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## **Powerlong Commercial Management Holdings Limited**

### **寶龍商業管理控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 9909)**

#### **(1) 2023 ANNUAL RESULTS ANNOUNCEMENT**

#### **AND**

#### **(2) ADOPTION OF THE AMENDED AND RESTATED MEMORANDUM AND ARTICLES OF ASSOCIATION**

##### **SUMMARY OF RESULTS**

- Revenue of the Group for the year ended 31 December 2023 amounted to approximately RMB2,635.7 million, representing an increase of approximately 3.4% as compared with approximately RMB2,549.3 million for the year ended 31 December 2022.
- Gross profit of the Group for the year ended 31 December 2023 amounted to approximately RMB887.0 million, representing an increase of approximately 6.3% as compared with approximately RMB834.4 million for the year ended 31 December 2022.
- Gross profit margin of the Group for the year ended 31 December 2023 amounted to approximately 33.7%, representing an increase of approximately 1.0 percentage point as compared with approximately 32.7% for the year ended 31 December 2022.
- The Group's profit attributable to shareholders of the Company ("**Shareholders**") for the year ended 31 December 2023 amounted to approximately RMB453.0 million, representing an increase of approximately 2.2% as compared with approximately RMB443.1 million for the year ended 31 December 2022.
- As at 31 December 2023, the contracted gross floor area ("**GFA**")<sup>Note 1</sup> of the Group's commercial operational services amounted to approximately 15.1 million square meters ("**sq.m.**"); and the GFA in operation of the Group's commercial operational services amounted to approximately 10.8 million sq.m..

*Note 1:* Unless otherwise stated, all "GFA" of commercial properties referred to in this announcement include car parks.

## ANNUAL RESULTS

The board of directors (the “**Board**”) of Powerlong Commercial Management Holdings Limited (the “**Company**” or “**Powerlong CM**”) is pleased to announce the annual consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2023, together with comparative figures for the year ended 31 December 2022, as follows.

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	<i>Note</i>	Year ended 31 December	
		2023	2022
		<i>RMB'000</i>	<i>RMB'000</i>
Revenue	4(a)	2,635,746	2,549,258
Cost of services		(1,748,725)	(1,714,836)
<b>Gross profit</b>		<b>887,021</b>	834,422
Selling and marketing expenses		(78,589)	(54,561)
Administrative expenses		(222,944)	(214,187)
Other income and other gains – net	5	55,734	79,014
Impairment losses on financial assets – net		(48,344)	(27,956)
Fair value (losses)/gains on financial asset – net		(1,248)	580
<b>Operating profit</b>		<b>591,630</b>	617,312
Finance income/(costs) – net		19,114	(4,341)
Share of results of joint ventures		(52)	(2,352)
Share of results of associates		996	2,778
<b>Profit before income tax</b>		<b>611,688</b>	613,397
Income tax expenses	6	(159,297)	(174,284)
<b>Profit and total comprehensive income for the year</b>		<b>452,391</b>	439,113
<b>Profit and total comprehensive income attributable to:</b>			
– Shareholders of the Company		452,952	443,075
– Non-controlling interests		(561)	(3,962)
		<b>452,391</b>	439,113
<b>Earnings per share for profit attributable to shareholders of the Company for the year (expressed in RMB cents per share)</b>			
– Basic earnings per share	7	71.33	70.15
– Diluted earnings per share	7	71.33	69.79

## CONSOLIDATED BALANCE SHEET

	<i>Note</i>	As at 31 December	
		2023	2022
		<i>RMB'000</i>	<i>RMB'000</i>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment		45,753	12,982
Financial assets at fair value through profit and loss		9,890	11,138
Investment properties		749,749	751,872
Deferred income tax assets		92,127	70,065
Goodwill		20,640	20,640
Intangible assets		6,752	8,561
Interests in joint ventures		772	824
Interests in associates		54,516	53,520
		<u>980,199</u>	<u>929,602</u>
<b>Current assets</b>			
Inventories		9,602	–
Operating lease and trade receivables	9	412,357	232,463
Prepayments and other receivables		328,939	597,763
Current income tax recoverables		161	759
Cash and bank balances		3,881,880	3,452,680
		<u>4,632,939</u>	<u>4,283,665</u>
<b>Total assets</b>		<u><b>5,613,138</b></u>	<u><b>5,213,267</b></u>

## CONSOLIDATED BALANCE SHEET (continued)

		As at 31 December	
		2023	2022
	Note	RMB'000	RMB'000
<b>EQUITY</b>			
Share capital and share premium	10	967,206	1,043,940
Other reserves		120,223	171,326
Shares held for shares award scheme		(44)	(95)
Retained earnings		1,965,883	1,512,931
<b>Capital and reserves attributable to shareholders of the Company</b>		<b>3,053,268</b>	<b>2,728,102</b>
Non-controlling interests		4,271	8,027
<b>Total equity</b>		<b>3,057,539</b>	<b>2,736,129</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Deferred income tax liabilities		1,235	1,592
Lease liabilities		931,103	901,274
		932,338	902,866
<b>Current liabilities</b>			
Trade and other payables	11	1,097,366	1,094,089
Advances from lessees		22,087	44,091
Current income tax liabilities		138,223	152,400
Lease liabilities		64,550	54,370
Contract liabilities	4(b)	301,035	229,322
		1,623,261	1,574,272
<b>Total liabilities</b>		<b>2,555,599</b>	<b>2,477,138</b>
<b>Total equity and liabilities</b>		<b>5,613,138</b>	<b>5,213,267</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1 GENERAL INFORMATION

Powerlong Commercial Management Holdings Limited (the “**Company**”) was established in the Cayman Islands on 25 March 2019 as an exempted company with limited liability under the Companies Act, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of the Company’s registered office is Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

The Company and its subsidiaries (the “**Group**”) are primarily engaged in the provision of commercial operational services and residential property management services in the People’s Republic of China (the “**PRC**”).

The Company was listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 30 December 2019.

The Company’s parent company is Powerlong Real Estate (BVI) Holdings Limited (“**Powerlong BVI Holdings**”). The Company’s intermediate holding company is Powerlong Real Estate Holdings Limited (“**Powerlong Holdings**”) whose shares have been listed on the Main Board of the Stock Exchange since 14 October 2009. As at 31 December 2023, Mr. Hoi Kin Hong (“**Mr. Hoi**”) held approximately 44.37% of interests in the issued share capital of Powerlong Holdings.

Powerlong Holdings and its subsidiaries exclusive of the Group are collectively referred to as the “**Remaining Powerlong Group**” in these consolidated financial statements.

These consolidated financial statements are presented in thousand Renminbi (“**RMB’000**”), which is the functional currency of the Company.

## 2 BASIS OF PREPARATION AND APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS

### Basis of preparation

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). For the purpose of preparation of these consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, these consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”) and by the Hong Kong Companies Ordinance.

These consolidated financial statements have been prepared on the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss.

(i) *New and amendments to HKFRSs that are mandatorily effective for the current year*

In the current year, the Group has applied the following new and amended to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2023 for the preparation of the consolidated financial statements:

HKFRS 17	Insurance Contracts and the related Amendments
Amendment to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Income Tax Expenses due to International Tax Reform
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules

Except as stated below, new and amendments to HKFRSs listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

***Impacts on application of Amendments to HKAS 1 and HKFRS Practice Statement 2 Disclosure of Accounting Policies***

The Group has applied the amendments for the first time in the current year. HKAS 1 Presentation of Financial Statements is amended to replace all instances of the term “Significant accounting policies” with “material accounting policy information”. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

HKFRS Practice Statement 2 Making Materiality Judgements (the “**Practice Statement**”) is also amended to illustrate how an entity applies the “four-step materiality process” to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

The application of the amendments has had no material impact on the Group's financial position and performance but has affected the disclosure of the Group's accounting policies.

(ii) *Amendments to HKFRSs that are not mandatorily for the current year*

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current <sup>1</sup>
Amendments to HKAS 1	Non-current Liabilities with Covenants <sup>1</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback <sup>1</sup>
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements <sup>1</sup>
Amendments to HKAS 21	Lack of Exchangeability <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2024.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2025.

<sup>3</sup> Effective for annual periods beginning on or after a date to be determined.

The Group is in the process of assessing the potential impact of the amendments to HKFRSs but are not yet in a position to determine whether the amendments to HKFRSs will have a material impact on the Group's performance and financial position and on the disclosures. The amendments to HKFRSs may result in changes to how the Group's performance and financial position are prepared and presented in the future.

### 3 SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the chief operating decision-makers ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the executive directors of the Company.

The Group has two business segments:

– Commercial operational services

The Group is engaged in (a) the provision of market research and positioning, business tenant sourcing and opening preparation services; (b) commercial operational services during the operation stage, including business tenant management, rent collection services and other value-added services (mainly including car parks, common areas and advertising space management services); and (c) commercial property management services including security, gardening, cleaning, repair and maintenance services.

Besides, to maximise its commercial operational efficiency, the Group leased certain retail commercial properties nearby the shopping malls under management by the Group, and sub-leased them for long-term rental yield.

– Residential property management services

The Group provides property management services in respect of residential properties, serviced apartments and office buildings, including pre-sale management services and other value-added services to property developers, property owners and residents.

As the CODM considers most of the Group's consolidated revenue and results are attributable to the market in the PRC and the Group's consolidated non-current assets are substantially located in the PRC, no geographical information is presented.

- (a) Segment results represent the profit earned by each segment without other income and other gains – net, unallocated operating costs, finance income/(costs) – net, share of results of joint ventures and associates and income tax expenses. Revenue recognised at a point in time from contracts with customers represents revenue from market research and positioning services. Other revenue from contracts with customers is recognised over time. The following is the analysis of the Group’s revenue and results by operating and reportable segments:

*For the year ended 31 December 2023*

	<b>Commercial operational services RMB'000</b>	<b>Residential property management services RMB'000</b>	<b>Group RMB'000</b>
Gross segment revenue	<u>2,137,390</u>	<u>498,356</u>	<u>2,635,746</u>
Revenue from contracts with customers	<b>1,960,880</b>	<b>498,356</b>	<b>2,459,236</b>
– at a point in time	<b>19,906</b>	<b>–</b>	<b>19,906</b>
– over time	<b>1,940,974</b>	<b>498,356</b>	<b>2,439,330</b>
Revenue from other sources			
– rental income	<b>176,510</b>	<b>–</b>	<b>176,510</b>
Segment results	<b>622,327</b>	<b>121,513</b>	<b>743,840</b>
Other income and other gains – net			<b>55,734</b>
Unallocated operating costs			<b>(207,944)</b>
Interest expense			<b>(42,470)</b>
Interest income			<b>61,584</b>
Share of results of joint ventures			<b>(52)</b>
Share of results of associates			<b>996</b>
Profit before income tax			<b>611,688</b>
Income tax expenses			<b>(159,297)</b>
Profit for the year			<b>452,391</b>
Depreciation and amortisation	<u>82,094</u>	<u>4,078</u>	<u>86,172</u>

*For the year ended 31 December 2022*

	Commercial operational services <i>RMB'000</i>	Residential property management services <i>RMB'000</i>	Group <i>RMB'000</i>
Gross segment revenue	2,058,280	490,978	2,549,258
Revenue from contracts with customers	1,913,537	490,978	2,404,515
– at a point in time	8,364	–	8,364
– over time	1,905,173	490,978	2,396,151
Revenue from other sources			
– rental income	144,743	–	144,743
Segment results	575,378	111,854	687,232
Other income and other gains – net			79,014
Unallocated operating costs			(148,934)
Interest expense			(57,803)
Interest income			53,462
Share of results of joint ventures			(2,352)
Share of results of associates			2,778
Profit before income tax			613,397
Income tax expenses			(174,284)
Profit for the year			439,113
Depreciation and amortisation	80,401	3,015	83,416

(b) The following is the analysis of the Group's segment assets and liabilities and capital expenditure:

*As at 31 December 2023*

	<b>Commercial operational services RMB'000</b>	<b>Residential property management services RMB'000</b>	<b>Elimination RMB'000</b>	<b>Group RMB'000</b>
Segment assets	1,674,099	246,848	(7,070)	1,913,877
Other assets				<u>3,699,261</u>
Total assets				<u><b>5,613,138</b></u>
Segment liabilities	2,122,495	280,461	(7,070)	2,395,886
Other liabilities				<u>159,713</u>
Total liabilities				<u><b>2,555,599</b></u>
Capital expenditure	<u>114,374</u>	<u>1,749</u>	<u>–</u>	<u><b>116,123</b></u>

*As at 31 December 2022*

	<b>Commercial operational services RMB'000</b>	<b>Residential property management services RMB'000</b>	<b>Elimination RMB'000</b>	<b>Group RMB'000</b>
Segment assets	1,614,557	213,250	(53,827)	1,773,980
Other assets				<u>3,439,287</u>
Total assets				<u><b>5,213,267</b></u>
Segment liabilities	2,050,595	274,738	(53,827)	2,271,506
Other liabilities				<u>205,632</u>
Total liabilities				<u><b>2,477,138</b></u>
Capital expenditure	<u>202,593</u>	<u>1,605</u>	<u>–</u>	<u><b>204,198</b></u>

*Segment assets are reconciled to total assets as follows:*

	<b>As at 31 December</b>	
	<b>2023</b>	2022
	<b>RMB'000</b>	RMB'000
Segment assets	<b>1,913,877</b>	1,773,980
Other assets		
Current income tax recoverables	<b>161</b>	759
Deferred income tax assets	<b>92,127</b>	70,065
Unallocated cash and bank balances	<b>3,540,749</b>	3,300,950
Unallocated property and equipment	<b>1,046</b>	2,031
Other corporate assets	<b>55,288</b>	54,344
Financial assets at fair value through profit and loss	<b>9,890</b>	11,138
Total assets	<b>5,613,138</b>	5,213,267

*Segment liabilities are reconciled to total liabilities as follows:*

	<b>As at 31 December</b>	
	<b>2023</b>	2022
	<b>RMB'000</b>	RMB'000
Segment liabilities	<b>2,395,886</b>	2,271,506
Other liabilities		
Current income tax liabilities	<b>138,223</b>	152,400
Deferred income tax liabilities	<b>1,235</b>	1,592
Other corporate liabilities	<b>20,255</b>	51,640
Total liabilities	<b>2,555,599</b>	2,477,138

The amounts provided to the CODM with respect to total assets and liabilities are measured in a manner consistent with that of the consolidated financial statements. These assets and liabilities are allocated based on the operations of the segment.

