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## **Mingfa Group (International) Company Limited**

**明發集團（國際）有限公司**

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

**(Stock Code: 00846)**

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

#### **PERFORMANCE HIGHLIGHTS**

The consolidated revenue of the Group was approximately RMB9,525.0 million for 2023 (2022: approximately RMB10,568.4 million), representing a decrease of 9.9% as compared to 2022. The consolidated loss for the year and loss attributable to equity holders of the Company were approximately RMB643.1 million and RMB467.1 million respectively for 2023 (2022: consolidated profit for the year and profit attributable to equity holders of the Company approximately RMB18.6 million and RMB48.0 million respectively), representing a decrease of 35.6 times and 10.7 times respectively as compared to 2022. The basic and diluted loss per share were RMB7.7 cents for 2023 (2022: basic and diluted earnings per share RMB0.8 cents per share), representing a decrease of 10.6 times as compared to 2022.

The Board of directors (the “**Board**”) does not recommend payment of final dividend for the year ended 31 December 2023.

#### **CONSOLIDATED ANNUAL RESULTS**

The board (the “**Board**”) of directors (the “**Directors**”) of Mingfa Group (International) Company Limited (the “**Company**”) is pleased to announce the consolidated annual 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. The consolidated annual results have been reviewed by the audit committee of the Company (the “**Audit Committee**”).

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2023

|  |       | Year ended 31 December |                    |
|--|-------|------------------------|--------------------|
|  |       | 2023                   | 2022               |
|  | Notes | RMB'000                | RMB'000            |
| <b>Revenues</b>  | 3     | <b>9,524,999</b>       | 10,568,374         |
| Cost of sales  |       | <u>(7,580,528)</u>     | <u>(8,280,109)</u> |
| <b>Gross profit</b>  |       | <b>1,944,471</b>       | 2,288,265          |
| Fair value (loss)/gains on investment properties   |       | (652,566)              | 477,327            |
| Other income and other gains and losses  | 8     | (46,245)               | (241,521)          |
| Net impairment loss on financial assets  |       | (256,093)              | (64,373)           |
| Selling and marketing costs  |       | (495,671)              | (655,471)          |
| General and administrative expenses  |       | <u>(566,067)</u>       | <u>(757,527)</u>   |
| <b>Operating (loss)/profit</b>   |       | <u>(72,171)</u>        | <u>1,046,700</u>   |
| Finance income   | 10    | 21,790                 | 25,837             |
| Finance costs  | 10    | <u>(1,520)</u>         | <u>(2,590)</u>     |
| Finance income — net   | 10    | <u>20,270</u>          | <u>23,247</u>      |
| Share of results of  |       |                        |                    |
| — Associated companies   |       | 54,534                 | (49,573)           |
| — Joint ventures   |       | <u>147,038</u>         | <u>(42,623)</u>    |
|  |       | <u>201,572</u>         | <u>(92,196)</u>    |
| <b>Profit before income tax</b>  | 9     | <b>149,671</b>         | 977,751            |
| Income tax expense   | 11    | <u>(792,816)</u>       | <u>(959,126)</u>   |
| <b>(Loss)/profit for the year</b>  |       | <u>(643,145)</u>       | <u>18,625</u>      |
| <b>Attributable to:</b>  |       |                        |                    |
| Equity holders of the Company  |       | (467,127)              | 47,961             |
| Non-controlling interests  |       | <u>(176,018)</u>       | <u>(29,336)</u>    |
|  |       | <u>(643,145)</u>       | <u>18,625</u>      |
| <b>(Loss)/earnings per share for (loss)/profit attributable to equity holders of the Company (RMB cents)</b> | 13    |                        |                    |
| — Basic  |       | (7.7)                  | 0.8                |
| — Diluted  |       | <u>(7.7)</u>           | <u>0.8</u>         |

## CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2023

|   | Year ended 31 December  |                 |
|---|-------------------------|-----------------|
|   | 2023                    | 2022            |
|   | RMB'000                 | RMB'000         |
| <b>(Loss)/profit for the year</b>                                   | <b>(643,145)</b>        | 18,625          |
| <b>Other comprehensive income:</b>                                  |                         |                 |
| <i>Item that may be reclassified subsequently to profit or loss</i> |                         |                 |
| — Currency translation differences                                  | <u>3,254</u>            | <u>(2,687)</u>  |
| <b>Other comprehensive income for the year, net of tax</b>          | <u>3,254</u>            | <u>(2,687)</u>  |
| <b>Total comprehensive (loss)/income for the year</b>               | <u><b>(639,891)</b></u> | <u>15,938</u>   |
| <b>Attributable to:</b>   |                         |                 |
| Equity holders of the Company                                       | <b>(463,873)</b>        | 45,274          |
| Non-controlling interests   | <u><b>(176,018)</b></u> | <u>(29,336)</u> |
|   | <u><b>(639,891)</b></u> | <u>15,938</u>   |

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

|  |       | As at 31 December |                   |
|--|-------|-------------------|-------------------|
|  |       | 2023              | 2022              |
|  | Notes | RMB'000           | RMB'000           |
| <b>ASSETS</b>  |       |                   |                   |
| <b>Non-current assets</b>  |       |                   |                   |
| Property, plant and equipment  |       | 2,896,624         | 3,168,465         |
| Investment properties  |       | 13,552,000        | 14,231,900        |
| Goodwill   |       | 7,169             | 7,169             |
| Investments in associated companies  |       | 1,900,420         | 1,874,406         |
| Investments in joint ventures  |       | 2,459,975         | 2,012,937         |
| Deferred income tax assets   |       | 282,639           | 334,561           |
| Other financial assets   |       | 27,550            | 40,550            |
| Other receivables  | 4     | —                 | 14,293            |
| Prepayments for land use rights  |       | 282,554           | 271,945           |
| <b>Total non-current assets</b>  |       | <b>21,408,931</b> | <b>21,956,226</b> |
| <b>Current assets</b>  |       |                   |                   |
| Properties under development   |       | 18,786,509        | 20,216,278        |
| Completed properties held for sale   |       | 21,557,935        | 19,882,658        |
| Inventories  |       | 53,419            | 52,017            |
| Trade and other receivables and prepayments                                  | 4     | 4,965,192         | 3,766,439         |
| Contract costs   | 4     | 110,266           | 317,401           |
| Prepaid income taxes   |       | 612,897           | 678,744           |
| Amounts due from related parties, joint ventures<br>and associated companies |       | 592,504           | 599,451           |
| Amounts due from non-controlling interests                                   |       | 743,612           | 748,492           |
| Restricted cash  |       | 57,289            | 93,704            |
| Cash and cash equivalents  |       | 1,779,200         | 2,875,412         |
| <b>Total current assets</b>  |       | <b>49,258,823</b> | <b>49,230,596</b> |
| <b>Total assets</b>  |       | <b>70,667,754</b> | <b>71,186,822</b> |

|   |              | <b>As at 31 December</b> |                |
|---|--------------|--------------------------|----------------|
|   |              | <b>2023</b>              | <b>2022</b>    |
|   | <i>Notes</i> | <b>RMB'000</b>           | <b>RMB'000</b> |
| <b>LIABILITIES</b>  |              |                          |                |
| <b>Current liabilities</b>  |              |                          |                |
| Trade and other payables  | 7            | <b>24,598,138</b>        | 21,289,456     |
| Contract liabilities  |              | <b>8,856,897</b>         | 11,726,600     |
| Amounts due to related parties, joint ventures and associated companies   |              | <b>7,408,692</b>         | 7,966,288      |
| Amounts due to non-controlling interests                                  |              | <b>616,284</b>           | 450,220        |
| Income tax payable  |              | <b>4,079,978</b>         | 3,688,293      |
| Borrowings  | 6            | <b>456,583</b>           | 171,139        |
| Lease liabilities   |              | <b>3,182</b>             | 4,904          |
| <b>Total current liabilities</b>  |              | <b>46,019,754</b>        | 45,296,900     |
| <b>Net current assets</b>   |              | <b>3,239,069</b>         | 3,933,696      |
| <b>Total assets less current liabilities</b>                              |              | <b>24,648,000</b>        | 25,889,922     |
| <b>Non-current liabilities</b>  |              |                          |                |
| Deferred government grants  |              | <b>1,037,802</b>         | 1,090,059      |
| Borrowings  | 6            | <b>2,058,551</b>         | 2,468,932      |
| Deferred income tax liabilities   |              | <b>2,531,642</b>         | 2,708,749      |
| Lease liabilities   |              | <b>4,568</b>             | 6,380          |
| <b>Total non-current liabilities</b>                                      |              | <b>5,632,563</b>         | 6,274,120      |
| <b>Total liabilities</b>  |              | <b>51,652,317</b>        | 51,571,020     |
| <b>Net assets</b>   |              | <b>19,015,437</b>        | 19,615,802     |
| <b>EQUITY</b>   |              |                          |                |
| <b>Capital and reserves attributable to equity holders of the Company</b> |              |                          |                |
| Share capital   | 5            | <b>536,281</b>           | 536,281        |
| Reserves  |              | <b>16,982,711</b>        | 17,446,584     |
|   |              | <b>17,518,992</b>        | 17,982,865     |
| <b>Non-controlling interests</b>  |              | <b>1,496,445</b>         | 1,632,937      |
| <b>Total equity</b>   |              | <b>19,015,437</b>        | 19,615,802     |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31 December 2023*

### 1 GENERAL INFORMATION

Mingfa Group (International) Company Limited (the “**Company**”) was incorporated in the Cayman Islands on 27 November 2007 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of its registered office is office of Vistra (Cayman) Limited, P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands.

The principal activities of the Company and its subsidiaries (together, the “**Group**”) are property development, property investment and hotel operation in the People’s Republic of China (the “**PRC**”).

The Company’s shares began to list on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 13 November 2009. Its immediate and ultimate holding company is Galaxy Earnest Limited (incorporated in the British Virgin Islands).

The consolidated financial statements are presented in thousands of Renminbi (“**RMB’000**”), unless otherwise stated.

### 2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

#### (a) Basis of preparation

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

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and under the historical cost convention, as modified by the revaluation of investment properties and other financial assets which are carried at fair value.

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

(i) *Adoption of new or amended HKFRSs*

In the current year, the Group has applied the following new or amended HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“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:

- *Insurance Contracts (HKFRS 17);*
- *International Tax Reform-Pillar Two model Rules (Amendments to HKAS 12);*
- *Disclose of Accounting Policies (Amendments to HKAS 1 and HKFRS Practice Statement 2);*
- *Definition of Accounting Estimates (Amendments to HKAS 8); and*
- *Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to HKAS 12).*

Except as disclosed below, the application of the new or amended to HKFRSs in the current year has no material effect on the amount reported and/or on the disclosures set out in these consolidated financial statements.

*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 positions and performance but has affected the disclosure of the Group’s accounting policies set out in the notes to the consolidated financial statements.

**(ii) Amended HKFRSs that have been issued but are not yet effective**

The following amended HKFRSs, potentially relevant to the Group's consolidated financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group's current intention is to apply these changes on the date they become effective.

- *Lease Liability in a Sale and Leaseback (Amendments to HKFRS 16)*<sup>1</sup>;
- *Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (Revised) (Amendments to HKAS 1)*<sup>1</sup>;
- *Non-current Liabilities with Covenants (Amendments to HKAS 1)*<sup>1</sup>;
- *Supplier Finance Arrangements (Amendments to HKAS 7 and HKFRS 7)*<sup>1</sup>;
- *Lack of Exchangeability (Amendments to HKAS 21)*<sup>2</sup>; and
- *Sales or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to HKFRS 10 and HKAS 28)*<sup>3</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 Directors are currently assessing the impact that the application of the aforesaid amendments will have on the Group's consolidated financial statements.

### **3 REVENUES AND SEGMENT INFORMATION**

For management purposes, the Group is organised into business units based on their products and services and has three reportable operating segments:

- (i) the property development segment engages in real estate development, and is further segregated into commercial and residential;
- (ii) the hotel segment engages in hotel operation;
- (iii) the property investment and management segment invests in properties for their rental income and/or for potential capital appreciation, and provides management and security services to residential, hotel and commercial properties.

Other operating segments mainly include provision of construction services, investment holding, which are not included within the reportable operating segments, as they are not included in the reports provided to the management. The results of these operations are included in the "all other segments" column.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects may be measured differently from operating profit or loss in the consolidated financial statements. Group financing (including finance costs and interest income) and income taxes are managed on a group basis and are not allocated to operating segments.

Inter-segment revenues are eliminated on consolidation.

The Group's revenue from external customers is derived solely from its operations in the PRC, and no significant non-current assets of the Group are located outside the PRC.

The Group's customer base is diversified and there was no individual customer with whom transactions exceeded 10% of the Group's revenue for both the years 2023 and 2022.

Segment assets consist primarily of property, plant and equipment, investment properties, prepayments for land use rights, properties under development, completed properties held for sale, receivables, contract costs and cash and bank balances. They also include goodwill recognised arising from acquisition of subsidiaries or non-controlling interests relating to respective segments. They exclude deferred income tax assets, prepaid income taxes and other financial assets.

Segment liabilities comprise operating liabilities. They exclude borrowings, deferred income tax liabilities and income tax payable.

#### (a) Segment information

The segment results and other segment items for the year ended 31 December 2023 are as follows:

|   | Property<br>development<br>— commercial<br>RMB'000 | Property<br>development<br>— residential<br>RMB'000 | Hotel<br>RMB'000 | Property<br>investment and<br>management<br>RMB'000 | All other<br>segments<br>RMB'000 | Total<br>RMB'000 |
|---|--|---|------------------|---|----------------------------------|------------------|
| Total segment revenues  | 1,086,479  | 7,438,363   | 356,210          | 619,684   | 24,263                           | 9,524,999        |
| Revenues  | 1,086,479  | 7,438,363   | 356,210          | 619,684   | 24,263                           | 9,524,999        |
| Operating profit/(loss)   | 63,711   | 777,036   | (16,649)         | (620,295)   | (275,974)                        | (72,171)         |
| Finance income — net  |  |   |                  |   |                                  | 20,270           |
| Share of results of associated companies                                  | —  | (209)   | —                | 4,859   | 49,884                           | 54,534           |
| Share of results of joint ventures  | —  | 144,719   | —                | 2,319   | —                                | 147,038          |
| Profit before income tax  |  |   |                  |   |                                  | 149,671          |
| Income tax expense  |  |   |                  |   |                                  | (792,816)        |
| Loss for the year   |  |   |                  |   |                                  | (643,145)        |
| <b>Other segment information</b>  |  |   |                  |   |                                  |                  |
| Capital and property development expenditure                              | 2,347,160  | 6,297,552   | 1,682            | 12,643  | 81,256                           | 8,740,293        |
| Depreciation of property, plant and equipment                             | 10,971   | 66,332  | 41,741           | 1,400   | 5,514                            | 125,958          |
| Depreciation of right-of-use assets under<br>properties under development | —  | 47,337  | —                | —   | —                                | 47,337           |
| Fair value losses on investment properties                                | —  | —   | —                | (652,566)   | —                                | (652,566)        |

The segment assets and liabilities as at 31 December 2023 are as follows:

|                                 | Property<br>development<br>— commercial<br>RMB'000 | Property<br>development<br>— residential<br>RMB'000 | Hotel<br>RMB'000 | Property<br>investment and<br>management<br>RMB'000 | All other<br>segments<br>RMB'000 | Elimination<br>RMB'000 | Total<br>RMB'000  |
|---------------------------------|--|---|------------------|---|----------------------------------|------------------------|-------------------|
| Segment assets                  | 11,689,757   | 76,535,984  | 2,162,670        | 13,569,071  | 22,497,025                       | (61,070,234)           | 65,384,273        |
| Associated companies            | —  | 257,359   | —                | 1,296,498   | 346,563                          | —                      | 1,900,420         |
| Joint ventures                  | 47,127   | 165,976   | —                | 2,246,872   | —                                | —                      | 2,459,975         |
|                                 | <u>11,736,884</u>                                  | <u>76,959,319</u>                                   | <u>2,162,670</u> | <u>17,112,441</u>                                   | <u>22,843,588</u>                | <u>(61,070,234)</u>    | <u>69,744,668</u> |
| Unallocated:                    |  |   |                  |   |                                  |                        |                   |
| Deferred income tax assets      |  |   |                  |   |                                  |                        | 282,639           |
| Prepaid income taxes            |  |   |                  |   |                                  |                        | 612,897           |
| Other financial assets          |  |   |                  |   |                                  |                        | 27,550            |
| Total assets                    |  |   |                  |   |                                  |                        | <u>70,667,754</u> |
| Segment liabilities             | <u>8,282,147</u>                                   | <u>86,223,148</u>                                   | <u>127,122</u>   | <u>2,115,179</u>                                    | <u>6,848,201</u>                 | <u>(61,070,234)</u>    | <u>42,525,563</u> |
| Unallocated:                    |  |   |                  |   |                                  |                        |                   |
| Deferred income tax liabilities |  |   |                  |   |                                  |                        | 2,531,642         |
| Borrowings                      |  |   |                  |   |                                  |                        | 2,515,134         |
| Income tax payable              |  |   |                  |   |                                  |                        | 4,079,978         |
| Total liabilities               |  |   |                  |   |                                  |                        | <u>51,652,317</u> |

