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## **Poly Property Group Co., Limited**

**保利置業集團有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 00119)**

### **RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2023**

#### **RESULTS**

The directors (the “Directors”) of Poly Property Group Co., Limited (the “Company”) announce the audited consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2023, together with comparative figures for the previous year ended 31 December 2022, as follows:

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2023

	Notes	2023 RMB'000	2022 RMB'000
Revenue	2	40,932,418	41,127,316
Cost of sales		<u>(32,572,337)</u>	<u>(30,046,776)</u>
Gross profit		8,360,081	11,080,540
Decrease in fair value of investment properties		(250,160)	(168,550)
Increase in fair value of financial assets		69,252	45,779
Other gains/(loss), net		679,953	(80,384)
Selling expenses		(1,324,200)	(1,227,352)
Administrative expenses		(1,268,527)	(1,266,358)
Impairment loss on properties under development and held for sale		(101,289)	(543,264)
Other operating expenses		(447,782)	(368,449)
Finance costs	3	(1,593,362)	(1,605,049)
Share of results of associates		(70,740)	(8,680)
Share of results of joint ventures		<u>(21,129)</u>	<u>(22,816)</u>
Profit before income tax expense	4	4,032,097	5,835,417
Income tax expense	5	<u>(2,400,189)</u>	<u>(4,826,091)</u>
Profit for the year		<u><u>1,631,908</u></u>	<u><u>1,009,326</u></u>
Attributable to:			
Owners of the Company		1,444,626	816,148
Non-controlling interests		<u>187,282</u>	<u>193,178</u>
Profit for the year		<u><u>1,631,908</u></u>	<u><u>1,009,326</u></u>
Earnings per share (expressed in RMB cents)	7		
— Basic and diluted		<u><u>37.81</u></u>	<u><u>21.71</u></u>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2023

	<b>2023</b> <b>RMB'000</b>	2022 <i>RMB'000</i>
<b>Profit for the year</b>	<u><b>1,631,908</b></u>	<u>1,009,326</u>
<b>Other comprehensive income</b>		
Items that will not be reclassified to profit or loss:		
Surplus arising on revaluation of properties	<b>206,844</b>	265,384
Exchange differences arising on translation of functional currency to presentation currency	<u><b>167,965</b></u>	<u>611,153</u>
<b>Other comprehensive income before income tax effect</b>	<b>374,809</b>	876,537
Deferred tax liability arising on revaluation of properties	<u><b>(51,711)</b></u>	<u>(66,346)</u>
<b>Other comprehensive income for the year, net of tax</b>	<u><b>323,098</b></u>	<u>810,191</u>
<b>Total comprehensive income for the year</b>	<u><u><b>1,955,006</b></u></u>	<u><u>1,819,517</u></u>
Attributable to:		
Owners of the Company	<b>1,748,941</b>	1,696,792
Non-controlling interests	<u><b>206,065</b></u>	<u>122,725</u>
	<u><u><b>1,955,006</b></u></u>	<u><u>1,819,517</u></u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	<i>Notes</i>	<b>2023</b> <b>RMB'000</b>	2022 <i>RMB'000</i>
<b>Non-current assets</b>			
Investment properties		<b>8,917,152</b>	9,666,939
Property, plant and equipment		<b>3,479,549</b>	3,411,831
Right-of-use assets		<b>582,901</b>	597,668
Interests in associates		<b>2,258,535</b>	1,603,728
Interests in joint ventures		<b>6,073,322</b>	6,050,172
Financial assets at fair value through profit or loss		<b>713,048</b>	643,763
Loan receivables		<b>196,030</b>	234,761
Deposits paid for acquisition of land use rights		<b>426,693</b>	1,214,373
Deferred tax assets		<b>249,751</b>	239,518
<b>Total non-current assets</b>		<b>22,896,981</b>	23,662,753
<b>Current assets</b>			
Properties under development		<b>102,092,369</b>	105,321,305
Properties held for sale		<b>32,309,830</b>	26,517,017
Other inventories		<b>41,038</b>	41,611
Contract costs		<b>491,253</b>	509,474
Trade and other receivables	8	<b>4,984,022</b>	5,353,157
Amounts due from associates		<b>758,277</b>	1,123,551
Amounts due from joint ventures		<b>4,285,403</b>	4,176,617
Amounts due from non-controlling shareholders of subsidiaries		<b>2,345,171</b>	2,012,361
Taxation recoverable		<b>3,748,248</b>	2,761,744
Pledged bank deposits		<b>226,443</b>	444,639
Bank balances, deposits and cash		<b>31,631,917</b>	31,173,332
		<b>182,913,971</b>	179,434,808
Assets classified as held for sale		—	17,630
<b>Total current assets</b>		<b>182,913,971</b>	179,452,438

	<i>Notes</i>	<b>2023</b> <b><i>RMB'000</i></b>	2022 <i>RMB'000</i>
<b>Current liabilities</b>			
Trade and other payables	9	<b>29,913,119</b>	30,144,306
Contract liabilities		<b>40,802,298</b>	34,988,848
Property rental deposits		<b>83,234</b>	86,454
Amounts due to associates		<b>1,110,739</b>	736,392
Amounts due to joint ventures		<b>992,316</b>	674,278
Amount due to the ultimate holding company		<b>7,554</b>	18,508
Amount due to an intermediate holding company		<b>2,792</b>	2,792
Amount due to a fellow subsidiary		<b>485</b>	485
Amounts due to non-controlling shareholders of subsidiaries		<b>4,284,477</b>	4,952,080
Taxation payable		<b>7,775,280</b>	7,926,281
Note payable — due within one year		<b>626,000</b>	—
Bank and other borrowings — due within one year		<b>20,168,686</b>	18,363,445
		<b>105,766,980</b>	97,893,869
Liabilities associated with assets classified as held for sale		—	14,262
<b>Total current liabilities</b>		<b>105,766,980</b>	97,908,131
<b>Net current assets</b>		<b>77,146,991</b>	81,544,307
<b>Total assets less current liabilities</b>		<b>100,043,972</b>	105,207,060
<b>Capital and reserves attributable to owners of the Company</b>			
Share capital	10	<b>15,712,159</b>	15,712,159
Reserves		<b>18,388,111</b>	17,218,085
<b>Equity attributable to owners of the Company</b>		<b>34,100,270</b>	32,930,244
<b>Non-controlling interests</b>		<b>11,060,363</b>	8,859,700
<b>Total equity</b>		<b>45,160,633</b>	41,789,944

	<b>2023</b>	2022
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
<b>Non-current liabilities</b>		
Bank and other borrowings — due after one year	<b>34,551,668</b>	49,587,211
Note payable — due after one year	<b>18,549,000</b>	12,097,000
Lease liabilities	<b>38,341</b>	41,647
Loan from a fellow subsidiary	<b>180,000</b>	180,000
Deferred tax liabilities	<b>1,564,330</b>	1,511,258
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<b>Total non-current liabilities</b>	<b>54,883,339</b>	63,417,116
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	<b>100,043,972</b>	105,207,060
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## Notes:

### 1. BASIS OF PREPARATION

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance (Cap. 622). These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”).

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair value:

- investment property, including interests in leasehold land and buildings held as investment property where the Group is the registered owner of the property interest;
- hotel properties carried at revaluated amounts; and
- financial assets at fair value through profit or loss.

Non-current assets and disposal groups held for sale are stated at the lower of carrying amount and fair value less costs to sell.

The consolidated financial statements have been prepared in accordance with the same accounting policies adopted in the most recent consolidated financial statements for the year ended 31 December 2022, except for the changes in accounting policy made when the Group initially applies amendments to financial reporting standards newly applicable to the annual accounting period beginning on 1 January 2023.

The preparation of consolidated financial statements in conformity with HKFRSs requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

This announcement contains consolidated financial statements and selected explanatory notes. The explanatory notes include explanations of events and transactions that are significant to the understanding of the changes in financial position and performance of the Group since the most recent consolidated financial statements for the year ended 31 December 2022. The consolidated financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with HKFRSs.

