2022, bank borrowings amounting to approximately RMB14,417,280,000 were secured by investment properties, property, plant and equipment, properties under development, completed properties held for sale and equity interest in certain subsidiaries of the Group.

As at 31 December 2021, bank borrowings amounting to approximately RMB12,235,636,000 were secured by investment properties, property, plant and equipment, properties under development, completed properties held for sale and equity interest in certain subsidiaries of the Group.

## 32. BORROWINGS (Continued)

### (b) Other borrowings

	As at 31 December	
	2022 RMB'000	2021 RMB'000
Bond issuance (i)	<b>23,534,714</b>	28,024,025
Guaranteed Notes (ii)	<b>22,744,095</b>	21,536,630
Borrowings from trust companies (iii)	<b>3,222,450</b>	5,995,250
Asset-backed securitisation (iv)	<b>4,131,297</b>	3,184,599
Borrowings from non-controlling interest (v)	<b>2,025,635</b>	1,067,473
Borrowings from associates and joint ventures (vi)	<b>3,568,237</b>	–
Borrowings from third party (vii)	<b>1,352,831</b>	–
	<b>60,579,259</b>	59,807,977
Less: non-current portion	<b>(47,806,802)</b>	(45,865,571)
Current portion	<b>12,772,457</b>	13,942,406

- (i) In 2022, Sino-Ocean Holding, a wholly owned subsidiary of the Company, issued bonds with a total principal amount of RMB2,000,000,000 with coupon rate of 5.32% per year of a term of three years.

In 2021, Sino-Ocean Holding, a wholly owned subsidiary of the Company, issued bonds with a total principal amount of RMB1,950,000,000 with coupon rate of 4.06% per year of a term of five years.

In 2021, Sino-Ocean Holding, a wholly owned subsidiary of the Company, issued bonds with a total principal amount of RMB2,600,000,000 with coupon rate of 4.20% per year of a term of five years.

In 2021, Sino-Ocean Holding, a wholly owned subsidiary of the Company, issued bonds with a total principal amount of RMB3,000,000,000 with coupon rate of 4.30% per year of a term of two years.

In 2021, Sino-Ocean Holding, a wholly owned subsidiary of the Company, issued bonds with a total principal amount of RMB3,000,000,000 with coupon rate of 4.60% per year of a term of three years.

In 2020, Sino-Ocean Holding, a wholly owned subsidiary of the Company, issued bonds with a total principal amount of RMB2,000,000,000 with coupon rate of 3.35% per year of a term of three years.

In 2019, Sino-Ocean Holding, a wholly owned subsidiary of the Company, issued bonds in an aggregate amount of RMB2,900,000,000 in two series: (i) RMB1,700,000,000 with coupon rate of 4.06% per year of a term of five years; In March 2022, Sino-Ocean Holding raised its coupon rate from 4.06% to 5.5%, redeemed RMB1,330,000,000 of the bonds and re-issued RMB950,000,000 of the redeemed bonds; (ii) RMB1,200,000,000 with coupon rate of 4.59% per year of a term of seven years.

## 32. BORROWINGS (Continued)

### (b) Other borrowings (Continued)

- (i) In 2018, Sino-Ocean Holding, a wholly owned subsidiary of the Company, issued bonds with a total principal amount of RMB2,000,000,000 with a maturity period of five years and annual interest rate of 4%.

In 2015, Sino-Ocean Holding, a wholly owned subsidiary of the Company, issued bonds with a total principal amount of RMB10,000,000,000. The first phase of the bonds is issued in August with an aggregate principal amount of RMB5,000,000,000 in three series: (i) RMB2,000,000,000 with maturity period of five years and annual interest rate of 3.78%, which has been repaid in 2020; (ii) RMB1,500,000,000 with maturity period of seven years and annual interest rate of 4.15%, which has been repaid in 2022; (iii) RMB1,500,000,000 with a maturity period of ten years and annual interest rate of 5.00%. The second phase of the bonds is issued in October with an aggregate principal amount of RMB5,000,000,000 in two series: (i) RMB2,000,000,000 with maturity period of six years and annual interest rate of 3.85%, which has been repaid in 2021; (ii) RMB3,000,000,000 with a maturity period of ten years and annual interest rate of 4.76%, which will be repaid in 2025.

- (ii) In April 2022, Sino-Ocean Land Treasure IV Limited, a wholly-owned subsidiary, issued a guaranteed Note with a total principal amount of USD200,000,000 with a maturity period of three years and annual interest rate of 3.80%.

In February 2022, Sino-Ocean Land Treasure IV Limited, a wholly-owned subsidiary, issued a guaranteed Note with a total principal amount of USD200,000,000 with a maturity period of three years and annual interest rate of 2.70%, which is to be consolidated and form a single series with guaranteed Note issued in July 2021.

In July 2021, Sino-Ocean Land Treasure IV Limited, a wholly-owned subsidiary, issued a guaranteed Note with a total principal amount of USD320,000,000 with a maturity period of three and half years and annual interest rate of 2.70%.

In May 2021, Sino-Ocean Land Treasure IV Limited, a wholly-owned subsidiary, issued a guaranteed Note with a total principal amount of USD400,000,000 with a maturity period of five years and annual interest rate of 3.25%.

In January 2020, Sino-Ocean Land Treasure IV Limited, a wholly-owned subsidiary, issued a guaranteed Note with a total principal amount of USD400,000,000 with a maturity period of ten years and annual interest rate of 4.75%.

In August 2019, Sino-Ocean Land Treasure IV Limited, a wholly-owned subsidiary, issued a guaranteed Note with a total principal amount of USD600,000,000 with a maturity period of ten years and annual interest rate of 4.75%.

In January 2015, Sino-Ocean Land Treasure Finance II Limited, a wholly-owned subsidiary, issued a guaranteed Note with principal amount of USD500,000,000 at a rate of 5.95% per annum due in 2027 (the "2027 Notes"). The Notes are unsecured and guaranteed by the Company.

In July 2014, Sino-Ocean Land Treasure Finance I Limited, a wholly-owned subsidiary, issued a guaranteed Note with principal amount of USD700,000,000 at a rate of 6.00% per annum due in 2024 (the "2024 Notes").

## 32. BORROWINGS (Continued)

### (b) Other borrowings (Continued)

- (iii) Such loans bear interest rate from 5.75% to 12% per annum, and loans of nil (2021: RMB3,332,150,000) are repayable after one year are included in non-current portion.

As at 31 December 2022, loans amounting to approximately RMB3,222,450,000 were secured by properties under development and equity interests in a certain subsidiary of the Group.

As at 31 December 2021, loans amounting to approximately RMB1,775,250,000 were secured by properties under development and equity interests in a certain subsidiary of the Group.

- (iv) In July 2021, Sino-Ocean Holding entered into asset-backed special agreement with a third-party financing company in the form of asset securitisation. Asset-backed securities are divided into priority level and subprime level with total principal of RMB3,200,000,000 and RMB1,000,000 respectively. The Group held all the subprime level asset-backed securities in the year ended 31 December 2022. The priority level securities were guaranteed by Sino-Ocean Holding, and secured by property, plant and equipment, land use rights and investment properties of the Group. As at 31 December 2022, borrowings of approximately RMB3,156,297,000 (2021: RMB3,184,599,000) of the principal remained outstanding.

In December 2022, Sino-Ocean Holdings entered into a special asset-backed agreement with a third-party financing company in the form of a real estate trust investment fund. The asset-backed securities are classified into senior and junior, with aggregate principal amounts of RMB975,000,000 and RMB328,000,000, respectively. The Group holds all subordinated securities for the year ending 31 December 2022. The Senior Notes are guaranteed by Sino-Ocean Holdings and the Group's investment properties. As of 31 December 2022, the remaining outstanding loan is approximately RMB975,000,000.

- (v) Borrowings from a non-controlling interest bear interest rate from 7.12% to 12% per annum, and borrowings of approximately RMB923,695,000 (2021: RMB800,921,000) are repayable after one year and are included in non-current portion.
- (vi) Borrowings from associates and joint ventures bear interest rate from 3.5% to 6% per annum, and borrowings of approximately RMB3,079,137,000 (2021: nil) are repayable after one year and are included in non-current portion.

As at 31 December 2022, loans amounting to approximately RMB2,637,000,000 were secured by equity interest in a certain joint venture of the Group.

- (vii) Borrowings from third party bear interest rate from 2.8% to 24% per annum, and borrowings of approximately RMB391,331,000 (2021: nil) are repayable after one year and are included in non-current portion.

As at 31 December 2022, loans amounting to approximately RMB1,236,621,000 were secured by investment properties, properties under development, completed properties held for sale and equity interests in certain subsidiaries of the Group.

- (c) The maturities of the Group's total borrowings at respective balance sheet dates are set out as follows:

	As at 31 December	
	2022 Bank and other borrowings RMB'000	2021 Bank and other borrowings RMB'000
Total borrowings		
— Within 1 year	38,091,736	18,667,628
— Between 1 and 2 years	21,062,550	17,353,663
— Between 2 and 5 years	30,061,043	46,076,855
— Over 5 years	7,808,120	10,126,316
	97,023,449	92,224,462

## 32. BORROWINGS (Continued)

(d) The Group's borrowings denominated in RMB, HKD and USD respectively are set out as follows:

	As at 31 December	
	2022 RMB'000	2021 RMB'000
Denominated in:		
— RMB	57,386,207	53,337,727
— HKD	14,666,153	14,744,058
— USD	24,971,089	24,142,677
	<b>97,023,449</b>	92,224,462

(e) The weighted average effective annual interest rates at the respective balance sheet dates are set out as follows:

	As at 31 December	
	2022 Interest rate (per annum)	2021 Interest rate (per annum)
Bank borrowings	4.87%	4.51%
Other borrowings	5.33%	5.17%

(f) The exposure of the Group's borrowings to interest-rate changes and the contractual repricing dates are as follows:

	As at 31 December	
	2022 RMB'000	2021 RMB'000
Within 6 months	28,059,757	27,751,972
Between 6 and 12 months	17,595,074	8,026,880
Between 1 and 5 years	43,585,249	46,464,494
Over 5 years	7,783,369	9,981,116
	<b>97,023,449</b>	92,224,462

(g) The fair value of non-current borrowings approximates their carrying amount, as the impact of discounting is not significant. The fair values are based on cash flows discounted using a rate based on the borrowing rate of 4.87% (2021: 4.51%) and are within Level 2 of the fair value hierarchy.

## 32. BORROWINGS (Continued)

- (h) As at 31 December 2022, borrowings amounting to approximately RMB22,016,627,000 have potential repayment on demand due to the terms in relevant loan agreements and are classified as current liabilities.