The segment results and other segment items for the year ended 31 December 2022 are as follows:

|  | Property<br>development<br>— commercial<br>RMB'000 | Property<br>development<br>— residential<br>RMB'000 | Hotel<br>RMB'000 | Property<br>investment and<br>management<br>RMB'000 | All other<br>segments<br>RMB'000 | Total<br>RMB'000 |
|--|--|---|------------------|---|----------------------------------|------------------|
| Total segment revenues   | 584,699  | 8,911,201   | 296,040          | 555,267   | 221,167                          | 10,568,374       |
| Revenues   | 584,699  | 8,911,201   | 296,040          | 555,267   | 221,167                          | 10,568,374       |
| Operating profit/(loss)  | <u>114,452</u>                                     | <u>732,785</u>                                      | <u>(43,497)</u>  | <u>568,111</u>                                      | <u>(325,151)</u>                 | <u>1,046,700</u> |
| Finance income — net   |  |   |                  |   |                                  | 23,247           |
| Share of results of associated companies                               |  | (3)   | (4,743)          | —   | 6,695                            | (51,522)         |
| Share of results of joint ventures                                     |  | —   | (21,359)         | —   | (21,264)                         | —                |
| Profit before income tax   |  |   |                  |   |                                  | 977,751          |
| Income tax expense   |  |   |                  |   |                                  | (959,126)        |
| Profit for the year  |  |   |                  |   |                                  | <u>18,625</u>    |
| <b>Other segment information</b>                                       |  |   |                  |   |                                  |                  |
| Capital and property development expenditure                           | 848,202  | 3,565,200   | 3,015            | 11,265  | 13,059                           | 4,440,741        |
| Depreciation of property, plant and equipment                          | 13,858   | 79,472  | 54,190           | 1,672   | 1,854                            | 151,046          |
| Depreciation of right-of-use assets under properties under development | —  | 11,004  | —                | —   | —                                | 11,004           |
| Fair value gains on investment properties                              | —  | —   | —                | 477,327   | —                                | 477,327          |

The segment assets and liabilities as at 31 December 2022 are as follows:

|                                 | Property<br>development<br>— commercial<br><i>RMB'000</i> | Property<br>development<br>— residential<br><i>RMB'000</i> | Hotel<br><i>RMB'000</i> | Property<br>investment and<br>management<br><i>RMB'000</i> | All other<br>segments<br><i>RMB'000</i> | Elimination<br><i>RMB'000</i> | Total<br><i>RMB'000</i> |
|---------------------------------|---|--|-------------------------|--|---|-------------------------------|-------------------------|
| Segment assets                  | 12,118,458  | 79,075,485   | 2,225,730               | 14,608,962   | 18,838,573                              | (60,621,584)                  | 66,245,624              |
| Associated companies            | —   | 257,567  | —                       | 1,291,638  | 325,201                                 | —                             | 1,874,406               |
| Joint ventures                  | 4,220   | 61,844   | —                       | 1,946,873  | —                                       | —                             | 2,012,937               |
|                                 | <u>12,122,678</u>   | <u>79,394,896</u>  | <u>2,225,730</u>        | <u>17,847,473</u>  | <u>19,163,774</u>                       | <u>(60,621,584)</u>           | <u>70,132,967</u>       |
| Unallocated:                    |   |  |                         |  |   |                               |                         |
| Deferred income tax assets      |   |  |                         |  |   |                               | 334,561                 |
| Prepaid income taxes            |   |  |                         |  |   |                               | 678,744                 |
| Other financial assets          |   |  |                         |  |   |                               | 40,550                  |
| Total assets                    |   |  |                         |  |   |                               | <u>71,186,822</u>       |
| Segment liabilities             | <u>7,917,844</u>  | <u>87,848,642</u>  | <u>126,619</u>          | <u>2,074,577</u>   | <u>5,187,809</u>                        | <u>(60,621,584)</u>           | 42,533,907              |
| Unallocated:                    |   |  |                         |  |   |                               |                         |
| Deferred income tax liabilities |   |  |                         |  |   |                               | 2,708,749               |
| Borrowings                      |   |  |                         |  |   |                               | 2,640,071               |
| Income tax payable              |   |  |                         |  |   |                               | 3,688,293               |
| Total liabilities               |   |  |                         |  |   |                               | <u>51,571,020</u>       |

**(b) Revenues**

The following summary describes the operations in each of the Group's reportable segments:

|  | <b>2023</b><br><b><i>RMB'000</i></b> | 2022<br><i>RMB'000</i> |
|--|--------------------------------------|------------------------|
| Revenue from contracts with customer within the scope of HKFRS 15:       |                                      |                        |
| • Property development — commercial                                      | <b>1,086,479</b>                     | 584,699                |
| • Property development — residential                                     | <b>7,438,363</b>                     | 8,911,201              |
| • Hotel  | <b>356,210</b>                       | 296,040                |
| • Property investment and management<br>— property management fee income | <b>200,316</b>                       | 174,464                |
| • All other segments   | <b>24,263</b>                        | 221,167                |
|  | <u><b>9,105,631</b></u>              | <u>10,187,571</u>      |
| Revenue from other sources   |                                      |                        |
| • Property investment and management — rental income                     | <b>419,368</b>                       | 380,803                |
|  | <u><b>9,524,999</b></u>              | <u>10,568,374</u>      |

In the following tables, revenue is disaggregated by primary geographical market, major products and service and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments.

|   | Property development<br>— commercial |                | Property development<br>— residential |                  | Hotel          |                | Property investment and<br>management |                | All other segments |                | Total            |                   |
|---|--------------------------------------|----------------|---------------------------------------|------------------|----------------|----------------|---------------------------------------|----------------|--------------------|----------------|------------------|-------------------|
|   | 2023                                 | 2022           | 2023                                  | 2022             | 2023           | 2022           | 2023                                  | 2022           | 2023               | 2022           | 2023             | 2022              |
|   | RMB'000                              | RMB'000        | RMB'000                               | RMB'000          | RMB'000        | RMB'000        | RMB'000                               | RMB'000        | RMB'000            | RMB'000        | RMB'000          | RMB'000           |
| Primary geographical markets            |                                      |                |                                       |                  |                |                |                                       |                |                    |                |                  |                   |
| PRC                                     | <u>1,086,479</u>                     | <u>584,699</u> | <u>7,438,363</u>                      | <u>8,911,201</u> | <u>356,210</u> | <u>296,040</u> | <u>619,684</u>                        | <u>555,267</u> | <u>24,263</u>      | <u>221,167</u> | <u>9,524,999</u> | <u>10,568,374</u> |
| Major products/services                 |                                      |                |                                       |                  |                |                |                                       |                |                    |                |                  |                   |
| Sales of properties                     | 1,086,479                            | 584,699        | 7,438,363                             | 8,911,201        | —              | —              | —                                     | —              | —                  | —              | 8,524,842        | 9,495,900         |
| Hotel operating income                  | —                                    | —              | —                                     | —                | 356,210        | 296,040        | —                                     | —              | —                  | —              | 356,210          | 296,040           |
| Rental income                           |                                      |                |                                       |                  |                |                |                                       |                |                    |                |                  |                   |
| — from investment properties            | —                                    | —              | —                                     | —                | —              | —              | 413,522                               | 337,305        | —                  | —              | 413,522          | 337,305           |
| — others                                | —                                    | —              | —                                     | —                | —              | —              | 5,846                                 | 43,498         | —                  | —              | 5,846            | 43,498            |
| Property management fee income          | —                                    | —              | —                                     | —                | —              | —              | 200,316                               | 174,464        | —                  | —              | 200,316          | 174,464           |
| Miscellaneous income                    | —                                    | —              | —                                     | —                | —              | —              | —                                     | —              | 24,263             | 221,167        | 24,263           | 221,167           |
|   | <u>1,086,479</u>                     | <u>584,699</u> | <u>7,438,363</u>                      | <u>8,911,201</u> | <u>356,210</u> | <u>296,040</u> | <u>619,684</u>                        | <u>555,267</u> | <u>24,263</u>      | <u>221,167</u> | <u>9,524,999</u> | <u>10,568,374</u> |
| Timing of revenue recognition           |                                      |                |                                       |                  |                |                |                                       |                |                    |                |                  |                   |
| At a point in time                      | 1,086,479                            | 584,699        | 7,438,363                             | 8,911,201        | —              | —              | —                                     | —              | 16,600             | 70,138         | 8,541,442        | 9,566,038         |
| Transferred over time                   | —                                    | —              | —                                     | —                | 356,210        | 296,040        | 200,316                               | 174,464        | 7,663              | 151,029        | 564,189          | 621,533           |
| Straight-line basis over the lease term | —                                    | —              | —                                     | —                | —              | —              | 419,368                               | 380,803        | —                  | —              | 419,368          | 380,803           |
|   | <u>1,086,479</u>                     | <u>584,699</u> | <u>7,438,363</u>                      | <u>8,911,201</u> | <u>356,210</u> | <u>296,040</u> | <u>619,684</u>                        | <u>555,267</u> | <u>24,263</u>      | <u>221,167</u> | <u>9,524,999</u> | <u>10,568,374</u> |

#### 4 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS/CONTRACT COSTS

|   | As at 31 December |                  |
|---|-------------------|------------------|
|   | 2023              | 2022             |
|   | <i>RMB'000</i>    | <i>RMB'000</i>   |
| Trade receivables   | 1,018,722         | 576,272          |
| Less: Provision for impairment of trade receivables ( <i>Note (a)</i> ) | <u>(659,615)</u>  | <u>(514,202)</u> |
| Trade receivables — net ( <i>Note (b)</i> )                             | <u>359,107</u>    | <u>62,070</u>    |
| Other receivables ( <i>Note (c)</i> )                                   | 1,359,493         | 1,673,572        |
| Deposits for land purchases   | 239,749           | 43,656           |
| Less: Provision for impairment of other receivables and deposits        | <u>(548,400)</u>  | <u>(432,400)</u> |
| Other receivables and deposits — net                                    | <u>1,050,842</u>  | <u>1,284,828</u> |
| Prepayments for construction costs                                      | 2,296,903         | 1,524,538        |
| Prepaid business tax and other levies on pre-sale proceeds              | 1,248,718         | 900,987          |
| Miscellaneous   | <u>9,622</u>      | <u>8,309</u>     |
|   | 4,965,192         | 3,780,732        |
| Less: Non-current portion of other receivables ( <i>Note (d)</i> )      | <u>—</u>          | <u>(14,293)</u>  |
| Current portion   | <u>4,965,192</u>  | <u>3,766,439</u> |
| Contract costs ( <i>Note (e)</i> )                                      | <u>110,266</u>    | <u>317,401</u>   |

As at 31 December 2023 and 2022, the fair values of trade receivables, deposits for land purchases, other receivables and contract costs approximate their carrying amounts.

*Notes:*

(a) Movement in provision for impairment of trade receivables is as follows:

|  | 2023           | 2022           |
|--|----------------|----------------|
|  | <i>RMB'000</i> | <i>RMB'000</i> |
| As at 1 January                                | 514,202        | 484,069        |
| Net impairment loss recognised during the year | <u>145,413</u> | <u>30,133</u>  |
| As at 31 December                              | <u>659,615</u> | <u>514,202</u> |

(b) Trade receivables mainly arose from leases of investment properties and property construction. Proceeds in respect of properties sold and leased and property construction are to be received in accordance with the terms of the related sales and purchase agreements, lease agreements and construction agreements.

The ageing analysis of trade receivables (net of impairment losses) of the Group, based on invoice dates, as of the end of the year is as follows:

|                                | As at 31 December |                |
|--------------------------------|-------------------|----------------|
|                                | 2023              | 2022           |
|                                | <i>RMB'000</i>    | <i>RMB'000</i> |
| Within 90 days                 | 306,511           | 19,288         |
| Over 90 days and within 1 year | 43,934            | 18,859         |
| Over 1 year and within 2 years | 8,662             | 23,923         |
|                                | <u>359,107</u>    | <u>62,070</u>  |

- (c) As at 31 December 2023, except for the amount of RMB371,868,951 (2022: RMB371,868,951) due from a third party which is unsecured with a personal guarantee, interest-bearing at 1.8% (2022: 1.8%) per annum and recoverable within one year, the remaining amounts comprise deposits made to government agencies for property development purposes, advances to business partners for business cooperations, general and administrative expenses paid on behalf of the Group's tenants and customers, and refundable workers wages protection fund requested by the related government authorities in the property development industry, the amounts are unsecured, interest-free and repayable on demand.
- (d) The non-current portion of other receivables in 2022 comprised the unsettled proceeds from the sale of a building included in property, plant and equipment which are to be collected over a period of seven years. The receivables were initially recognised at fair value based on cash flows discounted using a rate of 5.94%.
- (e) The amount represents commission paid to property agents in PRC in advance after entering into pre-sale agreements and receiving deposits from customers. These payments are expected to be recognised in profit or loss within twelve months from the end of the reporting period at the point in time when the properties are completed and control is transferred to customers.

## 5 SHARE CAPITAL

|   | Par value<br><i>HK\$</i> | Number of<br>ordinary shares | Nominal value of<br>ordinary shares<br><i>HK\$</i> | Equivalent<br><i>RMB</i> |
|---|--------------------------|------------------------------|--|--------------------------|
| Authorised:   |                          |                              |  |                          |
| At 1 January 2022,<br>31 December 2022 and<br>at 31 December 2023 | 0.1                      | 12,000,000,000               | 1,200,000,000                                      | —                        |
| Issued and fully paid:  |                          |                              |  |                          |
| At 1 January 2022,<br>31 December 2022 and<br>at 31 December 2023 |                          | <u>6,093,451,026</u>         | <u>609,345,103</u>                                 | <u>536,280,877</u>       |

## 6 BORROWINGS

|  | As at 31 December       |                         |
|--|-------------------------|-------------------------|
|  | 2023                    | 2022                    |
|  | <i>RMB'000</i>          | <i>RMB'000</i>          |
| Borrowings included in non-current liabilities       |                         |                         |
| Bank borrowings — secured                            | 2,515,134               | 2,640,071               |
| Less: Amounts due within one year                    | <u>(456,583)</u>        | <u>(171,139)</u>        |
|  | <u><b>2,058,551</b></u> | <u><b>2,468,932</b></u> |
| Borrowings included in current liabilities           |                         |                         |
| Current portion of long-term secured bank borrowings | <u>456,583</u>          | <u>171,139</u>          |
| Total  | <u><b>2,515,134</b></u> | <u><b>2,640,071</b></u> |

### (a) Details on borrowings

As at 31 December 2023, all the Group's borrowings of RMB2,515,134,000 (2022: RMB2,596,332,000) were secured by its properties under development and completed properties held for sale, therein the Group's certain borrowings of RMB3,600,000 (2022: RMB3,600,000) were also secured by its restricted cash.

The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates or maturity whichever is the earlier date are as follows:

At the end of the reporting period, total current and non-current borrowings were scheduled to repay as follows:

|   | 2023                    | 2022                    |
|---|-------------------------|-------------------------|
|   | <i>RMB'000</i>          | <i>RMB'000</i>          |
| On demand or within one year                      | 456,583                 | 171,139                 |
| More than one year, but not exceeding two years   | 422,125                 | 145,806                 |
| More than two years, but not exceeding five years | 556,250                 | 1,622,726               |
| After five years                                  | <u>1,080,176</u>        | <u>700,400</u>          |
|   | <u><b>2,515,134</b></u> | <u><b>2,640,071</b></u> |

## 7 TRADE AND OTHER PAYABLES

|                                    | As at 31 December |                   |
|------------------------------------|-------------------|-------------------|
|                                    | 2023              | 2022              |
|                                    | <i>RMB'000</i>    | <i>RMB'000</i>    |
| Trade payables ( <i>Note (a)</i> ) | 16,490,657        | 14,630,680        |
| Other payables ( <i>Note (b)</i> ) | 7,740,568         | 6,451,221         |
| Other taxes payable                | 366,913           | 207,555           |
|                                    | <u>24,598,138</u> | <u>21,289,456</u> |

### Notes:

- a. The ageing analysis of trade payables, based on invoice dates, as of the end of the year is as follows:

|                                | As at 31 December |                   |
|--------------------------------|-------------------|-------------------|
|                                | 2023              | 2022              |
|                                | <i>RMB'000</i>    | <i>RMB'000</i>    |
| Within 90 days                 | 2,579,511         | 4,147,911         |
| Over 90 days and within 1 year | 6,051,428         | 6,213,309         |
| Over 1 year                    | 7,859,718         | 4,269,460         |
|                                | <u>16,490,657</u> | <u>14,630,680</u> |

- b. Other payables comprise:

|   | As at 31 December |                  |
|---|-------------------|------------------|
|   | 2023              | 2022             |
|   | <i>RMB'000</i>    | <i>RMB'000</i>   |
| Deposits and advances from contractors  | 793,914           | 934,625          |
| Deposits received from tenants of investment properties                                   | 40,625            | 20,983           |
| Advances from shareholders of associated companies and joint ventures ( <i>Note (i)</i> ) | 2,689,385         | 2,713,330        |
| Advances from other parties ( <i>Note (ii)</i> )  | 356,273           | 353,641          |
| Consideration payable on acquisition of subsidiaries                                      | 142,383           | 162,324          |
| Consideration received for disposal of a subsidiary                                       | —                 | 89,327           |
| Commission payables   | 271,040           | 164,098          |
| Accrual and other payables ( <i>Note (iii)</i> )  | 2,996,308         | 1,435,717        |
| Provision for loss arising from financial guarantee agreements ( <i>Note (iv)</i> )       | 225,512           | 204,120          |
| Miscellaneous   | 225,128           | 373,056          |
|   | <u>7,740,568</u>  | <u>6,451,221</u> |

- i. As at 31 December 2023, except for advances from shareholders of associated companies and joint ventures amounted to RMB481,515,000 (2022: RMB481,515,000) in current portion which are unsecured, interest-bearing at 7% (2022: 7%) per annum and repayable on demand, the remaining balances are unsecured, interest-free and repayable on demand.

