



佳兆業集團控股有限公司\*  
KAISA GROUP HOLDINGS LTD.

(Incorporated in the Cayman Islands with limited liability)  
Stock Code: 1638

# 2023 ANNUAL REPORT



\* For identification purposes only

## CORPORATE OVERVIEW

Established in 1999, Kaisa Group Holdings Ltd. (the “**Company**” or “**Kaisa**”), which together with its subsidiaries, is referred to as the “**Group**” or “**Kaisa Group**”) (stock code: 1638) is headquartered in Hong Kong. It was listed on the Main Board of The Hong Kong Stock Exchange Limited on 9 December 2009.

Kaisa Group has more than 20 groups and professional companies and has established a number of listed platforms, including Kaisa Group Holdings Ltd (1638.HK), Kaisa Prosperity Holdings Limited (2168.HK), Kaisa Health Group Holdings Limited (0876.HK), Kaisa Capital Investment Holdings Limited (0936.HK) and Kaisa Jia Yun Technology Inc. (300242.SZ). Kaisa’s businesses have covered major economic regions such as Guangdong-Hong Kong-Macao Greater Bay Area, the coordinated development area of Beijing-Tianjin-Hebei regions and the Yangtze River Economic Belt. Kaisa Group has entered more than 50 major cities across the country. Its business covers more than 20 industrial fields such as comprehensive development, urban renewal, healthcare, culture & leisure, sports, technology, property management, commercial operations, hotel operations and so on.

Kaisa Group upholds the strategic positioning of “urban public service provider”. With “professionalism, innovation, value, and responsibility” as its core corporate values, Kaisa Group puts focus on four sustainable development dimensions, namely city co-creation, livelihood sharing, coexistence with environment and home building. In terms of industrial layout, Kaisa Group takes urban renewal as the platform, industrial transformation projects as the grasp, citizens’ needs as the basis and ecological environment as the foundation, to explore the development mode of urban public services.

Kaisa Group has always regarded social responsibility as its own one. Over the years, it has funded more than 80 charitable projects in poverty alleviation, poverty relief, education, medical care, environmental protection, and fighting the epidemic, with a cumulative amount of more than RMB1.7 billion. The Group has also gradually established a complete charity platform of “Three Funds and One Foundation” (三金一會) comprising Kaisa Public Welfare Foundation (佳兆業公益基金會), Kaisa Medical Workers Caring Fund (佳兆業白衣天使基金), Kaisa Yushu Education Fund (佳兆業玉樹助學基金) and Kaisa Sanitation Workers Caring Fund (佳兆業環衛工關愛基金). The Group continues to promote the advancement of public welfare undertakings through normalized, institutionalized, and standardized operating mechanisms.





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# CORPORATE INFORMATION

## EXECUTIVE DIRECTORS

Mr. KWOK Ying Shing (*Chairman*)  
 Mr. SUN Yuenan (*Vice Chairman*)  
 Mr. MAI Fan (*Vice Chairman*)  
 Mr. LI Haiming  
 Mr. KWOK Hiu Kwan

## NON-EXECUTIVE DIRECTOR

Ms. CHEN Shaohuan

## INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. RAO Yong  
 Mr. ZHANG Yizhao  
 Mr. LIU Xuesheng

## AUDIT COMMITTEE

Mr. RAO Yong (*Chairman*)  
 Mr. ZHANG Yizhao  
 Ms. CHEN Shaohuan

## REMUNERATION COMMITTEE

Mr. ZHANG Yizhao (*Chairman*)  
 Mr. RAO Yong  
 Mr. KWOK Ying Shing

## NOMINATION COMMITTEE

Mr. KWOK Ying Shing (*Chairman*)  
 Mr. RAO Yong  
 Mr. ZHANG Yizhao

## AUTHORISED REPRESENTATIVES

Mr. SUN Yuenan  
 Mr. MAI Fan

## COMPANY SECRETARY

Mr. YU Kwok Leung

## REGISTERED OFFICE

Cricket Square  
 Hutchins Drive  
 P.O. Box 2681  
 Grand Cayman, KY1-1111  
 Cayman Islands

## PRINCIPAL PLACE OF BUSINESS IN THE PRC

Room 3306, Kerry Center  
 Ren Min South Road  
 Luohu  
 Shenzhen  
 Guangdong  
 China





## CORPORATE INFORMATION

### PRINCIPAL PLACE OF BUSINESS IN HONG KONG

30/F, The Center  
99 Queen's Road Central  
Central  
Hong Kong

### PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Suntera (Cayman) Limited  
(formerly known as Royal Bank of Canada Trust Company  
(Cayman) Limited)  
Suite 3204, Unit 2A, Block 3  
Building D, P.O. Box 1586  
Gardenia Court, Camana Bay  
Grand Cayman, KY1-1110  
Cayman Islands

### HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited

### PRINCIPAL BANKERS

Bank of China Limited  
Industrial and Commercial Bank of China Limited  
Ping An Bank Company Limited  
China Citic Bank Corporation Limited  
China Minsheng Banking Corp. Ltd.

### LEGAL ADVISERS

#### As to Hong Kong and U.S. law:

Sidley Austin

#### As to PRC law:

King & Wood Mallesons

#### As to Cayman Islands law:

Harney Westwood & Riegels

### AUDITOR

Elite Partners CPA Limited

### LISTING INFORMATION

#### Share Listing

The Company's ordinary shares are listed on the  
Main Board of The Stock Exchange of  
Hong Kong Limited  
(Stock Code: 1638.HK)

### COMPANY'S WEBSITE

<http://www.kaisagroup.com>



# MILESTONES

## EXPLORING NEW DEVELOPMENT MODELS AND PRACTICING SUSTAINABLE DEVELOPMENT

### 1. Deepen the strategic positioning of urban public service provider

In 2023, Kaisa Group adhered to its strategic positioning of “urban public service provider” and further defined the four sustainable development dimensions of “city co-creation”, “livelihood sharing”, “environmental coprosperity” and “home co-building”. In terms of industrial layout, we continued to take urban renewal as the platform, industrial redevelopment projects as the grasp, citizens’ needs as the basis, focusing on demands of urban public services in all scenarios, and establishing a new model for sustainable development of the enterprise.



### 2. Took the lead in successful resumption of trading and inject confidence into the industry

In March 2023, Kaisa Group Holdings Ltd. (1638.HK) published the Annual Report 2021 and the Interim Report 2022. Up to this point, Kaisa Group has fulfilled all the conditions for resumption of trading and officially resumed trading on the Hong Kong Stock Exchange on 10 March, marking a significant breakthrough in Kaisa’s risk resolution work and its operating fundamentals continued to return to a positive track.

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**KAISA GROUP HOLDINGS LTD.**  
佳兆業集團控股有限公司\*  
(於開曼群島註冊成立的有限公司)  
(股份代號：1638)

(1) 截至二零二一年十二月三十一日止年度的  
年度業績公告  
(2) 達成復牌條件  
(3) 恢復買賣



## MILESTONES

## TAKING MULTIPLE MEASURES TO RESUME SALES AND CONSTRUCTION, AND PROMOTING STABLE OPERATION

**1. Sales of Dongguan Kaisa Le Grand Bleu exceeded RMB100 million in a single day**

In February 2023, the sales of the Dongguan Kaisa Le Grand Bleu project (東莞佳兆業碧海雲天項目) exceed RMB100 million on the day of additional launch. According to the statistics of CRIC, in February 2023, Kaisa continued to rank first in the Dongguan Real Estate Company Sales List in terms of sales area and sales amount, taking the lead in terms of performance. The turnover of Kaisa's projects in Shenzhen, Guangzhou, Huizhou, Luoyang and Guiyang has increased significantly, and the recovery of the sales-end has provided solid support for the Company's stable operation and risk mitigation.

**2. The overall resumption rate of projects under construction and under management in China reached 95%**

By the end of February 2023, the overall resumption rate of projects under construction and under management of Kaisa Group was approximately 95%. Kaisa Group made every effort to coordinate all parties, overcome difficulties and comprehensively advance the construction progress. While grasping the construction schedule, we constantly improved the level of refined management and control, abided by the inspection and acceptance standards of "high standards, high quality and strict requirements", strictly controlled every construction stages and every process nodes, and efficiently promoted the resumption of construction and production to ensure the smooth completion and delivery of the projects.



## MILESTONES

## MAKING EVERY EFFORT TO ENSURE DELIVERY AND FIRMLY DELIVERING THE QUALITY COMMITMENT

**1. Open day of construction sites held by Kaisa Jiayuan for relocated property owners**

In March 2023, Kaisa Jiayuan held an open day for relocated owners, and about 300 relocated property owners visited the construction site of the relocated houses in batches for understanding the progress of the projects. Kaisa will take quality, progress and safety as the cornerstone and lifeline of its constructions, paid close attention to the progress and strictly controlled the quality, so as to make an all-out sprint for the follow-up construction nodes, resolutely ensure timely delivery, and deliver the quality realization of starting from a blueprint to lights of thousands of homes as soon as possible.

**3. Achieved the target of delivering 46,000 units in 2023**

In 2023, Kaisa Group insisted on focusing on the quality, adhered to its initial responsibility, and firmly implemented the enterprise's mission of "protecting people's livelihood, ensuring delivery and ensuring quality". The Group delivered a total of 61 projects with approximately 46,000 housing units in various cities including Shenzhen, Guangzhou, Shanghai, Chengdu, Chongqing, Wuhan and Changsha, representing a growth of more than 2 times as compared with 2022 in terms of the total delivered units and exceeding the annual delivery target. The Group continued to deliver the promise of a better life to property owners and present quality delivery.

**2. Quality delivery of Kaisa Pinghu Old Town Project Phase III**

In December 2023, the centralized delivery of the North Zone of Kaisa Plaza (佳兆業金御佳園), the GX01 Urban Renewal Unit Phase III Relocated Houses in the Old Town area in Pinghu Street, Longgang District, Shenzhen, was completed recently. The centralized delivery of the Phase III relocated houses of the project shall become another important milestone for the Pinghu Old Town Project to fulfill its promise of a better life.





## MILESTONES

**STRATEGIC COOPERATION WITH STATE-OWNED ENTERPRISE AND AMC TO FACILITATE REVITALIZATION OF CORE ASSETS****1. Kaisa and Futian Ancheng Investment, a state-owned enterprise, engaged in strategic cooperation to develop the Corniche Project in Shenzhen**

In April 2023, under the guidance of the government, Kaisa Group introduced Futian Ancheng Investment, a state-owned enterprise, and cooperated with central state-owned enterprises and state-owned enterprises such as China Great Wall AM, Anju Construction, Futian Investment Holdings and Jian'an Group etc. to jointly construct the Corniche Project which is a benchmark for high-quality residential units in Shenzhen Futian CBD. This cooperation is a positive attempt to implement national policies and explore a new model for the real estate industry, which is an important assurance for the realization of "Ensuring Delivery, Securing Livelihood and Guaranteeing Stability".

**2. The construction of key urban renewal projects achieved major breakthrough**

In December 2023, Shenzhen Futian Dongshan Community Redevelopment Project Phase 1, namely Kaisa Jiayuan, successfully completed the centralized delivery of relocated houses. The project is a new benchmark for high-end residential units in the center of Futian, and is also a sign of breakthroughs in the construction of Kaisa's major urban renewal projects. Kaisa Group will utilize its professional advantages in the field of urban renewal, actively respond to the policy requirements of the construction of "Three Major Projects" under the national policy, and join hands with its partners to continue to push forward the redevelopment process of the Phase II of Dongshan community project, so as to work tirelessly for the bright future of Dongshan's good life.



## MILESTONES

## DIVERSIFIED BUSINESS SYNERGY TO EMPOWER GOOD LIFE IN THE CITY

**1. New upgrades of Kare Hotels & Executive Residences (Qianhai, Shenzhen) were launched**

In March 2023, new upgrades of Kare Hotels & Executive Residences (Qianhai, Shenzhen) were launched. Qianhai Kare is another attractive choice for business trip and travel for citizens developed by Kaisa Group based on the strategic positioning as an urban public service provider, and is also an important initiative of Kaisa's Hotel to actively respond to the requirements of Shenzhen's high-quality development, and to help Shenzhen create a national all-rounded tourism demonstration area at the key node of cultural and tourism recovery.

**2. Investment Promotion Meeting of Guangzhou Nansha Jiafen Tiandi officially kicked-off**

In July 2023, the Investment Promotion Kick-off Meeting and Contract Signing Ceremony of Intention for Main Stores of Guangzhou Nansha Jiafen Tiandi, a community benchmark commercial project under Kaisa Commercial was held, which signifies the official start of the preparatory work of the fourth commercial project built by Kaisa Commercial in the Guangzhou-Foshan business area. Kaisa Commercial will continue to grasp the trends and opportunities, and move forward firmly on the path of leading business development.





## MILESTONES

## DIVERSIFIED BUSINESS SYNERGY TO EMPOWER GOOD LIFE IN THE CITY

**3. Kaisa Culture & Sports Technology contributed to the recovery of gig economy**

In 2023, Kaisa Culture & Sports Technology seized the opportunity to leverage on the venue platform, introduced quality performance resources, and gave full play to the comprehensive advantages of cultural and sports venues operation, event promotion and organization, etc. to contribute to the strong recovery of the show economy, and undertook large-scale performing arts activities including the concerts of MayDay, JJ Lin, Jolin Tsai, Angela Zhang, Westlife, Accusefive, Miriam Yeung, Shuimunianhua, Chuanxiong Zhou, and Strawberry Music Festival.

**4. Cultural and sports venues completed successful operation of major events including the Asian Games etc.**

In 2023, over 690 cultural and sports activities were organized at the venues under Kaisa Culture & Sports Technology Group, including 85 national and provincial competitions, 26 large-scale concerts, 420 mass events and 159 cultural theater performances. As the venue operation support unit, it actively coordinated and commenced various work, carefully organized and arranged to ensure that the venue service support work was carried out in an orderly manner, showing the guaranteed first-class service ability for large-scale activities in all aspects and reaping the unanimous praise and good social benefits from all walks of life.



# AWARDS



Kaisa Public Welfare Foundation  
Plaque of Appreciation



Winshang.com • 2023 Commercial  
Real Estate Excellence Achievers



Yuer Philanthropy Foundation –  
Public Welfare Partner



Zhiketong Top Ten Popular Hotel Groups in  
South China

AWARDS



Winshang.com 2023 Top 100 Retail Commercial Real Estate Enterprises (TOP 79)



Douyin Lifestyle Services "Business Hotel With Good Ratings of the Year"



Kaisa Public Welfare Foundation Letter of Appreciation



Douyin New and Vigorous Merchants Entering the Retail Industry







# QUALITY LIVING



# CHAIRMAN'S STATEMENT

Dear Shareholders,

**On behalf of the board of directors (the "Board") of Kaisa Group Holdings Ltd. ("Kaisa" or the "Company", together with its subsidiaries, the "Group"), I hereby present to you the annual results of the Group for the year ended 31 December 2023 together with the comparative figures for the previous year.**

## RESULTS AND DIVIDEND

For the year ended 31 December 2023, the Group's revenue increased by approximately 3.0% to approximately RMB26,158.8 million and the gross loss decreased by approximately 49.9% to approximately RMB1,698.5 million, as compared to 2022. Loss attributable to owners of the Company was approximately RMB19,932.2 million and basic loss per share was RMB2.841 (2022: loss of approximately RMB13,064.6 million and basic loss per share of RMB1.883).