	As at 31 December 2022 RMB'000
Current portion of long-term borrowings	20,595,258
Short-term borrowings	1,421,369
	<b>22,016,627</b>

## 33. DEFERRED INCOME TAX

The analysis of deferred income tax assets and deferred income tax liabilities is as follows:

	As at 31 December	
	2022 RMB'000	2021 RMB'000
Deferred income tax assets:		
— to be recovered after more than 12 months	1,793,940	1,943,425
— to be recovered within 12 months	329,087	329,418
	<b>2,123,027</b>	2,272,843
Set-off of deferred tax assets pursuant to set-off provisions	<b>(595,847)</b>	(288,987)
Net deferred income tax assets	<b>1,527,180</b>	1,983,856
Deferred income tax liabilities:		
— to be settled after more than 12 months	<b>(1,914,442)</b>	(1,985,640)
— to be settled within 12 months	<b>(164,172)</b>	(505,345)
	<b>(2,078,614)</b>	(2,490,985)
Set-off of deferred tax liabilities pursuant to set-off provisions	<b>595,847</b>	288,987
Net deferred income tax liabilities	<b>(1,482,767)</b>	(2,201,998)
Deferred income tax assets/(liabilities), net	<b>44,413</b>	(218,142)

### 33. DEFERRED INCOME TAX (Continued)

The movement on the deferred income tax account is as follows:

	Year ended 31 December	
	2022 RMB'000	2021 RMB'000
At beginning of the year	218,142	1,540,311
Recognised in profit or loss (Note 42)	244,792	(712,348)
Credited to other comprehensive income	(429,220)	(229)
Acquisition of subsidiaries, net	(28,806)	31,527
Disposal of interests in subsidiaries	(49,321)	(641,119)
At end of the year	(44,413)	218,142

The movement in deferred income tax assets and liabilities during the years ended 31 December 2022 and 2021, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

#### Deferred income tax assets

	Future tax deduction on LAT and other accrued expenses RMB'000	Unrealised gains RMB'000	Tax losses RMB'000	Others RMB'000	Total RMB'000
<b>At 1 January 2022</b>	<b>1,631,224</b>	<b>332,366</b>	<b>304,165</b>	<b>5,088</b>	<b>2,272,843</b>
(Charged)/credited to profit or loss	(422,878)	230,755	(112,197)	(2,546)	(306,866)
Disposal of interests in subsidiaries	–	49,321	–	–	49,321
Acquisition of subsidiaries	–	46	105,137	2,546	107,729
<b>At 31 December 2022</b>	<b>1,208,346</b>	<b>612,488</b>	<b>297,105</b>	<b>5,088</b>	<b>2,123,027</b>
At 1 January 2021	1,726,443	47,759	142,197	7,506	1,923,905
(Charged)/credited to profit or loss	(95,219)	284,607	162,165	–	351,553
Credited to other comprehensive income	–	–	–	(2,418)	(2,418)
Acquisition of subsidiaries	–	–	7,908	–	7,908
Disposal of interests in subsidiaries	–	–	(8,105)	–	(8,105)
At 31 December 2021	1,631,224	332,366	304,165	5,088	2,272,843

### 33. DEFERRED INCOME TAX (Continued)

#### Deferred income tax liabilities

	Depreciation difference RMB'000	Investment properties revaluation RMB'000	Assets revaluation RMB'000	Recognition of revenue over time RMB'000	Withholding taxes RMB'000	Others RMB'000	Total RMB'000
<b>At 1 January 2022</b>	<b>(66,577)</b>	<b>(1,169,091)</b>	<b>(550,924)</b>	<b>(445,756)</b>	<b>(196,035)</b>	<b>(62,602)</b>	<b>(2,490,985)</b>
Credited/(charged) to profit or loss	724	89,043	(158,111)	5,675	–	124,743	62,074
Acquisition of subsidiaries	–	(75,432)	–	(3,491)	–	–	(78,923)
Credited to other comprehensive income	–	–	429,220	–	–	–	429,220
<b>At 31 December 2022</b>	<b>(65,853)</b>	<b>(1,155,480)</b>	<b>(279,815)</b>	<b>(443,572)</b>	<b>(196,035)</b>	<b>62,141</b>	<b>(2,078,614)</b>
At 1 January 2021	(62,291)	(1,674,222)	(855,516)	(516,488)	(310,926)	(44,773)	(3,464,216)
(Charged)/credited to profit or loss	(4,286)	2,577	194,710	70,732	114,891	(17,829)	360,795
Acquisition of subsidiaries	–	–	(39,435)	–	–	–	(39,435)
Disposal of interests in subsidiaries	–	502,554	146,670	–	–	–	649,224
Credited to other comprehensive income	–	–	2,647	–	–	–	2,647
At 31 December 2021	(66,577)	(1,169,091)	(550,924)	(445,756)	(196,035)	(62,602)	(2,490,985)

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realization of the related benefit through the future profits is probable. These tax losses are going to expire within five years. The Group did not recognise deferred income tax assets of approximately RMB1,323,788,000 (2021: RMB1,343,655,000) in respect of losses amounting to approximately RMB5,295,155,000 (2021: RMB5,374,620,000) that can be carried forward against future taxable income.

At 31 December 2022, the Group recognised deferred income tax liabilities of approximately RMB196,035,000 (2021: RMB196,035,000) for withholding taxes that would be payable on the unremitted earnings of the Group's subsidiaries established in Mainland China. In the opinion of the directors, it is not probable that the remaining available unremitted earnings of the Group's subsidiaries will be distributed in the foreseeable future according to the distribution and reinvestment plans of the Group. The aggregate amount of temporary differences associated with investments in subsidiaries in Mainland China for which deferred tax liabilities have not been recognised totalled approximately RMB3,084,620,000 at 31 December 2022 (2021: RMB1,450,992,000).

### 34. TRADE AND OTHER PAYABLES

	As at 31 December	
	2022 RMB'000	2021 RMB'000
Trade payables (i)	13,773,570	20,967,265
Accrued expenses	4,776,062	5,773,016
Amounts due to joint ventures (ii)	7,708,753	6,292,286
Amounts due to associates (ii)	915,288	2,035,391
Amounts due to non-controlling interests (ii)	658,565	2,252,897
Amounts due to government	358,678	46,003
Other taxes payable	6,813,884	5,944,699
Deposits received	1,565,958	5,729,677
Other payables	8,367,445	6,213,664
	44,938,203	55,254,898
Less: non-current portion	(56,176)	(19,167)
Current portion	44,882,027	55,235,731

The carrying amounts of trade payables and other payables approximate their fair values.

- (i) An ageing analysis of the trade payables (including amounts due to related parties of trading in nature) mainly based on the date of invoice is as follows:

	As at 31 December	
	2022 RMB'000	2021 RMB'000
Within 6 months	4,540,664	9,676,634
Between 6 months to 12 months	2,982,390	6,150,387
Between 1 year to 2 years	2,326,118	4,144,319
Between 2 years to 3 years	3,005,928	957,530
Over 3 years	918,470	38,395
	13,773,570	20,967,265

- (ii) Amounts due to joint ventures, associates and non-controlling interests are unsecured, interest free, and repayable on demand.

### 35. CONTRACT LIABILITIES

	As at 31 December	
	2022 RMB'000	2021 RMB'000
Receipts in advance of pre-sale proceeds directly from property purchasers	41,025,991	42,348,003

### 36. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 31 December	
	2022 RMB'000	2021 RMB'000
Derivatives-held for trading		
— Forward foreign exchange contracts	168,420	231,784
Derivatives hedging instrument		
— Forward rate contracts	—	152,409
	168,420	384,193

During the year, the following gains/(losses) were recognised in profit or loss:

	Year ended 31 December	
	2022 RMB'000	2021 RMB'000
Fair value gains/(losses) recognised in other gains and losses — net	181,594	(226,803)

### 37. INTEREST AND OTHER INCOME

	Year ended 31 December	
	2022 RMB'000	2021 RMB'000
Interest income from:		
— Bank deposits	86,442	294,780
— Entrusted loans	798,442	1,603,611
Dividend income	114,780	175,637
Others	94,301	175,523
	<b>1,093,965</b>	<b>2,249,551</b>

### 38. OTHER GAINS AND LOSSES — NET

	Year ended 31 December	
	2022 RMB'000	2021 RMB'000
(Losses)/gains on disposal of interests in subsidiaries	(621,555)	366,452
Fair value losses of financial assets and financial liabilities at fair value through profit or loss	(267,133)	(544,331)
(Losses)/gains on disposal of joint ventures and associates, net	(389,605)	7,749
(Losses)/gains on deemed disposal of joint ventures and associates, net	(64,212)	76,753
Exchange(losses)/gains	(1,178,350)	348,416
Payment for the settlement of contracted obligations	(105,117)	(179,154)
Gains/(losses) on disposal of property, plant and equipment	677	(2,570)
Losses on disposal of investment properties	(63,624)	—
Other gains	—	2,952
	<b>(2,688,919)</b>	<b>76,267</b>

### 39. EXPENSES BY NATURE

Expenses by nature comprised cost of sales, selling and marketing expenses and administrative expenses as follows:

	Year ended 31 December	
	2022 RMB'000	2021 RMB'000
Cost of properties and land use rights sold:		
— Land use rights	15,255,518	20,702,927
— Capitalised interest	2,531,580	5,428,141
— Construction related cost	18,309,012	19,617,380
Cost of upfitting services rendered	2,556,032	3,654,483
Direct investment property expenses (Note 12)	144,147	162,633
Employee benefit expense (Note 40)	1,960,313	1,993,772
Consultancy fee	518,918	477,964
Auditor's remuneration	19,680	16,734
— Audit services	14,990	11,400
— Non-audit services	4,690	5,334
Depreciation of property, plant and equipment (Note 7)	128,539	148,488
Depreciation of right-of-use assets (Note 8)	79,034	103,651
Amortization of land use rights and intangible assets (Notes 9 and 10)	84,995	30,569
Advertising and marketing	1,686,689	1,552,251
Business taxes and other levies	269,951	405,166
Impairment charges	6,535,755	399,895
— Impairment loss on financial assets	5,154,805	177,476
— Impairment loss on properties under development (Note 19)	1,253,754	96,790
— Impairment loss on completed properties held for sale (Note 22)	127,196	125,629
Derecognition of goodwill (Note 11)	938	20,993
Office expenditure	89,577	92,848
Properties maintenance expenses	1,258,420	1,160,659
Energy expenses	283,568	237,764
Others	692,611	402,399
	<b>52,405,277</b>	<b>56,608,717</b>

## 40. EMPLOYEE BENEFITS EXPENSE

The employee benefits expense of the Group, including its directors' emoluments is as follows:

	Year ended 31 December	
	2022 RMB'000	2021 RMB'000
Salaries, wages and bonuses	<b>2,114,359</b>	2,251,539
Retirement benefits contribution	<b>227,771</b>	197,335
Share options granted to directors and employees (Note 28)	<b>75</b>	23,694
Restricted Share Award Scheme (Note 28)	<b>13,083</b>	48,466
Other allowances and benefits	<b>328,961</b>	461,456
	<b>2,684,249</b>	2,982,490
Less: capitalised in properties under development	<b>(723,936)</b>	(988,718)
	<b>1,960,313</b>	1,993,772

The Group's employees participate in various retirement benefit plans organized by the relevant municipal and provincial government in the PRC under which the Group was required to make monthly contributions at rates ranging from 10% to 20%, depending on the applicable local regulations, of the employees' salary for the years ended 31 December 2022 and 2021.

In addition, the Group participates in a pension scheme under the rules and regulations of the Mandatory provident Fund Scheme for all employees in Hong Kong. The contributions to the Mandatory provident Fund Scheme are based on minimum statutory contribution requirement of 5% of eligible employees' relevant aggregate income (with a cap of HKD30,000).