Included in the remaining balances is an advance from parent of an associated company of RMB2,207,870,000 (2022: RMB2,207,870,000) for the purpose of future capital injection to the associate company when needed.

- ii. As at 31 December 2023, the amount comprises: (a) advances from a third party amounted to RMB2,889,000 (2022: RMB7,651,000) which are unsecured, interest-bearing at rate of 12% (2022: 12%) per annum; and (b) advances from a third party amounted to RMB353,384,000 (2022: RMB345,990,000) which are guaranteed by a controlling shareholder and a wholly owned subsidiary of the Company, interest-bearing at rate of 3% (2022: 3%) per annum and repayable within one year.
- iii. The amount mainly comprises accruals of general and administrative expenses, salaries and operating expenses.
- iv. The amount mainly comprises a provision for loss arose from three financial guarantee contracts in respect of guarantee agreements entered into by a subsidiary of the Company in 2016 amounted to RMB34,990,000, RMB26,546,000 and RMB27,600,000 respectively and the respective interests.

## 8 OTHER INCOME AND OTHER GAINS AND LOSSES

|  | Year ended 31 December |                  |
|--|------------------------|------------------|
|  | 2023                   | 2022             |
|  | <i>RMB'000</i>         | <i>RMB'000</i>   |
| Government grants ( <i>Note (a)</i> )                    | 609                    | 1,862            |
| Net gain on disposal of equity interests of subsidiaries | 437                    | —                |
| Net gain from disposal of property, plant and equipment  | 14,315                 | 417              |
| Net exchange losses ( <i>Note (b)</i> )                  | (38,285)               | (372,278)        |
| Net loss from disposal of investment properties          | (38,117)               | —                |
| Net gain on disposal of a joint venture                  | —                      | 143,675          |
| Provision for financial guarantee                        | (21,392)               | (21,392)         |
| Miscellaneous  | 36,188                 | 6,195            |
|  | <u>(46,245)</u>        | <u>(241,521)</u> |

### *Notes:*

- a. The government grants represented both the amortisation of deferred government grant and other subsidy income received from various local government authorities by certain subsidiaries. Grants from government were recognised in profit or loss when the Group fulfilled the attached conditions.
- b. Exchange differences mainly arise from the amount due to the controlling shareholder and other payables, which are denominated in USD and HKD.

## 9 PROFIT BEFORE INCOME TAX

Profit before income tax is arrived at after charging/(crediting) the following:

|   | Year ended 31 December      |                             |
|---|-----------------------------|-----------------------------|
|   | 2023                        | 2022                        |
|   | RMB'000                     | RMB'000                     |
| Staff costs — including directors' emoluments ( <i>Note (a)</i> )   | 276,332                     | 303,734                     |
| Auditor's remuneration  | 3,886                       | 3,966                       |
| Charitable donation   | —                           | 219                         |
| Depreciation of property, plant and equipment   | 125,958                     | 151,046                     |
| Depreciation of right-of-use assets under properties under development  | 47,337                      | 11,004                      |
| Cost of properties sold   | 6,603,937                   | 7,532,390                   |
| Business tax and other levies on sales and construction of properties ( <i>Note (b)</i> )                               | 135,250                     | 53,882                      |
| Direct outgoings arising from investment properties that generate rental income   | 153,466                     | 162,870                     |
| Short-term leases expenses  | 3,775                       | 3,440                       |
| Provision for impairment of completed properties held for sales   | 225,498                     | —                           |
| Hotel operating expenses  | 279,405                     | 204,019                     |
|   | <u>                    </u> | <u>                    </u> |
| Net impairment loss on financial assets comprises:  |                             |                             |
| Net provision for impairment of trade receivables   | 145,413                     | 30,133                      |
| Net provision for impairment of other receivables   | 116,000                     | 41,600                      |
| Net (reversal of)/provision for impairment of amounts due from related parties, joint ventures and associated companies | (1,200)                     | 4,600                       |
| Net reversal of impairment of amounts due from non-controlling interests  | (4,120)                     | (11,960)                    |
|   | <u>                    </u> | <u>                    </u> |
|   | <u>256,093</u>              | <u>64,373</u>               |

*Notes:*

### a. Staff costs (including directors' emoluments)

|  | Year ended 31 December      |                             |
|--|-----------------------------|-----------------------------|
|  | 2023                        | 2022                        |
|  | RMB'000                     | RMB'000                     |
| Wages and salaries                         | 245,019                     | 260,945                     |
| Pension costs — defined contribution plans | 24,779                      | 27,786                      |
| Other allowances and benefits              | 6,534                       | 15,003                      |
|  | <u>                    </u> | <u>                    </u> |
|  | <u>276,332</u>              | <u>303,734</u>              |

### b. Business tax and other levies on sales and construction of properties

The PRC companies of the Group are subject to business tax of 5% and other levies on their revenues from sale and construction of properties. These expenses are included in cost of sales.

## 10 FINANCE INCOME AND COSTS

|   | Year ended 31 December |                      |
|---|------------------------|----------------------|
|   | 2023                   | 2022                 |
|   | <i>RMB'000</i>         | <i>RMB'000</i>       |
| Finance income  |                        |                      |
| — interest income on bank deposits and loan to a joint venture        | <u>21,790</u>          | <u>25,837</u>        |
| Interest expenses on bank borrowings                                  | (75,005)               | (105,992)            |
| Interest expenses on other borrowings and advances from other parties | (8,000)                | (59,340)             |
| Interest expenses on bonds, senior and junior notes                   | —                      | (35,390)             |
| Interest expenses on lease liabilities                                | (1,520)                | (2,590)              |
| Less: Interest capitalised  | <u>83,005</u>          | <u>200,722</u>       |
| Finance costs   | <u>(1,520)</u>         | <u>(2,590)</u>       |
| Net finance income  | <u><u>20,270</u></u>   | <u><u>23,247</u></u> |

## 11 INCOME TAX EXPENSE

|                              | Year ended 31 December |                       |
|------------------------------|------------------------|-----------------------|
|                              | 2023                   | 2022                  |
|                              | <i>RMB'000</i>         | <i>RMB'000</i>        |
| Current income tax           |                        |                       |
| — PRC enterprise income tax  | 576,660                | 298,660               |
| — PRC land appreciation tax  | <u>341,341</u>         | <u>448,245</u>        |
|                              | <u>918,001</u>         | <u>746,905</u>        |
| Deferred income tax          |                        |                       |
| — PRC enterprise income tax  | (159,964)              | 199,004               |
| — PRC withholding income tax | <u>34,779</u>          | <u>13,217</u>         |
|                              | <u>(125,185)</u>       | <u>212,221</u>        |
|                              | <u><u>792,816</u></u>  | <u><u>959,126</u></u> |

The income tax on the Group's (loss)/profit before income tax differs from the theoretical amount that would arise using the enacted tax rate of the home country of the companies within the Group as follows:

**i Reconciliation of PRC enterprise income tax**

|   | Year ended 31 December |                       |
|---|------------------------|-----------------------|
|   | 2023                   | 2022                  |
|   | <i>RMB'000</i>         | <i>RMB'000</i>        |
| Profit before income tax  | 149,671                | 977,751               |
| PRC land appreciation tax   | <u>(341,341)</u>       | <u>(448,245)</u>      |
|   | (191,670)              | 529,506               |
| Calculated at PRC enterprise income tax rate of 25%                     | (47,918)               | 132,377               |
| Effect of expenses not deductible for income tax purposes<br>(Note (a)) | 337,057                | 360,543               |
| Income not subject to tax (Note (b))                                    | (50,393)               | (155,251)             |
| Tax losses not recognised as deferred tax assets                        | <u>177,950</u>         | <u>159,995</u>        |
| PRC enterprise income tax   | <u><u>416,696</u></u>  | <u><u>497,664</u></u> |

**ii Total tax expense**

|                            | Year ended 31 December |                       |
|----------------------------|------------------------|-----------------------|
|                            | 2023                   | 2022                  |
|                            | <i>RMB'000</i>         | <i>RMB'000</i>        |
| PRC enterprise income tax  | 416,696                | 497,664               |
| PRC land appreciation tax  | 341,341                | 448,245               |
| PRC withholding income tax | <u>34,779</u>          | <u>13,217</u>         |
| Total tax expense          | <u><u>792,816</u></u>  | <u><u>959,126</u></u> |

Notes:

- a. Effect of expenses not deductible for income tax purposes mainly resulted from certain intra-group or related party transactions, donation expenses, net exchange loss and interest expense on bonds, senior notes and junior notes, ECLs, capitalised bank borrowing cost, share of losses of associates and joint ventures.
- b. Income not subject to tax mainly comprises share of profits of associates and joint ventures, fair value gain on investment properties, net gain on disposal of a joint venture and unrealised exchange gain.

**Hong Kong profits tax**

No provision has been made for Hong Kong profits tax as the Group has no assessable profit subject to Hong Kong profits tax for the year (2022: Nil).

Under two-tiered profits tax regime, the first HK\$2 million of profits of qualifying corporation will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%.

**PRC enterprise income tax**

PRC enterprise income tax is provided for at 25% (2022: 25%) of the profits for the PRC statutory financial reporting purpose, adjusted for those items which are not assessable or deductible for the PRC enterprise income tax purpose.

### PRC land appreciation tax

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

### PRC withholding income tax

According to the Enterprise Income Tax Law of the PRC and its detailed implementation regulations, starting from 1 January 2008, a 10% withholding tax will be levied on the immediate holding companies established outside the PRC when their invested entities in the PRC declare their dividends out of the profits earned after 1 January 2008. A lower 5% withholding tax rate may be applied, subject to approval of local tax authorities, when the immediate holding companies are established in Hong Kong according to the tax treaty arrangement between the PRC and Hong Kong. The Group accrues for the PRC withholding income tax based on the tax rate of 5% for its immediate holding companies which are established in Hong Kong.

## 12 DIVIDENDS

No interim dividend was declared and the Board does not recommend payment of final dividend for the year ended 31 December 2023 (2022: Nil).

## 13 (LOSS)/EARNINGS PER SHARE

### Basic and diluted

Basic (loss)/earnings per share for the years ended 31 December 2023 and 2022 are calculated by dividing the (loss)/profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

As there were no dilutive options and other dilutive potential ordinary shares in issue during 2023 and 2022, diluted (loss)/earnings per share are the same as basic (loss)/earnings per share.

|  | Year ended 31 December |                  |
|--|------------------------|------------------|
|  | 2023                   | 2022             |
| (Loss)/profit attributable to equity holders of the Company<br>(RMB'000) | <u>(467,127)</u>       | <u>47,961</u>    |
| Weighted average number of ordinary shares in issue ( <i>thousands</i> ) | <u>6,093,451</u>       | <u>6,093,451</u> |
| Basic and diluted earnings per share ( <i>RMB cents</i> )                | <u>(7.7)</u>           | <u>0.8</u>       |

## **RESULTS**

The consolidated revenue of the Group was approximately RMB9,525.0 million for 2023 (2022: approximately RMB10,568.4 million), representing a decrease of 9.9% as compared to 2022. The consolidated loss for the year and loss attributable to equity holders of the Company were approximately RMB643.1 million and RMB467.1 million respectively for 2023 (2022: profit for the year and profit attributable to equity holders of the Company was RMB18.6 million and RMB48.0 million respectively), representing a decrease of 35.5 times and 10.7 times respectively as compared to 2022. The basic and diluted losses per share were RMB7.7 cents for 2023 (2022: basic and the diluted earnings be share for profit attributable to the equity holders RMB0.8 cents per share), representing a decrease of 10.6 times as compared to 2022.

The Board does not recommend payment of final dividend for the year ended 31 December 2023.

## **INDUSTRY REVIEW**

The property industry in the People's Republic of China (PRC) faced a challenging environment in 2023, impacted by global economic uncertainties and low property appetite. PRC government had implemented several specific measures to support the real estate market by means of lifting home purchasing curbs, gradually removing the price caps on new homes and injecting liquidity.

One of the top property developers was under liquidation process in 2023 because of the inability to serve their debts. Investors keep an eye on whether other defaulting developers repay their debts. Property developers still encounter severe liquidity problems and the real estate sector is expected to be sluggish next year.

## **PROSPECT**

Looking forward to 2024, continuous global inflation and political uncertainties will still have a negative impact on the real estate market and economy. Appetite for purchasing properties in PRC is expected to be low.

In consideration of the uncertain global monetary environment, the Group will continue to impose various strategies to maintain low gearing ratio.

The Group will continue to focus on the Yangtze River Delta where 56.7% of total gross floor area is located in Anhui and Jiangsu Province as at year end of 2023. In order to increase liquidity, the Group will launch various sales policies to stimulate the sales demand and slow down the land acquisition.

## **BUSINESS REVIEW**

### **Sales and Earnings**

The revenue of the Group was approximately RMB9,525.0 million for 2023 (2022: approximately RMB10,568.4 million), representing a decrease of 9.9% as compared to 2022. The decrease in revenue in 2023 was mainly due to the decrease in the GFA delivered from 1,596,425 sq.m. in 2022 to 1,458,069 sq.m. in 2023.

The gross profit of the Group was approximately RMB1,944.5 million for 2023, representing a decrease of 15.0% as compared to 2022 (2022: approximately RMB2,288.3 million). The decrease in gross profit for 2022 was due to the decrease in revenue from RMB10,568.4 million in 2022 to RMB9,525.0 million for 2023, which in turn reduced the profit.

The loss for the year of the Group was approximately RMB643.1 million as compared to the profit for the year ended 31 December 2022 of RMB18.6 million. The decrease was mainly due to the valuation loss in investment properties from valuation gain of RMB477.3 million in 2022 to the valuation loss of RMB652.6 million in 2023. Such losses was mainly due to the general decrease in market value of commercial properties.

The losses attributable to the equity holders of the Company was approximately RMB467.1 million for 2023 (2022: profit attributable to the equity holders of RMB48.0 million). The decrease was mainly due to the change in valuation in investment properties from the valuation gain of RMB477.3 million in 2022 to the valuation loss of RMB652.6 million in 2023.

The cost of sales of the Group was approximately RMB7,580.5 million for 2023, representing a decrease of 8.4% as compared to 2022 (2022: approximately RMB8,280.1 million). Cost of sales decreased in line with the decrease in revenue in 2023.

The average cost of properties included in cost of sales of the Group was RMB4,503.5 per sq.m. for 2023, representing a decrease of 4.5% as compared to 2022 (2022: approximately RMB4,717.2 per sq.m.).

The total GFA sold and delivered by the Group in 2023 was approximately 1,458,069.0 sq.m., representing a decrease of 8.7% as compared to 2022 (2022: approximately 1,596,424.8 sq.m.). Such decrease was due to the decrease in properties delivered in Chuzhou in 2023.

During the reporting period, the average selling price of the Group's delivered properties was RMB5,846.7 per sq.m., representing a decrease of 1.7% as compared to 2022 (2022: RMB5,948.2 per sq.m.).