The Board did not recommend payment of a final dividend for the year ended 31 December 2023 (2022: nil).

## BUSINESS REVIEW

### Property Market and Policies

In 2023, under the impacts of rising inflation, tightening monetary policies of major economies, regional security situations and geopolitical risks, the global economic recovery was faltering. Faced with the complicated and severe global macro-economic environment, China has accelerated the construction of a new development landscape and fully implemented an innovation-driven strategy to expedite the cultivation of a stable and dynamic growth momentum. Stimulated by a basket of policy measures to stabilize the economy, China's overall expected economic targets for the year have been achieved, with annual GDP growth reached 5.2%. However, against the backdrop of overlapping cyclical and structural contradictions domestically, some sectors are still facing challenges.

In the real estate sector, the central government has adjusted and optimized its policies on real estate to maintain stability with flexibility, while deploying "three major projects" including urban village redevelopment and construction of affordable housing. Owing to the fact that "significant changes are seen in the supply-demand relationship in the real estate market", governments at all levels continued to optimize their real estate policies to promote the stable operation of the real estate market. However, factors such as expectations on lower household income and property price adjustments still constrained the pace of market recovery. As the pressure faced by the primary housing market remains unchanged, the secondary housing market in key cities was outperforming the primary housing market due to lower prices. Currently, China's real estate market is showing signs of gradual stabilization.



## CHAIRMAN'S STATEMENT

### Revitalizing Core Assets and Exploring New Paths for Development

During the year, in response to the changes and severe challenges in the real estate sector, Kaisa has taken proactive actions and strengthened its management and control as well as reduced costs, and increased efficiency, integrated resources, continued to revitalize core assets and forged a new development path of comprising "private real estate company + AMC + state-owned real estate enterprise", laying a stable foundation for the recovery of business operation.

In terms of asset revitalization, Kaisa has established collaborations with state-owned enterprises to boost market confidence and advance project construction. The Corniche Project in Shenzhen has cooperated with central state-owned and state-owned enterprises including Futian Ancheng Investment, China Great Wall Asset Management, Anju Construction, Futian Investment Holdings, and Jian'an Group etc.. Shenzhen Fengming Riverside Project has introduced a central state-owned enterprise, Sinochem Holdings to inject capital for financial support of the project and efficient project operation. Guangzhou Nansha Wonder Bay Project has partnered with China Cinda Shenzhen Branch, Shenzhen Huajian and Ping An Trust to revitalize the project.

In 2023, the Group seized the opportunity of the consumer market recovery and fully leveraged its core advantage as an "urban public service provider". Through a variety of measures covering various businesses including real estate, commercial, cultural and hotel etc., the Group planned ahead, kept pace with evolving consumer demands, enriched new consumption scenarios and new business formats and models to response with practical actions to the government's goal for boosting consumption, serving consumption needs of residences, and promoting continuous recovery in business operations.

### Securing Livelihood, Ensuring Delivery, and Guaranteeing Quality

In 2023, the Group, together with its joint ventures and associates, recorded contract sales of approximately RMB17,836 million. Kaisa closely monitored market policies, kept up with market trends, implemented project-specific strategies based on project progress and launched innovative marketing packages to accelerate project de-stocking. Some of the projects on sale have received much enthusiasm by customers amidst a depressed market environment. In particular, Dongguan Le Grand Bleu project ranked TOP 1 in terms of GFA and number of units of residential properties sold online in Dongguan, while Luoyang Center Project in Henan ranked TOP 1 in terms of sales amount and GFA of commercial residential properties sold in Luoyang during the year.

Kaisa has always regarded "Securing Livelihood, Ensuring Delivery, and Guaranteeing Quality" as its primary mission. By implementing various measures to fulfill its commitment of ensuring timely delivery, Kaisa fulfilled its corporate responsibilities and preserved customer confidence. During the year, Kaisa delivered a total of 61 projects amounting to approximately 46,000 units in various cities including Shenzhen, Guangzhou, Shanghai, Hangzhou, Nanjing, Huizhou, Wuhan, Changsha and Luoyang etc., exceeding twice the total number of units delivered in 2022.

In 2023, a number of projects delivered by the Group, including Guangzhou Yuejiang Mansion, Changsha City Plaza, and Guangzhou Fengming Mountain, etc. obtained the national star level green building certification, with a total building area of approximately 1.98 million sq. m.. Kaisa always adheres to the concept of green design and is committed to controlling energy consumption to provide customers with a comfortable working and living environment while reducing the negative impact of urban development on the ecological environment and achieving sustainable social benefits.

### Land Bank

Deepening its penetration in the first-tier and major second-tier cities has always been the development strategy of the Group. As at 31 December 2023, the Group together with its joint ventures and associates has a total of 195 real estate projects in 50 cities nationwide, with a total land bank of approximately 23.83 million sq.m., of which approximately 13.84 million sq.m. or 58% of the Group's total land bank are located in the Greater Bay Area. Among the cities in the Greater Bay Area, Shenzhen and Guangzhou are the core markets that the Group has focused on over the years, accounting for 43% of its land bank in the Greater Bay Area.

## CHAIRMAN'S STATEMENT

### Urban Renewal

Since 2023, the redevelopment of urban villages has been the focal point of the central government. In July 2023, the State Council reviewed and approved at its executive meeting the "Guiding Opinions on Active and Steady Promotion of the Urban Villages Redevelopment in Supercities and Megacities" (《關於在超大特大城市積極穩步推進城中村改造的指導意見》) (the "Opinions"). The Opinions points out that in mega cities, efforts shall be made to increase policy support for urban village redevelopment, actively innovate redevelopment models, and implement the responsibilities of government entities. The Opinions is of guiding significance to the current urban renewal market, guiding a new direction for future urban construction, housing development, and corporate investment, and also implying that the redevelopment of urban villages will become an important task for supercities and megacities this year.

Focusing on the Greater Bay Area, Shenzhen's urban renewal system is facing disruptive changes. The market-oriented renewal model has come to an end, and the government has led a new round of renewal. Guangzhou has launched a land preparation policy specifying that the specific preliminary works of land consolidation are delegated to the land preparation entity according to the principle of separating works of land preparation from that of land reserve. Following the land clearance, application shall be made to the land reserve authority for land reserve handover. At the same time, the government policy stipulates that land preparation entities are limited to state-owned enterprises recognized by the government. The policy further strengthened the government's coordination and management of the primary land market. Dongguan has comprehensively reformed the "single-entity implementation" model and shifted to the "open tender for implementation entities" model which abolished preliminary service providers and emphasized government coordination of preliminary work. Market entities may be confirmed as the project implementation entity through public bidding and shall complete the land consolidation of the renewal unit within a timeframe. Generally speaking, under the guidance of the government, central state-owned enterprises and state-owned enterprises have increasingly become "the major players" in the urban renewal market. In the future, expanding cooperation with state-owned enterprises and central state-owned enterprises will become an important path for the Group's urban renewal investment and conversion.

During the year, under the operating pressures, Kaisa accelerated the construction of major urban renewal projects, improved city quality, and fulfilled the property owners' expectations for their new homes. In December 2023, Kaisa Jiayuan (The Corniche), the first phase of Dongshan Community redevelopment project in Futian District, Shenzhen, successfully completed the centralized delivery of relocation housing. The demolition and reconstruction of Dongshan Community is of great significance for not only solving the livelihood problems faced by the older generation of military engineers, but also optimizing the urban environment of Futian Central District and improving city quality.

As at 31 December 2023, the Group together with its joint ventures and associates had over a hundred urban renewal projects in the Guangdong-Hong Kong-Macao Greater Bay Area which were yet to be converted into the land bank of the Group, covering a site area of around 38 million sq.m.. The Group plans to replenish the land bank with urban renewal project reserve as the source of high-quality inventory and at the same time to provide a full-process urban renewal service model, empowering industrial upgrading and practicing high-quality and sustainable development.

### Financing

Throughout 2023, policy intensity was stabilized and then relaxed. Following the "major changes in the supply and demand relationship in the real estate market" in July, the policy gradually shifted to "support and lift". On the one hand, various government departments successively optimized property market policies to promote the smooth operation of the real estate market. In the second half of the year, with the roll-out of the "16 Financial Measures", "Three No Less Than", "Equal Treatment and Support of Reasonable Financing" and other measures to protect the market entities, the financing environment has continued to improve and the coverage of financial policies has increased. On the other hand, the financing aspect of the overall industry was still sluggish, and industry differentiation continued to intensify. It is necessary for private real estate enterprises to seize the recent policy window period and strive for implementing favorable benefits to improve the financing situation.

Against such backdrop, the Group took active initiatives and steadily pushed forward its debt management work, became the first real estate company to resume trading in 2023. In terms of onshore debts, the Group has actively negotiated for financing extensions and principal and interest reductions. Financing costs have continued to decline compared with the end of 2022, and a number of core assets have been revitalized at an accelerated pace. Leveraging on its core advantages in the Greater Bay Area's land bank and urban renewal area, the Group will continue to explore innovative debt resolving models and promote onshore and offshore debt restructuring.

## CHAIRMAN'S STATEMENT

In terms of offshore debt management, the Group has been actively working closely with its financial and legal advisors to evaluate the current financial and operating conditions with a view to formulating a comprehensive solution that values the rights and interests of all stakeholders. Over the past year, the Company and its advisors continued to communicate and facilitate constructive negotiations with the ad hoc group of creditors and their advisors on an ongoing basis to promote the formulation of a mutually agreed debt restructuring plan. The Group will continue to maintain communication with its creditors and facilitate active and constructive dialogues to implement a holistic restructuring plan as soon as practicable, and make announcement on the latest progress of the restructuring as and when appropriate.

### PROSPECTS

Looking to the future, the global economy is still facing certain pressures. The Central Financial Work Conference proposed to “enhance cross-cycle and counter-cyclical adjustments and enrich the monetary policy toolbox”. It is expected that monetary policy and fiscal policy will exert further efforts to stabilize economic development. With low inflation pressure and huge policy potential, China’s economy is expected to show a further rebound and positive trend as various measures to stabilize growth are implemented and take effect in the future.

From an overall industry perspective, the real estate market will still face certain pressure in 2024. If the economy improves with increasing willingness to buy homes, coupled with factors such as the redevelopment of urban villages, the scale of real estate sales may achieve a slight increase. However, new construction project and investments in China will still face downward pressure in the short term. It is expected that the “three major projects” will be the main focus of policy efforts and are expected to play an important role in stabilizing investment in 2024. They will also play a positive role in recovering sales and stabilizing expectations.

In the future, global development will still face many uncertainties and challenges. For China, 2024 is not only the 75th anniversary of the founding of the People’s Republic of China, but also a critical year for the “14th Five-Year Plan”. With the continuous implementation of favorable policies to support the healthy development of the private economy and real estate market, we are full of confidence in the bright future of China’s economy. We will take the initiative to actively mitigation operational risks, accelerate the return to a sound and healthy development track, and leverage the comprehensive advantages of urban public service providers to seize market opportunities and achieve high-quality and sustainable development.

### ACKNOWLEDGEMENT

The Board will continue to mitigate negative impacts and implement measures to manage any risks regarding the Group’s operations and reputation, and enhance the Group’s core advantages to achieve sustainable development.

On behalf of the Board, I would like to take this opportunity to extend my wholehearted gratitude to all shareholders, investors, business partners and customers of the Company. We will overcome the difficulties together hand in hand to maximize values and returns to our shareholders and investors.

**KWOK Ying Shing**

*Chairman*

Hong Kong, 28 March 2024



# QUALITY LIVING





KASA DINKSHI  
PLAZA



# MANAGEMENT DISCUSSION AND ANALYSIS



## OVERALL PERFORMANCE

During the year ended 31 December 2023, the Group recorded revenue of approximately RMB26,158.8 million, representing an increase of 3.0% as compared with 2022. Loss attributable to owners of the Company amounted to approximately RMB19,932.2 million for the year ended 31 December 2023 as compared to loss attributable to owners of the Company amounted to approximately RMB13,064.6 million for the year ended 31 December 2022. Basic loss per share amounted to RMB2.841 (2022: RMB1.883).

The Board does not recommended the payment of a final dividend for the year ended 31 December 2023 (2022: nil).



## MANAGEMENT DISCUSSION AND ANALYSIS

**Contracted sales in 2023**

In 2023, the Group together with its joint ventures and associates recorded contracted sales of approximately RMB17,836 million, representing a decrease of 4.9% from approximately RMB18,749 million in 2022. Aggregated GFA sold for the year was approximately 1,047,671 sq.m., representing a decrease of 6.7% from approximately 1,122,423 sq.m. in 2022. The table below shows the Group's contracted sales by region in 2023:

Region	Contracted sales area (sq.m.)	Contracted sales amount (RMB in millions)
Guangdong-Hong Kong-Macao Greater Bay Area	599,766	12,804
Yangtze River Delta	159,645	2,438
Central China Region	158,921	1,680
Western China Region	103,427	545
Pan-Bohai Bay Rim	25,912	369
<b>Total</b>	<b>1,047,671</b>	<b>17,836</b>

**Property development****Projects completed in 2023**

The Group adopts a strict and prudent practice in project development and adjusts its pace of business expansion as and when appropriate. During the Year, the GFA of newly completed projects of the Group together with its joint ventures and associates amounted to approximately 3.4 million sq.m..

**Projects under development**

As at 31 December 2023, the Group together with its joint ventures and associates had 69 projects under development with an aggregate of GFA of approximately 9.29 million sq.m..

**Property management**

The Group generated revenue from providing property management services. During the year ended 31 December 2023, the Group managed a total GFA of approximately 102.3 million sq.m.. The Group's property management is striving to deliver excellent and professional services to its customers and enhance brand and corporate image. As of 31 December 2023, the Group's property services penetrated into 74 cities nationwide, covering residential, commercial, office, tourism and large-scale stadiums.

**Investment properties**

The Group adopts a diversified business strategy, characterised by its increase in property investment. The portfolio of investment properties will generate steady and reliable income and enlarge the overall income base of the Group. The Group develops commercial properties such as office buildings, retail stores and car parks for leasing purpose. In managing its investment property portfolio, the Group takes into account long-term growth potential, the overall market conditions, and its cash flows and financial condition. As at 31 December 2023, the Group held 9 investment property projects, with an aggregate GFA of approximately 0.41 million sq.m..