Segment assets consist primarily of property and equipment, investment properties, intangible assets, receivables from commercial and residential property management services and cash and bank balances other than current income tax recoverables, deferred income tax assets, unallocated cash and bank balances, unallocated property and equipment, other corporate assets and financial assets at fair value through profit or loss.

Segment liabilities consist primarily of trade and other payables, lease liabilities, contract liabilities and advances from lessees other than current income tax liabilities, deferred income tax liabilities and other corporate liabilities.

Capital expenditure comprises additions to property and equipment, investment properties and intangible assets.

## 4 REVENUE

(a) Revenue of the Group for the year ended 31 December 2023 is as follows:

	Year ended 31 December	
	2023 RMB'000	2022 RMB'000
<b>Type of services</b>		
<i>Rental income:</i>		
– Commercial property lease income	176,510	144,743
<i>Revenue from customer:</i>		
– Commercial operational services		
– Market research and positioning, business tenant sourcing, opening preparation services	100,019	177,743
– Commercial operation and management services	1,860,861	1,735,794
– Commercial operation service during the operation stage	742,437	692,860
– Commercial property management service	1,118,424	1,042,934
	<u>1,960,880</u>	<u>1,913,537</u>
– Residential property management services		
– Pre-sale management services	9,160	25,455
– Property management services	376,162	368,159
– Other value-added services	113,034	97,364
	<u>498,356</u>	<u>490,978</u>
	<u><b>2,635,746</b></u>	<u><b>2,549,258</b></u>
<b>Type of customers</b>		
External customers (i)	2,242,728	2,070,924
Fellow subsidiaries (ii)	368,313	439,605
Other related parties (iii)	24,705	38,729
	<u><b>2,635,746</b></u>	<u><b>2,549,258</b></u>

- (i) External customers represented independent third parties.
- (ii) For the year ended 31 December 2023, revenue arising from the Remaining Powerlong Group and other entities controlled by Mr. Hoi (the “**Fellow Subsidiaries**”) contributed 14.0% of the Group’s revenue (2022: 17.2%). Other than the Fellow Subsidiaries, the Group has a large number of customers, none of whom contributed 10% or more of the Group’s revenue during the year (2022: none).
- (iii) Other related parties represented associates or jointly controlled entities of the Remaining Powerlong Group.

(b) Liabilities related to contracts with customers

	As at 31 December	
	2023	2022
	RMB'000	RMB'000
Contract liabilities	<b>301,035</b>	229,322

Contract liabilities of the Group mainly arose from the advance payments made by the customers while the underlying services are yet to be provided.

(i) *Revenue recognised in relation to contract liabilities*

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities.

	Year ended 31 December	
	2023	2022
	RMB'000	RMB'000
Revenue recognised that was included in the contract liability balance at the beginning of the year		
– Commercial operational services	<b>187,294</b>	389,829
– Residential property management services	<b>42,028</b>	68,244
	<b>229,322</b>	458,073

(ii) *Unsatisfied performance obligations*

For commercial operational services and residential property management services, the Group recognises revenue in the amount that equals to the rights to invoices which corresponds directly with the value to the customers of the Group's performance to date, on a monthly or quarterly basis. The Group has elected the practical expedient for not to disclose the remaining performance obligations for those types of contracts. The majority of the property management services contracts and property developer-related services do not have a fixed term. The term of the contracts for other value-added services is generally set to expire when the counterparties notify the Group several months in advance that the services are no longer required.

**5 OTHER INCOME AND OTHER GAINS – NET**

	<b>Year ended 31 December</b>	
	<b>2023</b>	<b>2022</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Other income</b>		
Penalty income	22,242	35,999
Government grants	26,860	19,913
Others	7,954	8,148
	<u>57,056</u>	<u>64,060</u>
<b>Other (losses)/gains</b>		
Foreign exchange (losses)/gains	(1,322)	14,954
	<u>55,734</u>	<u>79,014</u>

**6 INCOME TAX EXPENSES**

	<b>Year ended 31 December</b>	
	<b>2023</b>	<b>2022</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Current income tax		
– PRC corporate income tax	181,716	173,597
Deferred income tax		
– PRC corporate income tax	(22,419)	687
	<u>159,297</u>	<u>174,284</u>

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the Group entities as follows:

	<b>Year ended 31 December</b>	
	<b>2023</b>	2022
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Profit before income tax	<b>611,688</b>	613,397
Tax charge at statutory tax rate of 25% to profits in the respective group entities	<b>152,922</b>	153,349
Tax effects of:		
– Share of results of joint ventures	<b>13</b>	588
– Share of results of associates	<b>(249)</b>	(694)
– Expenses not deductible for tax purposes	<b>6,611</b>	21,041
PRC corporate income tax	<b>159,297</b>	174,284

The effective income tax rate was 26.0% and 28.4% for the years ended 31 December 2023 and 31 December 2022.

#### **PRC corporate income tax**

Income tax provision of the Group in respect of operations in the PRC has been calculated at the statutory tax rate of 25% on the estimated assessable profits for the year, based on the existing legislation, interpretations and practices in respect thereof.

The general corporate income tax rate in the PRC is 25%.

#### **Overseas income tax**

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Act, Cap. 22 of Cayman Islands and pursuant to the rules and regulations of Cayman Islands, the Company is not subject to any income tax. The Company's subsidiaries in the British Virgin Islands were incorporated under the International Business Companies Act (as amended) of the British Virgin Islands and, accordingly are exempted from British Virgin Islands income tax.

#### **Hong Kong profits tax**

No provision for Hong Kong profits tax has been made in these consolidated financial statements as the Company and the Group did not have assessable profit in Hong Kong during the year ended 31 December 2023 (2022: nil). The profit of the group entities in Hong Kong is mainly derived from dividend income, which is not subject to Hong Kong profits tax.

#### **PRC withholding income tax**

According to the Corporate Income Tax Law of the PRC, starting from 1 January 2008, a withholding tax of 10% will be levied on the immediate holding companies outside the PRC when their PRC subsidiaries declare dividend out of profits earned after 1 January 2008. A lower 5% withholding tax rate may be applied when the immediate holding companies of the PRC subsidiaries are established in Hong Kong according to the tax treaty arrangements between the PRC and Hong Kong.

## 7 EARNINGS PER SHARE

### (a) Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year ended 31 December 2023.

	Year ended 31 December	
	2023	2022
<b>Earnings (RMB'000)</b>		
Earnings for the purposes of basic and diluted earnings per share (profit attributable to owners of the Company)	<u>452,952</u>	<u>443,075</u>
<b>Number of shares ('000)</b>		
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>634,978</u>	<u>631,650</u>
<b>Basic earnings per share (RMB cents per share)</b>	<u>71.33</u>	<u>70.15</u>

### (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.

	Year ended 31 December	
	2023	2022
<b>Earnings (RMB'000)</b>		
Earnings for the purposes of basic and diluted earnings per share (profit attributable to owners of the Company)	<u>452,952</u>	<u>443,075</u>
<b>Number of shares ('000)</b>		
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>634,978</u>	<u>631,650</u>
Effect of dilutive potential ordinary shares:		
Awarded shares	<u>–</u>	<u>3,252</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>634,978</u>	<u>634,902</u>
<b>Diluted earnings per share (RMB cents per share)</b>	<u>71.33</u>	<u>69.79</u>

## 8 DIVIDEND

An interim dividend of HK\$96,435,000 (equivalent to approximately RMB88,910,000) and a final dividend of HK\$96,435,000 (equivalent to approximately RMB87,924,000) were paid in 2023.

## 9 OPERATING LEASE AND TRADE RECEIVABLES

	<b>As at 31 December</b>	
	<b>2023</b>	2022
	<b>RMB'000</b>	<b>RMB'000</b>
Operating lease receivables ( <i>Note (a)</i> )		
– Third parties	<b>29,064</b>	24,363
Trade receivables ( <i>Note (a)</i> )		
– Related parties	<b>215,952</b>	59,941
– Third parties	<b>245,629</b>	192,119
	<b>461,581</b>	252,060
Less: allowance for impairment of trade receivables ( <i>Note (b)</i> )	<b>(78,288)</b>	(43,960)
	<b>412,357</b>	232,463

- (a) The Group's revenue is derived from provision of commercial operational services, residential property management services and lease of properties. Proceeds in respect of service rendering and rental income are to be received in accordance with the terms of relevant property service agreements and tenant contracts.

As at the respective balance sheet date, the aging analysis of the operating lease and trade receivables due from related parties and third parties based on the demand note dates is as follows:

	<b>As at 31 December</b>	
	<b>2023</b>	2022
	<b>RMB'000</b>	<b>RMB'000</b>
0-30 days	<b>88,362</b>	52,088
31-180 days	<b>117,970</b>	60,380
181-365 days	<b>187,021</b>	102,095
1 to 2 years	<b>53,313</b>	25,381
2 to 3 years	<b>25,213</b>	15,825
Over 3 years	<b>18,766</b>	20,654
	<b>490,645</b>	276,423

- (b) The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9. As at 31 December 2023, a provision of RMB78,288,000 was made against the gross amounts of operating lease and trade receivables (31 December 2022: RMB43,960,000).
- (c) As at 31 December 2023 and 31 December 2022, the operating lease and trade receivables were denominated in RMB, and the fair values approximated their carrying amounts.

## 10 SHARE CAPITAL AND PREMIUM

	Number of ordinary shares	Share capital		Share	Total
		HK\$'000	RMB'000	premium RMB'000	RMB'000
<b>Authorized</b>					
As at 1 January 2023 and 31 December 2023	2,000,000,000	20,000	17,905	–	17,905
<b>Issued and fully paid:</b>					
As at 31 December 2022 and 1 January 2023	642,900,000	6,429	5,747	1,038,193	1,043,940
Dividends	–	–	–	(172,906)	(172,906)
Vesting of awarded shares	–	–	–	96,172	96,172
<b>As at 31 December 2023</b>	<b>642,900,000</b>	<b>6,429</b>	<b>5,747</b>	<b>961,459</b>	<b>967,206</b>

## 11 TRADE AND OTHER PAYABLES

	As at 31 December	
	2023 RMB'000	2022 RMB'000
Trade payables		
– Related parties	595	1,341
– Third parties	173,923	121,378
	<b>174,518</b>	<b>122,719</b>
Other payables		
– Related parties	141,117	161,335
– Payables for promotion fees on behalf of owners of the commercial properties ( <i>Note (a)</i> )	66,985	45,401
– Receipts on behalf of tenants or residents ( <i>Note (b)</i> )	84,243	148,224
– Deposits received ( <i>Note (c)</i> )	534,787	487,658
– Payables for business combination	–	4,241
– Others	11,404	26,299
	<b>838,536</b>	<b>873,158</b>
Accrued payroll	71,389	79,082
Other taxes payables	12,923	19,130
	<b>1,097,366</b>	<b>1,094,089</b>

- (a) The balance represented the receipts on behalf of owners of commercial properties to settle the expenses relating to promotion and marketing activities of car parks, common areas and advertising spaces.
- (b) Amounts represented the receipts on behalf of tenants or residents to settle the bills of utilities charges.
- (c) Amounts represented mainly deposits received from tenants as performance securities in relation to tenant agreements or property management service agreements.