The GFA of the properties delivered by the Group in 2023 and the ASP per sq.m. were as follows:

|  | Sales Revenue |           | GFA Delivered |           | Average Selling Price |          |
|--|---------------|-----------|---------------|-----------|-----------------------|----------|
|  | (RMB'000)     |           | (sq.m.)       |           | (RMB per sq.m.)       |          |
|  | 2023          | 2022      | 2023          | 2022      | 2023                  | 2022     |
| Sihong Shuiyun Taoyuan Garden                    | 961,771.0     | 278,548.3 | 162,673.0     | 50,001.2  | 5,912.3               | 5,570.8  |
| Wujing Mingfa Jiangwan City                      | 951,041.1     | 835,049.1 | 137,781.2     | 129,299.4 | 6,902.5               | 6,458.3  |
| Changsha Mingfa Shopping Mall                    | 887,872.9     | 174,966.4 | 143,993.1     | 18,422.5  | 6,166.1               | 9,497.5  |
| Shenyang Creative Industrial Estate              | 662,626.1     | n/a       | 113,504.3     | n/a       | 5,837.9               | n/a      |
| Shanghai Mingfa Shopping Mall                    | 653,491.4     | —         | 177,931.9     | —         | 3,672.7               | —        |
| Suining Shuiyun Taoyuan                          | 616,959.8     | n/a       | 109,325.9     | n/a       | 5,643.3               | n/a      |
| Huizhou Mingfa Gaobang New Town                  | 546,236.8     | 130,819.6 | 65,102.1      | 15,102.9  | 8,390.5               | 8,661.9  |
| Mingfa Yan'an Zhi Xing                           | 496,241.6     | n/a       | 63,363.6      | n/a       | 7,831.7               | n/a      |
| Qingyang Yangguang Qingcheng                     | 464,300.3     | 496,465.0 | 75,324.5      | 90,388.2  | 6,164.0               | 5,492.6  |
| Pingliang Mingfa European City                   | 242,521.2     | n/a       | 45,949.0      | n/a       | 5,278.0               | n/a      |
| Dingyuan Mingfa Shuiyun Taoyuan                  | 235,046.3     | 168,030.5 | 46,841.9      | 33,415.9  | 5,017.9               | 5,028.5  |
| Mingfa Yuhong Commercial and Residential Project | 193,965.8     | n/a       | 38,719.8      | n/a       | 5,009.5               | n/a      |
| Huai'an Mingfa Shopping Mall                     | 187,233.8     | 143,338.2 | 20,599.4      | 19,460.6  | 9,089.3               | 7,365.5  |
| Guang'an Wealth Centre                           | 162,600.3     | 1,297.4   | 41,506.4      | 1,639.9   | 3,917.5               | 791.1    |
| Zibo Mingfa World Trade Centre                   | 103,403.2     | 393,698.9 | 9,021.3       | 42,044.3  | 11,462.2              | 9,363.9  |
| Nanjing Mingfa International Business Centre     | 100,366.9     | 184,387.3 | 7,055.3       | 10,055.9  | 14,225.7              | 18,336.2 |
| Quanzhou Mingfa International Huachang City      | 99,518.9      | 492,127.3 | 15,393.1      | 75,321.7  | 6,465.2               | 6,533.7  |
| Guang'an Mingfa Mall                             | 97,624.9      | 82,142.3  | 32,070.2      | 24,030.1  | 3,044.1               | 3,418.3  |
| Shenyang Mingfa Square                           | 82,273.3      | 70,205.2  | 13,974.2      | 10,134.7  | 5,887.5               | 6,927.2  |
| Liu'an Yeji Minghui City                         | 76,420.5      | n/a       | 16,735.0      | n/a       | 4,566.5               | n/a      |
| Taizhou Mingfa City Complex                      | 66,704.7      | 126,649.3 | 10,885.2      | 17,422.5  | 6,128.0               | 7,269.3  |
| Tianjin Binhai Mingfa Shopping Mall              | 51,922.3      | 65,024.8  | 7,165.6       | 7,437.4   | 7,246.1               | 8,743.0  |
| Zibo Taohua Yuanzhu                              | 51,236.3      | 417,774.4 | 7,264.2       | 68,531.9  | 7,053.3               | 6,096.1  |
| Sihong   | 49,223.4      | 20,978.7  | 5,832.9       | 2,184.2   | 8,438.9               | 9,604.9  |
| Xiamen Zhongao Town Building                     | 45,476.3      | 113,984.1 | 3,037.3       | 7,873.3   | 14,972.7              | 14,477.3 |
| Nanjing Mingfa Wealth Centre                     | 30,826.6      | 127,794.5 | 2,388.0       | 12,943.1  | 12,909.1              | 9,873.6  |
| Mingfa Huguangshanse                             | 28,654.6      | 4,562.7   | 5,141.1       | 858.2     | 5,573.7               | 5,316.6  |
| Jinzhai Mingfa Shopping Mall                     | 25,592.0      | 29,953.9  | 2,944.2       | 3,161.1   | 8,692.3               | 9,475.8  |
| Taoyuan Nanyuan Villa                            | 23,958.4      | n/a       | 3,136.5       | n/a       | 7,638.7               | n/a      |
| Mingfa North Station Centre                      | 19,128.8      | 63,340.5  | 2,633.1       | 8,737.3   | 7,264.6               | 7,249.4  |
| Shenzhen Mingfa Guangming Xuan                   | 18,590.7      | 95,489.0  | 697.8         | 3,528.0   | 26,642.7              | 27,066.0 |
| Mingfa North Station Mei Yuan                    | 18,106.6      | 297,439.7 | 3,345.1       | 54,950.7  | 5,412.8               | 5,412.8  |
| Wuxi Mingfa Shopping Mall                        | 17,135.9      | 38,816.2  | 1,004.6       | 3,099.2   | 17,058.2              | 12,524.6 |
| Nanjing Mingfa Yuejingyuan                       | 14,499.7      | 23,676.6  | 4,576.9       | 2,632.2   | 3,168.0               | 8,994.9  |
| Zhangzhou Longhai Mingfa Mall                    | 13,980.6      | 497,906.6 | 4,208.7       | 67,970.9  | 3,321.9               | 7,325.3  |
| Wuxi Mingfa International New Town               | 12,326.5      | 38,095.2  | 14,478.4      | 2,120.4   | 851.4                 | 17,966.3 |
| Zhenjiang Mingfa Jinxiu Yinshan                  | 11,625.2      | n/a       | 6,731.6       | n/a       | 1,727.0               | n/a      |
| Chuzhou Wanqiao Xiyuan                           | 11,099.0      | 650,682.9 | 3,272.9       | 175,961.9 | 3,391.2               | 3,697.9  |
| Jinse Shui'an                                    | n/a           | 72,855.4  | n/a           | 19,313.9  | n/a                   | 3,772.2  |
| Jinzhai Mingfa City Lights                       | n/a           | 497,172.9 | n/a           | 96,443.9  | n/a                   | 5,155.0  |
| Jinzhai Mingfa Yueshanyuefu                      | n/a           | 209,030.0 | n/a           | 51,635.1  | n/a                   | 4,048.2  |
| Ma'anshan Hecheng Shoufu                         | n/a           | 27,789.7  | n/a           | 8,218.8   | n/a                   | 3,381.3  |
| Mingbo Yue City                                  | n/a           | 218,781.4 | n/a           | 42,145.9  | n/a                   | 5,191.1  |
| Mingfa North Station Villas                      | n/a           | 35,991.4  | n/a           | 6,649.3   | n/a                   | 5,412.8  |
| Moli Anju  | n/a           | 264,196.9 | n/a           | 80,462.1  | n/a                   | 3,283.5  |
| Nanjing Mingfa New City Finance Building         | n/a           | 53,288.0  | n/a           | 3,030.7   | n/a                   | 17,582.8 |
| Nanjing Mingfa Pearl Spring Resort               | n/a           | n/a       | n/a           | n/a       | n/a                   | n/a      |
| Nanjing Mingfa Riverside New Town                | n/a           | 35,047.4  | n/a           | 5,059.6   | n/a                   | 6,926.9  |

|                                  | Sales Revenue<br>(RMB'000) |             | GFA Delivered<br>(sq.m.) |             | Average Selling Price<br>(RMB per sq.m.) |          |
|----------------------------------|----------------------------|-------------|--------------------------|-------------|--|----------|
|                                  | 2023                       | 2022        | 2023                     | 2022        | 2023                                     | 2022     |
| Nanjing Mingfa Xiang Hill Garden | n/a                        | 49,494.8    | n/a                      | 3,841.6     | n/a                                      | 12,884.0 |
| Nanjing Mingfa Yueshanyuefu      | n/a                        | 61,055.4    | n/a                      | 3,360.9     | n/a                                      | 18,166.3 |
| Nanjing Rong Li                  | n/a                        | 39,227.8    | n/a                      | 2,943.2     | n/a                                      | 13,328.4 |
| Taoyuan Fudi                     | n/a                        | 142,046.7   | n/a                      | 28,246.7    | n/a                                      | 5,028.8  |
| Taoyuan Mingzhu                  | n/a                        | 35,874.6    | n/a                      | 5,808.9     | n/a                                      | 6,175.8  |
| Xiamen Mingfa Mingfeng Town      | n/a                        | 23,198.5    | n/a                      | 1,039.3     | n/a                                      | 22,321.5 |
| Xingyue City                     | n/a                        | 923,062.7   | n/a                      | 167,698.7   | n/a                                      | 5,504.3  |
| Xinyi Mingfa Zhongyang Lake CBD  | n/a                        | 494,711.5   | n/a                      | 75,787.7    | n/a                                      | 6,527.6  |
| Yangzhou Mingfa Jiangwan City    | n/a                        | 50,796.3    | n/a                      | 7,470.5     | n/a                                      | 6,799.6  |
| Zhangpu Mingfa Xiangshan Wan     | n/a                        | 5,160.1     | n/a                      | 982.0       | n/a                                      | 5,254.7  |
| Others                           | <b>193,239.2</b>           | 193,873.3   | <b>32,460.0</b>          | 27,556.4    | <b>5,953.1</b>                           | 7,035.5  |
|                                  | <b>8,524,843.2</b>         | 9,495,899.4 | <b>1,458,069.0</b>       | 1,596,424.5 | <b>5,846.7</b>                           | 5,948.2  |

## CONTRACTED SALES

During the reporting period, the Group recorded contracted sales of approximately RMB5,750.4 million with GFA of 851,463 sq.m. (2022: approximately RMB7,692.4 million with GFA of 1,087,670.8 sq.m.).

## PRE-SOLD PROPERTIES

As at 31 December 2023, the aggregated attributable GFA of pre-sold properties not yet delivered to the buyers was 1,063,351 sq.m. (2022: 1,362,877 sq.m.). Set out below are the details of the properties, the Group's interest and the attributable pre-sold GFA of the Group:

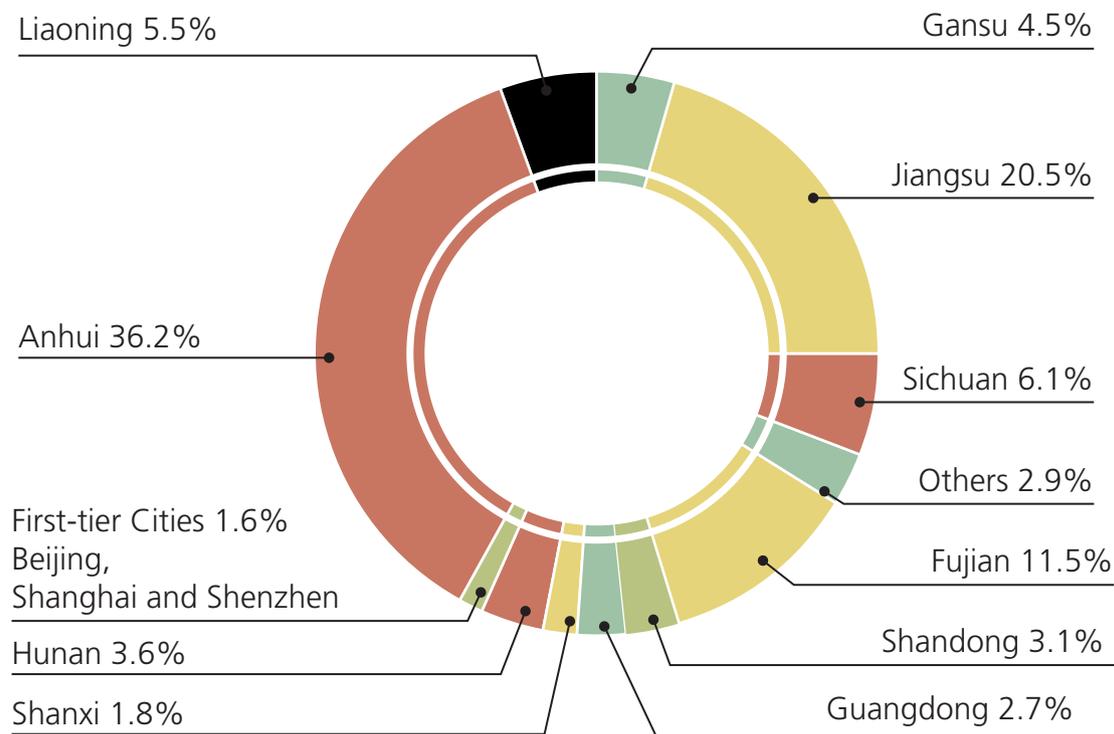
| City         | Project                                      | Group's Interest | Attributable GFA<br>(sq.m.) |
|--------------|--|------------------|-----------------------------|
| Fengxian     | Xingyue City                                 | 70%              | 104,510                     |
| Fengyang     | Fengyang Shuiyun Yaju                        | 100%             | 51,376                      |
| Fengyang     | Fengyang Taoyuan Yashe                       | 100%             | 8,493                       |
| Huai'an      | Huai'an Mingfa Shopping Mall                 | 100%             | 11,954                      |
| Jinhu        | Jinse Shuian                                 | 100%             | 9,712                       |
| Jinzhai      | Jinzhai Mingfa City Square                   | 100%             | 45,417                      |
| Jinzhai      | Jinzhai Yueshanyuefu                         | 100%             | 36,798                      |
| Laian        | Mingfa North Station Meiyuan                 | 100%             | 29,055                      |
| Laian        | Mingfa North Station Yayuan                  | 100%             | 16,916                      |
| Laian        | Mingfa North Station New Town                | 100%             | 6,141                       |
| Liu'an       | Ye Ji City Square                            | 100%             | 71,724                      |
| Ma'anshan    | Mingbo Yue City                              | 100%             | 51,445                      |
| Nanjing      | Nanjing Mingfa Shopping Mall                 | 100%             | 28,892                      |
| Nanjing      | Nanjing Mingfa Wealth Centre                 | 100%             | 9,527                       |
| Nanjing      | Nanjing Mingfa Riverside New Town            | 100%             | 9,418                       |
| Nanjing      | Nanjing Mingfa International Business Centre | 100%             | 7,235                       |
| Nanjing      | Nanjing Mingfa City Square                   | 100%             | 5,221                       |
| Qingyang     | Qingyang Yangguang Qingcheng                 | 100%             | 112,107                     |
| Shenyang     | Shenyang Mingfa Jinxiuhwa City               | 100%             | 54,901                      |
| Shenyang     | Shenyang Mingfa Mall                         | 100%             | 17,892                      |
| Shenyang     | Shenyang Mingfa Shanghe Shidai               | 100%             | 14,106                      |
| Suining      | Suining Shuiyun Taoyuan                      | 100%             | 69,492                      |
| Wujiang      | Wujiang Mingfa Jiangwan New City             | 100%             | 88,801                      |
| Yan'an       | Yan'an Zhi Sing                              | 100%             | 55,401                      |
| Zhangzhou    | Zhangzhou Longhai Mingfa Mall                | 100%             | 48,702                      |
| Zhangzhou    | Zhangzhou Mingfa Shopping Mall               | 100%             | 5,278                       |
| Zibo         | Zibo World Trade Centre                      | 100%             | 14,625                      |
| Others       |  |                  | 78,212                      |
| <b>Total</b> |  |                  | <b>1,063,351</b>            |

## SUMMARY OF LAND BANK

As at 31 December 2023, land reserves attributable to the Group decreased by 2.7% to approximately 17.9 million sq.m. (2022: approximately 18.4 million sq.m.), consisting of 132 projects (2022: 129 projects) in total.

|                                 | Number of<br>Projects | Attributable<br>GFA<br><i>(million sq.m.)</i> |
|---------------------------------|-----------------------|---|
| Completed projects              | 49                    | 3.5   |
| Projects under development      | 64                    | 11.5  |
| Projects for future development | 19                    | 2.7   |
| <b>Total</b>                    | <b>132</b>            | <b>17.7</b>                                   |