There were no forfeited contributions (by employers on behalf of employees who leave the scheme prior to vesting fully in such contributions) to offset existing contributions under the defined contribution schemes.

## 40. EMPLOYEE BENEFITS EXPENSE (Continued)

### (a) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include three (2021: three) directors whose emoluments are reflected in the analysis shown in Note 52. The emoluments payable to the remaining two (2021: two) highest paid individuals during the year are as follows:

	Year ended 31 December	
	2022 RMB'000	2021 RMB'000
Basic salaries	4,151	4,250
Other benefit	—	—
Discretionary bonuses	843	1,083
Retirement scheme contributions	370	368
Share-based payments	—	—
	<b>5,364</b>	5,701

The emoluments fell within the following bands:

	Year ended 31 December	
	2022	2021
RMB2,233,175 (equivalent to HKD2,500,001) to RMB2,679,810 (equivalent to HKD3,000,000)	1	—
RMB 2,679,810 (equivalent to HKD3,000,001) to RMB3,126,445 (equivalent to HKD3,500,000)	1	2
	<b>2</b>	2

- (b) During the years ended 31 December 2022 and 2021, no emoluments were paid by the Group to any of the above directors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for losses of office.

## 41. FINANCE COSTS

	Year ended 31 December	
	2022 RMB'000	2021 RMB'000
Interest expense:		
— Bank borrowings	1,770,539	1,380,955
— Other borrowings	3,269,583	3,230,644
— Lease liabilities (Note 8)	24,204	27,712
	5,064,326	4,639,311
Less: interest capitalised at a capitalisation rate of 5.16% (2021: 4.96%) per annum	(1,998,202)	(2,400,621)
	3,066,124	2,238,690

## 42. INCOME TAX EXPENSE

Majority of the Group entities are subjected to PRC enterprise income tax, which has been provided based on the statutory income tax rate of 25% of the assessable income of each of these Group entities for the years ended 31 December 2022 and 2021. Other Group entities are mainly subject to Hong Kong profits tax.

The amount of income tax expense charged to the income statement represents:

	Year ended 31 December	
	2022 RMB'000	2021 RMB'000
Current income tax:		
— PRC enterprise income tax	929,951	3,396,217
— PRC land appreciation tax	1,450,656	2,021,959
Deferred income tax (Note 33)	244,792	(712,348)
	2,625,399	4,705,828

## 42. INCOME TAX EXPENSE (Continued)

Taxation on the Group's (loss)/profit before tax differs from the theoretical amount that would arise using the enacted tax rate of the home country of the Group as follows:

	Year ended 31 December	
	2022 RMB'000	2021 RMB'000
(Loss)/Profit before income tax	<b>(13,024,456)</b>	9,797,114
Adjust for: Share of results of joint ventures	<b>956,523</b>	(1,572,808)
Share of results of associates	<b>872,045</b>	(562,425)
	<b>(11,195,888)</b>	7,661,881
Tax calculated at a tax rate of 25%	<b>(2,798,972)</b>	1,915,470
Effect of higher tax rate for the appreciation of land in the PRC	<b>1,087,992</b>	1,516,469
Income not subject to tax	<b>(69,959)</b>	(10,842)
Expenses not deductible for tax purposes	<b>1,745,715</b>	1,136,551
Tax losses not recognised	<b>1,248,147</b>	370,106
Utilisation of previously unrecognised tax losses and expenses	<b>(230,895)</b>	(347,643)
Reversal of previously recognised deferred income tax assets	<b>270,478</b>	35,127
Deductible temporary differences not recognised	<b>1,372,893</b>	90,590
Income tax expense	<b>2,625,399</b>	4,705,828

## 43. (LOSS)/EARNINGS PER SHARE

### (a) Basic

Basic (loss)/earnings per share is calculated by dividing the (loss)/profit attributable to owners of the company by the weighted average number of ordinary shares in issue during the year excluding ordinary shares purchased by the Company and held as share held for Restricted Share Award Scheme (Note 26).

	Year ended 31 December	
	2022	2021
(Loss)/Profit attributable to owners of the Company (RMB'000)	<b>(15,930,209)</b>	2,729,143
(Loss)/Profit used to determine basic (loss)/earnings per share (RMB'000)	<b>(15,930,209)</b>	2,729,143
Weighted average number of ordinary shares in issue (thousands)	<b>7,616,096</b>	7,616,096
Basic (loss)/earnings per share (RMB per share)	<b>(2.092)</b>	0.358

## 43. (LOSS)/EARNINGS PER SHARE (Continued)

### (b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to, assume conversion of all dilutive potential ordinary shares. The Company has two categories of dilutive potential ordinary shares: share options and shares held for the Restricted Share Award Scheme. For the share options and shares held for the Restricted Share Award Scheme, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average market share price of the Company's shares during the year) based on the monetary value of the subscription rights attached to outstanding share options and awarded shares. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options and awarded shares.

	Year ended 31 December	
	2022	2021
(Loss)/Profit attributable to owners of the Company (RMB'000)	(15,930,209)	2,729,143
(Loss)/Profit used to determine diluted (loss)/earnings per share (RMB'000)	(15,930,209)	2,729,143
Weighted average number of ordinary shares in issue (thousands)	7,616,096	7,616,096
Weighted average number of ordinary shares for diluted earnings per share (thousands)	7,616,096	7,616,096
Diluted (loss)/earnings per share (RMB per share)	(2.092)	0.358

## 44. DIVIDENDS

	Year ended 31 December	
	2022 RMB'000	2021 RMB'000
Interim dividend paid of RMBNil (2021: RMB0.046) per ordinary share	—	347,595
Proposed final dividend of RMBNil (2021: RMB0.026) per ordinary share	—	198,018

On 30 March 2023, the Board did not recommend the payment of final dividend for the year ended 31 December 2022 (For the year ended 31 December 2021: RMB198,018,000).

## 45. CASH FLOW INFORMATION

### (a) Cash (used in)/generated from operations

	Year ended 31 December	
	2022 RMB'000	2021 RMB'000
(Loss)/profit for the year	(15,649,855)	5,091,286
Adjustments for:		
— Income tax expense (Note 42)	2,625,399	4,705,828
— Depreciation of property, plant and equipment (Note 7)	128,539	148,488
— Amortization of land use rights (Note 9)	29,360	4,100
— Amortization of intangible assets (Note 10)	55,635	26,469
— Amortization of right-of-use assets	79,034	8,980
— Fair value losses on investment properties (Note 12)	256,118	63,862
— Share of results of joint ventures (Note 14)	977,994	(1,329,726)
— Share of results of associates (Note 15)	870,195	(562,920)
— Losses/(gains) on disposal of joint ventures and associates (Note 38)	389,605	(7,749)
— Losses/(gains) on deemed disposal of joint ventures and associates (Note 38)	64,212	(76,753)
— Dividend income (Note 37)	(114,780)	(175,637)
— Interest income (Note 37)	(798,442)	(1,603,611)
— Losses/(gains) on disposal of interests in subsidiaries (Note 38)	621,555	(366,452)
— (Gains)/losses on disposal of property, plant and equipment (Note 38)	(677)	2,570
— Losses on disposal of investment properties (Note 38)	63,624	—
— Fair value losses on financial assets and financial liabilities at fair value through profit or loss (Note 38)	267,133	544,331
— Impairment charges (Note 39)	6,535,755	399,895
— Derecognition of goodwill (Note 39)	938	20,993
— Finance costs (Note 41)	3,066,124	2,238,690
— Exchange losses/(gains) (Note 38)	1,178,350	(348,416)
— Share-based payments (Note 40)	13,158	72,160
	658,974	8,856,388

## 45. CASH FLOW INFORMATION (Continued)

### (a) Cash (used in)/generated from operations (Continued)

	Year ended 31 December	
	2022 RMB'000	2021 RMB'000
Changes in working capital (excluding the effects of acquisition and exchange differences on consolidation):		
— Completed properties held for sale	957,391	(6,683,980)
— Inventories, at cost	(443,990)	(110,876)
— Contract assets	198,304	697,548
— Trade and other receivables and prepayments	(4,761,824)	(15,514,956)
— Land development cost recoverable	7,503	(14,319)
— Trade and other payables	(13,471,337)	7,697,140
— Receipts in advance of pre-sale proceeds directly from property purchasers and lessees	(15,107,517)	(9,205,328)
— Properties under development	21,146,525	16,851,497
— Restricted bank deposits	660,213	(623,736)
Cash (used in)/generated from operations	(10,155,758)	1,949,378

### (b) In the consolidated cash flow statement, proceeds from sale of property, plant and equipment comprise:

	Year ended 31 December	
	2022 RMB'000	2021 RMB'000
Net book amount (Note 7)	101,441	13,529
Gains/(losses) on disposal of property, plant and equipment (Note 38)	677	(2,570)
Proceeds from disposal of property, plant and equipment	102,118	10,959

## 45. CASH FLOW INFORMATION (Continued)

### (c) The reconciliation of liabilities from financing activities

This section sets out an analysis of liabilities from financing activities and the movements in liabilities from financing activities for each of the periods presented.

	2022 RMB'000	2021 RMB'000
Borrowings-repayable within one year (Note 32)	(38,091,736)	(18,667,628)
Borrowings-repayable after one year (Note 32)	(58,931,713)	(73,556,834)
Lease liabilities (Note 8)	(398,398)	(427,073)
Liabilities from financing activities	(97,421,847)	(92,651,535)
Gross debt — fixed interest rates	(65,636,673)	(60,230,957)
Gross debt — variable interest rates	(31,785,174)	(32,420,578)
Liabilities from financing activities	(97,421,847)	(92,651,535)

	Liabilities from financing activities			
	Borrowing due within 1 year RMB'000	Borrowing due after 1 year RMB'000	Lease liabilities RMB'000	Total RMB'000
Liabilities at 31 December 2021	(18,667,628)	(73,556,834)	(427,073)	(92,651,535)
Cash flows	6,632,877	(4,087,657)	88,391	2,633,611
Increase due to business combination	(1,457,000)	(2,418,504)	(4,801)	(3,880,305)
Decrease due to disposal of interests in subsidiaries	336,830	—	2,267	339,097
Foreign exchange adjustments	(212,365)	(3,278,728)	—	(3,491,093)
Increase due to other acquisitions	(24,619)	(289,821)	(57,182)	(371,622)
Other non-cash movements	(24,699,831)	24,699,831	—	—
Liabilities at 31 December 2022	(38,091,736)	(58,931,713)	(398,398)	(97,421,847)

Other non-cash movement is mainly the reclassification of long-term borrowing and borrowing within 1 year and the amortization of issuing cost of bond and guaranteed notes.

## 46. FINANCIAL GUARANTEES

- (a) The Group had the following financial guarantees as 31 December 2022 and 2021:

	As at 31 December	
	2022 RMB'000	2021 RMB'000
Guarantees in respect of mortgage facilities for certain purchasers	<b>20,677,278</b>	15,825,647

As at 31 December 2022 and 31 December 2021, the Group provided guarantees in respect of mortgage facilities granted by certain banks relating to the mortgage loans arranged for certain purchasers of the Group's properties. Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage principals together with accrued interest and penalty owed by the defaulted purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties. The Group's guarantee period starts from the dates of grant of the relevant mortgage loans and ends when the property purchasers obtain the "property title certificate" which is then pledged with the banks.