- (d) As at 31 December 2023, the carrying amounts of trade and other payables approximated their fair values.
- (e) As at the respective balance sheet date, the ageing analysis of the trade payables (including amounts due to related parties) based on invoice dates is as follows:

	<b>As at 31 December</b>	
	<b>2023</b>	2022
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Within 1 year	<b>161,689</b>	116,217
1 to 2 years	<b>9,931</b>	5,009
2 to 3 years	<b>1,940</b>	844
Over 3 years	<b>958</b>	649
	<b><u>174,518</u></b>	<u>122,719</u>

- (f) Trade and other payables (excluding accrued payroll and other tax payables) were denominated in the following currencies:

	<b>As at 31 December</b>	
	<b>2023</b>	2022
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
RMB	<b><u>1,013,054</u></b>	<u>995,877</u>

## MANAGEMENT DISCUSSION AND ANALYSIS

### OVERVIEW

The Group is a leading commercial operational service provider in the People's Republic of China (“China” or the “PRC”). As at 31 December 2023, the Group had 95 retail commercial properties in operation, with an aggregate GFA in operation of approximately 10.8 million sq.m. The Group had 138 retail commercial properties with an aggregate contracted GFA of approximately 15.1 million sq.m. for which the Group had been contracted to provide commercial operational services. The Company enjoys considerable brand recognition in the markets where it operates. The Company was awarded various honors in 2023, such as 2023 China Top 10 out of Top 100 Commercial Real Estate Enterprises (2023 中國商業地產百強企業 Top 10) awarded by China Index Academy (中國指數研究院), 2023 Brand Influential Enterprises (2023 年品牌影響力企業) awarded by Leju Financial Research Institute (樂居財經研究院), and 2023 Retail Commercial Real Estate Enterprise Top 8 (2023 年度零售商業地產企業綜合實力 Top 8) awarded by Winshang.com (贏商網).

The Group also provides property management services for residential properties, office buildings and serviced apartments. As at 31 December 2023, the Group had 109 delivered projects in relation to its residential property management services with an aggregate GFA delivered of approximately 21.1 million sq.m., and was contracted to manage 147 projects with an aggregate contracted GFA of approximately 31.2 million sq.m.

With the mission of “creating space full of love”, the Group adheres to its corporate philosophy of “simple, truthful, prosper together, forward forever”, with a view to becoming a well-respected, century-lasting and world-leading operator of city space, thereby creating more room for value enhancement for customers and investors on an ongoing basis.

### BUSINESS REVIEW

For the year ended 31 December 2023, the Group mainly conducted its business activities in the following business segments namely (i) commercial operational services; and (ii) residential property management services. The Group's revenue was derived mainly from its commercial operational services business.

*Commercial operational services:* The Company provided full-chain services covering positioning, tenant sourcing, opening, operation and management to shopping malls and shopping streets.

It primarily included:

- (i) Market research and positioning, tenant sourcing and opening preparation services to property developers or property owners during the preparation stage before the opening of a retail commercial property;
- (ii) Commercial operation and management services to property owners or tenants during the operation stage of a retail commercial property; and
- (iii) Property leasing services with respect to units located within the shopping streets and shopping malls.

*The management models of the retail commercial properties undertaken by the Group include the following four models:*

1. Entrusted operation and management

The owner entrusts the operation and management of the retail commercial properties to the Group, and the operating costs of the projects are borne by the Group. The owners receive rents for shops and some income from diversified operations and parking lot operations.

The Group charges the owner: (i) income for advisory consultation before the projects are in operation; (ii) rent management fee during the operation stage of the projects i.e. a certain percentage of the rent; and (iii) brand usage fee (only for projects not developed by Powerlong Real Estate Holdings Limited (“**Powerlong Real Estate**”)).

The Group charges the tenants and consumers: (i) operation and management service fees during project operation; (ii) income from diversified operations; and (iii) parking fees.

2. Advisory consultation

The owner engages the Group as a management advisory consultant for retail commercial properties, and all income and costs of project operation are borne by the owner.

The Group charges the owner: (i) income for advisory consultations before the projects are in operation; and (ii) a certain percentage of consulting service fees during the project operation period.

3. Sub-lease services

The owner leases the retail commercial properties as a whole to the Group at a certain price, and all income and costs of project operation are borne by the Group.

The Group charges tenants and consumers: (i) rental income of projects; (ii) operation and management service fees during project operation; (iii) income from diversified operations; and (iv) parking fees.

4. Net earning sharing

The owner entrusts the retail commercial properties to the Group for operation and management, and all income and costs of project operation are borne by the Group. The Group gives a certain percentage of net income of the projects to the owner as variable rental cost.

The Group charges tenants and consumers: (i) rental income of projects; (ii) operation and management service fees during project operation; (iii) income from diversified operations; and (iv) parking fees.

*Residential property management services:* The Group provided property management services for residential properties, office buildings and service apartments.

It primarily included:

- (i) Pre-sale management services to property developers during their pre-sale activities, such as cleaning, security and maintenance of pre-sale display units and sales offices;
- (ii) Property management services to property owners or property owners' associations at the post-delivery stages, such as security, cleaning, gardening and repair and maintenance services; and
- (iii) Other value-added services to property owners, tenants or residents of properties under management, such as pre-delivery preparation and trash handling services, common area, advertising space and car park management services.

The table below sets forth the Company's gross profit and gross profit margin by business segment for the years indicated:

	<b>For the year ended 31 December</b>			
	<b>2023</b>		<b>2022</b>	
	<b>Gross profit</b>	<b>Gross profit margin</b>	<b>Gross profit</b>	<b>Gross profit margin</b>
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Commercial operational services	760,631	35.6	710,711	34.5
Residential property management services	126,390	25.4	123,711	25.2
<b>Total</b>	<b>887,021</b>	<b>33.7</b>	<b>834,422</b>	<b>32.7</b>

## COMMERCIAL OPERATIONAL SERVICES

The Group primarily provided professional commercial operational management services to property owners, tenants and consumers under four brands, namely, “Powerlong One Mall” (寶龍一城), “Powerlong City” (寶龍城), “Powerlong Plaza” (寶龍廣場) and “Powerlong Land” (寶龍天地).

For the year ended 31 December 2023, the aggregate revenue of the Group’s business segment of commercial operational services amounted to approximately RMB2,137.4 million, representing an increase of 3.8% from approximately RMB2,058.3 million for the year ended 31 December 2022; and the Group had GFA in operation of approximately 10.8 million sq.m., representing an increase of 0.2 million sq.m. from 10.6 million sq.m. for the corresponding period of 2022; 95 projects in operation, representing a net increase of 2 projects from 93 projects for the corresponding period of 2022; contracted GFA of approximately 15.1 million sq.m., representing a decrease of 0.1 million sq.m. from 15.2 million sq.m. for the corresponding period of 2022.

The table below sets forth a breakdown of the aggregate GFA in operation as at the dates indicated and the revenue from commercial operational service segment for the years indicated by geographic region:

	As of/For the year ended 31 December					
	2023			2022		
	Contracted GFA	GFA in operation	Revenue	Contracted GFA	GFA in operation	Revenue
	<i>sq.m.</i>	<i>sq.m.</i>	<i>RMB</i>	<i>sq.m.</i>	<i>sq.m.</i>	<i>RMB</i>
	<i>(in thousands)</i>					
Yangtze River Delta <sup>(1)</sup>	9,846	6,878	1,541,990	9,916	6,596	1,476,368
Pearl River Delta <sup>(2)</sup>	365	116	31,187	416	166	42,514
Others <sup>(3)</sup>	4,847	3,778	564,213	4,863	3,791	539,398
<b>Total</b>	<b>15,058</b>	<b>10,772</b>	<b>2,137,390</b>	<b>15,195</b>	<b>10,553</b>	<b>2,058,280</b>

Notes:

- (1) Comprises Shanghai Municipality, Zhejiang Province, Jiangsu Province and Anhui Province.
- (2) Comprises Guangdong Province.
- (3) Comprises cities except those mentioned in (1) and (2) above.

## New Projects in Operation

New retail commercial property projects added to the Group's portfolio upon opening for the year ended 31 December 2023 are shown in the following table:

No.	Name of Project	Opening Date <i>month-year</i>	City	Geographic Region	Source of Project	Manager	Management Model	Total GFA <i>(sq.m.)</i>	Shopping Mall <i>(sq.m.)</i>	Commercial Street <i>(sq.m.)</i>	Car Park <i>(sq.m.)</i>
<b>Powerlong Plaza</b>											
1	Jinhua Jinyi Powerlong Plaza (金華金義寶龍廣場)	September 2023	Jinhua	Yangtze River Delta	Powerlong Real Estate	Powerlong CM	Entrusted management	122,926	90,355	-	32,571
2	Xuzhou Hexin Powerlong Plaza (徐州和信寶龍廣場)	September 2023	Xuzhou	Yangtze River Delta	Third Party	Powerlong CM	Net earning sharing	197,251	80,931	-	116,320
3	Jingdezhen Powerlong Plaza (景德鎮寶龍廣場)	October 2023	Jingdezhen	Others	Powerlong Real Estate	Powerlong CM	Entrusted management	129,209	80,000	19,209	30,000
4	Pizhou Powerlong Plaza (邳州寶龍廣場)	December 2023	Xuzhou	Yangtze River Delta	Powerlong Real Estate	Powerlong CM	Entrusted management	129,514	90,000	-	39,514
<b>Sub-total</b>								<b>578,900</b>	<b>341,286</b>	<b>19,209</b>	<b>218,405</b>
<b>Powerlong Land</b>											
1	Zhoushan Putuo Powerlong Land (舟山普陀寶龍天地)	June 2023	Zhoushan	Yangtze River Delta	Powerlong Real Estate	Powerlong CM	Entrusted management	92,100	-	40,800	51,300
2	Xiamen Yuanboyuan Powerlong Land (廈門圓博苑寶龍天地)	July 2023	Xiamen	Others	Third Party	Powerlong CM	Sublease	14,705	-	14,705	-
3	Xiamen Wenzao Powerlong Land (廈門文灶寶龍天地)	December 2023	Xiamen	Others	Third Party	Powerlong CM	Sublease	17,110	-	17,110	-
<b>Sub-total</b>								<b>123,915</b>	<b>-</b>	<b>72,615</b>	<b>51,300</b>
<b>Powerlong Xinghui</b>											
1	Haiyan Beidajie (海鹽北大街)	June 2023	Jiaxing	Yangtze River Delta	Third Party	Powerlong Xinghui	Entrusted management	55,570	-	35,630	19,940
2	Tiantai Cultural Center Powerlong Land (天台文化中心寶龍天地)	July 2023	Taizhou	Yangtze River Delta	Third Party	Powerlong Xinghui	Entrusted management	18,227	-	18,227	-
3	Shaoxing Guchengbei (紹興古城北)	In operation <sup>(1)</sup>	Shaoxing	Yangtze River Delta	Third Party	Powerlong Xinghui	Advisory consultation	61,549	-	61,549	-
<b>Sub-total</b>								<b>135,346</b>	<b>-</b>	<b>115,406</b>	<b>19,940</b>
<b>Total</b>								<b>838,161</b>	<b>341,286</b>	<b>207,230</b>	<b>289,645</b>

- (1) For the third party project in operation obtained in November 2023, the Group will conduct refurbishment and upgrade upon completion of signing of contract.

## Projects for which Contracts were Terminated

The Group's retail commercial property projects for which contracts were terminated during the year ended 31 December 2023 are shown in the following table:

No.	Name of Project	Date of Termination of Contract <i>month-year</i>	City	Geographic Region	Source of Project	Manager	Management Model	Total GFA <i>(sq.m.)</i>	Shopping Mall <i>(sq.m.)</i>	Commercial Street <i>(sq.m.)</i>	Car Park <i>(sq.m.)</i>
<b>Powerlong Plaza</b>											
1	Shaoxing Paojiang Powerlong Plaza (紹興袍江寶龍廣場)	July 2023	Shaoxing	Yangtze River Delta	Powerlong Real Estate	Powerlong CM	Entrusted management	41,083	30,000	-	11,083
2	Huizhou Rongcan Powerlong Plaza (惠州榮燦寶龍廣場)	October 2023	Huizhou	Pearl River Delta	Third Party	Powerlong CM	Entrusted management	50,600	33,000	-	17,600
3	Qingdao Licang Powerlong Plaza (青島李滄寶龍廣場)	November 2023	Qingdao	Others	Powerlong Real Estate	Powerlong CM	Entrusted management	174,167	110,949	-	63,218
<b>Sub-total</b>								<b>265,850</b>	<b>173,949</b>	<b>-</b>	<b>91,901</b>
<b>Powerlong Xinghui</b>											
1	Jinsha Pier Aolai Park (金沙碼頭奧萊公園)	July 2023	Ningbo	Yangtze River Delta	Third Party	Powerlong Xinghui	Advisory consultation	133,970	87,258	13,288	33,424
2	Ningbo Zhongticheng (寧波中體城)	July 2023	Ningbo	Yangtze River Delta	Third Party	Powerlong Xinghui	Advisory consultation	88,305	54,137	-	34,168
3	Ningbo Cicheng (寧波慈城)	September 2023	Ningbo	Yangtze River Delta	Third Party	Powerlong Xinghui	Advisory consultation	12,532	-	12,532	-
4	Anji Tsinghua Yuan (安吉清華園)	October 2023	Huzhou	Yangtze River Delta	Third Party	Powerlong Xinghui	Advisory consultation	14,000	-	11,000	3,000
5	Shangyu Jiayuan Plaza (上虞佳源廣場)	October 2023	Shaoxing	Yangtze River Delta	Third Party	Powerlong Xinghui	Advisory consultation	105,216	79,114	-	26,102
<b>Sub-total</b>								<b>354,023</b>	<b>220,509</b>	<b>36,820</b>	<b>96,694</b>
<b>Total</b>								<b>619,873</b>	<b>394,458</b>	<b>36,820</b>	<b>188,595</b>