## TOTAL LAND BANK BY LOCATION (AS OF 31 DECEMBER 2023)



The following tables summarize the details of the Group's land reserves as at 31 December 2023:

| Property   | Location  | Actual/<br>Estimated<br>Completion<br>Date | Type of Property                    | Status    | Site Area<br>(sq.m.)<br>(Note 1) | Approximate<br>Leasable and<br>Saleable GFA<br>(sq.m.) | Group's<br>Interest | Attributable<br>GFA<br>(sq.m.) |
|--|---|--|-------------------------------------|-----------|----------------------------------|--|---------------------|--------------------------------|
| <b>Completed Properties (held for sale/leasing) (Note 1)</b> |   |  |                                     |           |                                  |  |                     |                                |
| Xiamen Mingfa Seascape Garden                                | Located at Qianpu South 2 Road, Siming District, Xiamen, Fujian Province  | Dec/2004                                   | Residential/Commercial/Office       | Completed | 18,247                           | 120  | 100%                | 120                            |
| Xiamen Mingfa Noble Place                                    | Located at Jiangtuo Residential, Huli District, Xiamen, Fujian Province   | Dec/2004                                   | Residential/Commercial/Office       | Completed | 5,529                            | 1,287  | 100%                | 1,287                          |
| Xiamen Mingfa Garden   | Located at Huanhuli South, Lving Road, Siming District, Xiamen, Fujian Province   | Apr/2005                                   | Residential/Commercial              | Completed | 18,697                           | 13,527   | 100%                | 13,527                         |
| Xiamen Jianqun Elegant Garden                                | Located at north of Qianpu Lianqian East Road, Huli District, Xiamen, Fujian Province   | Apr/2005                                   | Residential/Office                  | Completed | 10,257                           | 1,418  | 100%                | 1,418                          |
| Xiamen Mingfa International New Town                         | Located at Qianpu Lianqian Road South, Siming District, Xiamen, Fujian Province   | Feb/2002                                   | Residential/Commercial/Office       | Completed | 26,016                           | 5,435  | 100%                | 5,435                          |
| Xiamen Mingfa Shopping Mall                                  | Located to the northwest of Jiahe Road and Lianqian Road, Siming District, Xiamen, Fujian Province  | Oct/2007                                   | Commercial/Office/Hotel             | Completed | 166,775                          | 1,619  | 70%                 | 1,132                          |
| Xiamen Mingfa Town   | Located at Lving Road, Siming Industrial Park, Siming District, Xiamen, Fujian Province   | Jan/2008                                   | Residential/Commercial              | Completed | 12,879                           | 14,930   | 100%                | 14,930                         |
| Nanjing Mingfa Pearl Spring Resort                           | Located in Pearl Spring Resort, Pukou District, Nanjing, Jiangsu Province   | Dec/2008                                   | Residential/Hotel                   | Completed | 112,973                          | 5,054  | 100%                | 5,054                          |
| Nanjing Mingfa Riverside New Town                            | Located in Taishan Village, Pukou District, Nanjing, Jiangsu Province   | Nov/2009                                   | Residential/Commercial              | Completed | 1,072,182                        | 21,721   | 100%                | 21,721                         |
| Nanjing Mingfa Shopping Mall                                 | Located at the intersection of Dingqiang Road and Yulan Road in Yuhuatai District, Nanjing, Jiangsu Province  | Dec/2010                                   | Commercial/Office/Hotel             | Completed | 182,588                          | 111,544  | 100%                | 111,544                        |
| Wuxi Mingfa Shopping Mall                                    | Located in Sitou Village and Tangtou Village, Yanqiao Town, Huishan District, Wuxi, Jiangsu Province  | Dec/2011                                   | Residential/Commercial/Hotel        | Completed | 216,643                          | 379,190  | 100%                | 379,190                        |
| Hefei Mingfa Shopping Mall                                   | Located along the northeast side of the junction of Silihe Road and Dangshan Road, Luyang District, Hefei, Anhui Province   | Dec/2011                                   | Residential/Commercial/Office/Hotel | Completed | 176,698                          | 178,167  | 100%                | 178,167                        |
| Yangzhou Mingfa Shopping Mall                                | Located at the south of Yunhe Road East and west of Baolin Road, Guangling District, Yangzhou, Jiangsu Province   | Dec/2011                                   | Residential/Commercial/Hotel        | Completed | 145,267                          | 223,658  | 100%                | 223,658                        |
| Nanjing Mingfa City Square                                   | Located on Dingshan Road, Pukou District, Nanjing, Jiangsu Province   | Dec/2012                                   | Residential/Commercial/Office       | Completed | 128,683                          | 68,222   | 100%                | 68,222                         |
| Honglai Mingfa Commercial Center                             | Located at Longlai District, Nanan, Fujian Province   | Jun/2012                                   | Residential/Commercial              | Completed | 27,065                           | 10,852   | 100%                | 10,852                         |
| Xiamen Mingfa Xiang Wan Peninsula                            | Located at east part of Xiang'an Road, Xiang'an, Fujian Province  | Dec/2012                                   | Residential/Commercial              | Completed | 104,380                          | 10,151   | 100%                | 10,151                         |
| Zhangzhou Mingfa Shopping Mall                               | Located at Longjiang Road East, north of Shuixian Street, west of No. 6 Road, Xinpu Road South, Zhangzhou, Fujian Province  | Dec/2013                                   | Residential/Commercial/Office/Hotel | Completed | 223,589                          | 235,074  | 100%                | 235,074                        |
| Xiamen Mingfa Harbor Resort                                  | Located at south of Wu Yuan Wan Bridge, west of Huan Wan Road, and along the seaview strip of Huli District, Xiamen, Fujian Province                              | Dec/2013                                   | Hotel                               | Completed | 58,952                           | 135,301  | 100%                | 135,301                        |
| Huai'an Mingfa Shopping Mall (Block C)                       | Located in Weihai East Road, Huai'an, Jiangsu Province  | Dec/2014                                   | Residential                         | Completed | 51,345                           | 2,010  | 100%                | 2,010                          |
| Nanjing Mingfa Pearl River International (G11)               | Located at Jiangpu Street, east to Xianzhang Road, south to Jiangpu Secondary School, north to South River, west to Guihua Road, Pukou District, Jiangsu Province | Sep/2017                                   | Residential                         | Completed | 8,586                            | 6,665  | 100%                | 6,665                          |
| Nanjing Mingfa New City Finance Building                     | Located in New Town Business Avenue North, Pukou District, Nanjing, Jiangsu Province  | Dec/2017                                   | Residential/Commercial              | Completed | 59,042                           | 9,563  | 100%                | 9,563                          |

| Property   | Location  | Actual/<br>Estimated<br>Completion | Type of Property       | Status    | Site Area<br>(sq.m.)<br>(Note 1) | Approximate<br>Leasable and<br>Saleable GFA | Group's<br>Interest | Attributable<br>GFA |
|--|---|------------------------------------|------------------------|-----------|----------------------------------|---|---------------------|---------------------|
|  |   | Date                               |                        |           |                                  | (sq.m.)<br>(Note 1)                         |                     | (sq.m.)             |
| Nanjing Mingfa Cloud Mansion                             | Located in along the mountain road south, Jiangpu Street, Nanjing, Jiangsu Province   | Sep/2017                           | Residential            | Completed | 32,787                           | 3,103                                       | 40%                 | 1,241               |
| Jinzhai Mingfa City Square (Block G)                     | Located at New Town District, Meishan Town, Jinzhai County, Hefei, Anhui Province   | Sep/2017                           | Residential/Commercial | Completed | 105,504                          | 100,613                                     | 100%                | 100,613             |
| Jinzhai Mingfa City Square (Block D)                     | Located at New City, Meishan Town, Jinzhai County, Anhui Province   | Dec/2017                           | Residential/Commercial | Completed | 62,885                           | 29,982                                      | 100%                | 29,982              |
| Wuxi Mingfa International New Town                       | Located south of Yanqiao Town, Huishan District, Wuxi, Jiangsu Province   | Jun/2017                           | Residential/Commercial | Completed | 258,297                          | 53,571                                      | 100%                | 53,571              |
| Jinzhai Mingfa City Square (Blocks E, F)                 | Located at New City, Meishan Town, Jinzhai County, Anhui Province   | Jun/2018                           | Residential/Commercial | Completed | 203,406                          | 221,996                                     | 100%                | 221,996             |
| Beijing Mingfa Mall                                      | Located in Beizang Village, Daxing District, Beijing  | Dec/2018                           | Residential/Commercial | Completed | 45,414                           | 107,780                                     | 100%                | 107,780             |
| Xiamen Mingfeng Town                                     | Located at Lingdou Siming District, Xiamen, Fujian Province   | Jul/2018                           | Commercial             | Completed | 19,190                           | 74,693                                      | 100%                | 74,693              |
| Zhenjiang Mingfa Xinjin Yuancheng                        | Located at east of the new road, Danbei Town, Danyang City, Jiangsu Province  | Jan/2018                           | Residential/Commercial | Completed | 14,287                           | 9,748                                       | 100%                | 9,748               |
| Shenzhen Mingfa Guangming Xuan                           | Located at Tianliao Yulv Area, Guangming New District, Shenzhen, Guangdong Province   | Dec/2018                           | Commercial             | Completed | 4,109                            | 2,241                                       | 100%                | 2,241               |
| Nanjing Mingfa Yuejingyuan G07                           | Located at Pukou south along the mountain road, east side of Nanjing University of Technology, Nanjing, Jiangsu Province                  | Oct/2018                           | Commercial             | Completed | 31,455                           | 29,603                                      | 100%                | 29,603              |
| Nanjing Mingfa Xiang Hill Garden                         | Located in along the mountain road to the south, Caiba Road East, Pukou District, Nanjing, Jiangsu Province                               | Dec/2019                           | Residential            | Completed | 115,876                          | 67,481                                      | 100%                | 67,481              |
| Jinzhai Mingfa City Square (Block AC)                    | Located at Jinzhai County Meishan Town New Town, Hefei, Anhui Province  | Dec/2019                           | Residential/Commercial | Completed | 111,142                          | 119,574                                     | 100%                | 119,574             |
| Mingfa North Station New Town                            | Located in west side of Changjiang Road, Chahe Town, Lai'an County, Anhui Province  | Jan/2020                           | Residential/Commercial | Completed | 65,335                           | 356   | 100%                | 356                 |
| Nanjing Rong Li  | Located at Jiangpu Street, Puzhu Road North, Directional River Road East, Pukou District, Nanjing, Jiangsu Province                       | Dec/2019                           | Residential            | Completed | 132,937                          | 55,175                                      | 51%                 | 28,139              |
| Taoyuan Guandi   | Located in south side of Taochang Road, Hanshan County, Anhui Province  | Dec/2020                           | Residential            | Completed | 43,868                           | 2,792                                       | 100%                | 2,792               |
| Zhangzhou Longhai Mingfa Mall (2011G17, 2011G18 Phase 1) | Located in Bangshan Town, Kekeng Village, Longhai, Zhangzhou, Fujian Province   | Jul/2019                           | Residential/Commercial | Completed | 78,622                           | 227,504                                     | 100%                | 227,504             |
| Wujiang Mingfa Jiangwan New City (Phase 1)               | Located at Wujiang Town Four Lian, Hexian, Anhui Province   | Jan/2019                           | Residential/Commercial | Completed | 298,289                          | 503,971                                     | 100%                | 503,971             |
| Zhongao Town Buliding                                    | Located at south of Xiang'an District, Xiamen, Fujian Province  | Apr/2021                           | Commercial             | Completed | 11,870                           | 43,469                                      | 51%                 | 22,169              |
| Mingfa North Station Villas                              | Located at Chahe Town, Lai'an, Anhui Province   | Aug/2020                           | Residential            | Completed | 66,350                           | 44,511                                      | 100%                | 44,511              |
| Nanjing Mingfa Yueshan Yuefu                             | Located at Pukou Jiangpu Street angle at University Avenue and Flower Industry, Nanjing, Jiangsu Province                                 | Apr/2022                           | Residential            | Completed | 72,280                           | 4,124                                       | 100%                | 4,124               |
| Taoyuan Mansion  | Located at Xianghe Town, Quanjiao, Anhui Province   | Dec/2022                           | Residential            | Completed | 18,099                           | 28,136                                      | 100%                | 28,136              |
| Taoyuan Xi'an  | Located in Gushi Town, Dangtu County, Anhui Province  | Dec/2022                           | Residential/Commercial | Completed | 24,439                           | 7,280                                       | 100%                | 7,280               |
| Yangzhou Mingfa Jiangwan City                            | Located at east of Xuzhuang Road, north of Kaifa East Road, west of Liaojiagou Road, south of Ming Cheng Road, Yangzhou, Jiangsu Province | Dec/2023                           | Residential            | Completed | 158,238                          | 5,788                                       | 100%                | 5,788               |
| Nanjing Mingfa Wealth Center                             | Located in New City Headquarters Avenue on the north side of 05 plots, Pukou District, Nanjing, Jiangsu Province                          | Dec/2023                           | Commercial/Office      | Completed | 56,694                           | 53,870                                      | 100%                | 53,870              |
| Jinzhai Yueshan Yuefu (Blocks 40, 41)                    | Located at Jinzhai County, Meishan Town New Town, Hefei, Anhui Province   | Dec/2023                           | Residential/Commercial | Completed | 133,332                          | 50,468                                      | 100%                | 50,468              |

| Property   | Location  | Actual/<br>Estimated<br>Completion | Type of Property             | Status   | Site Area<br>(sq.m.)<br>(Note 1) | Approximate<br>Leasable and<br>Saleable GFA<br>(sq.m.) | Group's<br>Interest | Attributable<br>GFA<br>(sq.m.) |
|--|---|------------------------------------|------------------------------|--|----------------------------------|--|---------------------|--------------------------------|
|  |   | Date                               |                              |  |                                  |  |                     |                                |
| Sihong Shuiyun Taoyuan Garden                            | Located in east of Radish Li Road, north of Sizhou Street, Sihong County, Suqian, Jiangsu Province            | Dec/2023                           | Residential/Commercial       | Completed  | 84,200                           | 36,192   | 100%                | 36,192                         |
| Siyang Mingfa Shoufu                                     | Located at Zhongxing Town Siyang, Suqian, Jiangsu Province  | Dec/2023                           | Residential/Commercial       | Completed  | 103,972                          | 270,632  | 70%                 | 189,443                        |
| Mingfa North Station Meiyuan                             | Located at Chahe Town, Lai'an, Anhui Province   | Dec/2023                           | Residential/Commercial       | Completed  | 64,377                           | 85,671   | 100%                | 85,671                         |
| <b>Sub-total</b>   |   |                                    |                              |  | <b>5,243,642</b>                 | <b>3,675,831</b>                                       |                     | <b>3,543,958</b>               |
| <b>Properties under development (Note 2)</b>             |   |                                    |                              |  |                                  |  |                     |                                |
| Zhenjiang Jinxiu Yinshan                                 | Located in the centre of Zhenjiang City, Jiangsu Province   | Dec/2024                           | Residential/Commercial/Hotel | Approximately 90% of construction has been completed | 296,702                          | 84,382   | 100%                | 84,382                         |
| Huai'an Mingfa Shopping Mall (Block A)                   | Located in Shenzhen South Road, Huai'an, Jiangsu Province   | Dec/2024                           | Commercial                   | Approximately 90% of construction has been completed | 133,110                          | 181,557  | 100%                | 181,557                        |
| Shenyang Mingfa Jinxiu Hua City                          | Located in Shenbei Xinqu Daoyi Development Zone, Liaoning Province  | Dec/2024                           | Residential/Commercial       | Approximately 90% of construction has been completed | 61,222                           | 166,358  | 100%                | 166,358                        |
| Taizhou Mingfa International Mall (Phase 1)              | Located in Gaogang District, Taizhou, Jiangsu Province  | Dec/2024                           | Residential/Commercial       | Approximately 85% of construction has been completed | 292,487                          | 145,645  | 100%                | 145,645                        |
| Taizhou Mingfa International Mall (Phase 2)              | Located in Gaogang District, Taizhou, Jiangsu Province  | Dec/2024                           | Residential/Industrial       | Approximately 75% of construction has been completed | 237,075                          | 103,333  | 100%                | 103,333                        |
| Shanghai Mingfa Shopping Mall                            | Located in east of Hu Yi Highway, Baiyin Road of south, boundary of west, Gaotai Road North, Shanghai         | Dec/2024                           | Commercial                   | Approximately 70% of construction has been completed | 53,779                           | 17,880   | 100%                | 17,880                         |
| Pingliang Mingfa European City                           | Located in west of Water Bridge, north of Linjing Road, Kongdong District, Pingliang, Gansu Province          | Dec/2024                           | Residential                  | Approximately 85% of construction has been completed | 117,594                          | 21,924   | 60%                 | 13,154                         |
| Changsha Mingfa Shopping Mall                            | Located in Star Cheng Town, Wangcheng County, Changsha, Hunan Province  | Dec/2025                           | Residential/Commercial       | Approximately 75% of construction has been completed | 285,594                          | 639,177  | 100%                | 639,177                        |
| Huizhou Mingfa Gaobang New City                          | Huizhou City West Train Station, Guangdong Province   | Dec/2025                           | Residential                  | Approximately 80% of construction has been completed | 332,335                          | 606,964  | 80%                 | 485,571                        |
| Tianjin Binhai Mingfa Shopping Mall                      | Located in Tanggu Marine Hi-Tech Development Zone, Tianjin  | Dec/2025                           | Commercial                   | Approximately 75% of construction has been completed | 209,048                          | 350,345  | 100%                | 350,345                        |
| Wujiang Mingfa Jiangwan New City (Phase 2)               | Located at Wujiang Town Four Lian, Hexian, Anhui Province   | Dec/2025                           | Residential/Commercial       | Approximately 80% of construction has been completed | 506,829                          | 1,060,946  | 100%                | 1,060,946                      |
| Quanzhou Mingfa International Huachang City              | Located at Neicuo Village, Guanqiao Town, Nanan, Fujian Province  | Dec/2025                           | Residential/Commercial       | Approximately 80% of construction has been completed | 276,120                          | 653,140  | 100%                | 653,140                        |
| Guang'an Mingfa Mall (Blocks GC2013-45)                  | Located in Bridge Group, Guan'an, Sichuan Province  | Dec/2024                           | Residential/Commercial       | Approximately 85% of construction has been completed | 76,153                           | 163,329  | 100%                | 163,329                        |
| Shandong Zibo World Trade Center                         | Located in People's road to the north, Shanghai Road to the east, Zhangdian District, Zibo, Shandong Province | Dec/2024                           | Residential/Commercial       | Approximately 75% of construction has been completed | 156,696                          | 293,100  | 100%                | 293,100                        |
| Shenyang Creative Industrial Estate                      | Located in Shenbei Xinqu Daoyi Development Zone, Liaoning Province  | Dec/2024                           | Residential/Commercial       | Approximately 80% of construction has been completed | 154,024                          | 137,960  | 100%                | 137,960                        |
| Zhangzhou Longhai Mingfa Mall (2011G15, 2012G15 Phase 2) | Located in Bangshan Town, Kekang Village, Longhai, Zhangzhou, Fujian Province                                 | Dec/2024                           | Residential                  | Approximately 75% of construction has been completed | 63,127                           | 16,540   | 100%                | 16,540                         |