**Land bank**

The Group remained cautious in replenishing its land bank nationwide by making reference to the development of the Group, availability of land supply and its existing land bank. By ways such as joint development, acquisition, bidding, auction and listing as well as urban renewal, the Group seeks project resources in China's regions where economy prospers.

As at 31 December 2023, the Group together with its joint ventures and associates had a total land bank of approximately 23.83 million sq.m., and approximately 58% of land bank was located in the Greater Bay Area, which is sufficient for the Group's development needs for the next five years.

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL REVIEW

#### Revenue

The Group's revenue was primarily derived from business segments: (i) property development, (ii) property investment, (iii) property management, (iv) hotel and catering operations, (v) cultural centre operations, (vi) healthcare operations and (vii) others. Revenue increased by 3.0% to approximately RMB26,158.8 million in 2023 from approximately RMB25,390.0 million in 2022. 86.2% of the Group's revenue was generated from the sales of properties (2022: 83.8%) and 13.8% from other segments (2022: 16.2%).

#### Sales of properties

Revenue from sales of properties increased by approximately RMB1,273.7 million, or 6.0%, to approximately RMB22,550.8 million in 2023 from approximately RMB21,277.1 million in 2022. The increase was attributable to higher selling prices of the GFA delivered for the year ended 31 December 2023, whereas the total GFA delivered decreased to approximately 1.2 million sq.m. for the year ended 31 December 2023 from approximately 1.4 million sq.m. for the year ended 31 December 2022.

#### Rental income

Rental income decreased by approximately RMB7.6 million, or 1.6%, to approximately RMB459.8 million in 2023 from approximately RMB467.4 million in 2022.

#### Property management

Revenue from property management services increased by approximately RMB44.2 million, or 2.7%, to approximately RMB1,658.2 million in 2023 from approximately RMB1,614.0 million in 2022. The increase was primarily attributable to the increase in the total GFA under management.

#### Hotel and catering operations

Revenue from hotel and catering operations of the Group increased by approximately RMB20.6 million, or 6.5% to approximately RMB340.0 million in 2023 from approximately RMB319.3 million in 2022. The increase was mainly due to the gradual recovery of the hotel and catering industry during the year.

#### Cultural centre operations

Revenue from cultural centre operations increased by approximately RMB22.4 million, or 9.2%, to approximately RMB264.3 million in 2023 from approximately RMB241.9 million in 2022. The increase was primarily due to an increase in utilization rate of stadiums for cultural centre operations.

#### Water-way passenger and cargo transportation

No revenue from water-way passenger and cargo transportation was recorded for the year ended 31 December 2023, compared to approximately RMB232.3 million for the corresponding period in 2022. It was due to the disposal of waterway passenger and cargo transportation operation in 2022.

#### Healthcare operations

Revenue from healthcare operations increased by approximately RMB105.3 million, or 21.7%, to approximately RMB590.9 million in 2023 from approximately RMB485.6 million in 2022. The increase was mainly due to an increase in sales in healthcare operations as a result of an increase in demand.

#### Gross profit

As a result of the foregoing, the Group's gross profit decreased by approximately RMB1,693.9 million, or 49.9%, to approximately RMB1,698.5 million in 2023 from approximately RMB3,392.4 million in 2022. The Group's gross profit margin decreased from 13.4% for the year ended 31 December 2022 to 6.5% for the year ended 31 December 2023, primarily attributable to higher costs for the properties completed and delivered to the purchasers during the year ended 31 December 2023.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Other gains and losses – net

The Group had net other losses of approximately RMB7,802.7 million in 2023, as compared to net other losses of approximately RMB8,881.6 million in 2022. The Group's net other gains and losses in 2023 mainly comprised write-down of properties under development and completed properties held for sale of approximately RMB3,276.0 million, net fair value loss on financial assets at fair value through profit or loss of approximately RMB1,295.0 million, impairment loss on prepayments for proposed development projects of approximately RMB1,128.2 million and net exchange loss of approximately RMB1,239.5 million.

### Selling and marketing costs

The Group's selling and marketing costs increased by approximately RMB23.3 million, or 4.1%, to approximately RMB592.0 million in 2023 from approximately RMB568.7 million in 2022.

### Administrative expenses

The Group's administrative expenses decreased by approximately RMB719.0 million, or 27.4%, to approximately RMB1,901.1 million in 2023 from approximately RMB2,620.1 million in 2022. The decrease was mainly due to decrease in staff costs.

### Net fair value loss on investment properties

The Group recorded net fair value loss on investment properties of approximately RMB408.9 million for the year ended 31 December 2023, as compared to net fair value loss on investment properties of approximately RMB232.5 million in 2022.

### Finance costs – net

The Group's net finance costs increased by approximately RMB227.4 million or 15.1% to approximately RMB1,736.6 million in 2023 from approximately RMB1,509.1 million in 2022.

### Income tax expenses

The Group's income tax expenses increased by approximately RMB906.4 million to approximately RMB1,006.4 million in 2023 from approximately RMB99.9 million in 2022.

### Loss and total comprehensive expense for the year

As a result of the foregoing, the Group's loss and total comprehensive expense for the year amounted to approximately RMB19,701.6 million and approximately RMB19,677.5 million, respectively (2022: loss and total comprehensive expense for the year amounted to approximately RMB13,011.9 million and RMB12,993.8 million, respectively).

### Liquidity, financial and capital resources

#### Cash position

As at 31 December 2023, the carrying amount of the Group's cash and bank deposits was approximately RMB3,401.1 million (31 December 2022: approximately RMB5,781.0 million), representing a decrease of 41.2% as compared to that as at 31 December 2022. Certain property development companies of the Group placed a certain amount of pre-sales proceeds to designated bank accounts as collateral for the construction loans. Such collateral will be released after completion of the pre-sales properties or the issuance of the title of the properties, whichever is the earlier. Additionally, as at 31 December 2023, certain of the Group's cash was deposited in certain banks as collateral for the benefit of mortgage loan facilities granted by the banks to the purchasers of the Group's properties. The aggregate of the above collateral amounted to approximately RMB2,406.3 million as at 31 December 2023 (31 December 2022: approximately RMB3,713.4 million).

#### Borrowings and charges on the Group's assets

As at 31 December 2023, the Group had aggregate borrowings of approximately RMB133,624.0 million (31 December 2022: RMB134,167.9 million), of which approximately RMB117,051.6 million (31 December 2022: RMB109,892.4 million) will be repayable on demand or within 1 year, approximately RMB1,837.3 million (31 December 2022: RMB9,957.6 million) will be repayable between 1 and 2 years, approximately RMB4,112.3 million (31 December 2022: RMB3,451.0 million) will be repayable between 2 and 5 years and approximately RMB10,622.8 million (31 December 2022: RMB10,866.9 million) will be repayable over 5 years.



## MANAGEMENT DISCUSSION AND ANALYSIS

As at 31 December 2023, the senior notes were secured by the share pledge of the Company's subsidiaries incorporated outside the PRC, and are jointly and severally guaranteed by certain subsidiaries of the Company. The Group's domestic bank loans carried a floating interest rate linking up with the base lending rate of the People's Bank of China. The Group's interest rate risk is mainly from the floating interest rate of domestic bank loans.

### Key financial ratios

As at 31 December 2023, the Group has a leverage ratio (i.e. its net debts (total borrowings, net of cash and bank balances, short-term bank deposits, long-term bank deposits and restricted cash) over total assets) of 55.9% (31 December 2022: 48.6%). The Group's net current liabilities amounted to approximately RMB25,442.9 million as at 31 December 2023 as compared to net current assets of approximately RMB5,553.7 million as at 31 December 2022. The quick ratio (cash and bank deposits divided by short-term borrowings) was 0.1 times as at 31 December 2023 (31 December 2022: 0.1 times), and the current ratio was 0.9 times as at 31 December 2023 (31 December 2022: 1.0 times).

The net gearing ratio is calculated by dividing total borrowings (including short-term and long-term borrowings and perpetual capital securities) minus cash and cash equivalents (including restricted cash, short-term bank deposits and long-term bank deposits) by the total equity (excluding perpetual capital securities). As of 31 December 2023, the Group's borrowings (including short-term and long-term borrowings and perpetual capital securities) were approximately RMB134,974.1 million (31 December 2022: RMB135,518.0 million), and cash and cash equivalents (including restricted cash, short-term bank deposits and long-term bank deposits) were approximately RMB3,401.1 million (31 December 2022: RMB5,781.0 million). The total equity (excluding perpetual capital securities) was approximately RMB6,374.3 million (31 December 2022: RMB33,894.9 million). Therefore, the net gearing ratio was 2,064.1%, which is 1,681.3 percentage points higher than the 382.8% as of 31 December 2022.

The cash to short-term debt ratio is calculated by dividing cash and bank balances (excluding restricted cash and short term bank deposits) by short-term borrowings. As at 31 December 2023, the Group's cash and bank balances (excluding restricted cash and short-term bank deposits) were approximately RMB994.8 million (31 December 2022: RMB2,067.6 million), and short-term borrowings were approximately RMB117,051.6 million (31 December 2022: RMB109,892.4 million). Therefore, the cash to short-term debt ratio was 0.01 (31 December 2022: 0.02).

The liabilities to assets ratio, after excluding contract liabilities, is calculated by subtracting contract liabilities from total liabilities (including perpetual capital securities) and dividing by total assets minus contract liabilities. As of 31 December 2023, the Group's contract liabilities were approximately RMB20,325.5 million (31 December 2022: RMB36,629.1 million), total liabilities (including perpetual capital securities) were approximately RMB226,446.4 million (31 December 2022: RMB230,448.9 million), and total assets were approximately RMB232,820.7 million (31 December 2022: RMB264,343.9 million). The total liabilities (including perpetual capital securities) and total assets (excluding contract liabilities) were approximately RMB206,120.9 million (31 December 2022: RMB193,819.8 million) and approximately RMB212,495.2 million (31 December 2022: RMB227,714.7 million), respectively. Therefore, the liabilities to asset ratio after excluding contract liabilities was 97.0%, compared to 85.1% of 31 December 2022, representing an increase of approximately 11.9 percentage points.

### Cost of borrowings

During the year ended 31 December 2023, the Group's total interest expense was approximately RMB12,530.2 million, representing an increase of approximately RMB583.2 million or 4.9% from approximately RMB11,947.1 million in 2022.

### Foreign currency risks

The Group's property development projects are substantially located in China and most of the related transactions are settled in RMB. The Company and certain of the Group's intermediate holding companies which operate in Hong Kong have recognised assets and liabilities in currencies other than RMB. As at 31 December 2023, the Group had borrowings in US dollar and HK dollar with an aggregate carrying amount of approximately RMB84,487.6 million, which are subject to foreign currency exposure.

The Group does not have a foreign currency hedging policy. However, the management of the Group monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Financial guarantees

As at 31 December 2023, the Group had contingent liabilities relating to guarantees in respect of mortgage facilities provided by domestic banks to its customers amounting to approximately RMB26,269.5 million (31 December 2022: approximately RMB30,592.6 million). Pursuant to the terms of the guarantees, upon default in mortgage payments by a purchaser, the Group would be responsible for repaying the outstanding mortgage principal together with accrued interest and penalties owed by the defaulting purchaser to the bank, but the Group would be entitled to assume legal title to and possession of the related property. These guarantees will be released upon the earlier of (i) the satisfaction of the mortgage loan by the purchaser of the property; and (ii) the issuance of the property ownership certificate for the mortgage property and the completion of the deregistration of the mortgage.

As of 31 December 2023, the financial guarantees given by the Group relating to the liabilities of the Group's joint ventures and associates and third parties were approximately RMB21,630.8 million (31 December 2022: approximately RMB23,787.5 million). The proceeds of the financings were mainly applied towards property development projects of the joint ventures and associates of the Group.

### Employees and remuneration policy

As at 31 December 2023, the Group had 16,667 employees (31 December 2022: 16,782 employees) including 12,713 employees of Kaisa Prosperity Holdings Limited (2168.HK), 893 employees of Kaisa Health Group Holdings Limited (876.HK) and 110 employees of Kaisa Capital Investment Holdings Limited (936.HK). The related employees' costs (including the directors' remuneration) for the year ended 31 December 2023 amounted to approximately RMB1,208.6 million. The remuneration of employees was based on their performance, skills, knowledge, experience and market trend. The Group reviews the remuneration policies and packages on a regular basis and will make necessary adjustment commensurate with the pay level in the industry. In addition to basic salaries, employees may be offered with discretionary bonus and cash awards based on individual performance. The Group provides trainings for its employees so that new employees can master the basic skills required to perform their functions and existing employees can upgrade or improve their production skills. Further, the Company adopted the share option scheme on 14 June 2019. Further information of share option scheme will be set out in the annual report.

## DISCLOSURE PURSUANT TO RULE 13.22 OF THE LISTING RULES

As at 31 December 2023, the combined statement of financial position of the affiliated companies (as defined in Rule 13.11(2)(A) of the Listing Rules) that the Group had provided financial assistance is set out below:

	<b>Combined financial position RMB'000</b>
Non-current assets	12,545,589
Current assets	239,451,109
Current liabilities	210,460,851
Non-current liabilities	26,721,661
Net assets	14,814,186
<hr/>	
Share capital	7,130,856
Reserves	7,683,330
Total equity	14,814,186

As at 31 December 2023, the Group's attributable interests in these affiliated companies amounted to RMB5,673,808,000.

The combined statement of financial position of the affiliated companies has been prepared by combining the statements of financial position of those companies and has been adjusted to conform to the Group's principal accounting policies.

## MANAGEMENT DISCUSSION AND ANALYSIS

### PRINCIPAL RISKS AND UNCERTAINTIES

The Group's financial condition, results of operations, businesses and prospects may be affected by a number of risks and uncertainties. The followings are the key risks and uncertainties identified by the Group. There may be other risks and uncertainties which are not currently known to the Group or which may not be material now but could turn out to be material in the future.

#### Risks pertaining to the property market in the PRC

The Group's business and revenue growth is dependent on the economic conditions in the PRC, particularly the performance of the PRC residential property market in the cities in which the Group develops its property development projects, and therefore any potential decline in demand for properties, property sales or property prices in the PRC, particularly in the cities where the Group has operations, could have a material adverse effect on its business, results of operations and financial condition.

#### Operational Risks

The Group's operations are subject to a number of risk factors distinctive to the property related businesses. Shortages of materials, equipment and skilled labour, labour disputes, default on the part of its buyers, contractors and strategic business partners, natural catastrophes, adverse weather conditions, inadequacies or failures of internal processes or other external factors may have various levels of negative impact on the results of the Group's operations. Additionally, accidents may happen despite systems and policies set up for their prevention, which may lead to the Group's financial loss, litigation, or damage in reputation.