The financial information relating to the financial year ended 31 December 2022 that is included in this announcement of the results for the year ended 31 December 2023 as comparative information does not constitute the Company's statutory annual consolidated financial statements for that financial year but is derived from those consolidated financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the consolidated financial statements for the year ended 31 December 2022 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance (Cap. 622) and will deliver the consolidated financial statements for the year ended 31 December 2023 in due course.

The Company's auditor has reported on those consolidated financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance (Cap. 622).

The Group has applied the following new and amended to HKFRSs issued by the HKICPA to these financial statements for the current accounting period:

- HKFRS 17, Insurance contracts
- Amendments to HKAS 8, Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates
- Amendments to HKAS 1, Presentation of financial statements and HKFRS Practice Statement 2, Making materiality judgements: Disclosure of accounting policies
- Amendments to HKAS 12, Income taxes: Deferred tax related to assets and liabilities arising from a single transaction
- Amendments to HKAS 12, Income taxes: International tax reform — Pillar Two model rules

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of the new and amended HKFRSs are discussed below:

**Amendments to HKAS 1, Presentation of financial statements and HKFRS Practice Statement 2, Making materiality judgements: Disclosure of accounting policies**

The amendments require entities to disclose material accounting policy information and provide guidance on applying the concept of materiality to accounting policy disclosure. The Group has revisited the accounting policy information it has been disclosing and considered it is consistent with the amendments.

***New HKICPA guidance on the accounting implications of the abolition of the MPF-LSP offsetting mechanism***

In June 2022, the Hong Kong SAR Government (the "Government") gazetted the Hong Kong Employment and Retirement Schemes Legislation (Offsetting Arrangement)(Amendment) Ordinance 2022 (the "Amendment Ordinance"), which will come into effect from 1 May 2025 (the "Transition Date"). Once the Amendment Ordinance takes effect, an employer can no longer use any of the accrued benefits derived from its mandatory contributions to mandatory provident fund ("MPF") scheme to reduce the long service payment ("LSP") in respect of an employee's service from the



Transition Date (the abolition of the “offsetting mechanism”). In addition, the LSP in respect of the service before the Transition Date will be calculated based on the employee’s monthly salary immediately before the Transition Date and the years of service up to that date.

In July 2023, the HKICPA published “Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong” that provides accounting guidance relating to the offsetting mechanism and the abolition of the mechanism.

This change in accounting policy did not have any impact on the opening balance of equity at 1 January 2022, and the cash flows and earnings per share amounts for the year ended 31 December 2022. It also did not have a material impact on the company-level statement of financial position as at 31 December 2022 and 31 December 2023.

The HKICPA has issued a number of amendments which are not yet effective for the year ended 31 December 2023. None of the new and amendments were adopted in these financial statements. These developments include the following which may be relevant to the Group.

	<b>Effective for accounting periods beginning on or after</b>
Amendments to HKAS 1, Presentation of financial statements: Classification of liabilities as current or non-current	1 January 2024
Amendments to HKAS 1, Non-current liabilities with covenants	1 January 2024
Amendment to HKAS 7, Statement of cash flow and HKFRS 7, Financial instruments: Disclosures: supplier finance arrangements	1 January 2024
Amendment to HKAS 21, The effects of changes in foreign exchange rate: Lack of exchangeability	1 January 2025
Amendments to HKFRS 16 — Lease liability in a sales and leaseback	1 January 2024
Amendments to HKFRS 10 and HKAS 28 — Sale or contribution of assets between an investor and its associate or joint venture	To be determined by the HKICPA

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

## 2. REVENUE AND SEGMENT INFORMATION

For management purposes, the Group is organised into four operating divisions. These divisions are the basis on which the Group reports its segment information.

Principal activities are as follows:

- Property development business — property development
- Property investment and management — property investment and management
- Hotel operations — hotel and restaurant business and its related services
- Other operations — manufacturing and sales of digital discs and others

Information about these segments is presented below:

### For the year ended 31 December 2023

	Property development business <i>RMB'000</i>	Property investment and management <i>RMB'000</i>	Hotel operations <i>RMB'000</i>	Other operations <i>RMB'000</i>	Eliminations <i>RMB'000</i>	Total <i>RMB'000</i>
Revenue from contracts with customers within the scope of HKFRS 15:						
— Recognised at a point in time	38,805,770	—	—	51,787	—	38,857,557
— Recognised over time	—	1,206,072	376,940	—	—	1,583,012
Revenue from other sources outside the scope of HKFRS 15:						
— Rental income	—	491,849	—	—	—	491,849
External revenue	38,805,770	1,697,921	376,940	51,787	—	40,932,418
Inter-segment revenue*	—	144,346	—	—	(144,346)	—
Total revenue	<u>38,805,770</u>	<u>1,842,267</u>	<u>376,940</u>	<u>51,787</u>	<u>(144,346)</u>	<u>40,932,418</u>
Segment results	<u>5,290,033</u>	<u>9,248</u>	<u>(26,630)</u>	<u>72,256</u>	<u>—</u>	<u>5,344,907</u>
Unallocated income						563,470
Unallocated expenses						(207,085)
Gain on disposal of subsidiaries	16,036	—	—	—	—	16,036
Finance costs						(1,593,362)
Share of results of associates	(70,740)	—	—	—	—	(70,740)
Share of results of joint ventures	(21,997)	—	—	868	—	(21,129)
Profit before income tax expense						4,032,097
Income tax expense						(2,400,189)
Profit for the year						<u>1,631,908</u>

\* *Inter-segment revenue were charged with reference to prices charged to external parties for similar services or products.*

## Assets and liabilities

As at 31 December 2023

	Property development business RMB'000	Property investment and management RMB'000	Hotel operations RMB'000	Other operations RMB'000	Total RMB'000
<b>Assets</b>					
Segment assets	148,020,860	9,454,551	3,240,599	894,759	161,610,769
Interests in associates	2,258,535	—	—	—	2,258,535
Interests in joint ventures	6,071,104	—	—	2,218	6,073,322
Unallocated corporate assets					35,868,326
<b>Total assets</b>					<b>205,810,952</b>
<b>Liabilities</b>					
Segment liabilities	75,785,676	1,407,821	173,034	11,488	77,378,019
Unallocated corporate liabilities					83,272,300
<b>Total liabilities</b>					<b>160,650,319</b>

For the year ended 31 December 2022

	Property development business RMB'000	Property investment and management RMB'000	Hotel operations RMB'000	Other operations RMB'000	Eliminations RMB'000	Total RMB'000
Revenue from contracts with customers within the scope of HKFRS 15:						
— Recognised at a point in time	39,265,916	—	—	60,960	—	39,326,876
— Recognised over time	—	1,090,588	240,589	—	—	1,331,177
Revenue from other sources outside the scope of HKFRS 15:						
— Rental income	—	469,263	—	—	—	469,263
External revenue	39,265,916	1,559,851	240,589	60,960	—	41,127,316
Inter-segment revenue*	—	204,222	—	—	(204,222)	—
<b>Total revenue</b>	<b>39,265,916</b>	<b>1,764,073</b>	<b>240,589</b>	<b>60,960</b>	<b>(204,222)</b>	<b>41,127,316</b>
<b>Segment results</b>	<b>7,786,993</b>	<b>(24,938)</b>	<b>(89,660)</b>	<b>65,224</b>	<b>—</b>	<b>7,737,619</b>
Unallocated income						377,612
Unallocated expenses						(638,939)
Finance costs						(1,605,049)
Share of results of associates	(8,556)	—	—	(124)	—	(8,680)
Share of results of joint ventures	(23,885)	—	—	1,069	—	(22,816)
Loss on disposal of subsidiaries	(3,892)	—	—	—	—	(3,892)
Loss on disposal of associates	—	—	—	(438)	—	(438)
Profit before income tax expense						5,835,417
Income tax expense						(4,826,091)
<b>Profit for the year</b>						<b>1,009,326</b>

\* *Inter-segment revenue were charged with reference to prices charged to external parties for similar services or products.*

**Assets and liabilities**

As at 31 December 2022

	Property development business <i>RMB'000</i>	Property investment and management <i>RMB'000</i>	Hotel operations <i>RMB'000</i>	Other operations <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Assets</b>					
Segment assets	146,697,192	10,173,354	3,079,081	866,498	160,816,125
Interests in associates	1,603,728	—	—	—	1,603,728
Interests in joint ventures	6,047,755	—	—	2,417	6,050,172
Unallocated corporate assets					<u>34,645,166</u>
<b>Total assets</b>					<u><u>203,115,191</u></u>
<b>Liabilities</b>					
Segment liabilities	70,228,930	1,397,225	163,128	13,535	71,802,818
Unallocated corporate liabilities					<u>89,522,429</u>
<b>Total liabilities</b>					<u><u>161,325,247</u></u>

**3. FINANCE COSTS**

	<b>2023</b> <b><i>RMB'000</i></b>	2022 <i>RMB'000</i>
Finance costs on interest bearing borrowings	<b>3,213,896</b>	3,474,672
Interest on lease liabilities	<b>2,608</b>	2,754
Less: amounts capitalised	<b><u>(1,623,142)</u></b>	<u>(1,872,377)</u>
	<b><u><u>1,593,362</u></u></b>	<u><u>1,605,049</u></u>

Borrowing costs capitalisation during the year arose from specific borrowings.