| Property   | Location  | Actual/<br>Estimated<br>Completion | Type of Property       | Status   | Site Area<br>(sq.m.)<br>(Note 1) | Approximate<br>Leasable and<br>Saleable GFA | Group's<br>Interest | Attributable<br>GFA |
|--|---|------------------------------------|------------------------|--|----------------------------------|---|---------------------|---------------------|
|  |   | Date                               |                        |  |                                  | (sq.m.)                                     |                     | (sq.m.)             |
| Mingfa MingBo Town   | Located at Bowang Town Bowang District, Ma'anshan, Anhui Province   | Dec/2024                           | Residential/Commercial | Approximately 75% of construction has been completed | 101,504                          | 45,015                                      | 100%                | 45,015              |
| Taoyuan New Town   | Located at Xianghe Town, Quanjiao, Anhui Province   | Dec/2024                           | Residential            | Approximately 80% of construction has been completed | 109,452                          | 105,620                                     | 100%                | 105,620             |
| Taoyuan Mingzhu  | Located in Shengzhou Road, Chizhou, Anhui Province  | Dec/2024                           | Residential            | Approximately 80% of construction has been completed | 99,943                           | 7,738                                       | 100%                | 7,738               |
| Jinse Shui'an  | Located in north side of Huaihe Road, Jinhu County, Huai'an, Jiangsu Province   | Dec/2024                           | Residential/Commercial | Approximately 75% of construction has been completed | 289,236                          | 181,796                                     | 100%                | 181,796             |
| Wujiang Mingfa Jiangwan New City (Phase 3)                   | Located at Wujiang Town Four Lian, Hexian, Anhui Province   | Dec/2025                           | Residential/Commercial | Approximately 65% of construction has been completed | 615,764                          | 1,122,691                                   | 100%                | 1,122,691           |
| Nanjing International Business Center                        | Located in Software Service Center High Tech Development Zone, Nanjing, Jiangsu Province                              | Dec/2024                           | Commercial             | Approximately 60% of construction has been completed | 62,015                           | 331,309                                     | 80%                 | 265,048             |
| Taoyuan Xiangsong  | Located in North New District, Dongzhi County, Chizhou, Anhui Province  | Dec/2024                           | Residential/Commercial | Approximately 70% of construction has been completed | 36,590                           | 20,288                                      | 100%                | 20,288              |
| Taoyuan Fudi   | Located at Xianghe Town, Quanjiao, Anhui Province   | Dec/2024                           | Residential            | Approximately 70% of construction has been completed | 66,262                           | 63,515                                      | 51%                 | 32,393              |
| Taoyuan Guanlan  | Located at Xianghe Town, Quanjiao, Anhui Province   | Dec/2024                           | Residential            | Approximately 65% of construction has been completed | 55,481                           | 58,847                                      | 51%                 | 30,012              |
| Guang'an Mingfa City Complex Project (ChaMa Road B1-1 Block) | Located in Binjiang Road, Guang'an District, Guan'an, Sichuan Province  | Dec/2025                           | Residential/Commercial | Approximately 70% of construction has been completed | 76,363                           | 156,305                                     | 100%                | 156,305             |
| Zhangpu Mingfa Xiangshan Wan                                 | Located in Houcai Village, Qianting Town, Zhangpu County, Zhangzhou, Fujian Province                                  | Dec/2024                           | Residential/Commercial | Approximately 60% of construction has been completed | 46,885                           | 85,493                                      | 90%                 | 76,859              |
| Wuhu Chungu Xi'an  | Located in new city east of Chengdong, Fanchang County, Wuhu City, Anhui Province                                     | Dec/2024                           | Residential            | Approximately 75% of construction has been completed | 64,607                           | 976   | 100%                | 976                 |
| Mingfa Nanjing Cross-strait Science and Technology Base      | Located in the channel of Science and Technology Industrial Park, Pukou District, Nanjing, Jiangsu Province           | Dec/2025                           | Industrial             | Approximately 50% of construction has been completed | 119,564                          | 90,161                                      | 100%                | 90,161              |
| Mingfa North Station Center                                  | Located at Chahe Town, Lai'an, Anhui Province   | Dec/2024                           | Residential/Commercial | Approximately 80% of construction has been completed | 69,757                           | 264,974                                     | 100%                | 264,974             |
| Hecheng Shoufu   | Located at Liyang Town, Ma'anshan, Anhui Province   | Dec/2024                           | Residential            | Approximately 80% of construction has been completed | 26,918                           | 9,494                                       | 100%                | 9,494               |
| Mingfa Huguangshanse Yihao                                   | Located at Xiangquan Town, Ma'anshan, Anhui Province  | Dec/2025                           | Residential/Commercial | Approximately 65% of construction has been completed | 68,688                           | 70,855                                      | 100%                | 70,855              |
|  | Located at Xiangquan Town, Ma'anshan, Anhui Province  | Dec/2024                           | Residential/Commercial | Approximately 55% of construction has been completed | 63,674                           | 75,551                                      | 100%                | 75,551              |
| Nanjing Mingrong Garden                                      | Located in Puzhu Road, Jiangpu Street, Pukou District, Nanjing, Jiangsu Province                                      | Dec/2024                           | Commercial             | Approximately 45% of construction has been completed | 26,530                           | 66,325                                      | 100%                | 66,325              |
| New project in Nanjing Pukou G30                             | Located at north of Nanjing University of Technology, south along the mountain road, Pukou, Nanjing, Jiangsu Province | Dec/2024                           | Commercial             | Approximately 40% of construction has been completed | 32,843                           | 59,117                                      | 100%                | 59,117              |

| Property  | Location   | Actual/<br>Estimated<br>Completion | Type of Property       | Status   | Site Area<br>(sq.m.)<br>(Note 1) | Approximate<br>Leasable and<br>Saleable GFA | Group's<br>Interest | Attributable<br>GFA |
|---|--|------------------------------------|------------------------|--|----------------------------------|---|---------------------|---------------------|
|   |  | Date                               |                        |  |                                  | (sq.m.)<br>(Note 1)                         |                     | (sq.m.)             |
| Taohua Yuanzhu  | Located at Xingyuan Road Zibo, Shandong Province   | Dec/2024                           | Residential            | Approximately 70% of construction has been completed | 156,691                          | 152,551                                     | 100%                | 152,551             |
| Mingfa Internet Industrial Park                       | Located at Xingyuan Road Zibo, Shandong Province   | Oct/2025                           | Commercial             | Approximately 50% of construction has been completed | 67,156                           | 100,735                                     | 100%                | 100,735             |
| Moli Anju   | Located in east of Changxing Road and north of Yingshanjiang Avenue, Jinniu Lake New City, Tianchang, Anhui Province     | Dec/2024                           | Residential/Commercial | Approximately 75% of construction has been completed | 48,073                           | 1,654                                       | 100%                | 1,654               |
| Xingyue City  | Located in west of Ring Road East, north of Zhangyang Avenue, west of City Road West, Fengxian, Xuzhou, Jiangsu Province | Dec/2025                           | Residential/Commercial | Approximately 45% of construction has been completed | 320,779                          | 568,087                                     | 70%                 | 397,661             |
| Mingfa City Lights                                    | Located in Jinzhai Modern Industrial Park, Anhui Province  | Dec/2024                           | Residential/Commercial | Approximately 55% of construction has been completed | 107,417                          | 121,555                                     | 100%                | 121,555             |
| Mingbo Yue City                                       | Located at Bowang Town, Bowang District, Ma'anshan, Anhui Province   | Dec/2024                           | Residential/Commercial | Approximately 45% of construction has been completed | 67,600                           | 79,534                                      | 100%                | 79,534              |
| Dingyuan Mingfa Shuiyun Taoyuan                       | Located at Kaoshan Road, Dingyuan Town, Chizhou, Anhui Province  | Dec/2024                           | Residential            | Approximately 55% of construction has been completed | 69,333                           | 16,527                                      | 100%                | 16,527              |
| Shenyang Mingfa Square                                | Located in Shenbei Xinqu Daoyi Development Zone, Liaoning Province   | Dec/2025                           | Residential/Commercial | Approximately 55% of construction has been completed | 119,154                          | 196,065                                     | 100%                | 196,065             |
| Yangguang Qingcheng (Block 1)                         | Located at Rongcheng Town, Chizhou, Anhui Province   | Dec/2024                           | Residential/Commercial | Approximately 50% of construction has been completed | 112,183                          | 55,616                                      | 100%                | 55,616              |
| Dingyuan Mingfa Wealth Center                         | Located at south of Qi Ji Guang Avenue, Dingyuan Town, Chizhou, Anhui Province   | Dec/2024                           | Commercial/Office      | Approximately 50% of construction has been completed | 24,439                           | 146,636                                     | 100%                | 146,636             |
| Mingfa Software Valley                                | Located in north of Beijing East Road, east of Qianjiang Eoad, Xinyi, Xuzhou, Jiangsu Province                           | Dec/2024                           | Commercial             | Approximately 35% of construction has been completed | 46,548                           | 88,000                                      | 60%                 | 52,800              |
| Xinyi Mingfa Zhongyang Lake CBD                       | Located in Zhongshan Road, Xinyi High-Tech Zone, Xuzhou, Jiangsu Province  | Dec/2024                           | Residential/Commercial | Approximately 35% of construction has been completed | 76,473                           | 126,555                                     | 100%                | 126,555             |
| Hainan Mingfa Modern Service Industry Industrial Park | Located in Haikou Comprehensive Bonded Area, Haikou, Hainan Province   | Dec/2024                           | Industrial             | Approximately 30% of construction has been completed | 57,600                           | 57,600                                      | 100%                | 57,600              |
| Peixian Mingfa Noble Place                            | Located in east side of Zhenxing Road, Zhangzhuang Town, Peixian, Xuzhou, Jiangsu Province                               | Dec/2025                           | Residential/Commercial | Approximately 30% of construction has been completed | 37,676                           | 75,352                                      | 100%                | 75,352              |
| Mingfa Taoyuan Mingzhu C1 Zone                        | Located in Dengke Street, Enyang District, Bazhong, Sichuan Province   | Dec/2025                           | Residential            | Approximately 30% of construction has been completed | 154,082                          | 385,206                                     | 100%                | 385,206             |
| Mingfa Yan'an Zhi Xing                                | Located in Yan'an new area, Yan'an, Shanxi Province  | Dec/2025                           | Residential/Commercial | Approximately 45% of construction has been completed | 79,116                           | 319,218                                     | 100%                | 319,218             |
| Suining Shuiyun Taoyuan                               | Located in north of North Road, west of Wenxue North Road, Suining County, Xuzhou, Jiangsu Province                      | Dec/2025                           | Residential/Commercial | Approximately 45% of construction has been completed | 130,571                          | 352,936                                     | 60%                 | 155,858             |
| QingYang Yangguang Qingcheng (Block 3)                | Located at Qibuquan Road, Rongcheng Town, Chizhou, Anhui Province  | Dec/2024                           | Residential/Commercial | Approximately 45% of construction has been completed | 57,269                           | 55,243                                      | 100%                | 55,243              |
| Mingfa Yuhong Commercial and Residential Project      | Located at Zaohua Street, Yuhong District, Shenyang, Liaoning Province   | Dec/2025                           | Residential            | Approximately 30% of construction has been completed | 235,526                          | 423,948                                     | 100%                | 423,948             |

| Property   | Location   | Actual/<br>Estimated<br>Completion | Type of Property                  | Status   | Site Area<br>(sq.m.)<br>(Note 1) | Approximate<br>Leasable GFA<br>(sq.m.) | Group's<br>Interest | Attributable<br>GFA<br>(sq.m.) |
|--|--|------------------------------------|-----------------------------------|--|----------------------------------|--|---------------------|--------------------------------|
|  |  | Date                               |                                   |  |                                  |  |                     |                                |
| New project in Ma'anshan MingPu  | Located at Wujiang Town Four Lian, Hexian, Anhui Province  | Dec/2025                           | Industrial                        | Approximately 30% of construction has been completed | 31,258                           | 46,888                                 | 100%                | 46,888                         |
| New project in Ma'anshan MingLin   | Located at Wujiang Town Four Lian, Hexian, Anhui Province  | Dec/2025                           | Residential/Commercial/Industrial | Approximately 30% of construction has been completed | 106,963                          | 162,975                                | 100%                | 162,975                        |
| Fengyang Shuiyun Yaju  | Located at the east side of Gongchen Temple Road and on the south side of Ruyi Road, Fengyang Town, Chuzhou, Anhui Province                    | May/2024                           | Residential/Commercial            | Approximately 50% of construction has been completed | 65,484                           | 108,734                                | 100%                | 108,734                        |
| Longhai Mingfa Square (原: Zhangzhou Longhai Mingfa Mall (2011G16, 2012G13, 2012G14 Phase Three)) | Located in Bangshan Town, Kekeng Village, Longhai, Zhangzhou, Fujian Province  | Dec/2025                           | Residential                       | Approximately 40% of construction has been completed | 105,188                          | 315,564                                | 100%                | 315,564                        |
| Fengxian International Hotel   | Located in west of Ring Road East, north of Zhangyang Avenue, west of City Road West, Fengxian, Xuzhou, Jiangsu Province                       | Dec/2025                           | Residential/Commercial            | Approximately 45% of construction has been completed | 22,316                           | 55,791                                 | 70%                 | 39,054                         |
| QingYang Yangguang Qingcheng (Block 4)   | Located at Tianzhu Road, Rongcheng Town, Chizhou, Anhui Province   | Dec/2025                           | Residential/Commercial            | Approximately 40% of construction has been completed | 37,552                           | 75,104                                 | 100%                | 75,104                         |
| Liu'an Yeji Minghui City   | Located in west of Zhanqian Road, south of Weiming Road, east of Changqing Road and north of Shihe Road, Yeji District, Liu'an, Anhui Province | Dec/2025                           | Residential/Commercial            | Approximately 40% of construction has been completed | 150,070                          | 300,140                                | 100%                | 300,140                        |
| Fengyang Taoyuan Yashe   | Located at the west side of Gongchengmiao Road and on the north side of Fenge West Road, Fengyang Town, Chuzhou, Anhui Province                | May/2025                           | Commercial                        | Approximately 20% of construction has been completed | 34,338                           | 87,626                                 | 100%                | 87,626                         |
| Maanshan Mingbo Tianyue Fu   | Located at the southwest corner of the intersection of Yuhe Road and Taihang Road in Bowang Town, Bowang District, Ma'anshan                   | Dec/2025                           | Residential                       | Approximately 20% of construction has been completed | 32,569                           | 71,122                                 | 90%                 | 64,010                         |
| Nan'an Guozhong Huayuan  | Located in Furong New City Community, Meishan Town, Nan'an City  | Apr/2026                           | Residential/Commercial            | Approximately 20% of construction has been completed | 55,654                           | 126,535                                | 100%                | 126,535                        |
| Maanshan Mingbo Junyue Fu  | Located at the southwest corner of the intersection of Yuhe Road and Hangyang Road in Bowang Town, Bowang District, Ma'anshan                  | Jun/2025                           | Residential                       | Approximately 20% of construction has been completed | 30,765                           | 52,301                                 | 90%                 | 47,071                         |
| <b>Sub-total</b>   |  |                                    |                                   |  | <b>7,923,814</b>                 | <b>12,184,446</b>                      |                     | <b>11,487,647</b>              |
| <b>Properties with land use rights certificate for future development (Note 3)</b>               |  |                                    |                                   |  |                                  |  |                     |                                |
| Lanzhou Mingfa Zhongke Ecological Park   | Located in southwest of Weijia Village, Gansu Province   | Dec/2024                           | Residential                       | Vacant   | 1,371,786                        | 1,371,786                              | 51%                 | 699,611                        |
| Taiwan Taoyuan Block 169   | Located in Air Passenger Park, Taoyuan, Taiwan   | Dec/2024                           | Commercial                        | Vacant   | 16,110                           | 38,663                                 | 100%                | 38,663                         |
| Shenyang Mingfa Wealth Center  | Located at Qing Nian Street, Heping District, Shenyang, Liaoning Province  | Dec/2024                           | Commercial                        | Vacant   | 5,468                            | 54,677                                 | 100%                | 54,677                         |
| Jurong Zidong Square   | Located at the east side of Ninghang North Road and the west side of Chigang Road, Jurong, Jiangsu Province                                    | Dec/2024                           | Residential/Commercial            | Vacant   | 53,892                           | 296,406                                | 100%                | 296,406                        |
| Mingfa Huguangshanse Erhao   | Located at Xiangquan Town Ma'anshan, Anhui Province  | Dec/2024                           | Residential                       | Vacant   | 108,972                          | 108,972                                | 100%                | 108,972                        |
| New project in Jurong 2017-2-1-08  | Located in Huanhu Road, Jurong, Jiangsu Province   | Dec/2024                           | Commercial                        | Vacant   | 9,265                            | 13,989                                 | 100%                | 13,989                         |
| QingYang Yangguang Qingcheng (Block 2)   | Located at Qi Bu Quan Road, Rongcheng Town, Chizhou, Anhui Province  | Dec/2024                           | Residential/Commercial            | Vacant   | 52,388                           | 136,207                                | 100%                | 136,207                        |
| New project in Hainan Danzhou  | Located in Plot 54 Nada Konggui · Danzhou City, Hainan Province  | Sep/2025                           | Residential                       | Vacant   | 66,541                           | 119,774                                | 60%                 | 71,864                         |
| <b>Sub-total</b>   |  |                                    |                                   |  | <b>1,684,421</b>                 | <b>2,140,474</b>                       |                     | <b>1,420,389</b>               |