## Projects in Operation

The Group's retail commercial property projects in operation for the year ended 31 December 2023 are shown in the following table:

No.	Name of Project	Opening Date <i>month-year</i>	City	Geographic Region	Source of Project	Management Model	Total GFA <i>(sq.m.)</i>	Shopping Mall <i>(sq.m.)</i>	Commercial Street <i>(sq.m.)</i>	Car Park <i>(sq.m.)</i>	
<b>Powerlong One Mall</b>											
1	Xiamen Powerlong One Mall (廈門寶龍一城)	September 2018	Xiamen	Others	Powerlong Real Estate	Entrusted management	170,585	121,670	5,365	43,550	
<b>Sub-total</b>								<b>170,585</b>	<b>121,670</b>	<b>5,365</b>	<b>43,550</b>
<b>Powerlong City</b>											
1	Shanghai Qibao Powerlong City (上海七寶寶龍城)	October 2016	Shanghai	Yangtze River Delta	Powerlong Real Estate	Entrusted management	150,567	70,719	12,759	67,089	
2	Hangzhou Binjiang Powerlong City (杭州濱江寶龍城)	December 2016	Hangzhou	Yangtze River Delta	Powerlong Real Estate	Entrusted management	295,562	140,877	37,512	117,173	
3	Taizhou Jiaojiang Powerlong City (台州椒江寶龍城)	June 2022	Taizhou	Yangtze River Delta	Powerlong Real Estate	Entrusted management	127,936	93,620	-	34,316	
<b>Sub-total</b>								<b>574,065</b>	<b>305,216</b>	<b>50,271</b>	<b>218,578</b>

No.	Name of Project	Opening Date <i>month-year</i>	City	Geographic Region	Source of Project	Management Model	Total GFA <i>(sq.m.)</i>	Shopping Mall <i>(sq.m.)</i>	Commercial Street <i>(sq.m.)</i>	Car Park <i>(sq.m.)</i>
<b>Powerlong Plaza</b>										
1	Fuzhou Powerlong Plaza (福州寶龍廣場)	April 2007	Fuzhou	Others	Powerlong Real Estate	Entrusted management	186,178	161,008	-	25,170
2	Qingdao Chengyang Powerlong Plaza (青島城陽寶龍廣場)	October 2009	Qingdao	Others	Powerlong Real Estate	Entrusted management	443,262	335,506	-	107,756
3	Zhengzhou Powerlong Plaza (鄭州寶龍廣場)	December 2009	Zhengzhou	Others	Powerlong Real Estate	Entrusted management	235,606	198,108	6,565	30,933
4	Bengbu Powerlong Plaza (蚌埠寶龍廣場)	December 2009	Bengbu	Yangtze River Delta	Powerlong Real Estate	Entrusted management	346,880	222,966	48,503	75,411
5	Wuxi Powerlong Plaza (無錫寶龍廣場)	October 2010	Wuxi	Yangtze River Delta	Powerlong Real Estate	Entrusted management	192,865	142,753	-	50,112
6	Anxi Powerlong Plaza (安溪寶龍廣場)	December 2010	Quanzhou	Others	Powerlong Real Estate	Entrusted management	85,374	55,489	28,034	1,851
7	Suqian Powerlong Plaza (宿遷寶龍廣場)	September 2011	Suqian	Yangtze River Delta	Powerlong Real Estate	Entrusted management	150,660	120,645	-	30,015
8	Yancheng Powerlong Plaza (鹽城寶龍廣場)	September 2011	Yancheng	Yangtze River Delta	Powerlong Real Estate	Entrusted management	199,409	135,112	29,720	34,577
9	Qingdao Jimo Powerlong Plaza (青島即墨寶龍廣場)	December 2011	Qingdao	Others	Powerlong Real Estate	Entrusted management	175,513	130,462	-	45,051
10	Luoyang Powerlong Plaza (洛陽寶龍廣場)	December 2011	Luoyang	Others	Powerlong Real Estate	Entrusted management	138,350	69,735	37,225	31,390
11	Tai'an Powerlong Plaza (泰安寶龍廣場)	September 2012	Tai'an	Others	Powerlong Real Estate	Entrusted management	118,255	102,677	-	15,578
12	Xinxiang Powerlong Plaza (新鄉寶龍廣場)	September 2012	Xinxiang	Others	Powerlong Real Estate	Entrusted management	262,690	90,321	84,394	87,975
13	Shanghai Caolu Powerlong Plaza (上海曹路寶龍廣場)	December 2013	Shanghai	Yangtze River Delta	Powerlong Real Estate	Entrusted management	81,720	57,200	-	24,520
14	Jinjiang Powerlong Plaza (晉江寶龍廣場)	December 2013	Jinjiang	Others	Powerlong Real Estate	Entrusted management	283,378	128,570	11,126	143,682
15	Hangzhou Xiasha Powerlong Plaza (杭州下沙寶龍廣場)	November 2014	Hangzhou	Yangtze River Delta	Powerlong Real Estate	Entrusted management	98,660	15,575	10,323	72,762
16	Chongqing Hechuan Powerlong Plaza (重慶合川寶龍廣場)	December 2014	Chongqing	Others	Powerlong Real Estate	Entrusted management	147,403	103,793	-	43,610
17	Tianjin Yujiapu Powerlong Plaza (天津于家堡寶龍廣場) <sup>(1)</sup>	December 2014	Tianjin	Others	Powerlong Real Estate	Entrusted management	162,836	87,613	-	75,223
18	Jiaozhou Powerlong Plaza (膠州寶龍廣場)	February 2015	Qingdao	Others	Powerlong Real Estate	Entrusted management	164,772	75,224	27,002	62,546
19	Zhenjiang Powerlong Plaza (鎮江寶龍廣場)	September 2015	Zhenjiang	Yangtze River Delta	Powerlong Real Estate	Entrusted management	153,818	70,170	32,797	50,851
20	Shanghai Fengxian Powerlong Plaza (上海奉賢寶龍廣場)	November 2015	Shanghai	Yangtze River Delta	Powerlong Real Estate	Entrusted management	117,715	49,816	14,847	53,053
21	Shanghai Lingang Powerlong Plaza (上海臨港寶龍廣場)	December 2015	Shanghai	Yangtze River Delta	Powerlong Real Estate	Entrusted management	70,720	40,069	9,931	20,719
22	Hangzhou Xiaoshan Powerlong Plaza (杭州蕭山寶龍廣場)	December 2015	Hangzhou	Yangtze River Delta	Powerlong Real Estate	Entrusted management	143,836	68,687	12,217	62,932
23	Shanghai Luodian Powerlong Plaza (上海羅店寶龍廣場)	December 2015	Shanghai	Yangtze River Delta	Powerlong Real Estate	Entrusted management	35,854	28,481	-	7,373
24	Hangzhou Fuyang Powerlong Plaza (杭州富陽寶龍廣場)	December 2015	Hangzhou	Yangtze River Delta	Powerlong Real Estate	Entrusted management	77,186	21,728	10,741	44,718
25	Changzhou Powerlong Plaza (常州寶龍廣場)	June 2016	Changzhou	Yangtze River Delta	Powerlong Real Estate	Entrusted management	170,134	105,598	15,814	48,722

<sup>(1)</sup> Tianjin Yujiapu Powerlong Plaza reopened in December 2020.

No.	Name of Project	Opening Date <i>month-year</i>	City	Geographic Region	Source of Project	Management Model	Total GFA <i>(sq.m.)</i>	Shopping Mall <i>(sq.m.)</i>	Commercial Street <i>(sq.m.)</i>	Car Park <i>(sq.m.)</i>
26	Shanghai Jiading Powerlong Plaza (上海嘉定寶龍廣場)	October 2016	Shanghai	Yangtze River Delta	Powerlong Real Estate	Entrusted management	144,072	64,054	24,902	55,115
27	Penglai Powerlong Plaza (蓬萊寶龍廣場)	November 2016	Yantai	Others	Powerlong Real Estate	Entrusted management	148,213	43,431	59,871	44,911
28	Yantai Powerlong Plaza (煙臺寶龍廣場)	December 2016	Yantai	Others	Powerlong Real Estate	Entrusted management	100,027	37,869	20,629	41,530
29	Yangzhou Powerlong Plaza (揚州寶龍廣場)	January 2017	Yangzhou	Yangtze River Delta	Powerlong Real Estate	Entrusted management	143,559	58,407	30,252	54,900
30	Shanghai Wujing Powerlong Plaza (上海吳淞寶龍廣場)	July 2017	Shanghai	Yangtze River Delta	Powerlong Real Estate	Entrusted management	49,918	26,794	11,337	11,787
31	Yiwu Fotang Powerlong Plaza (義烏佛堂寶龍廣場)	November 2017	Yiwu	Yangtze River Delta	Third Party	Entrusted management	90,992	50,000	15,992	25,000
32	Fuyang Powerlong Plaza (阜陽寶龍廣場)	December 2017	Fuyang	Yangtze River Delta	Powerlong Real Estate	Entrusted management	140,441	103,890	-	36,551
33	Chongqing Fuling Powerlong Plaza (重慶涪陵寶龍廣場)	December 2017	Chongqing	Others	Third Party	Entrusted management	113,854	96,204	-	17,650
34	Shanghai Qingpu Powerlong Plaza (上海青浦寶龍廣場)	September 2018	Shanghai	Yangtze River Delta	Powerlong Real Estate	Entrusted management	171,673	54,281	38,461	78,930
35	Jiangyou Powerlong Plaza (江油寶龍廣場)	November 2018	Jiangyou	Others	Third Party	Entrusted management	91,342	72,590	-	18,752
36	Hangzhou Lin'an Powerlong Plaza (杭州臨安寶龍廣場)	November 2019	Hangzhou	Yangtze River Delta	Powerlong Real Estate	Entrusted management	103,700	55,700	-	48,000
37	Tianjin Binhai Powerlong Plaza (天津濱海寶龍廣場)	December 2019	Tianjin	Others	Powerlong Real Estate	Entrusted management	61,883	36,400	6,100	19,383
38	Shanghai Baoyang Powerlong Plaza (上海寶楊寶龍廣場)	December 2019	Shanghai	Yangtze River Delta	Powerlong Real Estate	Entrusted management	148,407	77,873	15,155	55,379
39	Nanjing Gaochun Powerlong Plaza (南京高淳寶龍廣場)	December 2019	Nanjing	Yangtze River Delta	Powerlong Real Estate	Entrusted management	87,542	56,200	17,000	14,342
40	Ningbo Yinzhou Powerlong Plaza (寧波鄞州寶龍廣場)	December 2019	Ningbo	Yangtze River Delta	Powerlong Real Estate	Entrusted management	93,924	63,596	-	30,328
41	Hangzhou Qingshan Lake Powerlong Plaza (Phase 1) (杭州青山湖寶龍廣場(一期))	October 2020	Hangzhou	Yangtze River Delta	Powerlong Real Estate	Entrusted management	189,524	98,000	-	91,524
42	Yongkang Powerlong Plaza (永康寶龍廣場)	November 2020	Jinhua	Yangtze River Delta	Powerlong Real Estate	Entrusted management	89,900	62,900	-	27,000
43	Hangzhou Dajiangdong Powerlong Plaza (杭州大江東寶龍廣場)	November 2020	Hangzhou	Yangtze River Delta	Powerlong Real Estate	Entrusted management	95,373	62,373	-	33,000
44	Shaoxing Keqiao Powerlong Plaza (紹興柯橋寶龍廣場)	November 2020	Shaoxing	Yangtze River Delta	Third Party	Sublease	99,787	54,787	-	45,000
45	Suzhou Kingyun Powerlong Plaza (蘇州星韻寶龍廣場)	December 2020	Suzhou	Yangtze River Delta	Third Party	Sublease	40,774	40,774	-	-
46	Yancheng Chengdong Powerlong Plaza (鹽城城東寶龍廣場)	December 2020	Yancheng	Yangtze River Delta	Powerlong Real Estate	Entrusted management	135,932	76,927	-	59,004
47	Quanzhou Taishang Powerlong Plaza (泉州台商寶龍廣場)	December 2020	Quanzhou	Others	Powerlong Real Estate	Entrusted management	148,950	106,060	-	42,890
48	Zhangzhou Longwen Powerlong Plaza (漳州龍文寶龍廣場)	December 2020	Zhangzhou	Others	Powerlong Real Estate	Entrusted management	66,186	46,604	2,347	17,234
49	Hangzhou Qingshan Lake Powerlong Plaza (Phase 2) (杭州青山湖寶龍廣場(二期))	December 2020	Hangzhou	Yangtze River Delta	Third Party	Sublease	110,000	53,000	-	57,000