#### 4. PROFIT BEFORE INCOME TAX EXPENSE

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Profit before income tax expense is arrived at after charging:		
Depreciation of right-of-use assets	43,616	41,033
Depreciation of property, plant and equipment	<u>190,757</u>	<u>153,595</u>
Total depreciation	<u><u>234,373</u></u>	<u><u>194,628</u></u>
Loss on disposal of investment properties	2,592	28,620
Loss on disposal of property, plant and equipment	<u>20,654</u>	<u>5,380</u>

#### 5. INCOME TAX EXPENSE

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
The charge comprises:		
Hong Kong Profits Tax		
— Current taxation	18,890	17,635
— Under provision in prior years	<u>9</u>	<u>9</u>
	<u>18,899</u>	<u>17,644</u>
United Kingdom Corporation Tax		
— Current taxation	688	—
— Under provision in prior years	<u>995</u>	<u>—</u>
	<u>1,683</u>	<u>—</u>
PRC Enterprise Income Tax		
— Current taxation	1,157,693	1,676,191
— (Over)/under provision in prior years	<u>(8,501)</u>	<u>38,136</u>
	<u>1,149,192</u>	<u>1,714,327</u>
PRC Withholding Income Tax	—	33,878
PRC Land Appreciation Tax (“LAT”)	<u>1,239,293</u>	<u>3,129,746</u>
	<u>2,409,067</u>	<u>4,895,595</u>
Deferred taxation	<u>(8,878)</u>	<u>(69,504)</u>
	<u><u>2,400,189</u></u>	<u><u>4,826,091</u></u>

Hong Kong Profits Tax is calculated at 16.5% (2022: 16.5%) based on the estimated assessable profit for the year, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered Profits Tax rates regime.

For that subsidiary, the first HK\$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

The provision for Hong Kong Profits Tax for 2023 is taken into account a reduction granted by the Hong Kong SAR Government of 100% of the tax payable for the year of assessment 2022–2023 subject to a maximum reduction of HK\$6,000 for each business (2022: a maximum reduction of HK\$10,000 was granted of 100% of the tax payable for the year of assessment 2021–2022 and was taken into account in calculating the provision for 2022).

The PRC Enterprise Income Tax is calculated at 25% (2022: 25%) based on the estimated assessable profit for the year.

Under the PRC EIT law, dividends received by foreign investors from investment in foreign-invested enterprises in respect of their profits earned since 1 January 2008 are subject to withholding tax of 5% to 10% unless reduced by treaty.

United Kingdom Corporation tax is calculated at 23.5% (2022: 19%) of the estimated assessable profit for the year. Taxation for other overseas operations is calculated at the local prevailing rates.

Certain PRC subsidiaries are also subject to LAT which is levied at progressive rates ranging from 30% to 60% on the appreciation of properties, being the proceeds from sales of properties less deductible expenditure including costs of land use rights and development and construction.

## 6. DIVIDENDS

	<b>2023</b>	2022
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Dividends recognised as a distribution during the year:		
2022 final dividend of HK\$0.048 (2021: HK\$0.135) per share	<b><u>165,075</u></b>	<u>431,122</u>

The Directors of the Company recommend the payment of a final dividend of HK\$0.083 per share (2022: HK\$0.048 per share) for the year ended 31 December 2023.

## 7. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the ordinary equity holders of the Company for the year is based on the following data:

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
<b>Earnings:</b>		
Profit for the year attributable to owners of the Company	<u>1,444,626</u>	<u>816,148</u>
	2023	2022
<b>Number of shares:</b>		
Weighted average number of ordinary shares in issue for the purposes of basic earnings per share	<u>3,821,183,118</u>	<u>3,760,038,870</u>
Basic and diluted earnings per share ( <i>RMB cents per share</i> )	<u>37.81</u>	<u>21.71</u>

There were no potential shares in existence as at 31 December 2023.

At 31 December 2022, the share options were excluded from the diluted weighted average number of ordinary shares calculation because the exercise price of these options was higher than the average market price for shares for 2022. The average market value of the Company's shares for the purpose of calculating the dilutive effect of share options was based on quoted market prices for the period during which the options were outstanding.

Based on the above, diluted earnings per share for the years ended 31 December 2022 and 2023 were the same as the basic earnings per share.

## 8. TRADE AND OTHER RECEIVABLES

### Ageing analysis

The credit terms in connection with sales of properties granted to the customers are set out in the sale and purchase agreements and vary from agreements. There is no concentration of credit risk with respect to trade receivables arising from sales of properties as the Group has numerous customers. In respect of sales of goods granted to trade customers, the Group allows an average credit period of 30 days to 90 days. The following is an ageing analysis of trade receivables net of allowance for credit losses at the end of the reporting period presented based on invoice dates:

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
0 to 30 days	82,320	49,681
31 to 90 days	23,497	30,361
More than 90 days	<u>202,824</u>	<u>228,104</u>
Total trade receivables, net of allowance for credit losses	308,641	308,146
Other receivables, net of allowance for credit losses of RMB156,273,000 (2022: RMB89,846,000)	<u>4,675,381</u>	<u>5,045,011</u>
	<u>4,984,022</u>	<u>5,353,157</u>

## 9. TRADE AND OTHER PAYABLES

The following is an ageing analysis of trade payables at the end of the reporting period:

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
0 to 30 days	719,730	1,105,844
31 to 90 days	74,367	174,963
More than 90 days	<u>18,142,175</u>	<u>18,887,635</u>
Trade payables	18,936,272	20,168,442
Other payables	<u>10,976,847</u>	<u>9,975,864</u>
	<u><b>29,913,119</b></u>	<u><b>30,144,306</b></u>

The average credit period is 90 days. The Group has financial risk management policies in place to ensure that all payable is within the credit time frame.

## 10. SHARE CAPITAL

	2023		2022	
	No. of shares	<i>RMB'000</i>	No. of shares	<i>RMB'000</i>
Ordinary shares, issued and fully paid				
At 1 January	3,821,183,118	15,712,159	3,713,368,382	15,550,825
Issue of scrip dividend shares ( <i>Note</i> )	<u>—</u>	<u>—</u>	<u>107,814,736</u>	<u>161,334</u>
At 31 December	<u><b>3,821,183,118</b></u>	<u><b>15,712,159</b></u>	<u><b>3,821,183,118</b></u>	<u><b>15,712,159</b></u>

*Note:* The Company distributed dividends to its shareholders by way of scrip dividends, with a cash alternative to shareholders. The respective new ordinary shares were issued on 27 July 2022.



## **FINAL DIVIDEND**

The Board recommends the payment of a final dividend of 8.3 HK cents per share (2022: 4.8 HK cents per share) for the year ended 31 December 2023. The proposed final dividend is subject to the approval by the Company's shareholders at the forthcoming annual general meeting (the "AGM") and will be paid on or around 17 July 2024 to the shareholders whose names appear on the register of members of the Company on 8 July 2024.