| Property   | Location   | Actual/<br>Estimated<br>Completion | Type of Property       | Status | Site Area<br>(sq.m.)<br>(Note 1) | Approximate                             | Group's<br>Interest | Attributable      |
|--|--|------------------------------------|------------------------|--------|----------------------------------|---|---------------------|-------------------|
|  |  | Date                               |                        |        |                                  | Leasable and<br>Saleable GFA<br>(sq.m.) |                     | GFA<br>(sq.m.)    |
| <b>Properties with signed land use rights contract for future development (Note 4)</b> |  |                                    |                        |        |                                  |   |                     |                   |
| Hong Six Highway Rebuilding Project  | Located at Xixia Village, Honglai Town, Nanan, Fujian Province   | Dec/2024                           | Residential/Commercial | Vacant | 22,784                           | 92,298                                  | 100%                | 92,298            |
| Kangyang Town  | Located in Jiangjun Road, Jinzhai, Anhui Province  | Dec/2024                           | Residential/Commercial | Vacant | 64,539                           | 103,263                                 | 100%                | 103,263           |
| New project in Bazhong (2020-1-1-4-7)  | Located in Dengke Street, Enyang District, Bazhong, Sichuan Province   | Aug/2024                           | Residential            | Vacant | 141,811                          | 323,169                                 | 100%                | 323,169           |
| New project in Bazhong (2020-1-1-1-3)  | Located in Dengke Street, Enyang District, Bazhong, Sichuan Province   | Aug/2024                           | Hotel                  | Vacant | 23,970                           | 35,955                                  | 100%                | 35,955            |
| New project in Bazhong (2020-1-2-1-3)  | Located in Dengke Street, Enyang District, Bazhong, Sichuan Province   | Aug/2024                           | Commercial             | Vacant | 19,089                           | 22,906                                  | 100%                | 22,906            |
| New project in Liu'an Yeji 2021-26   | Located at East of Liulin Avenue, south of Wanshou Road, west of Donglou Road and north of Shihe RoadYeji District, Liu'an, Anhui Province | Jan/2025                           | Residential            | Vacant | 90,313                           | 162,563                                 | 100%                | 162,563           |
| New project in Liu'an Yeji 2021-26   | Located at East of Liulin Avenue, south of Wanshou Road, west of Donglou Road and north of Shihe RoadYeji District, Liu'an, Anhui Province | Jan/2025                           | Residential            | Vacant | 90,756                           | 163,360                                 | 100%                | 163,360           |
| New project in Mingfa North Station Tianyu   | Located at Chahe Town, Lai'an, Anhui Province  | Aug/2025                           | Residential/Commercial | Vacant | 108,395                          | 113,815                                 | 100%                | 113,815           |
| New project in Suzhou Wenjin Yuan  | Located in Southeast corner of Huaihe Road and Xichang Road in Yongqiao District, Suzhou City  | Sep/2025                           | Residential            | Vacant | 29,098                           | 151,309                                 | 100%                | 151,309           |
| New project in Chuzhou Mingrong Guanhu Yaju  | Located to the northeast of the intersection of Xijian Road and Huanhu Road in Langya District, Chuzhou City, Anhui Province               | Aug/2024                           | Residential            | Vacant | 30,923                           | 43,292                                  | 100%                | 43,292            |
| New project in Lanzhou   | Located in the southern part of Shidong Town, Gaolan County, Lanzhou City, Gansu Province  | Dec/2029                           | Residential            | Vacant | 110,000                          | 186,546                                 | 51%                 | 95,138            |
| <b>Sub-total</b>   |  |                                    |                        |        | <b>731,677</b>                   | <b>1,398,476</b>                        |                     | <b>1,307,068</b>  |
|  |  |                                    |                        |        | <b>15,583,555</b>                | <b>19,399,227</b>                       |                     | <b>17,759,062</b> |

**Notes:**

1. Completed properties refer to the properties in respect of which (a) the certificates of completion, (b) the permits for commencement of construction works, and (c) the land use rights certificates had been obtained as at 31 December 2023.
2. Properties under development refer to the properties in respect of which (a) the permits for commencement of construction works and (b) the land use rights certificates had been obtained as at 31 December 2023.
3. The site area is in respect of the whole property (regardless of GFA that have been sold).
4. The approximate leasable and saleable GFA and attributable GFA have excluded the GFA that have been sold/leased.

## SUMMARY OF PROPERTIES HELD BY THE GROUP FOR INVESTMENT

The following table summarizes the details of the Group's major properties held for investment as at 31 December 2023:

| Property  | Location   | Existing Usage             | Attributable GFA | Term of Leases     | Percentage of interest in the Properties Attributable to the Group |
|---|--|----------------------------|------------------|--------------------|--|
| Beijing Mingfa Mall                                     | Located at Bizang Village, Daxing District, Beijing  | Residential/<br>Commercial | 66,834           | 3–10 years         | 100%   |
| Changsha Mingfa Shopping Mall                           | Located in Star Cheng Town, Wangcheng County, Changsha, Hunan Province   | Commercial                 | 131,561          | 20 years           | 100%   |
| Hefei Mingfa Shopping Mall                              | Located along the northeast side of the junction of Silihe Road and Dangshan Road, Luyang District, Hefei, Anhui Province            | Commercial                 | 163,695          | 15–20 years        | 100%   |
| Jinzhai Mingfa City Square (Block G)                    | Located at New Town District, Meishan Town, Jinzhai County, Hefei, Anhui Province  | Commercial                 | 59,025           | 2–15 years         | 100%   |
| Nanjing Mingdao School                                  | Located at Yayuan Road, Jiangbei New District, Nanjing, Jiangsu Province   | Commercial                 | 60,381           | 6 years            | 100%   |
| Nanjing Mingfa Cross-strait Science and Technology Base | Located in the channel of science and technology industrial park, Jiangsu Province   | Commercial                 | 5,491            | 3 years            | 100%   |
| Nanjing Mingfa New City Finance Buliding                | Located in New Town Business Avenue North, Pukou District, Nanjing, Jinansu Province   | Commercial                 | 1,454            | 3–5 years          | 100%   |
| Nanjing Mingfa Riverside New Town                       | Located in Taishan Village, Pukou District, Nanjing, Jiangsu Province  | Commercial                 | 78,769           | 3–9 years          | 100%   |
| Nanjing Mingfa Shopping Mall                            | Located at the intersection of Dingqiang Road and Yulan Road in Yuhuatai District, Nanjing, Jiangsu Province                         | Commercial                 | 135,436          | 10–15 years        | 100%   |
| Nanjing Mingfa Yuejingyuan                              | Located at Pukou south along the mountain road, east side Nanjing University of Technology, Jiangsu Province                         | Commercial                 | 2,627            | 1–8 years          | 100%   |
| Pingliang Mingfa European City                          | Located in Water Bridge West, Linjing Road North, Kongdong District, Pingliang, Gansu Province                                       | Commercial                 | 5,059            | 1–3 years          | 60%  |
| Quanzhou Mingfa Hotel                                   | “Located in Licheng District, Jiangnan Torch Village, Quanzhou, Fujian Province”   | Hotel                      | 4,755            | 5 years            | 100%   |
| Sihong Shuiyun Taoyuan Garden                           | Loacated in Radish Li Road East, North of Sizhou Street, Sihong County, Suqian, Jiangsu Province                                     | Commercial                 | 6,469            | 3–10 years         | 100%   |
| Taizhou Mingfa International Mall                       | Located in Gaogang Distrcet, Taizhou, Jiangsu Province   | Commercial                 | 16,128           | 10 years           | 100%   |
| Tianjin Mingfa City Complex                             | Located in Tanggu Marine Hi-Tech Development Zone, Tianjin   | Commercial                 | 62,631           | Under construction | 100%   |
| Wuxi Mingfa Shopping Mall                               | Located in Sitou Village and Tangtou Village, Yanqiao Town, Huishan District, Wuxi, Jiangsu Province                                 | Commercial                 | 282,681          | 20 years           | 100%   |
| Xiamen Lianfeng Furniture Park                          | Located on Honglian Road, Siming District, Xiamen, Fujian Province   | Industrial                 | 26,120           | 20 years           | 100%   |
| Xiamen Mingfa Group Mansion                             | Located at Qianpu Industrial Park, Xiamen, Fujian Province   | Commercial                 | 39,531           | 5–6 years          | 100%   |
| Xiamen Mingfa Harbour Resort                            | Located at south of Wu Yuan Wan Bridge, west of Huan Wan Road, and along the seaview strip of Huli District, Xiamen, Fujian Province | Commercial                 | 45,419           | 3 years            | 100%   |
| Xiamen Mingfa Hotel                                     | Located at No. 413 Lianqian East Road, Xiamen, Fujian Province   | Hotel                      | 12,441           | 10 years           | 100%   |
| Xiamen Mingfa Industrial Park                           | Located at No.2 Honglian Road West, Siming District, Xiamen, Fujian Province   | Industrial                 | 11,588           | 8–15 years         | 100%   |

| Property                       | Location  | Existing Usage | Attributable GFA | Term of Leases | Percentage of interest in the Properties Attributable to the Group |
|--------------------------------|---|----------------|------------------|----------------|--|
| Xiamen Mingfa Shopping Mall    | Located to the northwest of Jiahe Road and Lianqian Road, Siming District, Xiamen, Fujian Province                  | Commercial     | 126,369          | 8–20 years     | 70%–100%   |
| Xiamen Mingfa Technology Park  | Located in Kaiyuan Xing'an Industrial Park, Tong'an District, Xiamen, Fujian Province                               | Industrial     | 62,131           | 18 years       | 100%   |
| Yangzhou Mingfa Shopping Mall  | Located at the south of Yunhe Road East and west of Baolin Road, Guangling District, Yangzhou, Jiangsu Province     | Commercial     | 61,732           | 15 years       | 100%   |
| Zhangzhou Longhai Mingfa Mall  | Located in Bangshan Town, Kekeng Village, Longhai, Zhangzhou, Fujian Province                                       | Commercial     | 2,831            | 10 years       | 100%   |
| Zhangzhou Mingfa Shopping Mall | Located at Longjiang Road East, Shuixian Street North, No.6 Road West, Xintu Road South, Zhangzhou, Fujian Province | Commercial     | 112,416          | 12–19 years    | 100%   |
| Zhenjiang Jinxiu Yinshan       | Located in the centre of Zhenjiang City, Jiangsu Province   | Commercial     | 2,880            | 15.5 years     | 100%   |
| <b>Total</b>                   |   |                | <u>1,586,454</u> |                |  |

## Properties to be Completed in 2024

Set out below are the properties expected to be completed by the Group in 2024.

| Property   | Expected completion date | Type of property                 | GFA to be completed | Percentage of interest in the property attributable to the Group |
|--|--------------------------|----------------------------------|---------------------|--|
| Zhenjiang Jinxiu Yinshan                                 | Dec/2024                 | Residential/<br>Commercial/Hotel | 8,438               | 100%   |
| Huai'an Mingfa Shopping Mall (Block A)                   | Dec/2024                 | Commercial                       | 18,156              | 100%   |
| Shenyang Mingfa Jinxiu Hua City                          | Dec/2024                 | Residential/Commercial           | 16,636              | 100%   |
| Taizhou Mingfa International Mall (Phase 1)              | Dec/2024                 | Residential/Commercial           | 21,847              | 100%   |
| Taizhou Mingfa International Mall (Phase 2)              | Dec/2024                 | Residential/Commercial           | 25,833              | 100%   |
| Shanghai Mingfa Shopping Mall                            | Dec/2024                 | Commercial                       | 5,364               | 100%   |
| Pingliang Mingfa European City                           | Dec/2024                 | Residential                      | 1,973               | 60%  |
| Guang'an Mingfa Mall (Blocks GC2013–45)                  | Dec/2024                 | Residential/Commercial           | 24,499              | 100%   |
| Shandong Zibo World Trade Center                         | Dec/2024                 | Residential/Commercial           | 73,275              | 100%   |
| Shenyang Creative Industrial Estate                      | Dec/2024                 | Residential/Commercial           | 27,592              | 100%   |
| Zhangzhou Longhai Mingfa Mall (2011G15, 2012G15 Phase 2) | Dec/2024                 | Residential                      | 4,135               | 100%   |
| Mingfa MingBo Town                                       | Dec/2024                 | Residential/Commercial           | 11,254              | 100%   |
| Taoyuan New Town   | Dec/2024                 | Residential                      | 21,124              | 100%   |
| Taoyuan Mingzhu  | Dec/2024                 | Residential                      | 1,548               | 100%   |
| Jinse Shuiian  | Dec/2024                 | Residential/Commercial           | 45,449              | 100%   |
| Nanjing International Business Center                    | Dec/2024                 | Commercial                       | 106,019             | 80%  |