No.	Name of Project	Opening Date <i>month-year</i>	City	Geographic Region	Source of Project	Management Model	Total GFA <i>(sq.m.)</i>	Shopping Mall <i>(sq.m.)</i>	Commercial Street <i>(sq.m.)</i>	Car Park <i>(sq.m.)</i>
50	Wenling Powerlong Plaza (溫嶺寶龍廣場)	June 2021	Taizhou	Yangtze River Delta	Powerlong Real Estate	Entrusted management	108,065	82,338	-	25,727
51	Zhuji Powerlong Plaza (諸暨寶龍廣場)	June 2021	Shaoxing	Yangtze River Delta	Powerlong Real Estate	Entrusted management	103,300	61,700	-	41,600
52	Zhoushan Powerlong Plaza (舟山寶龍廣場)	June 2021	Zhoushan	Yangtze River Delta	Powerlong Real Estate	Entrusted management	107,720	69,880	26,840	11,000
53	Ningbo Gaoxin Powerlong Plaza (寧波高新寶龍廣場)	October 2021	Ningbo	Yangtze River Delta	Powerlong Real Estate	Entrusted management	143,588	45,200	-	98,388
54	Ningbo Fenghua Powerlong Plaza (寧波奉化寶龍廣場)	October 2021	Ningbo	Yangtze River Delta	Powerlong Real Estate	Entrusted management	71,300	34,700	-	36,600
55	Yiwu Qingkou Powerlong Plaza (義烏青口寶龍廣場)	November 2021	Jinhua	Yangtze River Delta	Powerlong Real Estate	Entrusted management	74,087	52,062	-	22,025
56	Zhuhai Gaoxin Powerlong Plaza (珠海高新寶龍廣場)	November 2021	Zhuhai	Pearl River Delta	Powerlong Real Estate	Entrusted management	115,513	85,000	4,923	25,590
57	Yixing Powerlong Plaza (宜興寶龍廣場)	November 2021	Wuxi	Yangtze River Delta	Powerlong Real Estate	Entrusted management	57,000	40,000	-	17,000
58	Yancheng Jianhu Powerlong Plaza (鹽城建湖寶龍廣場)	December 2021	Yancheng	Yangtze River Delta	Third Party	Entrusted management	96,182	62,045	-	34,137
59	Lanxi Powerlong Plaza (蘭溪寶龍廣場)	December 2021	Jinhua	Yangtze River Delta	Powerlong Real Estate	Entrusted management	139,361	90,000	15,461	33,900
60	Hangzhou Jinnan Powerlong Plaza (杭州錦南寶龍廣場)	December 2021	Hangzhou	Yangtze River Delta	Powerlong Real Estate	Entrusted management	45,772	38,900	4,660	2,212
61	Hangzhou Tech City Powerlong Plaza (杭州科技城寶龍廣場)	September 2022	Hangzhou	Yangtze River Delta	Powerlong Real Estate	Entrusted management	95,800	82,000	-	13,800
62	Xiamen Tong'an Powerlong Plaza (廈門同安寶龍廣場)	December 2022	Xiamen	Others	Powerlong Real Estate	Entrusted management	113,089	88,000	-	25,089
63	Jinhua Jinyi Powerlong Plaza (金華金義寶龍廣場)	September 2023	Jinhua	Yangtze River Delta	Powerlong Real Estate	Entrusted management	122,926	90,355	-	32,571
64	Xuzhou Hexin Powerlong Plaza (徐州和信寶龍廣場)	September 2023	Xuzhou	Yangtze River Delta	Third Party	Net earning sharing	197,251	80,931	-	116,320
65	Jingdezhen Powerlong Plaza (景德鎮寶龍廣場)	October 2023	Jingdezhen	Others	Powerlong Real Estate	Entrusted management	129,209	80,000	19,209	30,000
66	Pizhou Powerlong Plaza (邳州寶龍廣場)	December 2023	Xuzhou	Yangtze River Delta	Powerlong Real Estate	Entrusted management	129,514	90,000	-	39,514
<b>Sub-total</b>							<b>8,758,724</b>	<b>5,289,132</b>	<b>692,378</b>	<b>2,777,214</b>

No.	Name of Project	Opening Date <i>month-year</i>	City	Geographic Region	Source of Project	Management Model	Total GFA <i>(sq.m.)</i>	Shopping Mall <i>(sq.m.)</i>	Commercial Street <i>(sq.m.)</i>	Car Park <i>(sq.m.)</i>
<b>Powerlong Land</b>										
1	Taicang Powerlong Land (太倉寶龍天地)	March 2007	Suzhou	Yangtze River Delta	Powerlong Real Estate	Entrusted management	25,476	-	25,476	-
2	Hangzhou Xiasha Powerlong Land (杭州下沙寶龍天地)	November 2014	Hangzhou	Yangtze River Delta	Third Party	Sublease	39,039	-	28,839	10,200
3	Shanghai Huaxin Powerlong Land (上海華新寶龍天地)	December 2015	Shanghai	Yangtze River Delta	Powerlong Real Estate	Entrusted management	51,113	-	24,447	26,666
4	Dongying Powerlong Land (東營寶龍天地)	September 2016	Dongying	Others	Powerlong Real Estate	Entrusted management	79,514	-	51,649	27,865
5	Haiyang Powerlong Land (海陽寶龍天地)	June 2017	Yantai	Others	Powerlong Real Estate	Entrusted management	39,108	-	37,470	1,638
6	Huai'an Powerlong Land (淮安寶龍天地)	July 2017	Huai'an	Yangtze River Delta	Powerlong Real Estate	Entrusted management	93,384	-	82,827	10,558
7	Jinhua Pan'an Powerlong Land (金華磐安寶龍天地)	September 2021	Jinhua	Yangtze River Delta	Powerlong Real Estate	Advisory consultation	33,649	-	31,479	2,170
8	Zhoushan Dinghai Powerlong Land (舟山定海寶龍天地)	November 2021	Zhoushan	Yangtze River Delta	Powerlong Real Estate	Entrusted management	28,100	-	16,100	12,000
9	Xiamen Jiangjunci (廈門將軍祠)	December 2021	Xiamen	Others	Third Party	Sublease	6,470	-	6,470	-
10	Xiamen Tangbian Powerlong Land (廈門塘邊寶龍天地)	December 2022	Xiamen	Others	Third Party	Sublease	28,475	-	28,475	-
11	Zhoushan Putuo Powerlong Land (舟山普陀寶龍天地)	June 2023	Zhoushan	Yangtze River Delta	Powerlong Real Estate	Entrusted management	92,100	-	40,800	51,300
12	Xiamen Yuanboyuan Powerlong Land (廈門圓博苑寶龍天地)	July 2023	Xiamen	Others	Third Party	Sublease	14,705	-	14,705	-
13	Xiamen Wenzao Powerlong Land (廈門文灶寶龍天地)	December 2023	Xiamen	Others	Third Party	Sublease	17,110	-	17,110	-
<b>Sub-total</b>							<b>548,243</b>	<b>-</b>	<b>405,847</b>	<b>142,396</b>
<b>Powerlong Xinghui</b>										
1	Jiashan Xingyuecheng (嘉善星悅城)	October 2014	Jiaxing	Yangtze River Delta	Third Party	Sublease	35,000	35,000	-	-
2	Xingyue • Xicheng Plaza (星悅•西城廣場)	October 2017	Taizhou	Yangtze River Delta	Third Party	Sublease	38,100	33,000	-	5,100
3	Anji • Henglong Dadao (安吉•恒隆大道)	September 2018	Huzhou	Yangtze River Delta	Third Party	Advisory consultation	54,873	-	39,873	15,000
4	Xingyue • Xiuhuli (星悅•繡湖里)	May 2019	Yiwu	Yangtze River Delta	Third Party	Advisory consultation	63,000	48,000	-	15,000
5	Ningbo Laowaitan (寧波老外灘)	June 2021	Ningbo	Yangtze River Delta	Third Party	Advisory consultation	114,000	-	114,000	-
6	Xianghu Slow Living Cultural Tourism Street Zone (湘湖慢生活文旅街區)	June 2022	Hangzhou	Yangtze River Delta	Third Party	Advisory consultation	27,836	-	27,836	-
7	Hangzhou Fuyang Dongfangmao Commercial (杭州富陽東方茂商業)	June 2022	Hangzhou	Yangtze River Delta	Third Party	Entrusted management	119,890	78,853	-	41,037
8	Jindi Xinglong City (金帝星隆城)	September 2022	Shaoxing	Yangtze River Delta	Third Party	Entrusted management	86,000	86,000	-	-
9	Dexing Yufan Powerlong Plaza (德興雨帆寶龍廣場)	December 2022	Shangrao	Others	Third Party	Entrusted management	45,899	37,113	-	8,786
10	Haiyan Beidajie (海鹽北大街)	June 2023	Jiaxing	Yangtze River Delta	Third Party	Entrusted management	55,570	-	35,630	19,940
11	Tiantai Cultural Center Powerlong Land (天台文化中心寶龍天地)	July 2023	Taizhou	Yangtze River Delta	Third Party	Entrusted management	18,227	-	18,227	-
12	Shaoxing Guchengbei (紹興古城北)	November 2023	Shaoxing	Yangtze River Delta	Third Party	Advisory consultation	61,549	-	61,549	-
<b>Sub-total</b>							<b>719,944</b>	<b>317,966</b>	<b>297,115</b>	<b>104,863</b>
<b>Total</b>							<b>10,771,561</b>	<b>6,033,984</b>	<b>1,450,976</b>	<b>3,286,601</b>

The table below sets forth average occupancy rate and GFA in operation of retail commercial properties as at 31 December 2023 by brands.

Product category	Average occupancy rate <sup>(1)</sup>		GFA in operation (000' sq. m.)
	As of 31 December		
	2023	2022	
	%	%	
Powerlong One Mall (寶龍一城)	98.9	98.5	171
Powerlong City (寶龍城)	97.7	98.4	574
Powerlong Plaza (寶龍廣場)	90.6	92.2	8,759
Powerlong Land (寶龍天地)	90.7	92.5	548
Powerlong Xinghui (寶龍星匯)	91.8	92.3	720
<b>Total</b>	<b>91.2</b>	<b>92.6</b>	<b>10,772</b>

- (1) Occupancy rate is calculated as actual leased area divided by available lease area of a retail commercial property as of the end of each relevant period based on internal record. The occupancy rate only applies to retail commercial properties for which the Group has provided tenant sourcing services and may be higher or lower in different periods within one year.

### Newly Contracted Projects

The Group's retail property projects newly contracted for during the year ended 31 December 2023 are shown in the following table:

No.	Name of Project	City	Geographic Region	Manager	Management Model	Expected GFA (sq.m.)
<i>From independent third parties:</i>						
1	Xiangtang Powerlong Plaza (香塘寶龍廣場)	Taicang	Yangtze River Delta	Powerlong CM	Net earning sharing	70,000
2	Shengzhou Powerlong Plaza (嵯州寶龍廣場)	Shengzhou	Yangtze River Delta	Powerlong CM	Net earning sharing	159,338
3	Shangrao Shuinanjie (上饒水南街)	Shangrao	Others	Powerlong Xinghui	Advisory consultation	158,000
4	Shaoxing Guchengbei (紹興古城北)	Shaoxing	Yangtze River Delta	Powerlong Xinghui	Advisory consultation	61,549
<b>Total</b>						<b>448,887</b>

## Pipeline Projects

Retail commercial property projects planning for opening in 2024 are as follows:

No.	Name of Project	Opening Date <sup>(1)</sup> month-year	City	Geographic Region	Source of Project	Management Model	Expected GFA (sq.m.)
<i>Powerlong Plaza</i>							
1	Taizhou Duqiao Powerlong Plaza (台州杜橋寶龍廣場)	January 2024	Taizhou	Yangtze River Delta	Third Party	Sublease	67,990
2	Hangzhou Gongshu Powerlong Plaza (杭州拱墅寶龍廣場)	June 2024	Hangzhou	Yangtze River Delta	Powerlong Real Estate	Entrusted management	98,264
3	Yuyao Powerlong Plaza (余姚寶龍廣場)	September 2024	Ningbo	Yangtze River Delta	Powerlong Real Estate	Entrusted management	65,915
4	Ningbo Jiangbei Powerlong Plaza (寧波江北寶龍廣場)	December 2024	Ningbo	Yangtze River Delta	Powerlong Real Estate	Entrusted management	109,716
5	Zhuhai Jinwan Powerlong Plaza (珠海金灣寶龍廣場)	December 2024	Zhuhai	Pearl River Delta	Powerlong Real Estate	Entrusted management	70,000
6	Nanjing Jiangning Powerlong Plaza (南京江寧寶龍廣場)	December 2024	Nanjing	Yangtze River Delta	Powerlong Real Estate	Entrusted management	146,788
7	Shanghai Fengfa Powerlong Plaza (上海奉發寶龍廣場)	December 2024	Shanghai	Yangtze River Delta	Powerlong Real Estate	Entrusted management	83,550
8	Jiyuan Powerlong Plaza (濟源寶龍廣場)	December 2024	Jiyuan	Others	Third Party	Net earning sharing	90,000
9	Shengzhou Powerlong Plaza (嵯州寶龍廣場)	December 2024	Shengzhou	Yangtze River Delta	Third Party	Net earning sharing	159,338
<b>Sub-total</b>							<b>891,561</b>
<i>Powerlong Xinghui</i>							
1	Yueqing Powerlong Plaza (樂清寶龍廣場)	January 2024	Yueqing	Yangtze River Delta	Third Party	Entrusted management	56,000
2	Wenzhou Yueqing Street Zone Commercial Project (溫州樂清街區商業項目)	May 2024	Yueqing	Yangtze River Delta	Third Party	Entrusted management	62,000
3	Shangrao Shuinanjie (上饒水南街)	July 2024	Shangrao	Others	Third Party	Advisory consultation	158,000
<b>Sub-total</b>							<b>276,000</b>
<b>Total</b>							<b>1,167,561</b>

<sup>(1)</sup> Opening dates of all the projects are estimated dates. Actual opening dates are subject to project progress.