The Group has not recognised any liabilities in connection with the aforesaid financial guarantee contracts as the directors of the Company are of the view that it is remote for the Group to suffer from any significant losses on these financial guarantee contracts.

- (b) As at 31 December 2022, the Group provided guarantees amounted to approximately RMB5,523,480,000 for borrowings of related parties and third party (2021: RMB2,013,070,000). Properties under development owned by these related parties are the primary collateral of such borrowings.

Several related parties and third party are being sued in relation to those borrowings and hence the relevant subsidiaries of the Company being one of the defendants in those cases. The management are of the view that the obligation is remote and cannot be measured with sufficient reliability.

## 47. COMMITMENTS

- (a) Capital commitments

Capital commitments at the balance sheet date but not yet incurred are as follows:

	As at 31 December	
	2022 RMB'000	2021 RMB'000
Properties under development	<b>6,669,612</b>	12,702,339
Commitment of investments	<b>2,956,388</b>	2,929,776
Contracted but not provided for	<b>9,626,000</b>	15,632,115

- (b) Commitments to a joint venture

	As at 31 December	
	2022 RMB'000	2021 RMB'000
Commitments to provide funding to a joint venture for its investment properties development	<b>8,662,694</b>	8,690,636

## 47. COMMITMENTS (Continued)

### (c) Operating lease rental receivables

The future aggregate minimum lease rental receivables under non-cancellable operating leases in respect of land and buildings are as follows:

	As at 31 December	
	2022 RMB'000	2021 RMB'000
Within 1 year	375,204	420,481
Between 1 to 5 years	188,703	401,704
Over 5 years	2,612	63,276
	566,519	885,461

## 48. BUSINESS COMBINATION

During the year, the significant business combination of the Group is presented as below:

### Acquisition of Dalian Yuanyi

As at 31 December 2021, the Group owned 20% equity stakes in Dalian Yuanyi Enterprise Management Consulting Co., Ltd and its subsidiaries (together, "Dalian Yuanyi"), which was accounted by way of equity method. Dalian Yuanyi principally engaged in provision of sewage treatment service in PRC.

In November 2022, in order to expand business opportunities of Dalian Yuanyi, the Group entered into an agreement with 北京遠譽資產管理有限公司, an associate of the Group for acquisition of 67.5% equity interest in Dalian Yuanyi. The total consideration for the acquisition was RMB100,590,000. As a result of acquisition, the Group's equity interest in Dalian Yuanyi increased to 87.50%, the Group obtained the power to govern the significant decisions relating to operating and financing of Dalian Yuanyi. As a result of the change, Dalian Yuanyi became a subsidiary of the Group.

The following table summarises the consideration paid for Dalian Yuanyi, the fair value of assets acquired and liabilities assumed at the acquisition date.

	As at 15 November 2022 RMB'000
Consideration:	
— Consideration transferred	100,590
— Book value of equity interest in Dalian Yuanyi held before business combination	41,404
— Deemed disposal losses of equity interest	(7,330)
	134,664
Identifiable net liabilities acquired	11,003
Goodwill	145,667

## 48. BUSINESS COMBINATION (Continued)

Recognised amounts of identifiable assets acquired and liabilities acquired

	RMB'000
Property, plant and equipment	85,071
Land use rights	65,790
Right-of-use assets	4,853
Intangible assets	132,725
Deferred income tax assets	46
Other receivables and prepayments	79,230
Inventories, at cost	1,429
Trade receivables	37,616
Cash and cash equivalents	2,868
Trade and other payables	(153,039)
Contract liabilities	(38)
Borrowings	(181,483)
Income tax payable	(1,809)
Lease liabilities	(4,801)
Deferred income tax liabilities	(3,492)
Non-controlling interests in Dalian Yuanyi's subsidiaries	(77,541)
	(12,575)
Non-controlling interests	1,572
Total identifiable net liabilities	(11,003)

## 49. SETTLEMENT WITH NON-CONTROLLING INTERESTS WITHOUT CHANGE OF CONTROL

During the year ended 31 December 2022, the Group has purchased or subscribed additional equity interests of its non-wholly owned subsidiaries and disposed of certain equity interests to its non-controlling shareholders through certain transactions with non-controlling interests which resulted in the total decrease in non-controlling interests of approximately RMB1,128,145,000 and total decrease in net assets attributable to the owners of the Company of approximately RMB681,984,000.

During the year ended 31 December 2021, the Group has purchased or subscribed additional equity interests of its non-wholly owned subsidiaries and disposed of certain equity interests to its non-controlling shareholders through certain transactions with non-controlling interests which resulted in the total increase in non-controlling interests of approximately RMB90,991,000 and total decrease in net assets attributable to the owners of the Company of approximately RMB544,493,000.

## 50. RELATED PARTY TRANSACTIONS

Save as disclosed in elsewhere, the following is a summary of significant related party balances and transactions entered into in the ordinary course of business between the Group and its related parties during the years ended 31 December 2022 and 2021:

### (a) Provision of services to:

	Year ended 31 December	
	2022 RMB'000	2021 RMB'000
— A shareholder	29,450	33,138
— Joint ventures	1,636,862	2,057,152
— Associates	251,067	177,689
	<b>1,917,379</b>	2,267,979

Provision of services mainly represent construction service, the terms of which are entered into with related parties in accordance with the terms of agreement.

### (b) Purchase of services from:

	Year ended 31 December	
	2022 RMB'000	2021 RMB'000
A joint venture	347,513	402,859

### (c) Transaction with joint ventures:

	Year ended 31 December	
	2022 RMB'000	2021 RMB'000
Total consideration on disposal of subsidiaries to a joint venture (i)	—	5,471,177
Total consideration on disposal of joint ventures to a joint venture (ii)	71,066	—
Total consideration on disposal of an associate to a joint venture (iii)	94,875	—
	<b>165,941</b>	5,471,177

- (i) On 24 December 2021, the Group disposed 100% equity of the Disposal Group to the Partnership, which is a joint venture of the Group.
- (ii) On 29 April 2022, the Group disposed all its equity interest in two joint ventures 重慶遠香房地產開發有限公司 and 重慶國際高爾夫俱樂部有限公司 to 北京熙洋科技服務有限公司, which is a joint venture of the Group.
- (iii) On 29 April 2022 the Group disposed all its equity interest of 8.63% in an associate, 重慶遠騰房地產開發有限公司 to 北京熙洋科技服務有限公司, which is a joint venture of the Group.

## 50. RELATED PARTY TRANSACTIONS (Continued)

### (d) Key management compensation:

	Year ended 31 December	
	2022 RMB'000	2021 RMB'000
Salaries and other short-term employee benefits	26,305	39,692
Post-employment benefits	3,147	4,271
Other long-term welfare	1,131	1,130
Share-based payments	—	7,707
	<b>30,583</b>	<b>52,800</b>

### (e) Year-end balances arising from sales and purchases of properties and services and disposal of interests in subsidiaries:

	As at 31 December	
	2022 RMB'000	2021 RMB'000
Receivables from related parties:		
— A shareholder	5,995	6,558
— Joint ventures	3,119,702	3,753,316
— Associates	353,690	266,878
	<b>3,479,387</b>	<b>4,026,752</b>
Advance from related parties:		
— A shareholder	54	—
— Joint ventures	62,491	13,833
— Associates	—	—
	<b>62,545</b>	<b>13,833</b>
Trade payables due to related parties:		
— A joint venture	791,896	676,200
— An associate	42,297	12,393
— A shareholder	—	38
	<b>834,193</b>	<b>688,631</b>

## 50. RELATED PARTY TRANSACTIONS (Continued)

### (f) Interest income

	Year ended 31 December	
	2022 RMB'000	2021 RMB'000
Interest received:		
— Joint ventures	371,084	605,738
— Associates	298,219	577,931
	669,303	1,183,669

### (g) Loans to related parties

	Year ended 31 December	
	2022 RMB'000	2021 RMB'000
Joint ventures:		
At 1 January	8,032,571	6,368,436
Loans advanced during year	7,393,817	12,671,201
Loans repayments received	(11,145,033)	(11,054,439)
Decrease due to disposal of joint ventures	—	(3,080)
Increase due to disposal of interests in subsidiaries	—	50,453
Interest charged	(371,084)	(605,738)
Interest received	371,084	605,738
At 31 December (Note 21(b)(i))	4,281,355	8,032,571
Associates:		
At 1 January	5,168,878	3,595,317
Loans advanced during year	1,087,809	8,575,581
Loans repayments received	(6,256,687)	(6,857,615)
Increase due to acquisition of an associate	—	10,000
Decrease due to deemed disposal of Associates	—	(154,405)
Interest charged	(298,219)	(577,931)
Interest received	298,219	577,931
At 31 December (Note 21(b)(ii))	—	5,168,878

## 50. RELATED PARTY TRANSACTIONS (Continued)

### (h) Dividend income

During the year ended 31 December 2022, the dividend income received from Sino-Ocean Capital, the associate of the Company amounted to RMB114,780,000 (2021: RMB114,780,000).

### (i) Acquisition of a subsidiary from an associate

- (i) During the year ended 31 December 2022, the consideration paid to acquire of 50% equity interest of 天津熙合供應鏈服務有限公司 from Sino-Ocean Capital, the associate of the Company amounted to RMB250,000,000.
- (ii) During the year ended 31 December 2022, the consideration paid to acquire of 67.5% equity interest of Dalian Yuanyi from 北京遠譽資產管理有限公司, the associate of the Company amounted to RMB100,590,000.

### (j) Amounts due from related parties

	Year ended 31 December	
	2022 RMB'000	2021 RMB'000
Joint ventures:		
At 1 January	26,809,010	18,329,200
Amounts advanced during year	32,856,518	52,515,487
Repayments during year	(30,220,527)	(44,080,913)
Increase due to acquisition of joint ventures	–	459,543
Decrease due to deemed disposal of joint ventures	(5,122,470)	(248,610)
Increase due to disposal of interests in subsidiaries	2,080,443	15,391
Decrease due to disposal of joint ventures	–	(181,088)
At 31 December (Note 21(b)(v))	26,402,974	26,809,010
Associates:		
At 1 January	7,722,884	2,944,124
Amounts advanced during year	5,753,909	17,204,589
Repayments during year	(3,211,569)	(12,533,761)
Increase due to acquisition of associates	–	132,568
Decrease due to deemed disposal of associates	–	(23,675)
Decrease due to disposal of associates	–	(961)
At 31 December (Note 21(b)(v))	10,265,224	7,722,884

## 50. RELATED PARTY TRANSACTIONS (Continued)

### (k) Amounts due to related parties

	Year ended 31 December	
	2022 RMB'000	2021 RMB'000
Joint ventures:		
At 1 January	6,292,286	7,979,029
Amounts advanced during year	12,527,192	12,409,098
Repayments during year	(10,776,281)	(15,759,019)
Increase due to acquisition of joint ventures	—	142,093
Decrease due to deemed disposal of joint ventures	(895,636)	(4,023)
Increase due to acquisition of subsidiaries	350,432	—
Increase due to disposal of interests in subsidiaries	217,892	2,507,439
Decrease due to disposal of interests in joint ventures	(7,132)	(982,331)
At 31 December (Note 34(ii))	7,708,753	6,292,286
Associates:		
At 1 January	2,035,391	2,462,410
Amounts advanced during year	2,575,699	3,564,740
Repayments during year	(3,517,735)	(3,385,116)
Decrease due to deemed disposal of associates	(173,811)	(608,594)
Increase due to disposal of interest in associates	—	1,972
Decrease due to disposal of interest in associates	(4,256)	(21)
At 31 December (Note 34(ii))	915,288	2,035,391