Further, property development is capital intensive in nature. The Group has financed its property development projects primarily through proceeds from sales of properties and bank borrowings. It may also access the capital markets to raise further financing. Its ability to obtain external financing in the future is subject to a variety of uncertainties, including the condition of the international and domestic financial markets and financing availability and general economic conditions in the PRC. If the Group fails to secure adequate financing or renew its existing loans prior to their expiry as a result of these governmental actions and policy initiatives, there may be a material adverse effect on the business, results of operations and financial condition of the Group.

#### Legal Risk

The Company underwent onshore and offshore restructuring exercise and breached the relevant Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") as set out in the section headed "Other non-compliances with the Listing Rules" in this report as a result of the prolonged Suspension and therefore may be subject to legal actions, disputes, disciplinary actions and regulatory investigations, which may disrupt or otherwise negatively affect the operations, financial conditions or reputation of the Group. For details of the remedial actions in respect of those breaches, please refer to the section headed "Other non-compliances with the Listing Rules" in the corporate governance report.

#### Financial Risk

The financial risk management of the Group is set out in note 4 to the consolidated financial statements of the Company.

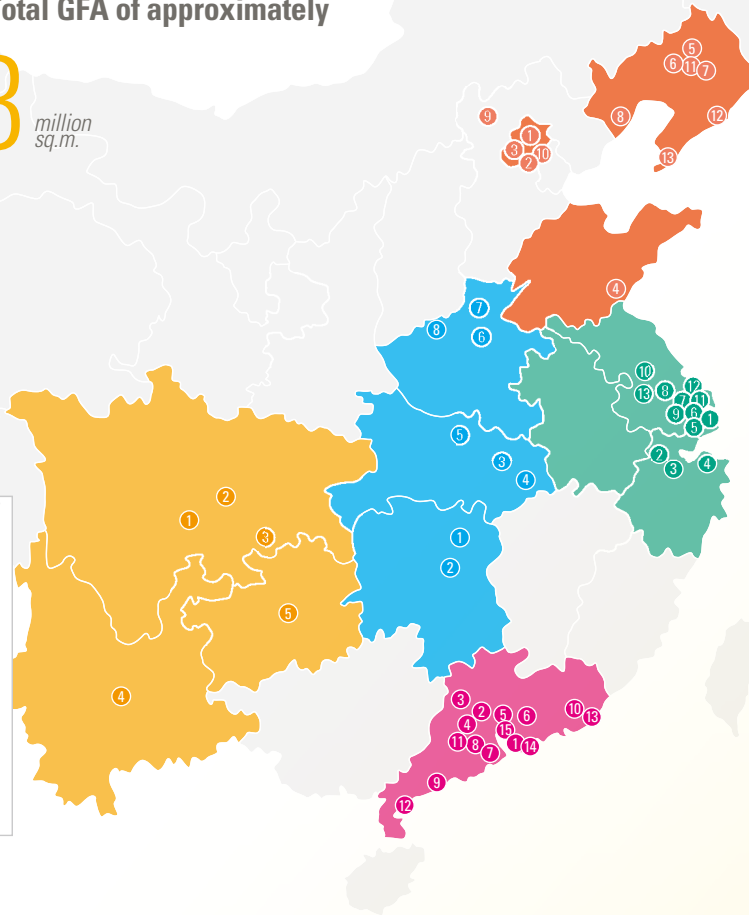
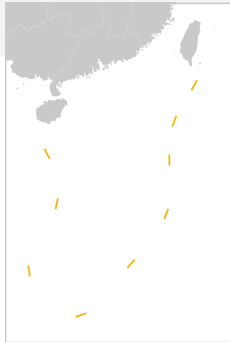


# PROJECT PORTFOLIO — SUMMARY

We have accumulated substantial experience in developing 221 projects. The map below shows the geographical coverage of our property development projects as at 31 December 2023.

Land Bank's Total GFA of approximately

**23.8** million sq.m.



**58.1%**  
**Greater Bay Area**

- 1 Shenzhen
- 2 Guangzhou
- 3 Qingyuan
- 4 Foshan
- 5 Dongguan
- 6 Huizhou
- 7 Zhuhai
- 8 Zhongshan
- 9 Yangjiang
- 10 Jieyang
- 11 Jiangmen
- 12 Zhanjiang
- 13 Shantou
- 14 Hong Kong
- 15 Sanya

**4.3%**  
**Yangtze River Delta**

- 1 Shanghai
- 2 Hangzhou
- 3 Shaoxing
- 4 Ningbo
- 5 Jiaxing
- 6 Suzhou
- 7 Zhangjiagang
- 8 Nanjing
- 9 Wuxi
- 10 Xuzhou
- 11 Jiangyin
- 12 Taizhou
- 13 Hefei

**13.5%**  
**Central China**

- 1 Changsha
- 2 Hengyang
- 3 Wuhan
- 4 Ezhou
- 5 Xiaogan
- 6 Xinzheng
- 7 Xinxiang
- 8 Luoyang

**12.6%**  
**Western China**

- 1 Chengdu
- 2 Nanchong
- 3 Chongqing
- 4 Kunming
- 5 Guiyang

**11.5%**  
**Pan-Bohai Bay Rim**

- 1 Beijing
- 2 Bazhou
- 3 Gu'an
- 4 Qingdao
- 5 Shenyang
- 6 Anshan
- 7 Benxi
- 8 Huludao
- 9 Zhangjiakou
- 10 Langfang
- 11 Liaoyang
- 12 Dandong
- 13 Dalian

## PROJECT PORTFOLIO — SUMMARY

### PROJECT PORTFOLIO – AS AT 31 DECEMBER 2023

No.	Project	Address	Location	Type <sup>(1)</sup>
<b>The Greater Bay Area<sup>(6)</sup></b>				
1	Shenzhen Woodland Height	Junction of Shenhui Road and Lilang Road, Buji Town, Longgang District	Shenzhen	Residential
2	Shenzhen Mocha Town	Busha Road, Longgang District	Shenzhen	Residential
3	Shenzhen Kaisa Center <sup>(2)</sup>	East of Shangbu Nan Road and North of Nanyuan Road, Futian District	Shenzhen	Residential
4	Shenzhen Lake View Place	Junction of Xincheng Road and Pingxi Road, Longgang District	Shenzhen	Residential
5	Shenzhen Xiangrui Garden	North of Beihuan Highway, Nanshan District	Shenzhen	Residential
6	Shenzhen Jincui Garden	Cuizhu Road, Luohu District	Shenzhen	Residential
7	Shenzhen Shangpin Garden	Bantian Community, Bantian Street, Longgang District	Shenzhen	Residential
8	Shenzhen Metro City <sup>(2)</sup>	Buji Station, Shenhui Road, Nanmendun, Buji Town, Longgang District	Shenzhen	Residential
9	Shenzhen Kaisa City Plaza	Banxuegang Avenue, Longgang District	Shenzhen	Residential
10	Shenzhen Kaisa Metropolitan Homeland <sup>(2)</sup>	Mumianwan Station, Longgang Avenue, Buji, Longgang District	Shenzhen	Residential
11	Shenzhen Dapeng Kaisa Peninsula Resort	Yingbin Avenue, Dapeng New District	Shenzhen	Commercial
12	Shenzhen Kaisa Yuefeng Garden	Bulong Road, Bantian, Longgang District	Shenzhen	Residential
13	Shenzhen Yantian Kaisa City Plaza	Mingzhu Avenue, Yantian District	Shenzhen	Residential
14	Shenzhen Golden Bay International Park <sup>(7)</sup>	Xiasha Community, Dapeng Street, Dapeng New District	Shenzhen	Commercial
15	Shenzhen Marriott Hotel Golden Bay	No.8 Jinsha Road, Xiasha Community, Dapeng Street, Dapeng New District	Shenzhen	Commercial
16	Shenzhen Kaisa Qianhai Plaza	Junction of Yueliangwan Avenue and Mianshan Road, Nanshan District	Shenzhen	Residential
17	Shenzhen Pinghu Kaisa Plaza	Junction of Shouzhen Street and Pinghu Avenue, Pinghu Street, Longgang District	Shenzhen	Residential
18	Shenzhen Kaisa Future City	Junction of Ruyi Road and Dayun Road, Longcheng Street, Longgang District	Shenzhen	Residential
19	Shenzhen Nan'ao Project	Shuitousha Beach, Nan'ao Street, Dapeng New District	Shenzhen	Commercial
20	Shenzhen Kaisa Dongmen New World <sup>(2)</sup>	Dongmen Street, Luohu District	Shenzhen	Commercial & Residential
21	Shenzhen Kaisa E Cube	Junction of Huanguan Nan Road and Guantian Road, Guanlan Street, Longhua District	Shenzhen	Commercial & Residential
22	Shenzhen Marine Mangrove Bay Project <sup>(7)</sup>	Intersection of Honghua Road and Xiangzhang Road, Futian District	Shenzhen	Residential
23	Shenzhen Wonderland Garden of Kaisa	Junction of Jiuwei Road and Huangmabu Road, Bao'an District	Shenzhen	Residential
24	Shenzhen Town Center	Junction of Jianhui Road and Zhicheng Road, Longhua District	Shenzhen	Commercial & Residential
25	Shenzhen The Corniche (Phase I of Futian Dongshan Project)	No.8008 Binhe Avenue, Futian District	Shenzhen	Residential
26	Shenzhen Kaisa Metropolis Plaza	Buji Street, Longgang District	Shenzhen	Commercial & Residential
27	Shenzhen Kaisa Cloud	Guangming Avenue, Guangming District	Shenzhen	Commercial & Residential

## PROJECT PORTFOLIO — SUMMARY

Project Phase	Site Area (sq. m.)	Total GFA (sq. m.)	Total GFA			Interest attributable to us
			Completed Properties (sq. m.)	Under Development (sq. m.)	Future Development (sq. m.)	
1-8	160,514	580,135	580,135	—	—	100%
1-7	185,724	735,299	735,299	—	—	100%
—	5,966	98,241	98,241	—	—	100%
1-5	182,064	388,626	388,626	—	—	100%
—	57,984	143,796	143,796	—	—	100%
—	9,066	105,830	105,830	—	—	100%
—	45,829	231,572	231,572	—	—	100%
1-4	5,241	124,479	124,479	—	—	100%
1-4	242,172	1,755,673	1,541,065	214,608	—	100%
1-4	19,393	138,892	138,892	—	—	100%
1-2	48,256	186,466	186,466	—	—	100%
1-2	47,890	165,455	165,455	—	—	100%
1-3	230,315	794,562	540,349	254,213	—	100%
1-4	869,838	508,670	154,722	195,219	158,729	—
1	34,449	77,834	77,834	—	—	100%
1-2	49,582	295,941	295,941	—	—	51%
1-3	118,488	666,848	666,848	—	—	100%
1-2	48,773	310,131	310,131	—	—	100%
1	25,966	51,930	—	51,930	—	87%
1	5,992	50,556	50,556	—	—	100%
1	34,129	160,970	160,970	—	—	51%
1	9,467	40,321	40,321	—	—	<1%
1	35,239	150,820	150,820	—	—	40%
1	9,321	37,265	37,265	—	—	100%
1	7,590	25,389	25,389	—	—	46%
1	6,033	68,686	68,686	—	—	100%
1	28,841	138,820	72,560	66,260	—	54%



## PROJECT PORTFOLIO — SUMMARY

No.	Project	Address	Location	Type <sup>(1)</sup>
28	Shenzhen Luohu Sanshun Project	Dongxiao Street, Luohu District	Shenzhen	Industrial
29	Shenzhen Kaisa Shenwei	North of Shahe Street, intersection of Qiaofa Road and Qiaoshen Road, Nanshan District	Shenzhen	Commercial
30	Shenzhen Nanmendun Project (P1) <sup>(3)</sup>	North side of the interchange of Longgang Avenue and Tiedong Road, Buji Street, Longgang District	Shenzhen	Residential
31	Shenzhen Levana Park of Kaisa	Bantian Street, Longgang District	Shenzhen	Residential
32	Shenzhen Kaisa Skyline Residence (Hengling Old Village Project) <sup>(3)</sup>	Intersection of Minfeng Road and Minrong Road, Longhua Street	Shenzhen	Residential & Commercial
33	Shenzhen Fengming Riverside	Intersection of Jiangangshan Avenue and Wolong 4th Road, Fuhua Community, Xixiang Street, Baoan District, Shenzhen	Shenzhen	Residential & Commercial
34	Shenzhen Dongjiaotou Project <sup>(7)</sup>	Northeast corner of the junction of Wanghai Road and Houhaibin Road, Nanshan District, Shenzhen	Shenzhen	Residential & Commercial
35	Guangzhou Kaisa Plaza <sup>(2)</sup>	No.191 Tiyu West Road, Tianhe District	Guangzhou	Commercial
36	Guangzhou Monarch Residence	No.99 Jiangnan Avenue Central, Haizhu District	Guangzhou	Residential
37	Guangzhou One Kaisa Palace	No.505 Huangpu Avenue, Financial Center, Tianhe District	Guangzhou	Residential
38	Guangzhou Kaisa Sky Villa	Tongbao Road, Guangzhou Avenue North, Baiyun District	Guangzhou	Residential
39	Guangzhou Kaisa Honor Mansion	Lot No.20, Meihua Garden, Shatai Road, Baiyun District	Guangzhou	Residential
40	Guangzhou Kaisa City Plaza	Lot No.49, Nangang, Yunpu Industrial Zone, Huangpu District	Guangzhou	Residential
41	Guangzhou Kaisa Future City	No.3889 Huangpu Avenue East, Huangpu District	Guangzhou	Commercial
42	Guangzhou Kaisa Center	East of Beihao Yong, Northwest to the Luoxi Bridge, Haizhu District	Guangzhou	Commercial
43	Guangzhou Kaisa Baiyun City Plaza	West of Baiyun New Town, South of Huangshi West Road, and East of Shicha Road, Baiyun District	Guangzhou	Residential
44	Guangzhou Kaisa Riverview Mansion	Lingshan Island, Mingzhu Bay, Nansha Free Trade Zone	Guangzhou	Residential
45	Guangzhou Jiaze Garden	Huangniukan, Wuyi Village, Licheng Street, Zengcheng District	Guangzhou	Residential
46	Guangzhou Mansion <sup>(7)</sup>	Jiuru Village, Ningxi Street, Zengcheng District	Guangzhou	Residential
47	Guangzhou Phoenix Mansion	East of Huangge West Road, Huangge Town, Nansha District	Guangzhou	Residential & Commercial
48	Guangzhou Xiaijing Village Project <sup>(3)</sup>	West of Guanghe Highway, East of Zhonghua Road, middle of Zhongxin Town, Zengcheng District	Guangzhou	Residential & Commercial
49	Guangzhou Shixi Village Project <sup>(3)</sup>	Shixi Village, Haizhu District	Guangzhou	Residential & Commercial
50	Qingyuan Kaisa City Plaza	South of Guang Qing Avenue, Longtang Town, Qingcheng District	Qingyuan	Residential
51	Foshan Shunde Kaisa Golden World	West of Waihuan Road, Ronggui Town, Shunde District	Foshan	Residential
52	Foshan Kaisa Metro City	No.169 Guangfo Road, Huangqi Town, Nanhai District	Foshan	Commercial
53	Foshan Kaisa Yue Metropolis	97 Zhenbei Road, Yanbu Avenue, Dali Town, Nanhai District	Foshan	Commercial
54	Foshan Kaisa Mansion	South of Kuiqi West Road, West of Zhenzhong Road, Shiwan Sub-district, Chancheng District	Foshan	Residential
55	Foshan Kaisa Fantasia Guangya Court	North of Xiaping Road, East of Foshan 1st Ring Road, Guicheng Street, Nanhai District	Foshan	Residential & Commercial
56	Dongguan Zhongyang Haomen	Longsheng Road, Xincheng District, Shilong Town	Dongguan	Residential