Retail commercial property projects planning for opening in and after 2025 are as follows:

No.	Name of Project	City	Geographic Region	Source of Project	Management Model	Expected GFA (sq.m.)
1	Ningbo Powerlong One Mall (寧波寶龍一城)	Ningbo	Yangtze River Delta	Powerlong Real Estate	Entrusted management	190,100
2	Nanchang Powerlong One Mall (南昌寶龍一城)	Nanchang	Others	Powerlong Real Estate	Entrusted management	142,145
3	Yangzhou Guangling Powerlong City (揚州廣陵寶龍城)	Yangzhou	Yangtze River Delta	Powerlong Real Estate	Entrusted management	89,700
4	Nanjing Xuanwu Powerlong City (南京玄武寶龍城)	Nanjing	Yangtze River Delta	Powerlong Real Estate	Entrusted management	127,591
5	Nanjing Jiangbei Powerlong City (南京江北寶龍城)	Nanjing	Yangtze River Delta	Powerlong Real Estate	Entrusted management	121,500
6	Wuhan Xinzhou Powerlong Plaza (武漢新洲寶龍廣場)	Wuhan	Others	Powerlong Real Estate	Entrusted management	142,655
7	Wuyishan Powerlong Plaza (武夷山寶龍廣場)	Nanping	Others	Powerlong Real Estate	Entrusted management	67,633
8	Nanjing Liuhe Powerlong Plaza (南京六合寶龍廣場)	Nanjing	Yangtze River Delta	Powerlong Real Estate	Entrusted management	141,939
9	Changshu Powerlong Plaza (常熟寶龍廣場)	Suzhou	Yangtze River Delta	Powerlong Real Estate	Entrusted management	100,300
10	Zhuhai Beizhan Powerlong Plaza (珠海北站寶龍廣場)	Zhuhai	Pearl River Delta	Powerlong Real Estate	Entrusted management	80,000
11	Bozhou Powerlong Plaza (亳州寶龍廣場)	Bozhou	Yangtze River Delta	Powerlong Real Estate	Entrusted management	211,730
12	Cangnan Powerlong Plaza (蒼南寶龍廣場)	Wenzhou	Yangtze River Delta	Powerlong Real Estate	Entrusted management	100,000
13	Nanjing Jingkai Powerlong Plaza (南京經開寶龍廣場)	Nanjing	Yangtze River Delta	Powerlong Real Estate	Entrusted management	104,000
14	Nanjing Qixia Powerlong Plaza (南京栖霞寶龍廣場)	Nanjing	Yangtze River Delta	Powerlong Real Estate	Entrusted management	150,000
15	Yongtai Powerlong Plaza (永泰寶龍廣場)	Fuzhou	Others	Powerlong Real Estate	Entrusted management	62,000
16	Chuzhou Powerlong Plaza (滁州寶龍廣場)	Chuzhou	Yangtze River Delta	Powerlong Real Estate	Entrusted management	70,000
17	Xuancheng Powerlong Plaza (宣城寶龍廣場)	Xuancheng	Yangtze River Delta	Powerlong Real Estate	Entrusted management	124,289
18	Dongying Powerlong Plaza (東營寶龍廣場)	Dongying	Others	Powerlong Real Estate	Entrusted management	133,720
19	Zhongshan Powerlong Plaza (中山寶龍廣場)	Zhongshan	Pearl River Delta	Powerlong Real Estate	Entrusted management	100,000
20	Wuxi Xinwu Powerlong Plaza (無錫新吳寶龍廣場)	Wuxi	Yangtze River Delta	Powerlong Real Estate	Entrusted management	174,180
21	Wuhan Qiaokou Powerlong Plaza (武漢硤口寶龍廣場)	Wuhan	Others	Powerlong Real Estate	Entrusted management	135,300
22	Chongqing Wanzhou Powerlong Plaza (重慶萬州寶龍廣場)	Chongqing	Others	Third Party	Entrusted management	80,000
23	Huzhou Xinyuan Powerlong Plaza (湖州鑫遠寶龍廣場)	Huzhou	Yangtze River Delta	Third Party	Net earning sharing	80,000
24	Xiangtang Powerlong Plaza (香塘寶龍廣場)	Taicang	Yangtze River Delta	Third Party	Net earning sharing	70,000
25	Xiangshan Powerlong Land (象山寶龍天地)	Ningbo	Yangtze River Delta	Powerlong Real Estate	Entrusted management	11,118
26	Shanghai Jiading Powerlong Land (上海嘉定寶龍天地)	Shanghai	Yangtze River Delta	Powerlong Real Estate	Entrusted management	21,600
27	Ningbo Wenchuangang Powerlong Land (寧波文創港寶龍天地)	Ningbo	Yangtze River Delta	Powerlong Real Estate	Entrusted management	44,900
28	Taizhou Luqiao Powerlong Land (台州路橋寶龍天地)	Taizhou	Yangtze River Delta	Powerlong Real Estate	Advisory consultation	56,321
29	Fuding Powerlong Land (福鼎寶龍天地)	Fuding	Others	Powerlong Real Estate	Agency for tenant sourcing	9,411
30	Jiaozhou Powerlong Land (膠州寶龍天地)	Qingdao	Others	Powerlong Real Estate	Entrusted management	23,415
31	Lin'an IN Alley (臨安IN巷)	Hangzhou	Yangtze River Delta	Third Party	Advisory consultation	27,700
<b>Total</b>						<b>2,993,248</b>

## RESIDENTIAL PROPERTY MANAGEMENT SERVICES

For the year ended 31 December 2023, the total revenue of the Group's residential property management services business segment amounted to approximately RMB498.4 million, representing an increase of 1.5% from RMB491.0 million for the year ended 31 December 2022; and the Group had GFA delivered of approximately 21.1 million sq.m., representing an increase of 1.7 million sq.m. from 19.4 million sq.m. for the corresponding period of 2022; 109 delivered projects, representing an increase of 17 projects from 92 projects for the corresponding period of 2022; and contracted GFA of approximately 31.2 million sq.m., representing an increase of 0.5 million sq.m. from 30.7 million sq.m. for the corresponding period of 2022.

The table below sets forth a breakdown of the aggregate GFA delivered as at the dates indicated and our revenue generated from the residential property management service segment for the years indicated by geographic region:

	As of/For the year ended 31 December					
	2023			2022		
	Contracted GFA	GFA delivered	Revenue	Contracted GFA	GFA delivered	Revenue
	<i>sq.m.</i>	<i>sq.m.</i>	<i>RMB</i>	<i>sq.m.</i>	<i>sq.m.</i>	<i>RMB</i>
	<i>(in thousands)</i>					
Yangtze River Delta <sup>(1)</sup>	20,664	11,616	324,627	19,253	9,620	307,871
Pearl River Delta <sup>(2)</sup>	559	389	14,684	559	79	6,161
Others <sup>(3)</sup>	9,984	9,104	159,045	10,877	9,728	176,946
<b>Total</b>	<b>31,207</b>	<b>21,109</b>	<b>498,356</b>	<b>30,689</b>	<b>19,427</b>	<b>490,978</b>

Notes:

- (1) Comprises Shanghai Municipality, Zhejiang Province, Jiangsu Province and Anhui Province.
- (2) Comprises Guangdong Province.
- (3) Comprises cities except those mentioned in (1) and (2) above.

## **WORK PLAN FOR YEAR 2024**

In retrospect, during the year 2023, as the haze of the pandemic dissipated, social operations were back on track. China's overall economy showed a sustained recovery and positive trend. The annual gross domestic product (GDP) increased by 5.2% year-on-year. Since 2023, various policies and measures to expand domestic demand have been implemented and domestic demand potential has been unleashed, with the pulling effect of consumption on economic growth significantly strengthened. Service-oriented consumption has driven the marginal recovery of the economy. The total annual social retail consumption for the year ended 31 December 2023 amounted to nearly RMB47 trillion, representing a year-on-year increase of 7.2%. The total volume reached a record high.

The Group has always been committed to the fine operation of shopping centres and the creation of diversified offline consumption scenarios. In 2023, the Group completed the opening of 4 Powerlong Plazas and 6 street-zone projects. Jinhua Jinyi Powerlong Plaza is the seventh project under the Group's layout in Jinhua. Xuzhou Hexin Powerlong Plaza is the Group's debut project in Xuzhou and as a third-party asset-light inventory project, took only one year from contract signing to opening. Jingdezhen Powerlong Plaza, as the Group's first project in Jiangxi, is the only city-level shopping centre with an area of over 210,000 sq.m. in Jiangxi. The opening of Pizhou Powerlong Plaza, as the last project of the year, fills the gap of high-quality business in the city. Looking ahead to 2024, the Group will adhere to the strategic layout of "Focusing on the Yangtze River Delta and undertaking simultaneous development in South China", and further deepen its presence. The Group will take "Reduction of Speed and Improvement of Quality" as its next development strategy, focusing on operations and improving the quality of its projects and continuously strengthening the Group's brand strength. In 2024, the Group will focus on the following tasks:

### **(I) Undertaking fine operation**

As of 31 December 2023, the aggregate GFA in operation amounted to 10.8 million sq.m. and the aggregate contracted GFA amounted to 15.1 million sq.m., further solidifying the Group's leading position in the industry. In 2024, with a focus on project operation, the Group will optimize the business structure, adjust product brands, and create commercial space that can provide emotional value through four major revenue enhancement initiatives, namely, increasing occupancy rate, adjusting stores with expiration of tenancy, improving the income of low-rent projects, and restructuring and revamping of the anchor stores, and while comprehensively enhancing operational indicators such as rental level, customer flow, sales scale and collection rate, will at the same time focus on satisfaction, reputation and brand power of the projects.

## **(II) Enhancing branding**

With the full-year marketing strategy under the theme of “Four Seasons of POWERLONG” released in March 2023, the Group launched a series of branding campaigns based on the elements of the four seasons. “Powerlong Four Seasons” campaign started in Spring, “POWERLONG-ING” campaign completed in Autumn and “Annual Business Conference” was grandly organized in Winter. In 2024, “Powerlong Four Seasons” will continue to be the main theme throughout the year, creating iconic branding campaigns dedicated to the Group. With the successful experience of the previous campaigns, the influence of the Group’s branding campaigns steadily increased. By virtue of strong alliances with external resources, ranging from Tencent to Douyin (a video app that allows users to create videos to express themselves and record a good life), and from membership operations to social community alliances, the public domain traffic resources were further expanded, and the Group’s value ecosystem was steadily built up at the same time.

## **(III) Setting benchmarks**

Throughout the year 2023, the Group had 4 newly contracted projects and newly contracted GFA of approximately 450,000 sq.m., all from third-party asset-light projects. In 2024, we envisage that the Group will have 12 new openings of projects of approximately 1,170,000 sq.m. in total, and we will get well-prepared to deliver openings. We will implement classification management under the approach of “further developing assets and enhancing value” for the projects in operation, and ensure the freshness of the projects through undertaking targeted upgrading of tenant attraction for individual projects that have been opened for a relatively long period of time, so as to create more industry benchmarks. In addition, asset-light development will remain one of the Group’s key sources of incremental projects in the future. We will prioritize the quality of third-party projects and strive to acquire no less than 500,000 sq.m. of new area under management.

## **(IV) Emphasizing appraisal**

We will focus on the target of “cost reduction and efficiency enhancement”, and continue to enhance per capita efficiency and strengthen the appraisal of our business teams, while focusing on the revitalization and endogenous strength of our talent echelon. We will complete the transition of the team to revitalization by activating the “YOUNG Program” to embrace business development in the new era through the selection of young leaders. We will continue to recruit and cultivate talents, and regularly conduct special training for project general managers and incentivize internal talents growing. At the same time, we will combine the comprehensive coverage of the digitalized system to devise a data-backed and intelligent system for appraising the individuals. We will enhance the efficiency of online approval process, optimize organizational efficiency and strive to be a first-class business operation team in the industry.

## FINANCIAL REVIEW

### Revenue

For the year ended 31 December 2023, due to the Group's ongoing business expansion, the Group recorded a revenue of approximately RMB2,635.7 million, representing an increase of approximately 3.4% as compared with approximately RMB2,549.3 million for the year ended 31 December 2022.