## 50. RELATED PARTY TRANSACTIONS (Continued)

### (l) Investment in limited partners' share issued by an associate

	As at 31 December	
	2022 RMB'000	2021 RMB'000
Fair value of investment in limited partners' share issued by an associate	<b>1,712,329</b>	2,273,742

### (m) Investment in capital instrument issued by associates

	As at 31 December	
	2022 RMB'000	2021 RMB'000
Fair value of interests in capital instruments issued by associates	<b>501,876</b>	5,389,553

## 51. BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY

Balance sheet of the Company

	Notes	As at 31 December	
		2022	2021
		RMB'000	RMB'000
ASSETS			
Non-current assets			
Investments in subsidiaries		3,411,545	3,411,545
Current assets			
Amounts due from subsidiaries		24,498,246	27,009,383
Financial assets at fair value through profit or loss		477,124	163,672
Other receivables		2,459	2,060
Cash and cash equivalents		170	63,891
		24,977,999	27,239,006
Total assets		28,389,544	30,650,551
EQUITY			
Capital	(a)	27,329,232	27,329,232
Reserves	(b)	945,842	939,103
Retained earnings	(c)	60,938	265,976
Total equity		28,336,012	28,534,311
LIABILITIES			
Current liabilities			
Borrowings		—	1,999,436
Other payables		53,532	116,804
		53,532	2,116,240
Total liabilities		53,532	2,116,240
Total equity and liabilities		28,389,544	30,650,551

Approved by the Board of Directors of the Company on 30 March 2023 and signed on its behalf by:

**LI Ming**  
Executive Director

**WANG Honghui**  
Executive Director

## 51. BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (Continued)

### (a) Capital movement of the Company

	RMB'000
<b>At 1 January 2022</b>	<b>27,329,232</b>
Issue of shares pursuant to exercise of employee share options	–
<b>At 31 December 2022</b>	<b>27,329,232</b>
At 1 January 2021	27,329,232
Issue of shares pursuant to exercise of employee share options	–
At 31 December 2021	27,329,232

### (b) Reserve movement of the Company

	RMB'000
<b>At 1 January 2022</b>	<b>939,103</b>
Share based payment	<b>13,158</b>
Purchase of shares for Restricted Share Award Scheme	<b>(6,419)</b>
<b>At 31 December 2022</b>	<b>945,842</b>
At 1 January 2021	876,596
Share based payment	72,160
Purchase of shares for Restricted Share Award Scheme	(9,653)
At 31 December 2021	939,103

### (c) Retained earnings

	RMB'000
<b>At 1 January 2022</b>	<b>265,976</b>
Profit for the year	<b>2,627</b>
Dividends relating to 2021	<b>(198,018)</b>
Currency translation difference	<b>(9,647)</b>
<b>At 31 December 2022</b>	<b>60,938</b>
At 1 January 2021	589,048
Profit for the year	595,762
Dividends relating to 2020	(571,239)
Dividends relating to 2021	(347,595)
At 31 December 2021	265,976

## 52. BENEFITS AND INTERESTS OF DIRECTORS

### (a) Directors' emoluments

The remuneration of every director for the years is set out below:

	Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking													
	Year ended 31 December													
	2022							2021						
	Fee	Salary	Discretionary bonus	Employer's contribution to retirement benefit scheme	Other benefit	Subtotal	Share-based payments	Fees	Salary	Discretionary bonus	Employer's contribution to retirement benefit scheme	Other benefit	Subtotal	Share-based payments
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Chairman														
Mr. Li Ming	-	5,306	1,260	1,432	1,132	9,130	-	-	5,390	1,560	2,952	1,130	11,032	2,457
Executive directors														
Mr. Wang Honghui	-	2,005	960	102	-	3,067	-	-	2,210	1,205	130	-	3,545	-
Mr. Cui Hongjie	-	2,001	660	102	-	2,763	-	-	2,050	960	130	-	3,140	-
Non-executive directors														
Ms. Huang Xiumei (ii)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Zhao Peng (ii), (iii)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Hou Jun (ii)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Chen Ziyang (ii)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Zhan Zhong (ii)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ms. Li Liling (i)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Fu Fei (i)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Zhao Peng (i), (ii), (iii)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Independent non-executive directors														
Mr. Han Xiaojing	411	-	-	-	-	411	-	315	-	-	-	-	315	230
Mr. Suen Man Tak	411	-	-	-	-	411	-	315	-	-	-	-	315	230
Mr. Wang Zhifeng	411	-	-	-	-	411	-	315	-	-	-	-	315	230
Mr. Jin Qingjun	411	-	-	-	-	411	-	315	-	-	-	-	315	230
Ms. Lam Sin Lai Judy	411	-	-	-	-	411	-	315	-	-	-	-	315	230
	2,055	9,312	2,880	1,636	1,132	17,015	-	1,575	9,650	3,725	3,212	1,130	19,292	3,607

## 52. BENEFITS AND INTERESTS OF DIRECTORS (Continued)

### (a) Directors' emoluments (Continued)

- (i) On 25 July 2021, Ms. Li Liling, a non-executive director, has resigned.

On 25 July 2021, Mr. Fu Fei, a non-executive director, has resigned.

On 19 March 2021, Mr. Zhao Peng, a non-executive director, has resigned.

- (ii) On 18 September 2021, Mr. Zhan Zhong was appointed as a non-executive director.

On 25 July 2021, Mr. Chen Ziyang was appointed as a non-executive director.

On 25 July 2021, Mr. Zhao Peng was appointed as a non-executive director.

On 19 March 2021, Ms. Huang Xiumei was appointed as a non-executive director.

- (iii) Both Mr. Zhao Peng are different persons.

### (b) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

- (c) During the years ended 31 December 2022 and 2021, no emoluments were paid by the Group to any of the above directors as an inducement to join or upon joining the Group or as compensation for losses of office.

## 53. SUBSEQUENT EVENTS

- (a) On 8 February 2023, Beijing Yuanshengchang Real Estate Development Co., Ltd, a wholly owned subsidiary of the Company entered into the Property Right Transaction Agreement with Shandong Detian Real Estate Co., Ltd ("Shandong Detian") regarding the acquisition of the entire equity interests of Shandong Detian Jiaye Real Estate Co., Ltd. ("Shandong Detian Jiaye") and a loan owing by Shandong Detian Jiaye to Shandong Detian (inclusive of interest) at the aggregate consideration of RMB1,584,414,201. Details of the acquisition were set out in the Company's announcement dated 8 February 2023.
- (b) During the period from January to March 2023, Beijing UNIQloud Technology Co., Ltd, a non wholly-owned subsidiary of the Company, and certain wholly-owned subsidiaries or entity controlled by it, as lessees, entered into sale and leaseback agreements in respect of certain leased assets (mainly comprising ancillary equipment and facilities for data center) with Chengtong Financial Leasing Company Limited and CGN International Financial Leasing (Tianjin) Co., Ltd., respectively, each as lessor, pursuant to which the relevant lessor will purchase the respective leased assets from the relevant lessees for a maximum aggregate purchase price of RMB475 million and RMB375 million, respectively, and such leased assets will be leased back to the relevant lessee for maximum aggregate lease payments of approximately RMB535.08 million and RMB431.81 million, respectively, each with a term of five years and six years, respectively, subject to early termination in accordance with the terms and conditions of the respective sale and lease agreements. Upon the relevant lessees having paid all the lease payments and other payables (if any) to the relevant lessor in accordance with the terms of the respective sale and leaseback agreements, the relevant lessees shall have the right to repurchase the respective leased assets at a nominal consideration. Details of the sale and leaseback arrangements have been disclosed in the announcements of the Company dated 27 February 2023 and 10 March 2023, respectively.

## FIVE-YEAR FINANCIAL SUMMARY

	2022 (RMB million)	2021 (RMB million)	2020 (RMB million)	2019 (RMB million)	2018 (RMB million)
Revenue	<b>46,127</b>	64,247	56,511	50,926	41,422
Gross Profit	<b>2,377</b>	11,258	10,457	10,222	8,287
(Loss)/profit attributable to owners of the Company	<b>(15,930)</b>	2,729	2,866	2,656	3,574
Total assets	<b>246,072</b>	281,252	259,689	243,699	249,362
Total liabilities	<b>198,186</b>	204,805	189,784	178,088	186,223
Shareholders' equity	<b>31,747</b>	55,074	53,649	49,907	48,385
Total equity	<b>47,886</b>	76,447	69,905	65,611	63,139

# LIST OF PROJECT NAMES

Our list of project names as at 31 December 2022 is set out as follows:

	Regions	Cities	Project names (Chinese)	Project names (English)	Project names used before (Chinese)	Project names used before (English)
1	Beijing Region	Beijing	安貞項目(北京)	Anzhen Project (Beijing)		
2			國譽萬和城(北京)	Captain House (Beijing)		
3			CBD Z6地塊(北京)	CBD Plot Z6 (Beijing)		
4			中央峰匯(北京)	Central Peak (Beijing)	昌平未來科技城F2項目	Changping Sci-tech Park F2 Project
5			銀網中心(北京)	E-wing Center (Beijing)		
6			金悅府(北京)	Gold Mansion (Beijing)	大興黃村0901地塊	Huangcun 0901 Plot, Daxing District
7			遠洋樂堤港(北京)	Grand Canal Place (Beijing)	遠洋新光中心	Ocean Shinkong Center
8			萬和斐麗(北京)	Grand Harmony Emerald Residence (Beijing)		
9			若丘(北京)	Hilltime (Beijing)	門頭溝潭柘寺項目	Mentougou Tanzhe Temple Project
10			頤堤港(北京)	INDIGO (Beijing)	將台商務中心	Jiangtai Business Center
11			頤堤港二期(北京)	INDIGO II (Beijing)		
12			頤璟萬和(北京)	Jasper Epoch (Beijing)		
13			順義佳利華項目(北京)	Jialihua Project, Shunyi District (Beijing)		
14			房山良鄉項目(北京)	Liangxiang Project (Beijing)		
15			密之雲項目(北京)	Mizhiyun Project (Beijing)		
16			遠洋盈創健康產業園(北京)	Ocean Incom (Beijing)		
17			遠洋國際中心(北京)	Ocean International Center (Beijing)		
18			遠洋國際中心二期(北京)	Ocean International Center, Phase II (Beijing)	京棉項目	Jingmian Project
19			遠洋LA VIE(北京)	Ocean LA VIE (Beijing)		
20			遠洋沁山水(北京)	Ocean Landscape Eastern Area (Beijing)	遠洋沁山水E02/03項目	Ocean Landscape Eastern Area E02/03 Project
21			遠洋新天地(北京)	Ocean Metropolis (Beijing)	門頭溝新城項目	Mentougou New Town Project
22			遠洋光華國際(北京)	Ocean Office Park (Beijing)		
23			遠洋大廈(北京)	Ocean Plaza (Beijing)		
24			遠洋源山春秋(北京)	Ocean Poetic Dwelling (Beijing)	石景山區劉娘府A2地塊	Liuniangfu Plot A2, Shijingshan District
25			遠洋未來廣場(北京)	Ocean We-life Plaza (Beijing)		
26			遠洋五里春秋(北京)	Ocean Wuliepo (Beijing)	石景山五里坨組團一地塊	Wulituo Plot, Shijingshan District
27			遠洋新仕界(北京)	Our New World (Beijing)	遠洋春天著	Ocean Spring
28			門頭溝新城6002地塊(北京)	Plot 6002, Mentougou New Town (Beijing)		