## PROJECT PORTFOLIO — SUMMARY

Project Phase	Site Area (sq. m.)	Total GFA (sq. m.)	Total GFA			Interest attributable to us
			Completed Properties (sq. m.)	Under Development (sq. m.)	Future Development (sq. m.)	
1	5,427	30,021	–	30,021	–	51%
1	7,241	58,400	–	58,400	–	22%
1	34,422	262,371	–	–	262,371	100%
1	29,500	113,031	–	113,031	–	100%
1	24,781	100,782	–	–	100,782	90%
1	21,051	67,360	–	67,360	–	5%
1-2	108,821	396,085	–	–	396,085	<1%
1-9	14,192	233,322	233,322	–	–	100%
–	7,707	56,666	56,666	–	–	94%
1	15,178	86,138	86,138	–	–	95%
1-2	65,627	226,946	226,946	–	–	94%
–	19,671	80,854	80,854	–	–	94%
1-4	190,742	776,317	776,317	–	–	99%
1-3	240,089	592,832	309,647	50,644	232,541	78%
1-3	52,176	328,459	–	48,998	279,461	39%
1-4	158,071	543,007	–	15,768	527,239	39%
1-2	47,626	94,960	94,960	–	–	94%
–	22,215	68,704	68,704	–	–	100%
1-3	113,300	351,200	–	246,100	105,100	–
1-2	102,392	336,709	71,297	265,412	–	55%
1-3	243,200	393,700	–	–	393,700	79%
1-4	1,013,800	945,618	–	–	945,618	55%
1-5	343,749	1,191,258	343,012	54,584	793,662	100%
1-9	197,584	499,112	499,112	–	–	94%
1	14,387	71,934	–	71,934	–	94%
1	15,271	61,082	61,082	–	–	100%
1	31,054	93,052	93,052	–	–	90%
1	62,406	178,392	178,392	–	–	51%
–	82,742	377,481	377,481	–	–	100%

## PROJECT PORTFOLIO — SUMMARY

No.	Project	Address	Location	Type <sup>(1)</sup>
57	Dongguan Dongjiang Haomen	South of Dongjiang Road, Yangwu Village and Qishi Village, Qishi Town	Dongguan	Residential
58	Dongguan Shui'an Haomen	Fengshen Avenue, Fenggang Town	Dongguan	Residential
59	Dongguan Dijingwan	Jinshawan Square, Xincheng District, Shilong Town	Dongguan	Residential
60	Dongguan Le Grand Bleu	Xinwei Village Group, Qisha Village, Shatian Town	Dongguan	Residential
61	Dongguan Oasis Town	Junction of Huancheng Road and Green Road, Xiping Community, Nancheng District	Dongguan	Residential
62	Dongguan Yulongshan Garden	Jinzhou Community, Humen Town	Dongguan	Residential
63	Dongguan Shilong Project <sup>(3)</sup>	Junction of Jiangnan Middle Road and Xihu No. 1 Road, Xihu District, Shilong Town	Dongguan	Residential
64	Dongguan Riverside Woods Palace <sup>(3)</sup>	Junction of Dongshen Road and Bihu Avenue, Fenggang Town	Dongguan	Residential
65	Dongguan Riverside Hillview Palace <sup>(3)</sup>	Junction of Dongshen Road and Bihu Avenue, Fenggang Town	Dongguan	Residential
66	Dongguan Kaisa Glamorous Riverscape Garden	Douchi Island, Zhongtang Town	Dongguan	Residential
67	Dongguan Kaisa Shine Time	Dingshan Community, Houjie Town	Dongguan	Residential
68	Dongguan Kaisa Enchanting Garden (formerly known as Prosperous Villa)	Douchi Island, Zhongtang Town	Dongguan	Residential
69	Dongguan Kaisa Glossy Riverscape Garden	Douchi Island, Zhongtang Town	Dongguan	Residential
70	Dongguan Kaisa Prosperous Villa	Douchi Island, Zhongtang Town	Dongguan	Residential & Commercial
71	Huizhou Kaisa Mansion No. 1	Gutang'ao, Miaozaikeng	Huizhou	Residential
72	Huizhou Kaisa Center	No. 18 Sub-district, Jiangbei, Huicheng District	Huizhou	Commercial
73	Huizhou Yuanzhou Project	Tanjiao Section, Liangwu Gaotou Village, Yuanzhou Town, Boluo County	Huizhou	Residential
74	Huizhou Kaisa Riverbank New Age	Jiangnan Section, Cui Mei countryside Committee, Hengkeng, Luoyang Town, Boluo County	Huizhou	Residential
75	Huizhou Tianxin Village (Huizhou Riverbank New Town (P18))	Jiangnan Section, Hengkeng Village Committee and Cuimei Garden Village Committee, Luoyang Town	Huizhou	Residential
76	Huizhou Kaisa Mountain Bay Garden	Huangbujiao, Lianfeng Village, Renshan Town, Huidong County	Huizhou	Residential
77	Huizhou Kaisa Times Park	Junction of Zhongkai Avenue and Jinbang Road, Huicheng District	Huizhou	Residential
78	Huizhou Kaisa Riverbank Garden	Jiangnanxincheng, Luoyang Town, Boluo County	Huizhou	Residential
79	Huizhou Longmen Kaisa Hot Spring	Laiwu Village, Longtian Town, Longmen County	Huizhou	Residential
80	Huizhou Kaisa Monarch Residence	Junction of Huifeng West Second Road and Hechang West Fifth Road, Huicheng District	Huizhou	Residential
81	Huizhou Kaisa Jade Garden	Longsu Road, Center of Longxi Town, Boluo County	Huizhou	Residential
82	Huizhou Kaisa Cloud Mansion	Shangpu Road, Longxi Street, Boluo County	Huizhou	Residential
83	Huizhou Kaisa Cloud	Junction of Dongxiang South Road and Xinglian West Road	Huizhou	Residential
84	Huizhou Kaisa Times Avenue (Huicheng District Project)	Center of Ma'an Town, Huicheng District	Huizhou	Residential & Commercial
85	Huizhou Huidong Project	Renshan Town, Huidong County	Huizhou	Residential & Commercial
86	Huizhou Kaisa City Plaza	Pingnan Area, Huihuan Street, Zhongkai High-tech Zone, Huizhou	Huizhou	Residential & Commercial



## PROJECT PORTFOLIO — SUMMARY

Project Phase	Site Area (sq. m.)	Total GFA (sq. m.)	Total GFA			Interest attributable to us
			Completed Properties (sq. m.)	Under Development (sq. m.)	Future Development (sq. m.)	
1	86,324	243,296	243,296	–	–	100%
1	70,734	200,386	200,386	–	–	80%
1-2	46,474	155,432	155,432	–	–	100%
1-4	239,050	555,735	555,735	–	–	100%
1-4	65,021	150,772	150,772	–	–	100%
1	33,910	79,573	79,573	–	–	100%
–	5,567	10,131	–	–	10,131	100%
–	63,325	164,603	–	–	164,603	85%
–	65,310	218,698	–	–	218,698	90%
1	38,096	97,281	97,281	–	–	51%
1	69,524	205,726	205,726	–	–	34%
1	22,451	68,102	68,102	–	–	49%
1	27,572	83,358	–	83,358	–	51%
1	41,837	104,295	104,295	–	–	49%
1-10	89,998	260,577	260,577	–	–	51%
1-3	70,859	722,945	722,945	–	–	99%
–	20,400	61,200	–	–	61,200	100%
1-17	1,563,976	3,665,611	2,723,012	89,823	852,776	36%
1	40,000	104,000	–	–	104,000	100%
1-3	169,331	286,395	72,976	213,419	–	96%
1-7	252,117	641,781	629,213	–	12,568	50%
1-4	176,724	441,809	196,332	113,852	131,625	51%
1-2	112,896	225,791	–	225,791	–	70%
1	22,201	95,447	95,447	–	–	41%
1	17,392	78,264	78,264	–	–	27%
1	48,179	168,627	168,627	–	–	17%
1	27,820	66,768	66,768	–	–	26%
1-4	116,270	348,200	122,639	225,561	–	51%
–	72,710	343,700	–	–	343,700	95%
1-2	212,785	755,979	–	365,824	390,155	18%

## PROJECT PORTFOLIO — SUMMARY

No.	Project	Address	Location	Type <sup>(1)</sup>
87	Huizhou Kaisa Yuebanwan	South bank of Lujiangli, Huicheng District	Huizhou	Residential & Commercial
88	Zhuhai Macau Bay	Shangsha Street, Wanzai, Xiangzhou District	Zhuhai	Residential
89	Zhuhai Yujinshan	North of Huangyang Avenue, South of Wangbao Reservoir and Jintai Temple, Doumen Town, Doumen District	Zhuhai	Residential
90	Zhuhai Kaisa Monarch Residence	North of Zhufeng Avenue, Qianwu Town, Doumen District	Zhuhai	Residential
91	Zhuhai Kaisa Mansion	East of Xiewei village and South of Golden Coast Road, Golden Coast, Sanzao Town, Jinwan District	Zhuhai	Residential
92	Zhuhai Kaisa Gold Polis	Southeast of Nanda West Road, Northeast of Gangtong Second Road, Nanshui Town, Gaolangang	Zhuhai	Residential
93	Zhongshan Kaisa Royal Mansion	No. 3 Jinzhong Road, Jinzhong Village, Banfu Town	Zhongshan	Residential
94	Zhongshan Kaisa Upper Graceland	No. 1 Nanhu Road, Nanlang Town	Zhongshan	Residential
95	Zhongshan Kaisa Metro City	Junction of Xingbao Road and Yunsheng Road, Shaxi Town	Zhongshan	Residential
96	Zhongshan Kaisa Prosperous Garden	No. 68 Guangfu Avenue, Dongsheng Town	Zhongshan	Residential
97	Zhongshan The Kaisa Park	In close vicinity to Changjiang Water Plant, Eastern Area	Zhongshan	Residential
98	Yangjiang Kaisa Riverside Mansion	Longtang Road, Yangdong District	Yangjiang	Residential
99	Jieyang Kaisa City Plaza	Binhai New District, Yuedong New City, Huilai County, Jieyang	Jieyang	Residential & Commercial
100	Jieyang Kaisa Future City	Southwest of Xingyuan Road and Feifeng Road, Jiedong District	Jieyang	Residential & Commercial
101	Jiangmen Kaisa Yuefeng Mansion	North of Mingde 1st Road, East of Wenhua Road, Xinhui District	Jiangmen	Residential
102	Zhanjiang Kaisa Yuebanwan	Left side of Diaoshun Road Fishery Company, Chikan District, Zhanjiang City	Zhanjiang	Residential & Commercial
103	Shantou Kaisa Specular Moon	Zutuan D of East Coast New Town, Longhu District, Shantou City	Shantou	Residential
104	Shantou Kaisa Harmony Mansion Bay	Zutuan F of East Coast New Town, Longhu District, Shantou City	Shantou	Residential
105	Hong Kong The Concerto	No. 203 Yee Kuk Street, Sham Shui Po, Kowloon	Hong Kong	Residential
106	Kowloon Mongkok Shanghai Street/ Reclamation Street Project	Shanghai Street/Reclamation Street	Hong Kong	Residential & Commercial
107	Sanya Kaisa Haitang Mountain resort	Dongfeng Branch, Nantian Farm, Haitang Bay Town	Sanya	Residential
<b>The West China Region</b>				
108	Chengdu Kaisa Monarch Residence	Erjiangsi Village, Huayang Town, Shuangliu County	Chengdu	Residential
109	Chengdu Lijing Port	Groups 1 and 2, Huafeng Village, Yongquan Subdistrict, Wenjiang District	Chengdu	Residential
110	Chengdu Modern City	Yingchunqiao, Dongsheng Sub-district Office, Shuangliu County	Chengdu	Commercial
111	Chengdu Kaisa Mansion No. 8	South Sanzhiq Area, Dongsheng Street, Shuangliu County	Chengdu	Residential
112	Chengdu Kaisa City Plaza	Groups 1 and 2, Machang Village, Wenjia Sub-district Office, Qingyang District	Chengdu	Residential
113	Chengdu Kaisa Leading Town	Groups 6 and 7, Taiji Community, Gongping Subdistrict Office, Wenjiang District	Chengdu	Residential
114	Chengdu Kaisa Joy Palace	Junction of Fengxiang Avenue and Fenghuang Avenue, Qingbaijiang District	Chengdu	Residential

## PROJECT PORTFOLIO — SUMMARY

Project Phase	Site Area (sq. m.)	Total GFA (sq. m.)	Total GFA			Interest attributable to us
			Completed Properties (sq. m.)	Under Development (sq. m.)	Future Development (sq. m.)	
1-6	165,998	576,745	–	153,820	422,925	51%
1-3	159,891	232,017	60,369	46,675	124,973	100%
1-4	192,710	316,037	316,037	–	–	99%
–	16,088	28,958	28,958	–	–	100%
1	21,970	73,815	73,815	–	–	100%
1	74,729	129,260	129,260	–	–	100%
1	21,061	52,579	52,579	–	–	100%
1	22,307	66,819	66,819	–	–	78%
1-2	61,873	176,471	176,471	–	–	99%
1-2	51,339	128,329	128,329	–	–	100%
1	33,333	83,333	–	83,333	–	80%
1-2	78,451	192,011	192,011	–	–	90%
1-2	159,004	461,678	–	461,678	–	60%
1-3	135,715	311,726	–	169,900	141,826	100%
1	45,937	114,842	–	114,842	–	26%
1	26,676	110,045	–	–	110,045	94%
1-2	66,002	264,229	–	264,229	–	1%
1	50,200	223,390	–	–	223,390	5%
1	382	3,299	3,299	–	–	75%
1	252	1,637	–	1,637	–	31%
1	36,943	59,258	59,258	–	–	62%
1-3	182,666	1,041,531	1,041,531	–	–	100%
1	150,071	761,542	761,542	–	–	100%
1-2	133,269	362,420	362,420	–	–	100%
1-5	120,570	592,795	592,795	–	–	100%
1-4	112,194	460,901	460,901	–	–	100%
1-2	57,836	342,533	342,533	–	–	100%
1-2	113,411	447,537	447,537	–	–	100%