The Group's revenue indicated by business segment and type of service are as follows:

	For the year ended 31 December			
	2023		2022	
	RMB'000	%	RMB'000	%
Commercial Operational Services				
Market research and positioning, business tenant sourcing and opening preparation services	100,019	3.8	177,743	7.0
Commercial operation and management services	1,860,861	70.6	1,735,794	68.1
Commercial property lease income	176,510	6.7	144,743	5.7
	<u>2,137,390</u>	<u>81.1</u>	<u>2,058,280</u>	<u>80.8</u>
Residential Property				
Management Services				
Pre-sale management services	9,160	0.3	25,455	1.0
Property management services	376,162	14.3	368,159	14.4
Other value-added services	113,034	4.3	97,364	3.8
	<u>498,356</u>	<u>18.9</u>	<u>490,978</u>	<u>19.2</u>
Total	<u>2,635,746</u>	<u>100</u>	<u>2,549,258</u>	<u>100</u>

## **Market research and positioning, business tenants sourcing and opening preparation services**

The Group's market research and positioning, tenants sourcing and opening preparation services primarily include (i) market research and positioning services; and (ii) business tenants sourcing and opening preparation services, provided to property developers or property owners before the opening of a retail commercial property.

For the year ended 31 December 2023, the Group's revenue from market research and positioning, business tenants sourcing and opening preparation services amounted to approximately RMB100.0 million, representing a year-on-year decrease of 43.7% and accounting for approximately 3.8% of the Group's total revenue.

The decrease in the revenue from market research and positioning, business tenants sourcing and opening preparation services was primarily due to the fact that the Group provided market research and positioning, business tenant sourcing and opening preparation services with respect to less retail commercial properties compared to the corresponding period in 2022.

## **Commercial operation and management services**

The Group's commercial operation and management services primarily include (i) retail commercial property management services; (ii) tenant management and rent collection services; and (iii) other value-added services, provided to property owners or tenants.

For the year ended 31 December 2023, the Group's revenue from commercial operation and management services amounted to approximately RMB1,860.9 million, representing a year-on-year increase of 7.2% and accounting for approximately 70.6% of the Group's total revenue.

The increase in the revenue from commercial operation and management services was primarily driven by the increase in the aggregate GFA in operation and the improvement in operational capability.

## **Commercial property lease income**

The Group provides property leasing services with respect to units located within shopping streets and shopping malls. For the year ended 31 December 2023, the Group's revenue derived from property leasing services amounted to approximately RMB176.5 million, representing a year-on-year increase of 21.9% and accounting for approximately 6.7% of total revenue.

The increase in the revenue from commercial property lease income was primarily attributable to the increase in the lease income of sublease projects.

## Residential Property Management Services

The Group's residential property management services primarily include (i) pre-sale management services to property developers during their pre-sale activities, such as cleaning, security and maintenance services for pre-sale display units and sales offices; (ii) property management services such as security, cleaning, gardening and repair and maintenance services to property owners or property owners' associations at the post-delivery stages; and (iii) other value-added services such as pre-delivery preparation and trash handling services, common area, advertising space and car park management services to property owners, tenants or residents of the Group's managed properties.

For the year ended 31 December 2023, the Group's revenue from residential property management services amounted to approximately RMB498.4 million, representing a year-on-year increase of 1.5% and accounting for approximately 18.9% of total revenue.

The increase in the revenue from provision of residential property management services was primarily attributable to the improvement of service quality and the increase in the number of projects under management services.

Revenue indicated by type of customers is as follows:

	For the year ended 31 December			
	2023		2022	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%
Commercial Operational Services				
Fellow subsidiaries	<b>315,139</b>	<b>12.0</b>	362,177	14.2
Other related parties	<b>20,650</b>	<b>0.8</b>	22,827	0.9
External customers	<b>1,801,601</b>	<b>68.3</b>	1,673,276	65.7
	<b><u>2,137,390</u></b>	<b><u>81.1</u></b>	<b><u>2,058,280</u></b>	<b><u>80.8</u></b>
Residential Property Management Services				
Fellow subsidiaries	<b>53,174</b>	<b>2.0</b>	77,428	3.0
Other related parties	<b>4,055</b>	<b>0.2</b>	15,902	0.6
External customers	<b>441,127</b>	<b>16.7</b>	397,648	15.6
	<b><u>498,356</u></b>	<b><u>18.9</u></b>	<b><u>490,978</u></b>	<b><u>19.2</u></b>
Total	<b><u>2,635,746</u></b>	<b><u>100</u></b>	<b><u>2,549,258</u></b>	<b><u>100</u></b>

Revenue derived from external customers represents the largest source of the Group's revenue. For the year ended 31 December 2023, revenue derived from external customers was approximately RMB2,242.7 million, representing approximately 85.0% of the Group's total revenue.

Revenue indicated by geographic regions is as follows:

	For the year ended 31 December			
	2023		2022	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Commercial Operational Services				
Yangtze River Delta	<b>1,541,990</b>	<b>58.5</b>	1,476,368	57.9
Pearl River Delta	<b>31,187</b>	<b>1.2</b>	42,514	1.7
Others	<b>564,213</b>	<b>21.4</b>	539,398	21.2
	<b><u>2,137,390</u></b>	<b><u>81.1</u></b>	<b><u>2,058,280</u></b>	<b><u>80.8</u></b>
Residential Property				
Management Services				
Yangtze River Delta	<b>324,627</b>	<b>12.3</b>	307,871	12.1
Pearl River Delta	<b>14,684</b>	<b>0.6</b>	6,161	0.2
Others	<b>159,045</b>	<b>6.0</b>	176,946	6.9
	<b><u>498,356</u></b>	<b><u>18.9</u></b>	<b><u>490,978</u></b>	<b><u>19.2</u></b>
Total	<b><u>2,635,746</u></b>	<b><u>100</u></b>	<b><u>2,549,258</u></b>	<b><u>100</u></b>

For the year ended 31 December 2023, the Group's commercial operational properties and residential management properties were primarily located in the Yangtze River Delta region.

### Cost of services

The cost of services primarily include: (i) employees and other labour costs; (ii) depreciation expenses; (iii) utility expenses; (iv) variable lease payments; (v) short-term lease expenditure; (vi) taxes and other levies; and (vii) other miscellaneous costs.

For the year ended 31 December 2023, the Group's cost of services was approximately RMB1,748.7 million, representing a year-on-year increase of 2.0%. Such increase in cost of services was in line with the Group's business expansion.

## Gross profit and gross profit margin

The gross profit of the Group for the year ended 31 December 2023 amounted to approximately RMB887.0 million, representing a year-on-year increase of 6.3%. For the year ended 31 December 2022, the gross profit margin of the Group was 33.7%, representing an increase of 1.0 percentage point as compared to 32.7% for the year ended 31 December 2022.

The gross profit of commercial operational services for the year ended 31 December 2023 amounted to approximately RMB760.6 million, representing a year-on-year increase of 7.0%. The gross profit margin of the Group's commercial operational services for the year ended 31 December 2023 was 35.6%, representing an increase of 1.1 percentage points as compared to 34.5% for the year ended 31 December 2022, primarily due to the business growth and excellent cost control of the Group.

The gross profit of residential property management services for the year ended 31 December 2023 amounted to approximately RMB126.4 million, representing a year-on-year increase of 2.2%. The gross profit margin of the Group's residential property management services for the year ended 31 December 2023 was 25.4%, representing an increase of 0.2 percentage point as compared to 25.2% for the year ended 31 December 2022, primarily due to the continued expansion of the residential property area for which the Group has delivered residential property management services, the increase in the number of contracts with residents and the optimization of the Group's revenue structure.

The Group's gross profit and gross profit margin by segment are as follows:

	For the year ended 31 December			
	2023		2022	
	Gross profit RMB'000	Gross profit margin %	Gross profit RMB'000	Gross profit margin %
Commercial operational services	760,631	35.6	710,711	34.5
Residential property management services	126,390	25.4	123,711	25.2
Total	887,021	33.7	834,422	32.7

For the year ended 31 December 2023, the Group further fostered the project-regionalized integrated management. Meanwhile through technological upgrade and empowerment, the Group laid a sound foundation for increasing the gross profit of its business in the upcoming years.

## Other income and other gains – net

The Group's net other income and other gains mainly comprised the various subsidies income from local governments and the forfeited deposits from tenants due to their premature termination of contracts. For the year ended 31 December 2023, the Group's net other income and other gains amounted to approximately RMB55.7 million, representing a year-on-year decrease of 29.5%. This was mainly due to the decrease in penalty income received during the year.

### **Impairment losses on financial assets – net**

The Group's net impairment losses on financial assets mainly include the allowance for impairment made in respect of operating lease and trade receivables and other receivables. For the year ended 31 December 2023, the Group's net impairment losses on financial assets amounted to approximately RMB48.3 million, representing a year-on-year increase of 72.9%. This was mainly due to the fact that based on the principle of prudence, the Group performed impairment tests on the carrying amount of trade receivables and other receivables, and made reasonable impairment provision.

### **Finance income/(costs) – net**

The Group's net finance income/(costs) mainly include interest expense for lease liabilities and net interest income from bank deposits.

For the year ended 31 December 2023, the Group's net finance income amounted to approximately RMB19.1 million as compared to the net finance costs of approximately RMB4.3 million for the corresponding period in 2022. This was primarily attributable to the increase in interest income from bank deposits.

### **Income tax expenses**

The Group's income tax expenses mainly comprise PRC corporate income tax. For the year ended 31 December 2023, the effective income tax rate was 26.0%, representing a decrease of 2.4 percentage points as compared to 28.4% for the year ended 31 December 2022.

### **Profit for the year**

For the year ended 31 December 2023, the Group's profit attributable to Shareholders was approximately RMB453.0 million, representing an increase of 2.2% from approximately RMB443.1 million for the year ended 31 December 2022.

### **Operating lease and trade receivables**

The Group's operating lease and trade receivables primarily arise from property leasing services for units located within shopping malls and shopping streets as well as the provision of various services by the Group's commercial operational services segment and residential property management services segment. As at 31 December 2023, the Group's operating lease and trade receivables were approximately RMB412.4 million, representing an increase of 77.4% as compared to that of approximately RMB232.5 million as at 31 December 2022, primarily attributable to the Group's business growth.

### **Prepayments and other receivables**

The Group's prepayments and other receivables primarily represent utility fees prepaid to the power supply bureaus, payments on behalf of tenants and residents and deposit prepayment for business purposes. As at 31 December 2023, prepayments and other receivables amounted to approximately RMB328.9 million, representing a decrease of 45.0% as compared with approximately RMB597.8 million as at 31 December 2022. Such decrease was primarily attributable to the receipt of deposit for the exclusive sales right.

## **Trade and other payables**

The Group's trade and other payables primarily represent amounts due to suppliers/subcontractors for the purchase of services and goods and amounts due to related parties, cash received on behalf of tenants or residents, deposits received from tenants or residents and others. As at 31 December 2023, the Group's trade and other payables amounted to approximately RMB1,097.4 million, representing an increase of 0.3% as compared with approximately RMB1,094.1 million as at 31 December 2022. This was primarily attributable to the expansion of the Group's business scale.

## **Contract liabilities**

Contract liabilities mainly represent advance payments made by the customers of the Group's commercial operational services and residential property management services. As at 31 December 2023, the Group's contract liabilities were approximately RMB301.0 million, representing an increase of 31.3% as compared with that as at 31 December 2022. This was primarily attributable to the expansion of the Group's business scale.

## **Contingent liabilities**

As at 31 December 2023, the Group did not have any material contingent liabilities (31 December 2022: Nil).

## **Liquidity and capital resources**

The Company has maintained stable financial condition and sufficient liquidity. As at 31 December 2023, the Group's cash and bank balances amounted to approximately RMB3,881.9 million, representing an increase of 12.4% as compared with approximately RMB3,452.7 million as at 31 December 2022. This was primarily attributable to the Group's stepped up efforts in collection.

## **Gearing ratio**

Gearing ratio is calculated based on total liabilities as at the corresponding date divided by total assets as at the same date. As at 31 December 2023, gearing ratio was 0.46 (31 December 2022: 0.48).

## **Foreign exchange risk**

The Group's businesses are principally conducted in RMB and the Group's exposure to foreign currency risk is minimal. As at 31 December 2023, the Group had not entered into any forward exchange contract to hedge its exposure to foreign exchange risk.

As at 31 December 2023, major non-RMB assets and liabilities of the Group were cash and bank balances denominated in US dollar ("US\$") and Hong Kong dollar ("HK\$"). Fluctuation of the exchange rate of RMB against US\$ and HK\$ could affect the Group's results of operations. The Group closely monitors the fluctuations in exchange rate and will consider hedging its exposure to foreign exchange risk as and when appropriate.