Regions	Cities	Project names (Chinese)	Project names (English)	Project names used before (Chinese)	Project names used before (English)
29		天瑞宸章(北京)	Royal River Villa (Beijing)		
30		順義物流項目(北京)	Shunyi Logistics Project (Beijing)		
31		遠洋·春秋里(北京)	Sino-Ocean Apple Garden No.6 (Beijing)		
32		華樹國際(北京)	World View (Beijing)		
33		禧瑞春秋(北京)	Xanadu & Ocean Epoch (Beijing)		
34		禧瑞天著(北京)	Xanadu & Ocean Palace (Beijing)	經開區G2R1地塊	Yizhuang EDA Plot G2R1
35		通州西集E地塊(北京)	Xiji Plot E, Tongzhou District (Beijing)		
36		信馳大廈(北京)	Xinchi Tower (Beijing)	亦莊汽車大廈項目	Yizhuang Motor Tower Project
37		亦莊正元數據中心(北京)	Yizhuang Zhengyuan Internet Data Center (Beijing)		
38		雍景桃源項目(北京)	Yongjingtaoyuan Project (Beijing)		
39	Shijiazhuang	福祐生命紀念公園(石家莊)	Blessing Life Memorial Park (Shijiazhuang)	安德生命紀念公園	Ande Life Memorial Park
40		長安區舊改項目(石家莊)	Chang'an District Redevelopment Project (Shijiazhuang)		
41		遠洋·風景長安(石家莊)	Family Park (Shijiazhuang)		
42		遠洋·風景長安二期(石家莊)	Family Park, Phase II (Shijiazhuang)		
43		藁城物流項目(石家莊)	Gaocheng Logistics Project (Shijiazhuang)		
44		萬和學府(石家莊)	Harmony Palace (Shijiazhuang)	正定新區004項目	Zhengding New District Project
45		瑾園·上府(石家莊)	Ocean Home Park (Shijiazhuang)	福美瑾園二期	Jade Mansion, Phase II
46		遠洋7號(石家莊)	Sino-Ocean No. 7 (Shijiazhuang)		
47		遠洋·晟庭(石家莊)	Vigorous Mansion (Shijiazhuang)	長安區015號地	Chang'an District Plot 015
48	Taiyuan	天悅(太原)	Glory Mansion (Taiyuan)		
49		解放路愛琴海購物公園(太原)	Jiefang Road Aegean Place (Taiyuan)		
50		遠洋萬和四季(太原)	Ocean Seasons (Taiyuan)		
51		天鉞(太原)	Sky Masion (Taiyuan)		
52		天潤(太原)	Sky of Palace (Taiyuan)		
53		晉春秋(太原)	Villa Epoch (Taiyuan)		
54		王家峰愛琴海購物公園(太原)	Wangjiafeng Aegean Place (Taiyuan)		
55	Qinhuangdao	遠洋蔚藍海岸(秦皇島)	Seatopia (Qinhuangdao)		
56	Langfang	京畿禮宮(廊坊)	Capital Palace (Langfang)		

	Regions	Cities	Project names (Chinese)	Project names (English)	Project names used before (Chinese)	Project names used before (English)
57			經開物流項目(廊坊)	Jingkai Logistics Project (Langfang)		
58			遠洋光華城(廊坊)	Ocean Brilliant City (Langfang)	遠洋琨庭	Sino-Ocean Brilliant Courtyard
59			廣陽物流項目地塊一(廊坊)	Plot I, Guangyang Logistics Project (Langfang)		
60			廣陽物流項目地塊二(廊坊)	Plot II, Guangyang Logistics Project (Langfang)		
61			燕郊三河數據中心(廊坊)	Yanjiao Sanhe Internet Data Center (Langfang)		
62		Zhangjiakou	遠洋尚東萬和(張家口)	Centrality Mansion (Zhangjiakou)	橋東區東山天地項目	Qiaodong District Dongshantiandi Project
63		Tangshan	遠洋山水(唐山)	Ocean Landscape (Tangshan)	高新區孫家莊A01地塊	Sunjiaozhuang Plot A01, High-tech Zone
64		Jinzhong	天鉞(晉中)	Sky Masion (Jinzhong)		
65	Bohai Rim Region	Tianjin	空港物流項目(天津)	Airport Logistics Project (Tianjin)		
66			北辰物流項目(天津)	Beichen Logistics Project (Tianjin)		
67			博大奶牛場項目(天津)	Boda Logistics Project (Tianjin)		
68			京畿鼎園(天津)	Capital Palace (Tianjin)		
69			生態城愛琴海購物公園(天津)	Eco-city Aegean Place (Tianjin)		
70			寬閱時光(天津)	Fantastic Time (Tianjin)		
71			悅·光年(天津)	Happy Light Year (Tianjin)	汽車世界	Autoworld
72			遠洋·萬和府(天津)	Harmony Mansion (Tianjin)		
73			河東愛琴海購物公園(天津)	Hedong Aegean Place (Tianjin)		
74			靜海物流項目(天津)	Jianghai Logistics Project (Tianjin)		
75			薊縣愛琴海購物公園(天津)	Jixian Aegean Place (Tianjin)		
76			未來城(天津)	Neo-metropolis (Tianjin)	北辰宜興埠項目	Yixingbu Project, Beichen District
77			遠洋國際中心(天津)	Ocean International Center (Tianjin)		
78			遠洋潮起東方(天津)	Ocean Orient (Tianjin)		
79			遠洋未來匯(天津)	Ocean We-life (Tianjin)		
80			遠洋未來廣場(天津)	Ocean We-life Plaza (Tianjin)		
81			遠澤寶坻物流園(天津)	Sino-Fusion Baodi Logistics Park (Tianjin)		
82			遠洋琨庭(天津)	Sino-Ocean Brilliant Courtyard (Tianjin)		
83			天鉞(天津)	Sky Masion (Tianjin)		
84			天鉞灣(天津)	Sky Masion Bay (Tianjin)		

Regions	Cities	Project names (Chinese)	Project names (English)	Project names used before (Chinese)	Project names used before (English)
85		天津空港南物流項目(天津)	Southend Airport Logistics Project (Tianjin)		
86		鯤栖府(天津)	The Great Habitat Mansion House (Tianjin)	華明項目	Huaming Project
87		博嶼海(天津)	UPED (Tianjin)		
88		天津空港西物流項目(天津)	Westend Airport Logistics Project (Tianjin)		
89		海納府(天津)	Xanadu (Tianjin)	濱海新區生態城5號地塊	Binhai New Area Eco-Town Plot 5
90	Qingdao	遠洋萬和雲璟(青島)	Ocean Glory (Qingdao)	市北區海泊河地塊	Haibohe Plot, Shibei District
91		遠洋萬和城(青島)	Sino-Ocean Harmony (Qingdao)		Ocean Great Harmony
92		遠洋山水(青島)	Sino-Ocean Landscape (Qingdao)		
93	Jinan	愛琴海購物公園(濟南)	Aegean Place (Jinan)		
94		天橋區北湖A-6地塊(濟南)	Beihu Plot A-6, Tianqiao District (Jinan)		
95		天橋區北湖西側A地塊(濟南)	Beihu West Plot A, Tianqiao District (Jinan)		
96		遠洋萬和公館(濟南)	Ocean Crown (Jinan)	槐蔭區經十一路B4地塊	Jing 11 Road Plot B4, Huaiyin District
97		遠洋天著春秋(濟南)	Ocean Epoch (Jinan)	唐冶項目	Tangye Project
98		萬和府(濟南)	Ocean Mansion (Jinan)	遠祥萬和府	
99		遠洋潮起東方(濟南)	Ocean Orient (Jinan)	唐冶中路以東、橫四路以南地塊	Plots in East of Tangye Middle Road and South of Hengsi Road
100		遠洋鳳栖翰林(濟南)	Ocean Precious Land (Jinan)	曆城區趙家莊項目	Zhaojiazhuang Project, Licheng District
101		遠洋湖印都會(濟南)	Sino-Ocean Metropolis (Jinan)		
102		天鉞(濟南)	Sky Masion (Jinan)		
103	Dalian	鑽石灣(大連)	Diamond Bay (Dalian)		
104		悅和山海(大連)	Joy of Mountain and Sea (Dalian)		
105		遠洋·萬玥府(大連)	Ocean Mansion (Dalian)		Glory Mansion
106		遠洋第五季(大連)	Ocean Season Five (Dalian)		
107		遠洋塔河灣(大連)	Ocean Tower River Bay (Dalian)	旅順口區塔河灣地塊	Tahewan Plot, Lvshunkou District
108		中華路2號地(大連)	Zhonghua Road Plot #2 (Dalian)	遠洋溫德姆至尊豪庭大酒店	Wyndham Grand Plaza Royale Sino-Ocean
109	Shenyang	百利保大廈(瀋陽)	Bailibao Plaza (Shenyang)		
110		遠洋·上河風景(瀋陽)	Ocean Elite River Prospect (Shenyang)		
111		遠洋鯤栖府(瀋陽)	Ocean Noble Mansion (Shenyang)		
112	Changchun	觀棠源築(長春)	Guantangyuanzhu (Changchun)		