## PROJECT PORTFOLIO — SUMMARY

No.	Project	Address	Location	Type <sup>(1)</sup>
115	Chengdu Kaisa Imperial Jade	No. 977, South of Fengxi Avenue, Wenjiang District	Chengdu	Residential
116	Chengdu Kaisa Tianyue Mansion	No. 64 Jinxing Road, Jinjiang District	Chengdu	Commercial & Residential
117	Chengdu Kaisa Foreshore 1	North of Shenyang Road, South of Lushan Avenue, Tianfu New District	Chengdu	Residential & Commercial
118	Chengdu Longyue No. 1 Project	North of Baohe East Road, West of Fuxing North Road, Shiling Street, Longquanyi District	Chengdu	Residential
119	Chengdu Kaisa Aurora Project	Groups 6 and 11 of Erjiangsi Village, Huayang Street, Tianfu New District, Group 2 of Helin Village	Chengdu	Residential & Commercial
120	Chengdu Kaisa Harmony Mansion	Youjiadu Community, Tianfu Street, Wenjiang District	Chengdu	Residential
121	Pengzhou Kaisa Golden Metro	West of Chengde Avenue (Beixin Avenue), Mengyang Town	Chengdu	Residential
122	Nanchong Kaisa Plaza	No. 39 Zhengyang East Road, Shunqing District	Nanchong	Residential
123	Nanchong Monarch Residence	No. 308 Baituba Road, Shunqing District	Nanchong	Residential
124	Chongqing Kaisa Plaza	Longzhouwan Street, Banan District	Chongqing	Residential
125	Chongqing Kaisa Bright Harbour	Baqiao Town, Dadukou District	Chongqing	Residential
126	Chongqing Kaisa Riverside Paradise	Ertang Village, Jingkou Street, Jingkou Town, Shapingba District	Chongqing	Residential
127	Chongqing Kaisa Garden	North end of Changjiang River Bridge, Jiangjin District	Chongqing	Residential
128	Chongqing Kaisa Riverside Four Seasons	East of Ganghua Middle Road, Dadukou District	Chongqing	Residential
129	Chongqing Kaisa Mountain	Xiyong, Shapingba District	Chongqing	Residential
130	Chongqing Kaisa Xiaolan Yunqi	Xiyong, Shapingba District	Chongqing	Residential
131	Chongqing Kaisa Longyue No. 1	Xiyong, Shapingba District	Chongqing	Residential
132	Chongqing Kaisa Jiangshan Heming	Caijia of Beibei District	Chongqing	Residential
133	Kunming Kaisa Dianchi Mansion	Intersection of Feihu Road and Haiyan Road, Chenggong District	Kunming	Residential
134	Guiyang Kaisa Mountain	Near Jianshan Temple, Jinqing Avenue, Qingzhen City and within boundaries of Shiguan Village, Qinglongshan Street	Guiyang	Residential & Commercial
<b>The Pan-Bohai Bay Rim</b>				
135	Beijing Kaisa Fantasia Xishan Palace	Intersection of Chengzi Street and Heishan Street, Mentougou District	Beijing	Residential
136	Bazhou Kaisa Mansion	West of Rose Garden Hot Spring Resort, Development District	Bazhou	Residential
137	Gu'an Kaisa Fengyuan Tianci Project	Near the Niutuo Hot Spring Peacock City, Niutuo Town	Gu'an	Residential
138	Qingdao Kaisa Lake View Place	East of Zhongjing Second Road, West of Wangsha Road and South of Baishahe, Xiazhuang Street, Chengyang District	Qingdao	Residential
139	Qingdao Kaisa Mansion	No.777 Huicheng Road, Chengyang District, Qingdao	Qingdao	Residential
140	Shenyang Kaisa Center	East of Qingnian Avenue, Shenhe District	Shenyang	Commercial
141	Shenyang Kaisa Yuefeng	Changbai South Road, Heping District	Shenyang	Residential
142	Shenyang Kaisa Shiguangdao	East of Wencong Street, North of Huiquan East Road, Hunnan District	Shenyang	Residential
143	Anshan Kaisa Monarch Residence	South of Ziyou Dong Road, East of Anqian Road, Lishan District	Anshan	Residential
144	Anshan Waterfront Mansion	North bank of Wanshui River, Lishan District	Anshan	Residential



## PROJECT PORTFOLIO — SUMMARY

Project Phase	Site Area (sq. m.)	Total GFA (sq. m.)	Total GFA			Interest attributable to us
			Completed Properties (sq. m.)	Under Development (sq. m.)	Future Development (sq. m.)	
1	34,088	99,926	99,926	–	–	51%
1	3,286	32,876	32,876	–	–	100%
1	45,635	128,393	–	128,393	–	100%
1	39,588	83,578	83,578	–	–	56%
1	50,538	101,100	–	101,100	–	100%
1	28,912	86,737	–	–	86,737	100%
1-4	104,964	379,388	176,165	203,223	–	100%
1-2	29,541	116,634	116,634	–	–	100%
1-3	256,187	813,746	813,746	–	–	100%
1-3	119,767	384,219	384,219	–	–	100%
1-10	238,017	778,153	778,153	–	–	100%
1	56,644	132,178	–	132,178	–	90%
1-3	77,544	222,479	85,803	124,209	12,467	90%
1	41,724	104,311	–	104,311	–	90%
1-2	126,443	249,909	105,230	144,679	–	94%
1-3	116,773	175,160	67,072	35,819	72,269	1%
1	57,460	86,158	–	86,158	–	88%
1	62,405	93,603	–	93,603	–	3%
1	33,693	53,909	53,909	–	–	39%
1-3	182,989	549,165	–	261,443	287,722	91%
1	20,039	61,626	–	61,626	–	12%
1	36,576	75,067	75,067	–	–	100%
1	32,484	48,726	48,726	–	–	49%
1-3	229,865	296,725	296,725	–	–	99%
1	61,492	111,254	111,254	–	–	50%
1	21,423	292,331	292,331	–	–	100%
1-2	12,947	38,844	38,844	–	–	100%
1-2	130,658	261,315	–	95,560	165,755	1%
1-4	129,739	253,256	198,056	15,406	39,794	100%
1-3	120,591	135,385	51,532	40,431	43,422	100%

## PROJECT PORTFOLIO — SUMMARY

No.	Project	Address	Location	Type <sup>(1)</sup>
145	Anshan Kaisa Plaza <sup>(2)</sup>	Renmin Road, Tiexi District	Anshan	Commercial
146	Benxi Kaisa Lake View Place	Binhe North Road, Mingshan District	Benxi	Residential
147	Huludao Suizhong Kaisa Dongdaihe	South of Binhai Road, Dongdaihe New District, Suizhong County	Huludao	Residential & Commercial
148	Huludao Enjoy Bay Park	North of Binhai Road, south of Bohai Street, Dongdaihe New District, Suizhong County	Huludao	Residential & Commercial
149	Huilai Jingbei Yuefeng	Liuhe Village, Tanghe Town, Gongchangling District	Zhangjiakou	Residential
150	Yanjiao Wangjing Court	Intersection of Shenwei North Street South and Hanwang Road, Yanjiao, Langfang	Langfang	Residential
151	Liaoyang Tangquanyi	Liuhe Village, Tanghe Town, Gongchangling District	Liaoyang	Commercial
152	Dandong Kaisa Mansion No.1	South of Huanghai Avenue, Zhenxing District	Dandong	Residential
153	Dalian Kaisa Center	No.24 Zhujin Street, Donggang Business District, Zhongshan District	Dalian	Commercial
154	Dalian Kaisa Plaza	No.271 Tianjin Street, Zhongshan District	Dalian	Commercial
155	Dalian Kaisa Mansion No. 1	Junction of Zhonggang North Road and Hugang Road, Dalian Free Trade Zone	Dalian	Commercial & Residential
156	Dalian Pleasant Mansion	East of Shengli Road, Jinpu New District	Dalian	Residential
<b>The Central China Region</b>				
157	Changsha Kaisa Lake View Place	Jinping Village, Tiaoma County	Changsha	Residential
158	Changsha Kaisa Times Square	Yingpan East Road, Furong District	Changsha	Residential
159	Changsha Kaisa Plaza	Wuyi Road, Furong District	Changsha	Commercial
160	Changsha Kaisa Meixi Lake Project	Meixi Lake, Yuelu District	Changsha	Residential
161	Changsha Kaisa City Plaza	Northeast of Xiangzhang Road and Yuhua Avenue Intersection, Yuhua District	Changsha	Residential & Commercial
162	Changsha Kaisa Metro Polis	Junction of Huahou Road and Xiangzhang Road, Gaotie New Town, Yuhua District	Changsha	Commercial
163	Changsha Kaisa Bright Harbour Seasons	Southwest of intersection of Shuangyang Road and Huangyuan Road, Furong District	Changsha	Commercial & Residential
164	Hengyang Kaisa Mansion	North of Chuanshan West Road, South of Lixin Avenue, West of Cailun Avenue	Hengyang	Residential
165	Wuhan Kaisa Golden World	Junction of Baisha Road and Qingling East Road, Qingling County, Hongshan District	Wuhan	Residential
166	Wuhan Kaisa Bright Harbour No.1	North of Zhiyin Avenue, West of Yangcheng West Road, Hangyang District	Wuhan	Residential
167	Wuhan Kaisa Plaza	No.336 Wuluo Road, Wuchang District	Wuhan	Residential
168	Wuhan Kaisa Joy Palace	South of Shefa Shan Road, East of the 2nd Chuanjiangchi Road, Economic and Technology Development Area	Wuhan	Residential
169	Wuhan Kaisa New Riverside City	South of Shefa Shan Road, East of the 2nd Chuanjiangchi Road, Economic and Technology Development Area	Wuhan	Residential
170	Wuhan Kaisa Stream Jade Garden	East of Jintai Road, West of Fenghua Road and North of Guanhu Road, Xinzhou District	Wuhan	Residential
171	Wuhan Kaisa Jade Crest	South of Shendun San Road, East Lake New Technology Development Zone	Wuhan	Residential
172	Ezhou Zhongliang Kaisa The One Mansion	West of Yingbin Avenue, Echeng District	Ezhou	Residential

## PROJECT PORTFOLIO — SUMMARY

Project Phase	Site Area (sq. m.)	Total GFA (sq. m.)	Total GFA			Interest attributable to us
			Completed Properties (sq. m.)	Under Development (sq. m.)	Future Development (sq. m.)	
1-2	11,238	85,148	85,148	–	–	89%
1	122,200	324,480	324,480	–	–	99%
1-11	1,339,750	2,183,154	1,340,545	56,022	786,587	99%
1-5	307,292	735,476	110,697	172,848	451,931	100%
1	45,183	119,881	–	–	119,881	67%
1	52,714	105,993	–	–	105,993	17%
1-10	372,427	311,034	108,570	–	202,464	99%
1-4	133,340	331,542	331,542	–	–	99%
1-2	26,610	119,700	82,050	37,650	–	100%
–	15,955	78,454	78,454	–	–	90%
1	41,150	105,912	105,912	–	–	100%
1	24,334	85,168	–	85,168	–	100%
1-4	673,536	938,203	938,203	–	–	100%
–	21,770	108,731	108,731	–	–	30%
1	14,324	171,592	171,592	–	–	30%
1-6	253,693	892,604	892,604	–	–	99%
1-4	117,077	372,290	–	372,290	–	63%
1-2	20,108	171,932	114,626	57,306	–	32%
1	34,300	89,047	–	89,047	–	77%
1-2	50,054	161,595	88,237	73,358	–	51%
1-3	181,493	605,941	605,941	–	–	90%
–	40,351	156,763	156,763	–	–	99%
1	26,861	142,355	142,355	–	–	100%
1-2	128,539	257,078	257,078	–	–	100%
1	56,901	142,252	142,252	–	–	89%
1	129,191	258,382	–	258,382	–	62%
1	45,754	114,600	–	114,600	–	30%
1	103,175	281,668	281,668	–	–	31%

## PROJECT PORTFOLIO — SUMMARY

No.	Project	Address	Location	Type <sup>(1)</sup>
173	Xiaogan Kaisa Airport Science and Technology City	Airport Economic Development Zone	Xiaogan	Industrial
174	Xinzheng Kaisa Yuefeng	South of Zhongxing Road, West of Wenhua Road	Xinzheng	Residential
175	Xinxiang Kaisa Yuefeng	West of Hongyuan Street, North of Guihua Road, Hongqi District	Xinxiang	Residential
176	Luoyang Phoenix Riverside	Intersection of Zhongxin Road and Zhuge Street, Yibin District	Luoyang	Residential & Commercial
177	Luoyang HYC Kaisa Lake View Place	Junction of Simaguang Road and Lujingxiang, Luolong District	Luoyang	Residential
178	Luoyang Kaisa Waterfront Residence	Intersection of Yibin Road and Fumin Lane, Yibin District	Luoyang	Residential
179	Luoyang Kaisa Center	Intersection of Guanlin Road and Longmen Avenue, Luolong District	Luoyang	Residential & Commercial
<b>The Yangtze River Delta</b>				
180	Shanghai Shanhuwan Garden	No.4333 Alley, Haima Road, Haiwan Town, Fengxian District	Shanghai	Residential
181	Shanghai Shangpin Garden	Kangfeng North Road and Kangnian Road, Malu Town, Jiading District	Shanghai	Residential
182	Shanghai Kaisa No.8	No.99 Alley, Juting Road, Zhuanghang Town, Fengxian District	Shanghai	Residential
183	Shanghai Kaisa City Plaza (Phase 1-3)	Junction of Shengzhu East Road and Chengliu Road, Xuhang Town, Jiading District	Shanghai	Residential
184	Shanghai Kaisa City Plaza (Phase 4-7)	Xuhang Town, Jiading District	Shanghai	Residential
185	Shanghai Kaisa Monarch Residence	Junction of Songjian Road and Fumao Road, Chonggu Town, Qingpu District	Shanghai	Residential
186	Shanghai Kaisa City Garden	East of Qiyuan Road, West of Xiaoxin River, South of Shupindong Road and North of Xinjian No. 1 Road, Xuhang Town, Jiading District	Shanghai	Residential
187	Shanghai Shangpin Jiayuan	East of Xiaoxin River, West of Base Boundary, South of Gengpu River and North of Xinjian No.1 Road, Xuhang Town, Jiading District	Shanghai	Residential
188	Shanghai Kaisa Future City	North of Yinggang East Road, Xiayang Street, Qingpu District	Shanghai	Residential
189	Hangzhou Jade Dragon Court	North of Zhennan Road, Zhijiang National Holiday Resort, West Lake District	Hangzhou	Residential
190	Hangzhou Kaisa Monarch Residence	North of Shitang Road and West of Donghu Road, Qiaosi Street, Yuhang District	Hangzhou	Residential
191	Hangzhou Puyu Court	Jingfeng Community, Wuchang Street, Yuhang District	Hangzhou	Residential
192	Hangzhou Fuyang Yinhu Project	Dashanjiao Village, Yinhu Street, Fuyang District	Hangzhou	Residential
193	Hangzhou Kaisa Cloud Mountain Peak	Xianlin Street, Yuhang District	Hangzhou	Residential
194	Hangzhou Kaisa Specular Moon	Pengbu Street, Jianggan District	Hangzhou	Residential
195	Shaoxing Kaisa Honor Palace	Lanting Street, Keqiao District	Shaoxing	Residential
196	Shaoxing Kaisa Monarch Residence	Fuquan Street, Keqiao District	Shaoxing	Residential
197	Ningbo The One Jade	Junction of Century Avenue and Min'an Road, Yinzhou District	Ningbo	Commercial
198	Ningbo Kaisa Emerald Residence (Qubi Project)	Dongjiao Street, Yinzhou District	Ningbo	Residential
199	Ningbo Harmony Mansion	South of Dannan Road, north of Planning Road 1, both sides of Baihe Road, Xiangshan County, Ningbo, China	Ningbo	Residential
200	Jiaxing Xitang Project	East of Hongfu Road and South of Nanyuan Road, Xitang Town	Jiaxing	Residential
201	Suzhou Kaisa Plaza	West of Tayuan Road and South of Zhuyuan Road, Shishan Street, High-tech District	Suzhou	Residential
202	Suzhou Kaisa Monarch Residence	South of Xingye Road and East of Sudai Road, Huangqiao Street, Xiangcheng District	Suzhou	Residential