## **CLOSURE OF REGISTER OF MEMBERS FOR ANNUAL GENERAL MEETING**

A notice convening the AGM and containing the closing date for transfers of shares entitling the right of Shareholders to attend and vote at the AGM will be notified to Shareholders in due course.

## **CLOSURE OF REGISTER OF MEMBERS FOR ENTITLEMENT TO PROPOSED FINAL DIVIDEND**

The register of members of the Company will be closed from 4 July 2024 to 8 July 2024 (both dates inclusive), during which period no share transfer will be registered. In order to establish the identity of the shareholders who are entitled to the proposed final dividend, all duly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar, Computershare Hong Kong Investor Services Limited, at Rooms 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on 3 July 2024. Shareholders whose names are recorded in the register of members of the Company on 8 July 2024 are entitled to receive the proposed final dividend in cash for the year ended 31 December 2023.

## CHAIRMAN'S STATEMENT

### BUSINESS REVIEW

In 2023, the world situation was severe and complex, and the domestic economy was beset by overlapping cyclical and structural contradictions. Under continuous pressure, China's economy showed a basic trend of recovery and long-term improvement, and the transformation of new and old energies in economic operation has been accelerated under the guidance of macroeconomic policies. China's GDP exceeded RMB126 trillion, representing a year-on-year growth of 5.2%, and its contribution to the world's economic growth exceeded 30%, remaining the largest engine of global growth. Although there are still many difficulties and challenges, the pace towards high-quality development has become firmer.

The supply and demand relationship in the real estate market was significantly changed. Although policy support continued to be strengthened, the weak demand side of the market still restrained the pace of market recovery. The scale of the industry continued to decline, with annual sales of commodity properties recorded RMB11.7 trillion, decreased by 6.5%. Leading indicators such as land transfer, development investment and new construction indicate that the real estate industry will remain at the bottom of the consolidation for a period of time, and it will take time for real estate enterprises to achieve substantial improvement in their capital position and for the industry to clear up its risks. During this period, ensuring cash flow security is the first priority of enterprises.

The Group recorded profit attributable to shareholders of RMB1,445 million for the year, representing a year-on-year increase of 77.0%. The industry underwent deep adjustments and competition from non-defaulted real estate enterprises in the land and sales markets intensified, resulting in a continuous compression of the overall profit margins of the industry. The Group achieved cost reduction and efficiency gains by strengthening operational and tax control. The core net profit attributable to parent company after deducting the changes in fair value of investment property and financial assets and exchange gains and losses was RMB1,761 million, representing a year-on-year increase of 15.9%. The Board of Directors (the "Board") of the Company recommends the distribution of a final dividend of 8.3 HK cents per share to shareholders in appreciation of their support.

Improving the accurate judgment and strategic guidance of investment is a prerequisite for real estate enterprises to obtain high-quality cash flow and a long-term strategy to promote the continuous optimization of asset and capital structure. During the year, Poly Property Group (the Group, together with its joint ventures and associates) incurred new land reserve cost of approximately RMB22.1 billion, with nearly half of the investment in Shanghai and approximately 90% in major cities in Yangtze River Delta. By the end of 2023, the percentage of attributable land reserves held by the Group in Yangtze River Delta and Greater Bay Area was 48%, representing an increase of five percentage points

as compared with that at the end of 2022; the percentage of attributable land reserves in the first-tier cities was 26%, representing an increase of four percentage points year on year. The structure of land reserves has been improving year after year.

Precise investment guarantees enterprises to achieve high-quality sales. In 2023, contracted sales of Poly Property Group amounted to RMB53.6 billion and the average selling price of contracted sales was RMB23,805 per square meter, representing year-on-year increases of 7% and 14%, respectively. The sales collection amounted to RMB53.7 billion, representing a collection rate of 100%. As at the end of 2023, the Group ranked 27th on the CRIC list of the top 100 real estate enterprises in terms of the total sales amount, a significant rise of 13 rankings compared with that at the end of 2022. Operational resilience has demonstrated its strengths, and the industry ranking and market reputation have steadily improved.

Operating results have led to improvements in a number of financial indicators. During the year, the Group realized a net cash inflow from operating activities of approximately RMB5.4 billion and proactively adjusted its leverage level. As at the end of 2023, total debt decreased by 7.7% year-on-year to RMB73.9 billion and the net gearing ratio decreased by 22.8 percentage points year-on-year to 93.1%. The structure of existing debts continued to be optimized through replacement. During the year, a total of RMB4.0 billion of corporate bonds and RMB3.0 billion of medium-term notes were issued, which drove down the average cost of funds by 39 basis points to 3.88%. We control leverage to prevent risks, stabilise operations and then seek development.

## **BUSINESS OUTLOOK**

At the end of the year, the Central Economic Work Conference set the general principle for the economic work in 2024: adhere to the principle of “making progress while ensuring stability, promoting stability with progress, and establishing the new before abolishing the old”, stabilise the economic development within a reasonable range, consolidate the recovery momentum, unswervingly push forward high-quality development, and accelerate the construction of a new development pattern. It is expected that the real estate market regulation and control policies will continue to be loose, and there is still room for optimisation in the first-tier and some strong second-tier cities.

Upgrading demand will lead to the opening of a new track in the housing sector, and real estate enterprises will return to the living nature of houses, focusing on the enhancement of product and service capabilities. Based on the lean management philosophy, the Group has constructed the quality improvement strategic plan of “Poly Is My Hometown (保利是吾鄉)”, to comprehensively renew the product system, optimise the service content, and enhance the competitiveness and operational efficiency of the projects. The Group will also strengthen the construction of enterprise informatization,

make concerted efforts with brand and culture, pay attention to and introduce the new technologies, materials and techniques in the industry, so as to explore a new model of high-quality and sustainable development of real estate.

The process of industry adjustment and risk clearance is long and arduous. At this stage, the enterprise's ability to identify and control risks is particularly important. Internally, the working mechanisms and compliance process should be sorted out and strengthened, and externally, the risks of the market and partners should be reviewed and screened. In terms of liquidity management, the first priority is to pay close attention to sales and collection, to maintain its own cash-generating function, and also to achieve the most accurate placement of limited resources. The investment fault tolerance rate of real estate enterprises has been reduced to an extremely low level, and any wrong expansion can be extremely painful. The Group will place greater emphasis on key indicators such as cash profit and speed of collection, so as to ensure the safety of shareholders' funds and the return of investment.

On the way forward, it is normal to encounter difficulties. We will take the initiative to positively face all kinds of difficulties and obstacles, take into account both stability and progress, and make progress while ensuring stability, promote stability with progress, and maintain a steady and sound development trend in the transition period of the new and old models of the real estate industry.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS OVERVIEW**

For the year ended 31 December 2023 (the "Year"), the Group recorded a revenue of RMB40,932 million (2022: RMB41,127 million), representing a slight decrease of 0.5% when comparing to that of last year. Profit attributable to shareholders amounted to RMB1,445 million (2022: RMB816 million), representing an increase of 77.0% when comparing to that of last year. Basic and diluted earnings per share were both RMB37.81 cents, representing year-on-year increases of 74.2%. The Board of the Company recommends the payment of a final dividend of 8.3 HK cents per share.

As at 31 December 2023, shareholders' equity of the Group amounted to RMB34.1 billion (as at 31 December 2022: RMB32.9 billion), with a net asset value per share of RMB8.92 (as at 31 December 2022: RMB8.62).

### **PROPERTY DEVELOPMENT**

The GFA of newly commenced construction of Poly Property Group (the Group, together with its joint ventures and associates) during the Year was approximately 2,209,000 square metres. The GFA of construction completed during the Year was approximately 4,245,000 square metres. The contracted area sold amounted to approximately 2,252,000 square metres, including 135 continual launches and 10 debut

launches. As at 31 December 2023, Poly Property Group had 70 projects under construction and under planning, representing a total GFA of approximately 16,691,000 square metres.