	Regions	Cities	Project names (Chinese)	Project names (English)	Project names used before (Chinese)	Project names used before (English)
113		Harbin	威尼斯莊園(哈爾濱)	Venice Manor (Harbin)		
114		Anshan	國際廣場(鞍山)	International Plaza (Anshan)		
115	Eastern Region	Shanghai	嘉譽都匯廣場(上海)	Amazing City (Shanghai)	嘉譽國際廣場	
116			寶山天鉞(上海)	Baoshan Sky Masion (Shanghai)		
117			中城國際大廈(上海)	CURA International Center (Shanghai)		
118			東灘花園(上海)	Dongtan Villa (Shanghai)	崇明東灘花園項目	Chongming Dongtan Project
119			H88越虹廣場(上海)	H88 Yuehong Plaza (Shanghai)		
120			海興廣場(上海)	Haixing Plaza (Shanghai)		
121			遠洋·虹橋萬和源(上海)	Hongqiao Origin (Shanghai)		
122			臨港愛琴海購物公園(上海)	Lingang Aegean Place (Shanghai)		
123			臨港天鉞(上海)	Lingang Sky Masion (Shanghai)		
124			遠洋財富中心(上海)	Ocean Fortune Center (Shanghai)		
125			萬和昊美項目(上海)	Onehome Art Project (Shanghai)		
126			遠洋商業大廈(上海)	Sino-Ocean Tower (Shanghai)	東海商業中心	East Ocean Center
127			元博酒店項目(上海)	Yuanbo Hotel Project (Shanghai)		
128		Hangzhou	遠洋樂堤港(杭州)	Grand Canal Place (Hangzhou)		
129			厘望(軒)Neo 1(杭州)	Neo 1 (Hangzhou)	厘望Neo 1	
130			宸章新邸(杭州)	Ocean New Masterpiece (Hangzhou)	拱墅區祥符地塊	Xiangfu Plot, Gongshu District
131			遠洋西溪公館(杭州)	Xixi Mansion (Hangzhou)		
132		Nanjing	南京空港項目(南京)	Nanjing Airport Project (Nanjing)		
133			遠洋萬和四季(南京)	Ocean Seasons (Nanjing)		
134			遠洋萬和方山望(南京)	The One (Nanjing)		
135		Suzhou	愛琴海購物公園(蘇州)	Aegean Place (Suzhou)		
136			昆山玉山物流項目(蘇州)	Kunshan Yushan Logistics Project (Suzhou)		
137			萬和悅花園(蘇州)	Mansion Yue (Suzhou)		
138			洛克公園(蘇州)	Rocker Park (Suzhou)		
139			萬和四季(蘇州)	Royal Seasons (Suzhou)	太倉港區項目	Ocean Melody
140			遠洋·風景東方(蘇州)	Scenert East (Suzhou)	張家港市高新區地塊	Plot in High-tech Zone, Zhangjiagang
141			盛澤天鉞(蘇州)	Shengze Sky Masion (Suzhou)		
142			石湖項目(蘇州)	Shihu Project (Suzhou)		
143			太倉沙溪物流項目一(蘇州)	Taichang Shaxi Logistics Project I (Suzhou)	沙溪物流項目	Shaxi Logistics Project
144			太倉沙溪物流項目二(蘇州)	Taichang Shaxi Logistics Project II (Suzhou)		
145			望亭物流項目(蘇州)	Wangting Logistics Project (Suzhou)		

	Regions	Cities	Project names (Chinese)	Project names (English)	Project names used before (Chinese)	Project names used before (English)
146			張家港數據中心(蘇州)	Zhangjiagang Internet Data Center (Suzhou)		
147			張家港物流項目(蘇州)	Zhangjiagang Logistics Project (Suzhou)		
148		Ningbo	遠澤余姚門物流園(寧波)	Sino-Fusion Yuyao Simen Logistics Park (Ningbo)		
149		Wuxi	公園里(無錫)	Life in Park (Wuxi)		
150			靈樾(無錫)	One Residence (Wuxi)	新吳區梅村地塊	Meicun Plot, Xinwu District
151			天鉞(無錫)	Sky Masion (Wuxi)		
152		Nantong	星銀海城市客廳(南通)	Star City (Nantong)		
153		Changzhou	愛琴海購物公園(常州)	Aegean Place (Changzhou)		
154			國際廣場(常州)	International Plaza (Changzhou)		
155		Xuzhou	賈旺產業園(徐州)	Jiawang Industrial Park (Xuzhou)	賈旺物流項目	Jiawang Logistics Project
156		Wenzhou	愛琴海購物公園(溫州)	Aegean Place (Wenzhou)		
157			濱海天鉞(溫州)	Binhai Sky Masion (Wenzhou)		
158			遠洋萬和樾(溫州)	Center Mansion (Wenzhou)	樂清市中心區ZX-14a-1地塊	Plot ZX-14a-1, Central District, Leqing
159			遠洋山海萬和(溫州)	Center Mansion (Wenzhou)	遠洋山海萬和園	Shan Hai One
160			遠洋四季宸章(溫州)	Four Seasons Mansion (Wenzhou)	龍灣區11-E-05地塊	Plot 11-E-05, Longwan District
161			遠洋泊雲庭(溫州)	Harbor Heart (Wenzhou)		
162			半島九號(溫州)	Peninsula No.9 (Wenzhou)		
163			幸福里(溫州)	Xingfuli (Wenzhou)		
164		Yangzhou	美居生活廣場(揚州)	Home Furniture Mall (Yangzhou)		
165			遠洋·廣陵宸章(揚州)	Royal Mansion (Yangzhou)		Sino-Ocean Grand Canal Milestone
166			天鉞(揚州)	Sky Masion (Yangzhou)		
167		Jiaxing	平湖物流項目(嘉興)	Pinghu Logistics Project (Jiaxing)		
168		Jinhua	瀾山院子(金華)	Mountain Courtyard (Jinhua)		
169		Zhenjiang	遠洋心裡(鎮江)	Central Mansion (Zhenjiang)		
170		Huai'an	國際廣場(淮安)	International Plaza (Huai'an)		
171		Suqian	愛琴海購物公園(宿遷)	Aegean Place (Suqian)		
172			沭陽愛琴海購物公園(宿遷)	Shuyang Aegean Place (Suqian)		
173			沭陽天鉞(宿遷)	Shuyang Sky Masion (Suqian)		
174			天鉞(宿遷)	Sky Masion (Suqian)		
175		Huzhou	安吉數據中心(湖州)	Anji Internet Data Center (Huzhou)		
176	Southern Region	Shenzhen	荔山項目(深圳)	Lishan Project (Shenzhen)		
177			龍華區德愛電子廠項目(深圳)	Longhua District De Ai Industrial Park (Shenzhen)		
178			遠洋新幹線(深圳)	Ocean Express (Shenzhen)	南聯項目	Nanlian Project

Regions	Cities	Project names (Chinese)	Project names (English)	Project names used before (Chinese)	Project names used before (English)
179		遠洋天祺(深圳)	Ocean Filter (Shenzhen)		
180		遠洋天環(深圳)	Ocean Forecast (Shenzhen)		
181		遠洋天著(深圳)	Ocean Palace (Shenzhen)		
182		遠洋濱海大廈(深圳)	Ocean Seafront Towers (Shenzhen)	遠洋廣場	Ocean Plaza
183		天和(深圳)	Peace Palace (Shenzhen)		
184	Guangzhou	東灣(廣州)	East Bay (Guangzhou)	朱村街鳳崗村項目	Fenggangcun, Zhucun Street Project
185		遠洋天驕(廣州)	Elite Palace (Guangzhou)	廣州粵隆客車廠	Yuelong Project
186		芙蓉墅(廣州)	Hibiscus Villa (Guangzhou)	芙蓉墅項目	Hibiscus Villa Project
187		花都產業園項目(廣州)	Huadu Industrial Park Project (Guangzhou)		
188		遠洋天成(廣州)	Natural Mansion (Guangzhou)		
189		遠洋風景(廣州)	Ocean Prospect (Guangzhou)		
190	Fuzhou	愛琴海購物公園(福州)	Aegean Place (Fuzhou)		
191		遠洋天賦(福州)	Ocean Tianfu (Fuzhou)	倉山區2020-65號地塊	Plot 2020-65, Cangshan District
192	Foshan	漫悅灣(佛山)	Delight River (Foshan)		
193		風景(佛山)	Landscape (Foshan)	順德區勒流地塊	Leliu Plot, Shunde District
194		天成(佛山)	Natural Mansion (Foshan)		
195	Quanzhou	水墨風景(泉州)	Ocean Prospect (Quanzhou)		
196	Xiamen	遠洋風景(廈門)	Ocean Prospect (Xiamen)	同安區城南片區地塊	Chengnan Plot, Tong'an District
197	Zhangzhou	星海天宸(漳州)	Sea and Star (Zhangzhou)		
198	Maoming	遠洋山水(茂名)	Sino-Ocean Landscape (Maoming)		
199	Jiangmen	雲著(江門)	Cloud Mansion (Jiangmen)		
200		遠洋天成(江門)	Top Mansion (Jiangmen)		
201	Zhongshan	遠洋繁花里(中山)	Blossoms Valley (Zhongshan)	神灣項目	Shenwan Project
202		遠洋天成(中山)	Natural Mansion(Zhongshan)		
203		遠洋天著(中山)	Ocean Palace (Zhongshan)	中山天著	
204		遠洋山水(中山)	Sino-Ocean Landscape (Zhongshan)		
205	Zhanjiang	遠洋城(湛江)	Ocean City (Zhanjiang)		
206	Sanya	遠洋山海(三亞)	Ocean Hill (Sanya)		Ocean Treasure
207	Hong Kong	南嶼蒿林(香港)	Mt. La Vie (Hong Kong)	長沙項目	Cheung Sha Project
208		九龍城衙前壆道項目(香港)	Nga Tsin Long Road Project, Kowloon City (Hong Kong)		
209		千望(香港)	Uptify (Hong Kong)	旺角煙廠街項目	Yin Chong Street Project, Mongkok

	Regions	Cities	Project names (Chinese)	Project names (English)	Project names used before (Chinese)	Project names used before (English)
210	Central Region	Wuhan	愛琴海購物公園(武漢)	Aegean Place (Wuhan)		
211			蔡甸物流項目(武漢)	Caidian Logistics Project (Wuhan)		
212			遠洋里(武漢)	Citylane (Wuhan)		
213			東西湖物流項目(武漢)	Dongxihu Logistics Project (Wuhan)		
214			東西湖新溝物流項目(武漢)	Dongxihu Xingou Logistics Project (Wuhan)		
215			華中大數據產業園(武漢)	Huazhong Big Data Industrial Park (Wuhan)	武漢江夏區IDC項目	
216			江夏物流項目(武漢)	Jiangxia Logistics Project (Wuhan)		
217			遠洋·東方境世界觀(武漢)	Oriental World View (Wuhan)	漢陽區歸元寺項目	Hanyang District Guiyuan Temple
218			遠洋長江樽(武漢)	Yangtze Opus (Wuhan)	江岸區滄陽天項目	Yanyangtian Project, Jiang'an District
219			漢陽區鍾家村地塊(武漢)	Zhongjiacun Plot, Hanyang District (Wuhan)		
220	Zhengzhou		楓丹宸悅(鄭州)	Fontaine Polaris (Zhengzhou)		
221			天悅(鄭州)	Glory Mansion (Zhengzhou)		
222			榮寓(鄭州)	Grand Apartment (Zhengzhou)		
223			遠洋沁園(鄭州)	Ocean Landscape Courtyard (Zhengzhou)	遠洋沁園山水	
224			遠洋萬和四季(鄭州)	Ocean Melody (Zhengzhou)	綠博113號地	Lybo Plot 113
225			遠洋風景(鄭州)	Ocean Prospect (Zhengzhou)	新鄭市龍湖鎮107國道項目	107 Road Project, Longhu Town
226			榮府(鄭州)	Rong Fu (Zhengzhou)		
227			遠洋臻園(鄭州)	The Collection (Zhengzhou)	臻園	Ideal House
228			合肥物流項目I期(合肥)	Hefei Logistics Project, Phase I (Hefei)		
229			合肥物流項目II期(合肥)	Hefei Logistics Project, Phase II (Hefei)		
230	Hefei		合肥物流項目III期(合肥)	Hefei Logistics Project, Phase III (Hefei)		
231			合肥物流項目IV期(合肥)	Hefei Logistics Project, Phase IV (Hefei)		
232			遠洋星悅(合肥)	Ideal Bourn (Hefei)	肥東縣FD202102地塊	Plot FD202102, Feidong County
233			遠洋萬和雲錦(合肥)	Ocean Glory (Hefei)	肥東縣FD18-13地塊	Feidong FD18-13 Project
234			遠洋廬玥風景(合肥)	Ocean Landscape (Hefei)		
235			經開區芙蓉路西地塊(合肥)	West Furong Road Plot, Jingkai District (Hefei)		
236			愛琴海購物公園(長沙)	Aegean Place (Changsha)		
237			天鉞(長沙)	Sky Masion (Changsha)		
238			湘江公館(長沙)	Special Mansion (Changsha)		
239			愛琴海購物公園(南昌)	Aegean Place (Nanchang)		
240	Nanchang		雲璟(南昌)	Cloud View (Nanchang)		
241			遠洋天著(南昌)	Ocean Palace (Nanchang)	灣里區178項目	Wanli 178 Project