## PROJECT PORTFOLIO — SUMMARY

Project Phase	Site Area (sq. m.)	Total GFA (sq. m.)	Total GFA			Interest attributable to us
			Completed Properties (sq. m.)	Under Development (sq. m.)	Future Development (sq. m.)	
1-3	218,814	257,629	31,722	225,907	—	27%
1-2	69,499	156,619	156,619	—	—	100%
1	23,165	81,068	—	81,068	—	100%
1-5	120,649	361,947	—	361,947	—	51%
1-3	90,234	225,585	225,585	—	—	51%
1	95,613	239,023	—	239,023	—	51%
1-3	238,073	873,288	—	320,219	553,069	75%
1-4	104,796	140,151	140,151	—	—	100%
—	23,307	84,448	84,448	—	—	62%
1-2	143,052	171,659	171,659	—	—	100%
1-3	117,257	222,199	222,199	—	—	100%
1-4	126,923	213,514	161,325	52,189	—	56%
1-2	90,642	212,240	212,240	—	—	100%
1	23,638	42,549	42,549	—	—	41%
1	44,590	80,262	80,262	—	—	41%
1	27,819	88,584	88,584	—	—	51%
—	39,376	98,041	98,041	—	—	100%
—	36,595	100,849	100,849	—	—	100%
1	74,779	207,476	207,476	—	—	100%
1	26,000	19,500	—	—	19,500	95%
1	19,175	38,350	38,350	—	—	100%
1	36,748	88,195	88,195	—	—	54%
1	61,133	46,657	46,657	—	—	99%
1	19,852	47,943	47,943	—	—	100%
1	15,086	56,285	56,285	—	—	30%
1	26,647	93,881	93,881	—	—	1%
1	45,034	92,997	—	92,997	—	26%
1	38,881	64,857	64,857	—	—	51%
1-2	33,234	123,216	123,216	—	—	100%
1-2	59,629	155,553	155,553	—	—	100%

## PROJECT PORTFOLIO — SUMMARY

No.	Project	Address	Location	Type <sup>(1)</sup>
203	Suzhou Mudu Peaceful Yard Project	West of Xinhua Road, South of Xiangyanghe Road, Mushu Town, Wuzhong District	Suzhou	Residential
204	Zhangjiagang Lakeside Paradise	Southwest Corner of the Junction of Yingshan Road and Jingu Road, Phoenix Town	Zhangjiagang	Residential
205	Nanjing Kaisa Plaza	Junction of Nanjing Foreign Language School and Taiqing Road, South of Hexi Area, Jianye District	Nanjing	Residential
206	Nanjing Kaisa Yanran Mansion	No.560 Heyan Road, Qixia District	Nanjing	Residential
207	Nanjing Kaisa Mansion	East of Vanke City, Lishui District	Nanjing	Residential
208	Nanjing HongYang Riverside Mansion	18 Huqin Road, Lukou Avenue, Jiangning District	Nanjing	Residential
209	Nanjing RIVER MANSION	Intersection of Fangjiaying Road and Chenghe North Road, Gulou District	Nanjing	Residential
210	Kaisa Xiangrui Xiangyi Garden	North of Yuexi Road, Ehu Town, Xishan District	Wuxi	Residential
211	Wuxi Xiangyi Xiyue (Donggang Cooperation Projects)	South of Yinxing West Road and west of Lianqun Road, Donggang Town, Xishan District	Wuxi	Residential
212	Xuzhou Fuchun Mountain Residence	West of Guangshan Park, East of Sanhuan East Road, Yunlong District	Xuzhou	Residential
213	Jiangyin Lake View Place	South of Xinhua Road, West of Dongwaihuan Road, and North of Renmin East Road	Jiangyin	Residential
214	Jiangyin Gushan Mocha Town	South of Golden Gushan Garden and West of Xingfu Avenue, Gushan Town	Jiangyin	Residential
215	Jiangyin Zhouzhuang Golden World	East of Zhouxi Dong Road, Zhouzhuang Town	Jiangyin	Residential
216	Jiangyin Changjing Lake View Waldorf	East of Xinglong Road and South of Dongshun Road, Changjing Town	Jiangyin	Residential
217	Jiangyin Tonghui Garden	North of Tonghui Road, West of Tongjiang Road, and South of Tongfu Road	Jiangyin	Residential
218	Jiangyin Fuqiao Homeland	North of Chengxi Road, West of Tongdu Road, and South of Binjiang Road	Jiangyin	Residential
219	Taizhou Royal Mansion	North of Chenzhuang Road and West of No.11 Road, Taizhou Economic Development Area	Taizhou	Residential
220	Hefei HC Kaisa Future City	Southwest of junction of Jianghuai Avenue and Zhenzhu Road, Shangpai Town, Feixi	Hefei	Residential
221	Hefei Kaisa Binhu Resonance	Intersection of Yungu Road and Guizhou Road, Binhu District	Hefei	Residential
<b>Total</b>				

1 Residential properties include apartments, serviced apartments and townhouses, often with complementary commercial facilities, restaurants and community facilities.

2 The projects are renovation developments of once distressed assets and partially completed properties.

3 Including

(i) Dongguan Shilong Project;

(ii) Dongguan Riverside Woods Palace;

(iii) Dongguan Riverside Hillview Palace;

(iv) Shenzhen Nanmendun Project;

(v) Guangzhou Xiajing Village Project;

(vi) Shenzhen Xiaoaun Yunqi;

(vii) Guangzhou Shixi Project; for which as at 31 December 2023, the Group has not obtained the land use right certificate, but has entered into land grant contracts or obtained confirmation from the relevant land and resources bureau.

4 This has been prepared in accordance with our internal project plan and is subject to government approval.

5 As at 31 December 2023, the GFA of total completed properties for sale reached approximately 4,086,772 sq. m..

6 One project in Hainan included.

7 The Group has the trust income rights and has no equity relationship with the project.

## PROJECT PORTFOLIO — SUMMARY

Project Phase	Site Area (sq. m.)	Total GFA (sq. m.)	Total GFA			Interest attributable to us
			Completed Properties (sq. m.)	Under Development (sq. m.)	Future Development (sq. m.)	
1	32,006	47,861	47,861	–	–	100%
1	31,666	37,999	37,999	–	–	100%
1-3	109,783	290,946	290,946	–	–	100%
1	27,376	63,050	63,050	–	–	100%
1	65,698	144,520	144,520	–	–	90%
1	69,332	103,160	15,707	87,453	–	51%
1-2	40,522	89,183	89,183	–	–	49%
1	48,697	78,195	–	78,195	–	49%
1	50,732	91,802	–	91,802	–	49%
1-2	132,397	246,029	88,031	157,998	–	50%
1-3	225,533	272,274	272,274	–	–	94%
1-4	76,465	132,849	132,849	–	–	100%
1-2	103,589	186,738	186,738	–	–	99%
1-2	93,275	149,763	149,763	–	–	100%
–	41,440	73,615	73,615	–	–	100%
–	35,801	134,535	134,535	–	–	100%
1-4	192,506	360,724	299,298	61,426	–	51%
1-2	111,500	206,575	206,575	–	–	49%
1	37,485	75,966	–	75,966	–	15%
	<b>22,495,650</b>	<b>58,036,695</b>	<b>38,291,977</b>	<b>9,289,224</b>	<b>10,455,494</b>	

## PROJECT PORTFOLIO — SUMMARY

### PROPERTIES UNDER DEVELOPMENT

The table below sets forth certain information of our property projects or project phases under development as at 31 December 2023. We have obtained land use rights certificates and construction works commencement permits for all of our properties under development.

Project	City	Project Phase	Total GFA	Saleable GFA
			or Estimated Total GFA (sq. m.)	or Estimated Saleable GFA (sq. m.)
Shenzhen Kaisa City Plaza	Shenzhen	3	214,608	154,567
Shenzhen Yantian Kaisa City Plaza	Shenzhen	1-3	254,213	11,327
Shenzhen Kaisa Golden Bay International Park <sup>(1)</sup>	Shenzhen	1, 2, 4	195,219	87,150
Shenzhen Nan'ao Project	Shenzhen	1	51,930	51,810
Shenzhen Kaisa Cloud	Shenzhen	1	66,260	60,890
Shenzhen Luohu Sanshun Project	Shenzhen	1	30,021	23,029
Shenzhen Kaisa Shenwei	Shenzhen	1	58,400	56,930
Shenzhen Levana Park of Kaisa	Shenzhen	1	113,031	53,764
Shenzhen Fengming Riverside	Shenzhen	1	67,360	36,098
Guangzhou Kaisa Future City	Guangzhou	2	50,644	43,259
Guangzhou Kaisa Center	Guangzhou	1	48,998	43,181
Guangzhou Kaisa Baiyun City Plaza	Guangzhou	1	15,768	15,768
Guangzhou Mansion <sup>(1)</sup>	Guangzhou	1-2	246,100	216,300
Guangzhou Phoenix Mansion	Guangzhou	1-2	265,412	256,508
Qingyuan Kaisa City Plaza	Qingyuan	2	54,584	54,584
Foshan Kaisa Metro City	Foshan	1	71,934	71,249
Dongguan Kaisa Glossy Riverscape Garden	Dongguan	1	83,358	83,358
Huizhou Kaisa Riverbank New Age	Huizhou	13	89,823	88,580
Huizhou Kaisa Mountain Bay Garden	Huizhou	2-3	213,419	209,388
Huizhou Kaisa Riverbank Garden	Huizhou	3	113,852	107,469
Huizhou Longmen Kaisa Hot Spring	Huizhou	1-2	225,791	170,170
Huizhou Kaisa Times Avenue (Huicheng District Project)	Huizhou	2-4	225,561	224,083
Huizhou Kaisa City Plaza	Huizhou	1-2	365,824	288,275
Huizhou Kaisa Yuebanwan	Huizhou	1, 5	153,820	134,224
Zhuhai Macau Bay	Zhuhai	2	46,675	27,634
Zhongshan Kaisa Yuebanshan	Zhongshan	1	83,333	76,788



## PROJECT PORTFOLIO — SUMMARY

Commencement Time	Status of Pre-sale Permit	Estimated Completion Time	Interest attributable to us
Dec-2017	Yes	2025 1Q	100%
Aug-2018	Yes	2024 2Q	100%
Oct-2018	No	2025 1Q	—
Sep-20	No	2025 4Q	87%
Jan-21	No	2024 2Q	54%
Apr-21	No	2025 2Q	51%
Apr-21	No	2024 2Q	22%
Jul-21	Yes	2024 4Q	100%
Aug-21	No	2024 2Q	5%
May-20	Yes	2024 3Q	78%
Feb-21	Yes	2025 1Q	39%
Sep-22	No	2024 4Q	39%
Oct-20	Yes	2024 4Q	—
Sep-20	Yes	2024 3Q	55%
Mar-21	Yes	2025 4Q	100%
Oct-19	No	2025 4Q	94%
Dec-20	Yes	2024 3Q	51%
Oct-20	Yes	2024 3Q	36%
Jan-19	Yes	2024 4Q	96%
Mar-21	No	2025 4Q	51%
Jun-19	Yes	2025 3Q	70%
Nov-20	Yes	2025 2Q	51%
Jul-21	Yes	2024 4Q	18%
Mar-21	Yes	2025 4Q	51%
May-21	No	2024 4Q	100%
Oct-20	Yes	2024 1Q	80%

## PROJECT PORTFOLIO — SUMMARY

Project	City	Project Phase	Total GFA	Saleable GFA
			or Estimated Total GFA (sq. m.)	or Estimated Saleable GFA (sq. m.)
Jieyang Kaisa City Plaza	Jieyang	1-2	461,678	441,584
Jieyang Kaisa Future City	Jieyang	1, 3	169,900	159,433
Jiangmen Kaisa Yuefeng Mansion	Jiangmen	1	114,842	112,034
Shantou Kaisa Specular Moon	Shantou	1	264,229	243,701
Kowloon Mongkok Shanghai Street/ Reclamation Street Project	Hong Kong	1	1,637	958
Chengdu Kaisa Foreshore 1	Chengdu	1	128,393	70,173
Chengdu Kaisa Aurora Project	Chengdu	1	101,100	59,331
Pengzhou Kaisa Golden Metro	Chengdu	3-4	203,223	147,048
Chongqing Kaisa Riverside Paradise	Chongqing	1	132,178	131,214
Chongqing Kaisa Garden	Chongqing	2	124,209	124,209
Chongqing Kaisa Riverside Four Seasons	Chongqing	1	104,311	104,311
Chongqing Kaisa Mountain	Chongqing	2	144,679	144,679
Chongqing Kaisa Xiaoan Yunqi	Chongqing	2	35,819	35,252
Chongqing Kaisa Longyue No. 1	Chongqing	1	86,158	84,453
Chongqing Kaisa Jiangshan Heming	Chongqing	1	93,603	96,039
Guiyang Kaisa Mountain	Guiyang	1-2	261,443	247,917
Beijing Kaisa Fantasia Xishan Palace	Beijing	1	61,626	38,889
Shenyang Kaisa Shiguangdao	Shenyang	1	95,560	95,543
Anshan Kaisa Monarch Residence	Anshan	4	15,406	9,608
Anshan Waterfront Mansion	Anshan	2	40,431	39,916
Huludao Suizhong Kaisa Dongdaihe	Huludao	4	56,022	3,141
Huludao Enjoy Bay Park	Huludao	1	172,848	145,079
Dalian Kaisa Center	Dalian	2	37,650	37,650
Dalian Pleasant Mansion	Dalian	1	85,168	83,428
Changsha Kaisa City Plaza	Changsha	2-3	372,290	217,996
Changsha Kaisa Metro Polis	Changsha	2	57,306	56,546
Changsha Kaisa Bright Harbour Seasons	Changsha	1	89,047	88,276