## PROPERTY SALES

In 2023, contracted sales of Poly Property Group increased by 7% year-on-year to RMB53.6 billion with contracted area sold of 2,252,000 square metres. The average selling price of contracted sales was RMB23,805 per square metre. The average selling price of contracted sales in Mainland China was RMB21,996 per square metre, representing a year-on-year increase of 9%. 13 projects recorded contracted sales of over RMB1 billion per single project, including Hong Kong Pano Harbour, Kunshan Poly Brilliant Palace, Shanghai Poly Dawn Light Residence, Ningbo Poly Villa Re Place, Nanning Poly Town Phase II, Shanghai Poly Vibe Centro, Jinan Poly Jade, Ningbo Poly Rising, Shenzhen Poly Vibe Centro, Jinan Poly Grand Joy II, Jinan Poly Park TOD, Kunshan Moonlight Jade and Jinan Poly Crown.

Region	Contracted	Percentage	Contracted	Percentage
	Sales in 2023 by Region (RMB million)		Area Sold in 2023 by Region (’000 square metres)	
		(%)		(%)
Yangtze River Delta	23,273	43%	779	35%
Pearl River Delta	8,526	16%	342	15%
Southwestern	6,456	12%	474	21%
Others	11,013	21%	644	29%
Hong Kong	4,330	8%	12	1%
<b>Total</b>	<b>53,597</b>	<b>100%</b>	<b>2,252</b>	<b>100%</b>

Notes:

- Contracted sales include car park sales;
- The totals may not be equal to the sum of the figures due to round-off.

## NEW LAND RESERVES

In 2023, 11 development projects were acquired by Poly Property Group in Shanghai, Kunshan, Suzhou, Hangzhou, Guangzhou, Nanning and Jinan. The total GFA of new land reserves for the Year was approximately 1,823,000 square metres. The cost of land was considered reasonable.

## List of Land Reserve Acquired in 2023

Project	Type	Site Area ( <i>'000 square metres</i> )	Planned GFA ( <i>'000 square metres</i> )	Interests Attributable to the Group (%)	Development Status
Shanghai Poly Center Manor	Commercial and Residential	156	604	51%	For sale
Kunshan Poly Shangyun Fu	Residential	46	134	100%	For sale
Nanning Poly Jin House	Commercial and Residential	43	163	51%	For sale
Guangzhou Poly Chill Residence	Residential	24	81	100%	For sale
Suzhou Industrial Park Project	Residential	46	103	51%	Under construction
Shanghai Yang Pu Project	Residential	11	49	100%	Under construction
Nanning Poly Park City	Commercial and Residential	74	282	100%	For sale
Hangzhou Xiao Shan Project	Residential	58	201	30%	Under construction
Jinan Licheng District Project	Commercial and Residential	44	80	51%	Under planning
Shanghai Lanzhou Road Project	Residential	43	14	49%	Under planning
Suzhou Jinxi Street Project	Residential	50	112	40%	Under planning
<b>Total</b>		<b>594</b>	<b>1,823</b>		

### Notes:

1. Since figures were rounded up to the nearest thousand, their total may not be equal to the actual sum;
2. As at 31 December 2023.

## **SUMMARY OF NEWLY ACQUIRED PROJECTS IN 2023**

### **1. Shanghai Poly Center Manor**

The project is located in Qingpu New Town, Qingpu District, Shanghai, which belongs to the core area of the central business district developed by Qingpu New Town, with high-level planning and significant development potential. In addition to the existing Metro Line 17, two additional metro lines will be built in the future. The project is mainly located in residential areas, with a planned 12-year complete education system from kindergarten to high school, and the living atmosphere and facilities will continue to improve. The project, with a planned total GFA of approximately 604,000 square metres, is intended to be developed into high-rise residential buildings.

### **2. Kunshan Poly Shangyun Fu**

The project is located at the east of Kunshan Development Zone, 4 kilometres away from Downtown Kunshan and close to the East City and Brilliant Palace Project under development by the Group. The Kunshan Central East Line is located at the west of the site, with convenient transportation. The surrounding development is relatively mature, with complete educational, commercial and medical facilities. The site enjoys promising development prospect with the central business district, Qingyang Harbor Riverfront Urban Centre and Metro Line S1 corridor under planning. The project, with a planned total GFA of approximately 134,000 square metres, is intended to be developed into high-rise residential buildings.

### **3. Nanning Poly Jin House**

The project is located in Xinyang Longteng Area, Xixiangtang District, Nanning, which belongs to the traditional old town of Nanning, with dense population and rich living atmosphere. The project is close to Xinxu Park, railway station and Chaoyang business district, with various living ancillary facilities. The site is near Jiangbei Avenue, Qingxiang North Expressway and other main transportation arteries, enjoying a fairly convenient transportation. With its excellent geographical location, the project has garnered widespread recognition from local customers. The project, with a planned total GFA of approximately 163,000 square metres, is intended to be developed into high-rise residential buildings.

#### **4. Guangzhou Poly Chill Residence**

The project is located at the north of Panyu Coach Terminal in Guangzhou, which belongs to Shiqiao Area. The site is 2.5 kilometres away from Panyu District Government and approximately 800-metre walk from Panyu Coach Terminal Station of the East Extension Line of Metro Line 3 under construction, enjoying convenient transportation. There are several mature residential communities in the vicinity with a strong residential atmosphere. The project is adjacent to Longfor Paradise Walk (under construction) and Golden Harbour Shopping Plaza, and on its north side a cultural activity centre is under planning. The living atmosphere and facilities will continue to improve. The project, with a planned total GFA of approximately 81,000 square metres, is intended to be developed into high-rise residential buildings.

#### **5. Suzhou Industrial Park Project**

The project is located in the Xietang Area of Suzhou Industrial Park. The north site neighbors Olympic Plot, which is approximately 2 kilometres away from the Olympic Sports Center. The west side neighbours the Shuanghu business district of the Park, which is approximately 3.5 kilometres away. The project enjoys convenient transportation and full-fledged ancillary facilities. Sangtian Island area is approximately 5 kilometres from the east of the project, which is currently a key development zone for high-tech industries in Suzhou, attracting a large number of highly skilled technical talents. The project, with a planned total GFA of approximately 103,000 square metres, is intended to be developed into high-rise residential buildings.

#### **6. Shanghai Yang Pu Project**

The project is located within the Eastern Bund of Yangpu District, which is within inner ring and belongs to traditional residential area of the central urban area with huge potential for future development as urban renewal projects continue to implement in the area. It is surrounded by Metro Lines 12 and 18, approximately 200-metre walk from the Jiangpu Park Station, enjoying convenient transportation. The site is well-developed with mature facilities and strong residential atmosphere in the vicinity. The project, with a planned total GFA of approximately 49,000 square metres, is intended to be developed into high-rise residential buildings.



## **7. Nanning Poly Park City**

The project is located within Beihu Mingxiu Area, Xixiangtang District, Nanning, which is a hub for construction materials trade in the old town Nanning. With dense population, mature residential development and living facilities, the area enjoys high living convenience. It is adjacent to Lion Hill Park, Xiufeng Road Station and the Fifth People's Hospital, and is located within the school district of Linfeng Road Primary School and No. 24 Middle School, enjoying an advantageous geographical position. The project, with a planned total GFA of approximately 282,000 square metres, is intended to be developed into high-rise residential buildings.

## **8. Hangzhou Xiao Shan Project**

The project is located within Shibe Area, Xiaoshan District, connecting Qianjiang Century City in the north, Xiaoshan Urban Area in the south and Binjiang District in the west, with supreme geographical advantage. The Shibe Area endeavors to developing itself into an innovative and vital region with digital and ecological elements. The project is near to Jianshesan Road Station of Metro Lines 2 and 7 with convenient transportation, and complete set of educational and medical facilities in the vicinity. The project, with a planned total GFA of approximately 201,000 square metres, is intended to be developed into high-rise residential buildings.

## **9. Jinan Licheng District Project**

The project is located within Tangye Area, Licheng District of Jinan, at the northeast corner of the intersection of Weizishan Road and Century Avenue. It is positioned as an urban regional centre with relatively high level of maturity. The site is surrounded by mountains on three sides and enjoys the exclusive landscape resources of Weizi Mountain, which is a rare low-density improvement project within the urban area. It has a complete set of educational, medical, cultural, sports and governmental facilities and convenient access to public transportation. The project, with a planned GFA of approximately 80,000 square metres, is intended to be developed into low-density residential buildings.