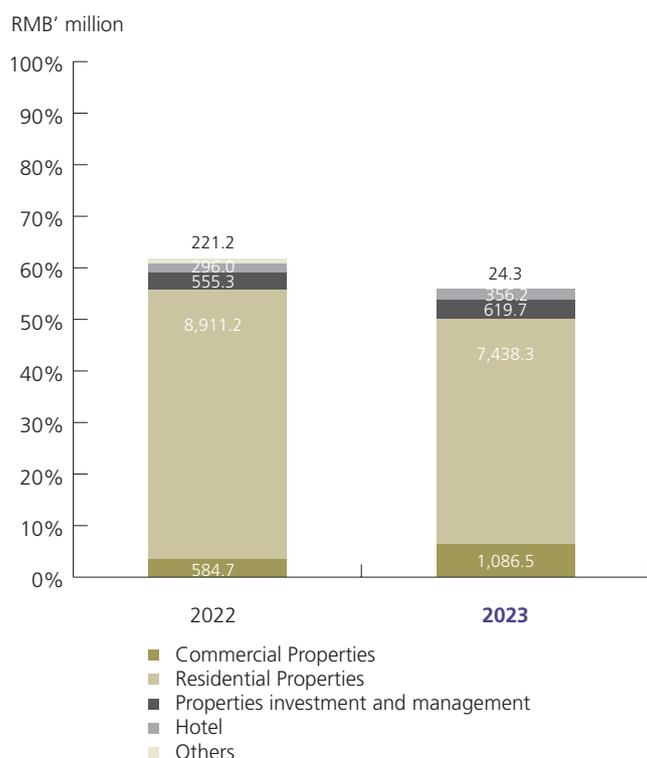
| Property  | Expected completion date | Type of property       | GFA to be completed | Percentage of interest in the property attributable to the Group |
|---|--------------------------|------------------------|---------------------|--|
| Taoyuan Xiangsong                                     | Dec/2024                 | Residential/Commercial | 6,086               | 100%   |
| Taoyuan Fudi  | Dec/2024                 | Residential            | 9,718               | 51%  |
| Taoyuan Guanlan                                       | Dec/2024                 | Residential            | 10,504              | 51%  |
| Zhangpu Mingfa Xiangshan Wan                          | Dec/2024                 | Residential/Commercial | 30,744              | 90%  |
| Wuhu Chungu Xi'an                                     | Dec/2024                 | Residential            | 244                 | 100%   |
| Mingfa North Station Center                           | Dec/2024                 | Residential/Commercial | 52,995              | 100%   |
| Hecheng Shoufu  | Dec/2024                 | Residential            | 1,899               | 100%   |
| Nanjing Mingrong Garden                               | Dec/2024                 | Commercial             | 36,479              | 100%   |
| New project in Nanjing Pukou G30                      | Dec/2024                 | Commercial             | 35,470              | 100%   |
| Taohua Yuanzhu  | Dec/2024                 | Residential            | 45,765              | 100%   |
| Moli Anju   | Dec/2024                 | Residential/Commercial | 414                 | 100%   |
| Mingfa City Lights                                    | Dec/2024                 | Residential/Commercial | 54,700              | 100%   |
| Mingbo Yue City                                       | Dec/2024                 | Residential/Commercial | 43,744              | 100%   |
| Dingyuan Mingfa Shuiyun Taoyuan                       | Dec/2024                 | Residential            | 7,437               | 100%   |
| Yangguang Qingcheng (Block 1)                         | Dec/2024                 | Residential/Commercial | 27,808              | 100%   |
| Dingyuan Mingfa Wealth Center                         | Dec/2024                 | Commercial/Office      | 73,318              | 100%   |
| Mingfa Software Valley                                | Dec/2024                 | Commercial             | 34,320              | 60%  |
| Xinyi Mingfa Zhongyang Lake CBD                       | Dec/2024                 | Residential/Commercial | 82,261              | 100%   |
| Hainan Mingfa Modern Service Industry Industrial Park | Dec/2024                 | Industrial             | 40,320              | 100%   |
| QingYang Yangguang Qingcheng (Block 3)                | Dec/2024                 | Residential/Commercial | 30,384              | 100%   |
| Fengyang Shuiyun Yaju                                 | May/2024                 | Residential/Commercial | 54,367              | 100%   |
|   |                          |                        | 1,092,119           |  |

## FINANCIAL REVIEW AND ANALYSIS

For the year ended 31 December 2023, revenue generated by the Group was approximately RMB9,525.0 million (2022: approximately RMB10,568.4 million), representing a decrease of 9.9% as compared to 2022. The decrease in revenue in 2022 was mainly due to the decrease in the GFA delivered from 1,596,425 sq.m. in 2022 to 1,458,069 sq.m. in 2023. Revenue from various sectors is analyzed as follows:

| For the year ended<br>31 December | Commercial<br>Properties<br>(RMB'million) | Residential<br>Properties<br>(RMB'million) | Properties                                    |                        |                         | Total<br>(RMB'million) | Percentage of<br>(Decrease)/<br>Increase in<br>Total Revenue |
|-----------------------------------|---|--|---|------------------------|-------------------------|------------------------|--|
|                                   |   |  | Investment and<br>Management<br>(RMB'million) | Hotel<br>(RMB'million) | Others<br>(RMB'million) |                        |  |
| 2023                              | 1,086.5                                   | 7,438.3                                    | 619.7   | 356.2                  | 24.3                    | 9,525.0                | (9.9%)   |
| 2022                              | 584.7                                     | 8,911.2                                    | 555.3   | 296.0                  | 221.2                   | 10,568.4               | (35.6%)  |

### Revenue by Segment



Revenue from the properties sector contributed 89.5% in total to the Group's revenue. Revenue from the commercial properties sector increased by 85.8% which was primarily due to more GFA in commercial properties in Shanghai being delivered in 2023. Revenue generated from the residential properties sector decreased for 16.5% in 2023 as compared to 2022. The main reason for the decrease in revenue generated from residential properties was less GFA being delivered from 1,545,588 sq.m. in 2022 to 1,231,398 sq.m. in 2023.

Revenue from the properties investment and management sector increased by 11.6%, which was mainly due to the annual rental review in 2023.

Revenue generated from the hotel sector increased by 20.3% from approximately RMB296.0 million in 2022 to approximately RMB356.2 million in 2023.

The gross profit of the Group was approximately RMB1,944.5 million for 2023, representing a decrease of 15.0% as compared to 2022 (2022: approximately RMB2,288.3 million) which was in line with the decrease in revenues.

The loss for the year of the Group was approximately RMB643.1 million in 2023 as compared to the profit for the year of the Group of approximately RMB18.6 million in 2022. The decrease was mainly due to the valuation loss in investment properties of approximately RMB652.6 million in 2023 as compared to the valuation gain of approximately RMB477.3 million in 2022.

The loss attributable to the equity holders of the Company was approximately RMB467.1 million for 2023 (2022: profit attributable to the equity holders of the Company of approximately RMB48.0 million). The decrease was mainly due to the valuation loss in investment properties of approximately RMB652.6 million in 2023 as compared to the valuation gain of approximately RMB477.3 million in 2022.

The cost of sales of the Group was approximately RMB7,580.5 million for 2023, representing a decrease of 8.4% as compared to 2022 (2022: approximately RMB8,280.1 million). Cost of sales decreased in line with the decrease in revenue in 2023.

The average cost of properties included in cost of sales of the Group was RMB4,503.5 per sq.m. for 2023, representing a decrease of 4.5% over 2022 (2022: average cost of properties included in cost of sales was RMB4,717.2 per sq.m.).

Fair value loss in investment properties was approximately RMB652.6 million in 2023 (2022: fair value gain in investment properties of approximately RMB477.3 million). The decrease was mainly due to the general decrease in market value of commercial properties.

Other losses decreased by 80.9% from approximately RMB241.5 million in 2022 to approximately RMB46.2 million in 2023. The decrease was mainly due to decrease in exchange loss in 2023.

Selling and marketing costs of the Group were approximately RMB495.7 million in 2023, representing a decrease of 24.4% as compared to 2022 (2022: approximately RMB655.5 million). The decrease was mainly due to the decrease in sales commission led by the decrease in sales.

General and administrative expenses of the Group were approximately RMB566.1 million in 2023, representing a decrease of 25.3% as compared to 2022 (2022: approximately RMB757.5 million).

Net finance income of the Group decreased by 12.8% to approximately RMB20.3 million in 2023 (2022: approximately RMB23.2 million).

## CAPITAL STRUCTURE

As at 31 December 2023, the Group had aggregated cash and cash equivalents (excluding restricted cash) of approximately RMB1,779.2 million (2022: approximately RMB2,875.4 million). Restricted cash of the Group was approximately RMB57.3 million (2022: approximately RMB93.7 million). Bank loans and other borrowings of the Group repayable within one year and after one year were approximately RMB456.6 million and RMB2,058.6 million respectively (2022: approximately RMB171.1 million and RMB2,468.9 million respectively). The cash and cash equivalents of the Group were mainly denominated in Renminbi as at 31 December 2023.

## BORROWINGS

|  | <b>As at 31 December</b> |                  |
|--|--------------------------|------------------|
|  | <b>2023</b>              | 2022             |
|  | <b><i>RMB'000</i></b>    | <i>RMB'000</i>   |
| Borrowings included in non-current liabilities       |                          |                  |
| Bank borrowings — secured                            | <u>2,515,134</u>         | <u>2,640,071</u> |
| Less: Amounts due within one year                    | <u>(456,583)</u>         | <u>(171,139)</u> |
|  | <u><b>2,058,551</b></u>  | <u>2,468,932</u> |
| Borrowings included in current liabilities           |                          |                  |
| Current portion of long-term secured bank borrowings | <u>456,583</u>           | <u>171,139</u>   |
|  | <u><b>456,583</b></u>    | <u>171,139</u>   |

The maturity of the borrowings included in non-current liabilities is as follows:

|                              | <b>As at 31 December</b> |                         |
|------------------------------|--------------------------|-------------------------|
|                              | <b>2023</b>              | <b>2022</b>             |
|                              | <b><i>RMB'000</i></b>    | <b><i>RMB'000</i></b>   |
| Borrowings:                  |                          |                         |
| On demand or within one year | <b>456,583</b>           | 171,139                 |
| Between 1 and 2 years        | <b>422,125</b>           | 145,806                 |
| Between 2 and 5 years        | <b>556,250</b>           | 1,622,726               |
| Over 5 years                 | <b>1,080,176</b>         | 700,400                 |
|                              | <b><u>2,515,134</u></b>  | <b><u>2,640,071</u></b> |

Total interest expenses including the capitalised interest costs amounted to approximately RMB84.5 million (2022: approximately RMB203.3 million) in total.

The borrowings was categorised by fixed or floating interest:

|                  | <b>As at 31 December 2023</b> |                          | <b>As at 31 December 2022</b> |                          |
|------------------|-------------------------------|--------------------------|-------------------------------|--------------------------|
|                  | <b><i>RMB'million</i></b>     | <b><i>% of total</i></b> | <b><i>RMB'million</i></b>     | <b><i>% of total</i></b> |
| Fixed            | —                             | —                        | —                             | 0.0%                     |
| Floating         | <b><u>2,515.1</u></b>         | <b><u>100%</u></b>       | <b><u>2,640.0</u></b>         | <b><u>100%</u></b>       |
| Total borrowings | <b><u>2,515.1</u></b>         | <b><u>100%</u></b>       | <b><u>2,640.0</u></b>         | <b><u>100%</u></b>       |

## FINANCIAL RATIO

Set out below are the major ratios of the Group:

|   | <b>As at and for the year ended</b> |                   |
|---|-------------------------------------|-------------------|
|   | <b>31 December</b>                  |                   |
|   | <b>2023</b>                         | <b>2022</b>       |
| Gross profit margin   | <b>20.4%</b>                        | 21.7%             |
| Operating (loss)/profit margin                              | <b>(0.8)%</b>                       | 9.9%              |
| Net (loss)/profit margin                                    | <b>(6.8)%</b>                       | 0.2%              |
| Current ratio   | <b>1.07</b>                         | 1.09              |
| Total liabilities to total assets                           | <b>73.1%</b>                        | 72.4%             |
| Bank loans and other borrowings to shareholders' funds      | <b>14.4%</b>                        | 14.7%             |
| Non-current bank loans and other borrowings to total assets | <b>2.9%</b>                         | 3.5%              |
| Gearing ratio*  | <b><u>3.5%</u></b>                  | <b><u>nil</u></b> |

\* Defined as net debt (total borrowings less cash and cash equivalents and cash restricted for borrowings) divided by the sum of shareholders' funds and net debt.

## **FOREIGN EXCHANGE RISK**

As at 31 December 2023, the balance of the bank deposits maintained by the Group (including restricted bank balances) consisted of Renminbi, New Taiwan dollars and Hong Kong dollars in the respective proportions of 97.2%, 2.5% and 0.3% (31 December 2022: Renminbi and Hong Kong dollars in the respective proportions of 99.8%, and 0.2% respectively of the total bank balances of the Group). The bank loans and other borrowings maintained by the Group were denominated in Renminbi (31 December 2022: Renminbi, and New Taiwan dollars in respective proportions of 96.1% and 3.9% respectively of the total bank loans and other borrowings of the Group).

As the sales, purchases, bank borrowings and other borrowings of the Group in 2023 were made mainly in Renminbi, Hong Kong dollars and US dollars, and it is expected that the majority of future development and transactions carried out by the Group will be made and transacted either in Renminbi, Hong Kong dollars or US dollars, the Group will convert the Hong Kong dollars bank balances into Renminbi as and when required to minimize any foreign exchange risk. The Group did not adopt any foreign exchange hedging instruments to hedge against foreign exchange risk in 2023 as the hedging list was comparable to the corresponding risk.

## **INTEREST RATE RISK**

As at 31 December 2023, the bank borrowings of the Group were floating rate borrowings and were denominated in Renminbi whereby any upward fluctuations in interest rates will increase the interest costs of the Group in connection with such loans or any new loans obtained by the Group calculated on a floating interest rate basis. The Group currently does not use any derivative instruments to hedge against its interest rate risk.

## **FUNDING AND TREASURY POLICY**

The Group utilizes cash flows generated from operating activities and bank loans to finance its operations, construction and capital expenditure, to increase its land banks, to discharge its debt and to ensure the continuous growth of the Group's business.

## **CREDIT POLICIES**

The Group has policies in place to ensure that sales of properties are made to purchasers with an appropriate financial strength and appropriate percentage of down payment. Credit is normally granted to anchor tenants with sufficient financial strength. It also has other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. Other receivables mainly comprise deposits made to government agencies for property development purposes which are to be recovered upon completion of the development, and advances to business partners for business cooperations. The Group closely monitors these deposits and advances to ensure actions are taken to recover these balances in the case of any risk of default.

## **HUMAN RESOURCES**

As at 31 December 2023, the Group employed 3,804 staff (31 December 2022: 4,073 staff). For 2023, the staff costs of the Group including Directors' emoluments were approximately RMB276.3 million (2022: approximately RMB303.7 million). The staff costs include basic salary and welfare expenses, whereby employees' welfare includes medical insurance plan, pension plan, unemployment insurance plan, training and pregnancy insurance plan.

The Company values its human capital and is keen to improve the professionalism and competitiveness of its employees through training and regular performance reviews. The Group provides various training opportunities to employees, including training for accounting teams and other training in relation to the latest group reporting requirements and standards. The Group's employees are engaged according to the terms and provisions of their employment contracts and the Group normally conducts review on the remuneration packages and performance appraisal once every year for its employees, the results of which will be applied in annual salary review for considering the grant of annual bonus or not and in promotion assessment. The Group also regularly studies and compares its remuneration packages with those of its peers and competitors and will make adjustment whenever necessary so as to maintain its competitiveness in the employment market.

## **SIGNIFICANT ACQUISITION AND DISPOSAL DURING THE YEAR**

During the reporting period, the Group did not conduct significant acquisition or disposal.

## **CORPORATE GOVERNANCE PRACTICES**

The Directors recognise the importance of incorporating the elements of good corporate governance in the management structures and internal control procedures of the Group so as to achieve effective accountability to the shareholders of the Company (the “**Shareholders**”) as a whole. The Board strived to uphold good corporate governance and adopt sound corporate governance practices. During the reporting period, all code provisions in the Corporate Governance Code as set out in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) were complied with by the Company.

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

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

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

During the year ended 31 December 2023, there were no purchase, sale or redemption of listed securities of the Company by the Company.

## **SIGNIFICANT EVENTS AFTER THE REPORTING DATE**

Save as disclosed in this announcement, there are no significant events after the reporting date which would materially affect the Group’s operating and financial performance as of the date of this announcement.

## **AUDIT COMMITTEE**

The Audit Committee comprises of all independent non-executive directors of the Company, namely, Mr. Lau Kin Hon, Mr. Chu Kin Wang Peleus and Mr. Chan Sing Lai. The duties of the Audit Committee include making recommendations to the Board in relation to the independence and engagement of external auditor, monitoring the integrity, accuracy and fairness of financial statements, reviewing the system of financial control, internal control and risk management and reviewing corporate governance practices of the Company. The Audit Committee had reviewed the annual results and the consolidated financial statements of the Group for the year ended 31 December 2023.

## **PUBLICATION OF ANNUAL REPORT**

The 2023 annual report of the Company will be despatched to the shareholders of the Company and published on the website of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (<http://www.hkexnews.hk>) and the Company (<http://www.ming-fa.com>) in due course.

## **SCOPE OF WORK OF INDEPENDENT AUDITOR**

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of other comprehensive income, and the related notes thereto for the year ended 31 December 2023 as set out in the preliminary announcement have been agreed by the Company’s auditors, BDO Limited, to the amounts set out in the Group’s draft consolidated financial statements for the year. The work performed by BDO Limited 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 HKICPA and consequently no assurance has been expressed by BDO Limited on the preliminary announcement.

## **AUDITORS**

The Company appointed BDO Limited as its auditors for the year ended 31 December 2023. The Company will submit a resolution in the coming annual general meeting of the Company to re-appoint BDO Limited as the auditors of the Company for the ensuing 2024.

By order of the Board of  
**MINGFA GROUP (INTERNATIONAL) COMPANY LIMITED**  
**POON WING CHUEN**  
*CFO/Company Secretary*

Hong Kong, 28 March 2024

*As at the date of this announcement, the Board comprises:*

|   |  |
|---|--|
| <i>Executive Directors:</i>                 | <i>Mr. Ng Man Fung Walter and Mr. Zhong Xiaoming</i>                   |
| <i>Non-executive Director:</i>              | <i>Dr. Lam, Lee G. (Chairman of the Board)</i>                         |
| <i>Independent non-executive Directors:</i> | <i>Mr. Lau Kin Hon, Mr. Chu Kin Wang Peleus, and Mr. Chan Sing Lai</i> |