## USE OF NET PROCEEDS

### (i) Use of Net Proceeds from the Initial Public Offering and Over Allotment

The Company raised net proceeds of (i) approximately HK\$1,380.5 million from the initial public offering, and (ii) approximately HK\$208.0 million from exercising the over-allotment option on 22 January 2020 (collectively, the “**Net IPO Proceeds**”). As set out in the prospectus of the Company dated 16 December 2019 (the “**Prospectus**”), the Company intended to use the Net IPO Proceeds for the purposes as follows: (i) approximately 50% of the Net IPO Proceeds will be used to pursue strategic acquisitions of other small to medium-sized commercial operational service providers in order to scale up its commercial operational service business and expand its commercial operational service portfolio; (ii) approximately 25% of the Net IPO Proceeds will be used to upgrade the information technology systems for digitization and smart operation and management, aiming to enhance consumers’ experience, improve the quality of services provided to the Group’s tenants and improve operational efficiency; (iii) approximately 10% of the Net IPO Proceeds will be used to make equity investment in certain tenants with an aim of establishing close strategic cooperation with them; (iv) approximately 5% of the Net IPO Proceeds will be used for the renovation of retail commercial properties developed or owned by independent third parties under the asset-light business model; and (v) approximately 10% of the Net IPO Proceeds will be used for general business purpose and as working capital of the Group.

On 30 June 2023, the Company revised the use of unutilised Net IPO Proceeds. For details, please refer to the Company’s announcement dated 30 June 2023.

As at 31 December 2023, the use of the Net IPO Proceeds together with the expected timeline of use are as follows:

	Intended use of the Net IPO Proceeds as stated in the Prospectus <i>HK\$ million</i>	Intended use of the Net IPO Proceeds subsequent to re-allocation <i>HK\$ million</i>	Actual use of the Net IPO Proceeds during the year ended 31 December 2023 <i>HK\$ million</i>	Actual use of the Net IPO Proceeds as of 31 December 2023 <i>HK\$ million</i>	Unutilised Net IPO Proceeds as of 31 December 2023 <i>HK\$ million</i>	Expected timetable
(i) Pursue strategic acquisition of and investment in other commercial operational service providers	794.3	238.3	4.8	36.3	202.0	On or before 31 December 2026
(ii) Upgrade the information technology systems	397.1	238.3	15.8	68.6	169.7	On or before 31 December 2026
(iii) Make equity investment in certain tenants and suppliers	158.8	158.8	–	73.4	85.4	On or before 31 December 2026
(iv) Renovation of retail commercial properties developed or owned by independent third parties	79.5	79.5	7.1	31.1	48.4	On or before 31 December 2026
(v) General business purpose and working capital	158.8	158.8	–	158.8	–	–
(vi) Rental expenses for properties under sub-lease services model	–	714.8	9.6	9.6	705.2	On or before 31 December 2026
	<b>1,588.5</b>	<b>1,588.5</b>	<b>37.3</b>	<b>377.8</b>	<b>1,210.7</b>	

The remaining amount of unused proceeds is planned to be utilised by 31 December 2026 as revised. The Board will re-assess and revise the timeline of the planned usage of the Net IPO Proceeds where necessary.

As at 31 December 2023, the remaining Net IPO Proceeds that had not yet been utilised were deposited into licensed banks in Hong Kong and mainland China.

## (ii) Use of Proceeds from Subscription

Reference is made to the proceeds of approximately HK\$273.4 million (the “**Subscription Proceeds**”) from the subscription of 11,250,000 new shares of the Company by Mr. Chen Deli, an executive Director and the chief executive officer of the Company, details of which are set out in the Company’s announcement dated 10 September 2020 and the Company’s circular dated 6 November 2020.

On 30 June 2023, the Company revised the use of the unutilised Subscription Proceeds. For details, please refer to the Company’s announcement dated 30 June 2023.

The following table sets forth the status of use of the Subscription Proceeds as of 31 December 2023 together with the expected timeline of use:

	Original allocation of the Subscription Proceeds <i>HK\$ million</i>	Planned use of the Subscription Proceeds after re-allocation <i>HK\$ million</i>	Actual use of the Subscription Proceeds during the year ended 31 December 2023 <i>HK\$ million</i>	Actual use of the Subscription Proceeds as of 31 December 2023 <i>HK\$ million</i>	Unutilised Subscription Proceeds as of 31 December 2023 <i>HK\$ million</i>	Expected timetable
(i) Personnel expansion: attract and recruit additional management personnel to the Group’s projects and headquarters	82.0	82.0	-	82.0	-	-
(ii) Property leasing business: develop three leasing projects, namely Shaoxing Keqiao Powerlong Plaza (紹興柯橋寶龍廣場), Hangzhou Qingshan Lake Powerlong Plaza (杭州青山湖寶龍廣場) and Taizhou Dugiao Powerlong Plaza (台州杜橋寶龍廣場)	109.4	109.4	2.6	22.1	87.3	On or before 31 December 2026
(iii) IT infrastructure enhancement: create the “Precise Consumer Traffic System” which uses face recognition technology instead of traditional sensors to achieve accurate data collection and perform precise analysis on consumer traffic statistics	82.0	-	-	-	-	-
(iv) Upgrade the information technology systems	-	82.0	-	-	82.0	On or before 31 December 2026
	<u>273.4</u>	<u>273.4</u>	<u>2.6</u>	<u>104.1</u>	<u>169.3</u>	

As at 31 December 2023, the unutilised Subscription Proceeds were deposited into licensed banks in Hong Kong and mainland China.

## **HUMAN RESOURCES**

The Group believes that the expertise, experience and professional development of the employees contribute to the growth of the Group. The human resources department of the Company manages, trains and hires employees. As at 31 December 2023, the Group had 5,798 (2022: 5,726) employees. The total staff costs of the Group for the year ended 31 December 2023 amounted to approximately RMB882.2 million (2022: approximately RMB857.6 million). The Group believes in the importance of attraction, recruitment and retention of quality employees in achieving the Group's success. Our success depends on our ability to attract, retain and motivate qualified personnel. As part of our retention strategy, the Group offers employees performance-based cash bonuses and other incentives in addition to base salaries. The Group also participates in various employee social security plans for its employees, including housing provident fund, pension, medical insurance, social insurance and unemployment insurance. In relation to staff training, the Group provides different types of programs for its staff to improve their skills and develop their respective expertise. During the year ended 31 December 2023, the Group did not experience any significant labour disputes or any difficulty in recruiting employees.

## **FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS**

Save as disclosed in the section headed "Use of Net Proceeds" of this announcement, the Company has not authorised any plan for other material investments or acquisition of capital assets as at the date of this announcement.

## **SIGNIFICANT INVESTMENTS, ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES**

Save as disclosed in this announcement, the Group did not hold any significant investments and did not conduct any material acquisition or disposal of subsidiaries, associates or joint ventures during the year ended 31 December 2023.

## **EVENTS AFTER THE REPORTING PERIOD**

As at the date of this announcement, no significant event has taken place subsequent to 31 December 2023.

## **ANNUAL GENERAL MEETING**

The annual general meeting of the Company for the year ended 31 December 2023 is proposed to be held on Friday, 14 June 2024 (the "**Annual General Meeting**"). A notice convening the Annual General Meeting will be published and despatched in the manner as required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") in due course.

## **DIVIDEND**

The Board did not recommend the payment of a final dividend for the year ended 31 December 2023 (for the year ended 31 December 2022: HK\$0.15 per ordinary share).

## **CLOSURE OF REGISTER OF MEMBERS**

For the purpose of determining the Shareholders' rights to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Tuesday, 11 June 2024 to Friday, 14 June 2024, both days inclusive, during which period no transfer of shares of the Company will be registered.

For the purpose of determining the entitlement to attend and vote at the Annual General Meeting, all transfer document accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Friday, 7 June 2024.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 (which has been renumbered to Appendix C3 with effect from 31 December 2023) of the Listing Rules as the code for dealing in securities of the Company by the Directors. Having made specific enquiry by the Company to all the Directors, the Directors have confirmed that they have complied with the Model Code throughout the year ended 31 December 2023. Relevant employees who are likely to be in possession of unpublished inside information of the Group are also subject to compliance with written guidelines on no less exacting terms than the Model Code throughout the year ended 31 December 2023.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2023.

## **CORPORATE GOVERNANCE**

The Company is committed to the establishment of good corporate governance practices and procedures with a view to enhancing investors' confidence in the Company and the Company's accountability. The Company therefore strives to attain and maintain effective corporate governance practices and procedures.

The Company has adopted the principles and code provisions contained in Part 2 of the Corporate Governance Code as set out in Appendix 14 (which has been renumbered to Appendix C1 with effect from 31 December 2023) to the Listing Rules (the "**Corporate Governance Code**") as its own code on corporate governance and, to the best knowledge of the Directors, the Company had complied with all applicable code provisions set out in the Corporate Governance Code during the year ended 31 December 2023. Further information about the corporate governance practices of the Company will be set out in the annual report of the Company for the year ended 31 December 2023.

## **AUDIT COMMITTEE**

The Company has established the audit committee (the “**Audit Committee**”), which comprises three independent non-executive Directors, in accordance with the requirements under Rule 3.21 of the Listing Rules.

The Audit Committee has reviewed the audited consolidated annual results of the Group for the year ended 31 December 2023 with the Company’s management and considered that such results have been prepared in accordance with applicable accounting standards and requirements with sufficient disclosure.

## **SCOPE OF WORK OF ELITE PARTNERS CPA LIMITED**

The figures in respect of the Group’s consolidated balance sheet, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2023 as set out in this announcement have been agreed by the Company’s external auditor, Elite Partners CPA Limited (“**Elite Partners**”), to the amounts set out in the Group’s audited consolidated financial statements for the year ended 31 December 2023. The work performed by Elite Partners in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently, no assurance has been expressed by Elite Partners in this announcement.

## **RETIREMENT AND RE-APPOINTMENT OF AUDITOR**

Elite Partners shall retire and, being eligible, will offer themselves for re-appointment at the Annual General Meeting, at which a resolution will be proposed for the re-appointment of Elite Partners as the auditor of the Company.

## **SUFFICIENCY OF PUBLIC FLOAT**

Based on the information that is publicly available to the Company and to the best knowledge of the Directors, throughout the year ended 31 December 2023 and up to the date of this announcement, the Company has maintained a sufficient public float of not less than 25% of the total number of issued shares of the Company as required under the Listing Rules.

## **PUBLICATION OF THE 2023 ANNUAL RESULTS AND THE 2023 ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY**

This announcement is published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) as well as the website of the Company ([www.powerlongcm.com](http://www.powerlongcm.com)).

The annual report of the Company for the year ended 31 December 2023 will be despatched to the Shareholders and made available on the websites of the Stock Exchange and the Company in due course.

## **ADOPTION OF THE AMENDED AND RESTATED MEMORANDUM AND ARTICLES OF ASSOCIATION**

The Board proposes to amend the existing second amended and restated memorandum of association and articles of association of the Company (the “**Existing Memorandum and Articles**”) to (i) bring the Existing Memorandum and Articles in line with the latest requirements under the Listing Rules, including the amendments to Rule 2.07A with respect to electronic dissemination of corporate communications which took effect from 31 December 2023; and (ii) incorporate certain corresponding and housekeeping amendments (the “**Proposed Amendments**”).

The Board proposes to effect the Proposed Amendments by way of adoption of the third amended and restated memorandum of association and articles of association of the Company (the “**Amended and Restated Memorandum and Articles**”) in substitution for, and to the exclusion of, the Existing Memorandum and Articles.

The proposed adoption of the Amended and Restated Memorandum and Articles to incorporate the Proposed Amendments is subject to the approval of the Shareholders by way of a special resolution to be proposed at the forthcoming Annual General Meeting. Prior to the passing of such special resolution at the Annual General Meeting, the Existing Memorandum and Articles shall remain valid.

A circular containing, among other matters, details of the Proposed Amendments and the proposed adoption of the Amended and Restated Memorandum and Articles, together with a notice convening the Annual General Meeting will be despatched to the Shareholders in due course.

The Proposed Amendments and the Amended and Restated Memorandum and Articles are prepared in English language and their Chinese translation is for reference only. In the event of any inconsistencies between their English and Chinese language versions, the English language version shall prevail.

## **APPRECIATION**

The steady growth of the Group is attributable to the enormous support from the relevant parties for years. The Board would like to take this opportunity to express its sincere gratitude to the Group’s investors, business partners and customers for their continuous trust and support. At the same time, the Board would also like to take this opportunity to thank the Board members for their work of high performance and the Group’s staff for their contributions and dedication. The Group will continue to uphold its tradition of “honest, modest, innovative and devoted” while relying on an elite team with unified values, loyalty and commitment. It will adhere to its belief and rise to challenges in order to create better returns for its customers, shareholders and investors and to create greater values for the society.

By Order of the Board  
**Powerlong Commercial Management Holdings Limited**  
**Hoi Wa Fong**  
*Chairman*

Hong Kong, 26 March 2024

*As at the date of this announcement, the Board comprises two executive Directors, namely, Mr. Hoi Wa Fong and Mr. Chen Deli, three non-executive Directors, namely, Mr. Zhang Yunfeng, Ms. Hoi Wa Fan and Ms. Hoi Wa Lam, and three independent non-executive Directors, namely, Dr. Lu Xiongwen, Ms. Ng Yi Kum, Estella and Mr. Chan Wai Yan, Ronald.*

*This announcement is available for viewing on the Company's website at [www.powerlongcm.com](http://www.powerlongcm.com) and the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk).*