## **10. Shanghai Lanzhou Road Project**

The project is located within the Eastern Bund in Yangpu District. The site is within inner ring and belongs to a traditional residential area of the central urban area. It has Metro Lines 12 and 18 in the vicinity and is approximately 600-metre walk from the interchange station of the two metro lines, Jiangpu Park Station. It has convenient access to public transportation with mature facilities and rich living atmosphere in the vicinity. The project, with a planned total GFA of approximately 14,000 square metres, is intended to be developed into low-density residential buildings.

## **11. Suzhou Jinxi Street Project**

The project is located within Olympic Plot of Suzhou Industrial Park. Its west side is only 0.8 kilometres away from the Olympic Sports Center and adjacent to Children's Hospital. It has a complete set of educational, commercial and other complementary resources. It is 0.4 kilometres away from the Fengtaiqiao Station (under construction) of Metro Line 6, which is scheduled to be put into operation in June 2024, and approximately 4 kilometres away from the core business district of East Lake CBD in the park. The project, with a planned total GFA of approximately 112,000 square metres, is intended to be developed into high-rise residential buildings.

## **PROJECTS UNDER CONSTRUCTION AND PROJECTS UNDER PLANNING**

As at 31 December 2023, Poly Property Group had a total of 70 real estate development projects in 25 cities. 50% of the total GFA was located in Yangtze River Delta and Pearl River Delta Region, 29% in Southwestern Region, 21% in Other Regions, and 1% in Hong Kong. Meanwhile, 58 projects were under construction, with a total GFA of 8,660,000 square metres (attributable area amounted to 6,576,000 square metres), and a total GFA of 8,032,000 square metres (attributable area amounted to 4,942,000 square metres) was under planning.

## List of Projects under Construction and under Planning as at 31 December 2023

Project	GFA under construction ( <i>'000 square metres</i> )	GFA under planning ( <i>'000 square metres</i> )	Interest attributable to the Group  (%)
<b>YANGTZE RIVER DELTA REGION</b>			
1. Shanghai Poly Moonrise Mansion	111	—	100%
2. Shanghai Poly Vibe Centro	86	—	100%
3. Shanghai Poly Dawn Light Residence	107	—	100%
4. Shanghai Poly Center Manor	271	333	51%
5. Shanghai Yang Pu Project	49	—	100%
6. Shanghai Lanzhou Road Project	—	14	49%
7. Kunshan Moonlight Mansion	89	—	49%
8. Kunshan Moonlight Jade	194	—	49%
9. Kunshan East City	270	—	32%
10. Kunshan Poly Brilliant Palace	356	—	51%
11. Kunshan Poly Shangyun Fu	134	—	100%
12. Changzhou Poly Jingyue Palace	154	—	51%
13. Taicang Tianhe Mansion	120	—	41%
14. Suzhou Poly Lake Mansion	—	104	100%
15. Suzhou Urban Ideal Habitat	161	—	20%
16. Suzhou Riverside Time Zone	82	—	49%
17. Suzhou Tide Mansion	152	—	36%
18. Suzhou Industrial Park Project	90	13	51%
19. Suzhou Jinxi Street Project	—	112	40%
20. Ningbo Poly Spring Poetry	88	—	100%
21. Ningbo Poly Brocade Scroll	132	—	100%
22. Ningbo Hai Shu Project	71	—	100%
23. Ningbo Poly Rising	185	—	100%
24. Ningbo Poly Villa Re Place	234	—	100%
25. Hangzhou Xiao Shan Project	201	—	30%
26. Yuyao Poly Jordan International	13	299	100%
27. Deqing Poly Origin	—	67	100%
<b>Sub total</b>	<b>3,348</b>	<b>941</b>	

<b>Project</b>	<b>GFA under construction</b> <i>(’000 square metres)</i>	<b>GFA under planning</b> <i>(’000 square metres)</i>	<b>Interest attributable to the Group</b>  <i>(%)</i>
<b>PEARL RIVER DELTA REGION</b>			
28. Guangzhou Poly Gratified West Bay	133	234	75%
29. Guangzhou Clover Shades	59	—	38%
30. Guangzhou Poly Polaris	201	—	94%
31. Guangzhou Glory of City	71	—	40%
32. Guangzhou Poly Moonlight Lake	88	129	100%
33. Guangzhou Poly Longyue	119	—	100%
34. Guangzhou Poly Chill Residence	81	—	100%
35. Foshan Guangfo Poly City III	108	—	100%
36. Foshan Poly Mansion	207	—	100%
37. Shenzhen Poly Keenstar Super City	—	1,858	50%
38. Shenzhen Poly New Dream	183	—	51%
39. Shenzhen Poly Vibe Centro	171	—	51%
40. Shenzhen Poly Urban Cultural Bay	251	—	100%
41. Shenzhen Poly Jade Apartments	138	—	51%
<b>Sub total</b>	<b>1,811</b>	<b>2,221</b>	
<b>SOUTHWESTERN REGION</b>			
42. Guiyang Poly Park 2010	46	224	100%
43. Guiyang Poly Phoenix Bay	—	215	51%
44. Guiyang Poly Bright Moon on Top	70	187	100%
45. Zunyi Poly Metropolis of Future	—	2,105	35%
46. Nanning Poly Town Phase II	192	359	100%
47. Nanning Poly Moon Bay	344	—	100%
48. Nanning Poly Jin House	163	—	51%
49. Nanning Poly Park City	89	193	100%
50. Kunming Poly City	182	317	90%
51. Kunming Poly Moonlight Mansion	—	87	51%
<b>Sub total</b>	<b>1,086</b>	<b>3,688</b>	

<b>Project</b>	<b>GFA under construction</b> ( <i>'000 square metres</i> )	<b>GFA under planning</b> ( <i>'000 square metres</i> )	<b>Interest attributable to the Group</b> (%)
<b>OTHER REGIONS</b>			
52. Wuhan Poly City	—	460	68%
53. Wuhan Poly Embossed Elegance	146	138	55%
54. Wuhan Poly Emerald Mansion	227	—	100%
55. Wuhan Poly Bright Lights	112	—	100%
56. Harbin Guang Xin Project	244	—	100%
57. Mudanjiang Poly Landscape	—	34	100%
58. Jinan Phili House	—	83	25%
59. Jinan Huai Yin Project	134	—	75%
60. Jinan Poly Grand Joy II	275	139	100%
61. Jinan Poly Jade	152	—	100%
62. Jinan Poly Park TOD	140	—	80%
63. Jinan Poly Crown	313	21	100%
64. Jinan Licheng District Project	—	80	51%
65. Yantai Poly Moon Mansion	50	—	51%
66. Weihai Poly Moon Fenghua	118	—	51%
67. Weifang Zoina Poly Mansion	139	—	30%
68. Wanning Poly Peninsula No.1	219	227	100%
<b>Sub total</b>	<b>2,269</b>	<b>1,182</b>	
<b>HONG KONG REGION</b>			
69. Hong Kong Chill Residence	43	—	70%
70. Hong Kong Pano Harbour	102	—	35%
<b>Sub total</b>	<b>145</b>	<b>—</b>	
<b>Grand total</b>	<b>8,660</b>	<b>8,032</b>	

*Note:*

Since figures were rounded up to the nearest thousand, their total may not equal to the actual sum or the sum in each group.

## COMPLETED CONSTRUCTION

In 2023, Poly Property Group has achieved a total GFA of approximately 4,245,000 square metres in completed construction. The construction of all phases of 14 projects has been completed in the Year.