	Regions	Cities	Project names (Chinese)	Project names (English)	Project names used before (Chinese)	Project names used before (English)
242			九灣天鉞(南昌)	Sky Masion (Nanchang)		
243		Ganzhou	愛琴海購物公園(贛州)	Aegean Place (Ganzhou)		
244			天鉞(贛州)	Sky Masion (Ganzhou)		
245	Western Region	Chengdu	遠洋·森海境(成都)	Ocean Ecological Land (Chengdu)	新都区新都新城地塊	Xindu New Town Plot, Xindu District
246			遠洋香匯(成都)	Ocean Luxury City (Chengdu)	青羊項目	Qingyang Project
247			青白江數據中心A區(成都)	Qingbaijiang Internet Data Center, Zone A (Chengdu)	青白江數據中心	Qingbaijiang Internet Data Center
248			青白江數據中心C區(成都)	Qingbaijiang Internet Data Center, Zone C (Chengdu)	遠雲信飛數據中心	Yuanyunxinfei Internet Data Center
249			青白江物流項目(成都)	Qingbaijiang Logistics Project (Chengdu)		
250			遠洋太古里(成都)	Sino-Ocean Taikoo Li (Chengdu)		
251			溫江數據中心(成都)	Wenjiang Internet Data Center(Chengdu)		
252		Chongqing	重慶物流項目I期(重慶)	Chongqing Logistics Project, Phase I (Chongqing)		
253			重慶物流項目II期(重慶)	Chongqing Logistics Project, Phase II (Chongqing)		
254			楓樺四季(重慶)	Fenghua Melody (Chongqing)	重慶大學城項目	Chongqing College Town Project
255			楓丹江嶼(重慶)	Fontaine Island (Chongqing)	茶園項目	Chayuan Project
256			江津物流項目(重慶)	Jiangjin Logistics Project (Chongqing)		
257			兩江新區數據中心(重慶)	Liangjiang New Town Internet Data Center (Chongqing)		
258			玖悅蘭庭(重慶)	Life In Art Dist (Chongqing)	九龍坡區灘子口地塊	Tanzikou Plot, Jiulongpo District
259			遠洋山水賦(重慶)	Poetry of Landscape (Chongqing)		
260			遠洋公園(重慶)	Sino-Ocean Garden (Chongqing)	遠洋高爾夫國際社區	Sino-Ocean International Golf Resort
261		Xi'an	愛琴海購物公園(西安)	Aegean Place (Xi'an)		
262			楓丹唐悅(西安)	Emperor Chic (Xi'an)	趙村項目	Zhaocun Project
263			楓丹江嶼(西安)	Fontaine Island (Xi'an)		
264			涇河新城大數據中心(西安)	Jinghe New Town Internet Data Center (Xi'an)		
265			遠洋·未央華府(西安)	Ocean Mansion (Xi'an)	王家棚DK1地塊	Plot DK1, Wangjiapeng
266			秦漢產業園(西安)	Qinhan Logistics Center (Xi'an)	秦漢新城物流項目	Qinhanxincheng Logistics Project

	Regions	Cities	Project names (Chinese)	Project names (English)	Project names used before (Chinese)	Project names used before (English)
267			遠洋御山水(西安)	Sino-Ocean Royal Landscape (Xi'an)		
268			天鉞(西安)	Sky Masion (Xi'an)		
269			咸陽物流項目(西安)	Xianyang Logistics Project (Xi'an)		
270		Kunming	遠洋新幹線(昆明)	In Galaxy (Kunming)	呈貢大學城項目	Chenggong Project
271			遠洋新幹線(昆明)	In Galaxy (Kunming)	呈貢大學城二期項目	Chenggong Project, Phase II
272		Guiyang	遠洋萬和世家(貴陽)	Sino-Ocean Aristocratic Family (Guiyang)		
273			遠洋風景(貴陽)	Sino-Ocean Prospect (Guiyang)		
274			觀山天鉞(貴陽)	Sky Masion (Guiyang)		
275			觀山天鉞商業(貴陽)	Sky Masion, Retail (Guiyang)		
276		Urumqi	觀山著(烏魯木齊)	Natural Century (Urumqi)	天麓	Mansion Hills
277			天御(烏魯木齊)	Royal Mansion (Urumqi)		
278			天鉞(烏魯木齊)	Sky Masion (Urumqi)		
279			天闕(烏魯木齊)	Sky Palace (Urumqi)		
280		Lanzhou	天鉞(蘭州)	Sky Masion (Lanzhou)		
281		Liuzhou	愛琴海購物公園(柳州)	Aegean Place (Liuzhou)		
282			天悅(柳州)	Glory Mansion (Liuzhou)		
283		Luzhou	天鉞(瀘州)	Sky Masion (Luzhou)		
284		Xining	愛琴海購物公園(西寧)	Aegean Place (Xining)		
285			天鉞(西寧)	Sky Masion (Xining)		
286			天闕(西寧)	Sky Palace (Xining)		
287		Xishuangbanna	雨林源築(西雙版納)	Rainforest Resorts (Xishuangbanna)		
288		Qiannan	貴陽物流項目I期(黔南)	Guiyang Logistics Project, Phase I (Qiannan)		
289			貴陽物流項目II期(黔南)	Guiyang Logistics Project, Phase II (Qiannan)		
290	USA		加州資產包(美國)	California Asset Package (USA)		
291			三藩市項目(美國)	San Francisco Project (USA)		
292	Singapore		禧盈軒(新加坡)	Cairnhill 16 (Singapore)	禧盈峰	Cairnhill Heights
293	Indonesia		大雅加達項目(印尼)	Auraya (Indonesia)		Alam Sutera Project

# GLOSSARY

In this annual report, unless the context otherwise requires, the following expressions shall have the following meanings:

“2007 Option Scheme”	the share option scheme approved and adopted by the written resolutions of the shareholders of the Company dated 3 September 2007, which had expired on 27 September 2017 but the share options already granted under it remain valid
“2018 Option Scheme”	the share option scheme approved and adopted by the shareholders of the Company on 6 August 2018
“AGM”	annual general meeting of the Company
“Anti-fraud and Anti-bribery Policy”	the anti-fraud and anti-bribery policy of the Company
“Articles”	the articles of association of the Company
“Audit Committee”	the audit committee of the Company
“Award Scheme”	the restricted share award scheme adopted by the Board on 22 March 2010
“Board”	the board of directors of the Company
“Board Committees”	collectively, the Audit Committee, the Remuneration Committee, the Nomination Committee and the Strategic and Investment Committee and each a “Board Committee”
“Board Diversity Policy”	the board diversity policy of the Company
“CEO”	the chief executive officer of the Company
“CG Code”	the Corporate Governance Code as set out in Appendix 14 to the Listing Rules
“Chairman”	the chairman of the Board
“China” or “PRC”	the People’s Republic of China
“China Life Group”	China Life Insurance (Group) Company, a company established under the laws of the PRC, being the controlling shareholder of China Life, which in turn is a substantial shareholder of the Company
“China Life Insurance”	China Life Insurance Company Limited (中國人壽保險股份有限公司), a joint stock limited liability company incorporated under the laws of the PRC and listed on the Stock Exchange (Stock Code: 02628.HK) and the Shanghai Stock Exchange (Stock Code: 610628.SE) respectively, being a substantial shareholder of the Company
“Code of Conduct”	the code of conduct regarding Director’s securities transactions adopted by the Company
“Company Secretary”	the company secretary of the Company
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)

“Dajia Insurance Group”	Dajia Insurance Group Co., Ltd.* (大家保險集團有限責任公司), a company established under the laws of the PRC, being the controlling shareholder of Dajia Life Insurance, which in turn is a substantial shareholder of the Company
“Dajia Life Insurance”	Dajia Life Insurance Co., Ltd.* (大家人壽保險股份有限公司), a company established under the laws of the PRC, being a substantial shareholder of the Company
“Dajia Life Insurance Group”	Dajia Life Insurance and its subsidiaries and associates
“Director(s)”	director(s) of the Company
“ED(s)” or “Executive Director(s)”	executive director(s) of the Company
“ESG”	environment, social and governance
“Financial Street Holdings”	Financial Street Holdings Co., Ltd., a company established under the laws of the PRC and listed on the Shenzhen Stock Exchange (Stock Code: 000402.SZ)
“GFA”	gross floor area
“Group” or “we”	the Company and its subsidiaries
“HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“INED(s)” or “Independent Non-executive Director(s)”	independent non-executive director(s) of the Company
“Latest Practicable Date”	3 April 2023, being the latest practicable date prior to the issue of this annual report
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules
“MPF Scheme”	the mandatory provident fund scheme registered with the Mandatory Provident Fund Schemes Authority under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong)
“NED(s)” or “Non-executive Director(s)”	non-executive director(s) of the Company
“net gearing ratio”	total borrowings less total cash resources divided by total equity
“Nomination Committee”	the nomination committee of the Company
“Nomination Policy”	the nomination policy of the Company
“Qiannan”	Qiannan Buyi and Miao Autonomous Prefecture
“Remuneration Committee”	the remuneration committee of the Company

“Retiring Directors”	the Directors to be retired and stand for re-election at the forthcoming AGM
“RMB”	Renminbi, the lawful currency of the PRC
“RSS Adoption Date”	22 March 2010, being the date on which the Award Scheme was adopted by the Board
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shanghai Stock Exchange”	The Shanghai Stock Exchange
“Share(s)”	ordinary share(s) of the Company with no nominal value
“Shareholder(s)”	shareholder(s) of the Company
“Shareholders Communication Policy”	the shareholders communication policy of the Company
“Shenzhen Stock Exchange”	The Shenzhen Stock Exchange
“Sino-Ocean Group” or “Company”	Sino-Ocean Group Holding Limited (遠洋集團控股有限公司), a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 03377.HK)
“Sino-Ocean Service”	Sino-Ocean Service Holding Limited (遠洋服務控股有限公司), a non-wholly owned subsidiary of the Company, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 06677.HK)
“Sino-Ocean Service Group”	Sino-Ocean Service and its subsidiaries
“sq.m.”	square metres
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Strategic and Investment Committee”	the strategic and investment committee of the Company
“Sustainable Development Committee”	the sustainable development management committee of the Company
“USD”	United States dollars, the lawful currency of the United States
“Whistleblowing Policy”	the whistleblowing policy of the Company
“Xishuangbanna”	Xishuangbanna Dai Autonomous Prefecture
“YoY”	year-on-year
“%”	per cent

## Note:

In this annual report, the English names of the entities marked with “” are translations of their Chinese names, and are included herein for identification purposes only. If there is any inconsistency between the Chinese names and their English translations, the Chinese names shall prevail.

## 遠洋集團控股有限公司

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