<b>Project</b>	<b>Completed GFA in 2023</b> <i>(’000 square metres)</i>	<b>Accumulated completed GFA by the end of 2023</b> <i>(’000 square metres)</i>
<b>YANGTZE RIVER DELTA REGION</b>		
Shanghai Poly Twilight Mansion	102	102
Kunshan Moonlight Mansion	127	127
Changzhou Poly Jingyue Palace	74	74
Suzhou Poly Poetic Dwelling	101	101
Changshu Poly Longyue Mansion	40	40
Ningbo Poly Riverview Mansion	176	176
Ningbo Luxury Clivia	154	154
Ninghai Poly Origin of Nebula	91	91
Hangzhou Future Mansion	304	304
<b>PEARL RIVER DELTA REGION</b>		
Guangzhou Clover Shades	67	124
Guangzhou Poly Glory	57	143
Guangzhou Nan Sha Project	51	51
Guangzhou Poly Polaris	87	87
Guangzhou Glory of City	116	116
<b>SOUTHWESTERN REGION</b>		
Guiyang Poly Park 2010	24	1,690
Guiyang Poly Bright Moon on Top	41	41
Nanning Poly Town	42	1,733
Nanning Poly Town Phase II	299	1,144
Liuzhou Poly Mountain Villa	44	115
Kunming Poly City	278	581
Kunming Poly Moonlight Mansion	168	168

<b>Project</b>	<b>Completed GFA in 2023</b> <i>(’000 square metres)</i>	<b>Accumulated completed GFA by the end of 2023</b> <i>(’000 square metres)</i>
<b>OTHER REGIONS</b>		
Wuhan Poly City	205	1,345
Wuhan Poly Bright Lights	117	117
Harbin Guang Xin Project	364	364
Mudanjiang Poly Landscape	134	298
Jinan Poly Mountain Villa	86	185
Jinan Huai Yin Project	309	526
Jinan Poly Grand Joy II	135	135
Yantai Poly Moon Mansion	135	135
Weihai Poly Hanlin Mansion	49	121
Weihai Poly Moon Fenghua	102	106
Tai’an Poly Yuelu Mansion	168	276
	<hr/>	
<b>Grand total</b>	<b>4,245</b>	
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*Note:*

Since figures were rounded up to the nearest thousand, their total may not equal to the actual sum.

## RECOGNISED PROPERTY SALES

The sales of 99 projects of Poly Property have been recognised in 2023, with a total sales value of RMB38.7 billion and a total GFA of 2,602,000 square metres. The recognised average selling price was RMB14,879 per square metre. Among the sales recognised, ordinary residential properties accounted for 90%, villas accounted for 2%, retail shops accounted for 4%, offices accounted for 0% and parking spaces accounted for 4% of the total value. In terms of geographical distribution, Yangtze River Delta Region, Pearl River Delta Region, Southwestern Region, Other Regions and Hong Kong accounted for 33%, 11%, 21%, 33% and 2%, respectively.

### List of Major Projects with Sales Recognised in 2023

Project	Sales recognised in 2023 <i>(RMB million)</i>
<b>Yangtze River Delta Region</b>	
1. Shanghai Jiading Project	144
2. Shanghai Jiading Affordable Housing Project	110
3. Shanghai Poly Moon Light	1,982
4. Shanghai Poly Twilight Mansion	2,029
5. Changzhou Poly Jingyue Palace	521
6. Suzhou Poly Tianyue Mansion	279
7. Suzhou Wonderful Times	443
8. Suzhou Poly Poetic Dwelling	864
9. Changshu Poly Longyue Mansion	633
10. Ningbo Poly Riverview Mansion	3,510
11. Hangzhou Future Mansion	2,262
12. Others	146
	<hr/>
<b>Sub total</b>	<b>12,923</b>



<b>Project</b>	<b>Sales recognised in 2023 (RMB million)</b>
<b>Pearl River Delta Region</b>	
13. Guangzhou Poly Gratified West Bay	464
14. Guangzhou Poly Glory	701
15. Guangzhou Nan Sha Project	430
16. Guangzhou Poly Polaris	991
17. Foshan Guangfo Poly City	144
18. Foshan Guangfo Poly City Phase II	848
19. Huizhou Poly Sunshine Town	126
20. Huizhou Poly Lujiang Lane	256
21. Others	176
	<hr/>
<b>Sub total</b>	<b>4,137</b>
<b>Southwestern Region</b>	
22. Guiyang Poly Park 2010	423
23. Guiyang Poly Phoenix Bay	146
24. Guiyang Poly Bright Moon on Top	185
25. Nanning Poly Crescendo	116
26. Nanning Poly Town	507
27. Nanning Poly Town Phase II	2,743
28. Liuzhou Poly Mountain Villa	517
29. Kunming Poly City	1,894
30. Kunming Poly Moonlight Mansion	1,391
31. Others	136
	<hr/>
<b>Sub total</b>	<b>8,057</b>

<b>Project</b>	<b>Sales recognised in 2023 (RMB million)</b>
<b>Other Regions</b>	
32. Wuhan Poly City	1,116
33. Wuhan Poly Up Town	653
34. Wuhan Poly Joyful Mansion	411
35. Wuhan Poly Bright Lights	248
36. Harbin Poly Tin Yor Phase II	246
37. Harbin Poly Time Lane	170
38. Harbin Guang Xin Project	2,154
39. Mudanjiang Poly Landscape	696
40. Jinan Poly Mountain Villa	165
41. Jinan Huai Yin Project	1,812
42. Jinan Poly Grand Joy	1,319
43. Jinan Poly Grand Joy II	298
44. Yantai Poly Moon Mansion	764
45. Weihai Poly Hanlin Mansion	182
46. Weihai Poly Moon Fenghua	674
47. Zibo Poly City	224
48. Tai'an Poly Yuelu Mansion	1,361
49. Others	274
<b>Sub total</b>	<b>12,769</b>
<b>Hong Kong Region</b>	
50. Hong Kong Vibe Centro	238
51. Hong Kong Villa La Plage	598
<b>Sub total</b>	<b>836</b>
<b>Grand total</b>	<b>38,722</b>

*Note:*

Since figures were rounded up to the nearest million, their total may not equal to the actual sum or the sum in each group.

## Recognised Sales in 2023 by Property Type

<b>Property type</b>	<b>Sales recognised in 2023 RMB million</b>	<b>Percentage (%)</b>
Ordinary residential property	34,780	90%
Villa	875	2%
Retail shop	1,453	4%
Office	163	0%
Parking space	1,450	4%
<b>Total</b>	<b>38,722</b>	<b>100%</b>

*Note:*

Since figures were rounded up to the nearest million, their total may not equal to the actual sum or the sum in each group.

## INVESTMENT PROPERTIES

The Group has various investment properties and hotels located in first-tier cities and second-tier provincial capitals. The investment properties had a total GFA of approximately 689,000 square metres and an asset value of approximately RMB8,917 million.

## List of Major Investment Properties and Hotels as at 31 December 2023

Region	Project	GFA held ( <i>'000 square metres</i> )	Average occupancy rate of 2023 (%)	Average occupancy rate of 2022 (%)	Interests attributable to the Group (%)	Property type
<b>Investment properties</b>						
Beijing	Beijing Poly Plaza	15	76%	68%	75%	Office
Shanghai	Shanghai Poly Plaza (partial)	30	78%	75%	100%	Office and commercial
Shanghai	Shanghai Stock Exchange Building (partial)	48	61%	60%	100%	Office
Shenzhen	Shenzhen Poly Cultural Plaza (partial)	135	64%	97%	100%	Commercial
Wuhan	Wuhan Poly Plaza (partial)	56	57%	61%	100%	Office
<b>Hotels</b>						
Beijing	Beijing Poly Plaza Hotel	63	75%	31%	75%	Hotel
Shanghai	Hyatt Regency Shanghai Jiading	69	76%	60%	100%	Hotel
Wuhan	Wuhan Poly Hotel	28	63%	35%	100%	Hotel

## PROPERTY MANAGEMENT

The Group has various property management companies engaging in the operation management service of residential, commercial, offices, hotels, theatres and other property types. They have been the leading players in the property management industry of China and have received numerous titles and awards.

In 2023, the Group's property management companies recorded total revenue of RMB1,206 million, representing a year-on-year increase of 12.0%. The companies managed a total of 278 property projects with a GFA under management of approximately 50,755,000 square metres, representing an increase of 8.2% when comparing with last year.

## FINANCIAL REVIEW

### Liquidity and Capital Structure

As at 31 December 2023, total equity attributable to shareholders of the Company amounted to RMB34,100,270,000 (2022: RMB32,930,244,000), while the net asset value per share was RMB8.92 (2022: RMB8.62). As at 31 December 2023, the Group's gearing ratio (on the basis of the amount of total liabilities divided by the amount of total assets) was 78.1% (2022: 79.4%).

As at 31 December 2023, the Group had an outstanding bank and other borrowings (including the notes payable) of RMB73,895,354,000. In terms of maturity, the outstanding bank and other borrowings (including notes payable) can be divided into RMB20,794,686,000 (28.1%) to be repaid within one year, RMB25,940,355,000 (35.1%) to be repaid after one year but within two years, RMB19,239,881,000 (26.0%) to be repaid after two years but within five years, RMB7,920,432,000 (10.8%) to be repaid after five years. In terms of currency denomination, the outstanding bank and other borrowings (including the notes payable) can be divided into RMB64,849,322,000 (87.8%) in Renminbi, RMB3,549,000,000 (4.8%) in United State dollars, and RMB5,497,032,000 (7.4%) in Hong Kong dollars.

40.4% of the bank and other borrowings (including the notes payable) of the Group are subject to fixed interest rates and the remaining 59.6% are subject to floating interest rates. Therefore, under circumstances of interest rates uncertainty or fluctuations or otherwise as appropriate, the Group will consider the use of hedging instruments (including interest rates swaps), in order to manage interest rate risks. As at 31 December 2023, the Group had net current assets of RMB77,146,991,000 and total bank balances of RMB31,858,360,000 (2022: RMB81,544,307,000 and RMB31,617,971,000, respectively). With the available banking facilities and cash revenue from business operations, it is believed that the Group has sufficient resources to meet the foreseeable working capital demands and capital expenditure.

The monetary assets and liabilities and business transactions of the Group are mainly carried and conducted in Hong Kong dollars, Renminbi and United States dollars. The Group maintains a prudent strategy in its foreign exchange risk management, where foreign exchange risks are minimised via balancing the monetary assets versus monetary liabilities, and foreign exchange revenue versus foreign exchange expenditures. The management believes that the foreign exchange rate between Hong Kong dollars and United States dollars is relatively stable. Due to recent fluctuation of Renminbi exchange rate against Hong Kong dollars, the Group closely monitors the fluctuation and adopts policy to minimise exchange rate risks, if necessary.

## Pledged Assets

At the end of the reporting period, the carrying value of the Group's assets which were pledged to secure credit facilities granted to the Group are as follows:

	<b>2023</b>	2022
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Investment properties	<b>5,008,576</b>	6,519,329
Hotel properties	<b>1,280,000</b>	1,536,000
Buildings	<b>90,970</b>	233,396
Right-of-use assets	<b>123,139</b>	221,523
Properties under development	<b>26,817,016</b>	30,735,407
Properties held for sale	<b>164,296</b>	489,665
Bank deposits	<b>226,443</b>	444,639
	<b><u>33,710,440</u></b>	<u>40,179,959</u>

In addition to above pledged assets, as at 31 December 2023 and 2022, the Group's interests in certain subsidiaries were pledged to secure credit facilities granted to the Group. The details of net assets value of subsidiaries are as follows:

	<b>2023</b>	2022
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Total assets	<b>43,069,200</b>	47,803,727
Total liabilities	<b><u>(42,764,844)</u></b>	<u>(46,028,476)</u>
Net assets value	<b><u>304,356</u></b>	<u>1,775,251</u>

## Contingent Liabilities

The Group arranged mortgage loan facilities with certain banks for purchasers of property units and provided guarantees to banks to secure obligations of such purchasers of repayment. The maximum guarantees given to banks amounted to approximately RMB27,693,189,000 (2022: RMB23,443,910,000) as at 31 December 2023. Such guarantees terminate upon the earlier of (i) issue of the real estate ownership certificate; and (ii) the satisfaction of the mortgage loans by the buyers of the properties. The Group has not recognised any deferred income in respect of these guarantees as its fair value is considered to be minimal by the Directors. The Directors also consider that the fair value of the underlying properties is able to cover the outstanding mortgage loans guaranteed by the Group in the event the purchasers default payments to the banks.

As at 31 December 2023, the Group had given guarantees to certain banks in respect of credit facilities granted to certain associates and joint ventures of the Group amounting to approximately RMB7,544,812,000 (2022: RMB8,130,800,000) of which approximately RMB5,132,349,000 (2022: RMB5,586,393,000) had been utilised by associates and joint ventures.

## **EMPLOYEES**

As at 31 December 2023, the Group employed about 7,748 employees with remuneration for the year amounted to approximately RMB1,378 million. The Group provides employees with various benefits, including year-end double pay, contributory provident fund and medical insurance. In addition, share options and discretionary bonuses are also granted based on the Group's and individuals' performance. Employee trainings are also provided as and when required.

## **SHARE OPTION SCHEME**

In order to provide incentives or rewards to the Directors and certain employees of the Company and certain eligible persons who contribute to the long-term success of the businesses of the Group, the shareholders of the Company adopted a share option scheme (the "Share Option Scheme") on 28 May 2014. As at 31 December 2023, there were no outstanding options under the Share Option Scheme.

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

During the year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

## **REVIEWED BY AUDIT COMMITTEE**

The audit committee of the Company presently comprises one non-executive director, namely Mr. Chen Yuwen and four independent non-executive directors, namely Miss Leung Sau Fan, Sylvia (Chairlady), Mr. Ip Chun Chung, Robert, Mr. Fung Chi Kin and Mr. Wong Ka Lun. The consolidated financial statements of the Group for the year ended 31 December 2023 have been reviewed by the audit committee.

## **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**

Throughout the year under review, the Company has complied with the code provisions as set out in the Corporate Governance Code contained in Appendix C1 to the Listing Rules (the “CG Code”), other than code provision C.2.1 of the CG Code. The reasons for deviation from such provision are explained below:

### **Code Provision C.2.1 of the CG Code — The Roles of Chairman and Managing Director Should Be Separate and Should Not Be Performed by the Same Individual**

Under code provision C.2.1 of the CG Code, the roles of chairman and managing director should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and the managing director has been established and adopted by the Company in writing in accordance with code provision C.2.1. However, due to work rearrangements, Mr. Wang Jian resigned as the managing director and executive director of the Board of the Company on 3 November 2023, and his daily management work was temporarily performed by the Chairman of the Board of the Company with the assistance of various centers (offices and departments) of the Group. Following the resignation of Mr. Wang Jian, the Company had been actively identifying suitable candidates, and appointed Mr. Hu Zaixin as the managing director and executive director of the Board of the Company on 14 March 2024 to fill the casual vacancy arising from the resignation of Mr. Wang Jian as managing director and executive director.

The Company considers that sufficient measures have been taken to ensure that the Company’s corporate governance practices are no less exacting than those in the CG Code.

## **COMPLIANCE WITH THE MODEL CODE SET OUT IN APPENDIX C3 TO THE LISTING RULES**

The Company has adopted a code of conduct regarding Directors’ securities transactions on terms no less exacting than the required standard of the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the “Model Code”). On specific enquiries made, all the Directors have confirmed that they have complied with the Model Code and the code of conduct regarding Directors’ securities transactions adopted by the Company throughout the year ended 31 December 2023.



## **PUBLICATION OF THE RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

This results announcement is published on the website of the Company and the website of Hong Kong Exchanges and Clearing Limited (the “HKEX”). The 2023 Annual Report will also be available on the Company’s and the HKEX’s websites in April 2024.

For and on behalf of the Board  
**Poly Property Group Co., Limited**  
**WAN Yuqing**  
*Chairman*

Hong Kong, 21 March 2024

*As at the date of this announcement, the executive directors of the Company are Mr. Wan Yuqing, Mr. Hu Zaixin and Mr. Ye Liwen, the non-executive director of the Company is Mr. Chen Yuwen, and the independent non-executive directors of the Company are Mr. Ip Chun Chung, Robert, Mr. Fung Chi Kin, Miss Leung Sau Fan, Sylvia and Mr. Wong Ka Lun.*