## PROJECT PORTFOLIO — SUMMARY

Commencement Time	Status of Pre-sale Permit	Estimated Completion Time	Interest attributable to us
Dec-20	Yes	2024 4Q	60%
Apr-21	Yes	2024 2Q	100%
Apr-21	Yes	2025 4Q	26%
May-21	Yes	2026 3Q	1%
Jun-21	No	2026 2Q	31%
Aug-20	Yes	2024 2Q	100%
Sep-21	No	2024 3Q	100%
Oct-19	Yes	2024 2Q	100%
Jun-20	Yes	2024 4Q	90%
Aug-19	Yes	2024 3Q	90%
Dec-19	Yes	2024 2Q	90%
Mar-20	Yes	2024 4Q	94%
Jan-21	Yes	2024 2Q	1%
Jul-21	Yes	2024 3Q	88%
Oct-21	Yes	2025 4Q	3%
Nov-20	Yes	2024 4Q	91%
Jan-21	Yes	2024 3Q	12%
Nov-21	No	2025 2Q	1%
Sep-19	Yes	2024 4Q	100%
Jul-20	Yes	2024 4Q	100%
Sep-14	Yes	2024 2Q	99%
Sep-19	Yes	2024 4Q	100%
Aug-18	Yes	2024 4Q	100%
Jul-19	Yes	2024 4Q	100%
Apr-21	Yes	2026 4Q	63%
Sep-19	No	2026 4Q	32%
Dec-20	Yes	2027 4Q	77%

## PROJECT PORTFOLIO — SUMMARY

Project	City	Project Phase	Total GFA or Estimated Total GFA (sq. m.)	Saleable GFA or Estimated Saleable GFA (sq. m.)
Hengyang Kaisa Mansion	Hengyang	2	73,358	72,481
Wuhan Kaisa Stream Jade Garden	Wuhan	1	258,382	142,252
Wuhan Kaisa Jade Crest	Wuhan	1	114,600	114,352
Xiaogan Kaisa Airport Science and Technology City	Xiaogan	2-3	225,907	96,767
Xinzheng Kaisa Yuefeng	Xinzheng	1	81,068	80,002
Luoyang Phoenix Riverside	Luoyang	1-5	361,947	365,341
Luoyang Kaisa Waterfront Residence	Luoyang	1	239,023	227,756
Luoyang Kaisa Center	Luoyang	1	320,219	248,041
Shanghai Kaisa City Plaza (Phase 4-7)	Shanghai	6-7	52,189	—
Ningbo Harmony Mansion	Ningbo	1	92,997	92,997
Nanjing Kaisa HongYang Riverside Mansion	Nanjing	1	87,453	84,034
Kaisa Ruixiang Xiangyi Garden	Wuxi	1	78,195	76,078
Wuxi Xiangyi Xiyue (Donggang Cooperation Project)	Wuxi	1	91,802	89,301
Xuzhou Fuchun Mountain Residence	Xuzhou	2	157,998	86,309
Taizhou Royal Mansion	Taizhou	3	61,426	61,426
Hefei Kaisa Binhu Resonance	Hefei	1	75,966	41,355
			<b>9,289,224</b>	<b>7,543,282</b>

Notes:

- The Group has the trust income rights and has no equity relationship with the project.



## PROJECT PORTFOLIO — SUMMARY

Commencement Time	Status of Pre-sale Permit	Estimated Completion Time	Interest attributable to us
May-19	Yes	2027 4Q	51%
Dec-19	Yes	2024 4Q	62%
Mar-21	Yes	2024 2Q	30%
Jul-20	Yes	2025 1Q	27%
Apr-19	Yes	2024 2Q	100%
Aug-20	Yes	2024 2Q	51%
Mar-21	Yes	2024 3Q	51%
Jul-21	Yes	2024 2Q	75%
Jul-20	Yes	2024 2Q	56%
Sep-21	Yes	2024 2Q	26%
Oct-19	No	2024 4Q	51%
Apr-21	Yes	2024 4Q	49%
Sep-21	No	2027 4Q	49%
Mar-19	No	2024 4Q	50%
Oct-18	Yes	2024 2Q	51%
Apr-21	Yes	2024 3Q	15%

## PROJECT PORTFOLIO — SUMMARY

### PROPERTIES HELD FOR FUTURE DEVELOPMENT

The table below sets forth certain information of our property projects held for future development as at 31 December 2023.

Project	Location	Project Phase	Estimated Total GFA (sq. m.)	Estimated Completion Time <sup>(1)</sup>
Shenzhen Kaisa Golden Bay International Park	Shenzhen	3-4	158,729	2027
Shenzhen Nanmendun Project (P1)	Shenzhen	1	262,371	2027
Shenzhen Kaisa Skyline Residence (Hengling Old Village Project)	Shenzhen	1-2	100,782	2027
Shenzhen Dongjiaotou Project	Shenzhen	1-2	396,085	2026
Guangzhou Kaisa Future City	Guangzhou	3	232,541	2025
Guangzhou Kaisa Center	Guangzhou	1-3	279,461	2026
Guangzhou Kaisa Baiyun City Plaza	Guangzhou	2-3	527,239	2025
Guangzhou Mansion	Guangzhou	3	105,100	2026
Guangzhou Xiajing Village Project	Guangzhou	1-3	393,700	2026
Guangzhou Shixi Village Project	Guangzhou	1-4	945,618	2026
Qingyuan Kaisa City Plaza	Qingyuan	2-4	793,662	2025
Dongguan Shilong Project	Dongguan	2-5	10,131	2027
Dongguan Riverside Woods Palace	Dongguan	1	164,603	2027
Dongguan Riverside Hillview Palace	Dongguan	—	218,698	2027
Huizhou Yuanzhou Project	Huizhou	—	61,200	2027
Huizhou Kaisa Riverbank New Age	Huizhou	8, 15-17	852,776	2026
Huizhou Tianxin Village (Huizhou Riverbank New Town (P18))	Huizhou	—	104,000	2026
Huizhou Kaisa Times Park	Huizhou	7	12,568	2026
Huizhou Kaisa Riverbank Garden	Huizhou	4	131,625	2026
Huizhou Huidong Project	Huizhou	—	343,700	2026
Huizhou Kaisa City Plaza Project	Huizhou	2	390,155	2026
Huizhou Kaisa Yuebanwan	Huizhou	2-4, 6	422,925	2026
Zhuhai Macau Bay	Zhuhai	3	124,973	2027
Jieyang Kaisa Future City	Jieyang	2	141,826	2026
Zhanjiang Kaisa Yuebanwan	Zhanjiang	1	110,045	2026
Shantou Kaisa Harmony Mansion Bay	Shantou	1	223,390	2027
Chengdu Kaisa Harmony Mansion	Chengdu	1	86,737	2026

## PROJECT PORTFOLIO — SUMMARY

Project	Location	Project Phase	Estimated Total GFA (sq. m.)	Estimated Completion Time <sup>(1)</sup>
Chongqing Kaisa Garden	Chongqing	3	12,467	2027
Chongqing Kaisa Xiaolan Yunqi	Chongqing	3	72,269	2026
Guiyang Kaisa Mountain	Guiyang	3	287,722	2027
Shenyang Kaisa Shiguangdao	Shenyang	1-2	165,755	2026
Anshan Kaisa Monarch Residence	Anshan	3	39,794	2027
Anshan Waterfront Mansion	Anshan	3	43,422	2026
Huludao Suizhong Kaisa Dongdaihe	Huludao	4,7,10,11	786,587	2027
Huludao Enjoy Bay Park	Huludao	3-5	451,931	2027
Huailai Jingbei Yuefeng	Zhangjiakou	1	119,881	2025
Yanjiao Wangjing Court	Langfang	1	105,993	2027
Liaoyang Tangquanyi	Liaoyang	1-10	202,464	2027
Luoyang Kaisa Center	Luoyang	2-3	553,069	2026
Hangzhou Fuyang Yinhu Project	Hangzhou	1	19,500	2026
<b>Total</b>			<b>10,455,494</b>	

## Notes:

1. For projects with multiple phases, the estimated time for completing the first phase of the project.

## PROJECT PORTFOLIO — SUMMARY

### SHENZHEN

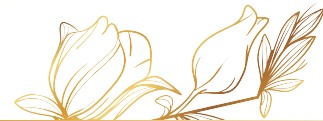
#### SHENZHEN KAISA THE CORNICHE (深圳佳兆業天宸)



The Corniche Project is located in the central area of Futian, Shenzhen, which is the last piece of land for residential use available for development in the core location of Futian. The project comprises north-south four-bedroom apartments and presidential large flat floors with a GFA of approximately 128-305 m<sup>2</sup>. Within 1 kilometer of the project, there are over 40 top public facilities of the city. Surrounded by two border crossings, seven metro lines, two east-west trunk roads (Shennan Avenue and Binhe Avenue) and two highway entrances, it is accessible to the core areas of Shenzhen within 20 minutes; and to enjoy the top fashion and leisure facilities of the topmost over 2 million m<sup>2</sup> within five minutes.



#### SHENZHEN FENGMING RIVERSIDE (深圳鳳鳴水岸)

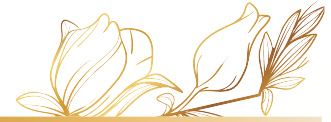


Shenzhen Fengming Riverside is located in the traditional luxury residential area of Jiangangshan, Baoan, Shenzhen. The project cooperated with central state-owned enterprise to create an ecological low-density and villa-quality aesthetic product. The project boasts an excellent location of “harboring Qianhai, living in the mid-levels”, with the setting up of the world-class financial center in Qianhai in front, backed by the scarce ecology of Jiangang Mid-Levels. The project has educational facilities from the Southern University of Science and Technology and is a benchmark for comfortable living in a pure urban spire circle.





## PROJECT PORTFOLIO — SUMMARY

**SHENZHEN LEVANA PARK OF KAISA**  
(深圳佳兆業雲望府)

Located in Bantian Area, Longgang District, Shenzhen, Shenzhen Levana Park of Kaisa is developed in two phases and positioned as a million technology city, which is another million technology life new city after Bantian City Plaza. The project connects two parks with a mountain and a river, enjoying modern nature and leisure. It mainly comprises quality three-bedrooms with a GFA of approximately 95 m<sup>2</sup>.

**GUANGZHOU****GUANGZHOU JIAZE GARDEN**  
(廣州佳澤園)

Located in the CBD of Lihu New City, the core area of Zengcheng in Guangzhou East, Jiaze Garden is the only high-quality residential complex for sale erected on a metro station in the heart of Licheng. The project is about 300 meters away from Zhonggang Station of Metro Line 21, with 1 stop to Wanda Plaza, 3 stops to Huangpu and 6 stops to Tianhe. It is located in the famous school district of “Zhixin Primary and Secondary Schools” and surrounded by excellent educational resources such as Zengcheng Secondary School and Lijing Secondary School. The project is diagonally opposite to Asia’s largest maternity and children’s hospital at a distance of about 150 meters. The project is built on the hillside, and is planned to build 4 high-rise buildings with a total of 404 units, all of which are designed with two staircases serving four units, and all units face south. It is even more rare to enjoy a building spacing of over 70 meters, a greening rate of 30%, and an ecological, low-density and comfortable living environment. The project is for sale with a saleable GFA of about 96-116 m<sup>2</sup> for three to four bedrooms units.



## PROJECT PORTFOLIO — SUMMARY

### GUANGZHOU ZENGCHENG MANSION (廣州增城悅峰)

Guangzhou Mansion project is located in the core of the national economic development zone and the eastern part of the Science City, where top enterprises are concentrated. It is separated from Huangpu District by a road, with quick access to Xintang TOD (Ten Rail Intersection), and can commute to Guangzhou Huangpu Science City within half an hour. It is surrounded by mature facilities such as Aeon Mall (永旺夢樂城), Wanda Plaza (萬達廣場), Nanfang Hospital (南方醫院) and Nanxiangshan Forest Park (南香山森林公園). The project has created a garden with an area of about 76,000 m<sup>2</sup> (including swimming pool, children's playground, circular running track, sports court, eight major clubs etc). The project's units for sale are approximately 77-98 m<sup>2</sup> in size with 2-3 bedrooms and double balconies.

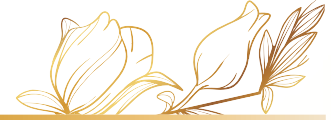


### GUANGZHOU KAISA BAIYUN CITY PLAZA (廣州佳兆業白雲城市廣場)

Guangzhou Kaisa Baiyun City Plaza is located next to the Baiyun TOD in which the government has invested RMB44 billion to build. It is a 1.7 million m<sup>2</sup> mixed-use complex that brings together quality residential, commercial complexes, Grade A offices, themed business hotels, quality education and culture and nature. The project is erected on a station of two metro lines, including Xiaoping Station of metro line 8 which has been opened and Nanhang Xincun Station of metro line 12 which is still under construction. The project is planned to have 6 schools, including 3 kindergartens, 2 primary schools and 1 secondary school to offer a 15-year education system in the community. It also engaged an international design team to build a commercial complex of approximately 150,000 m<sup>2</sup>. The project strives to deliver quality living, easy commute for work, entertainment, shopping and relaxing leisure activities, thereby creating a new lifestyle of multi-dimensional city life in Guangzhou.



## PROJECT PORTFOLIO — SUMMARY

**GUANGZHOU PHOENIX MANSION**  
(廣州佳兆業鳳鳴山)

Guangzhou Phoenix Mansion is located in the Huangge District of Nansha, Guangzhou. It is connected to the intelligent core of Qingsheng in the north, the international financial island of Pearl Bay in the south, and the administrative service center of Jiaomenhe in the east, and is situated in the golden triangle of the three major functional centers of Nansha, which is a collection of the prosperity of the city, and is liveable. The project is adjacent to the Dashanna Forest Park (大山嶋森林), with “double waterscape resources”. The project comes with a 78,000 m<sup>2</sup> commercial complex, where food, drink and entertainment can be reached just downstairs. Nearly 100 meters spacing between buildings, good lighting and ventilation; compared with surrounding properties, it has a higher efficiency rate and one more room for the same size. The project includes residential buildings, villas, shopping malls and apartments.

**HUIZHOU****HUIZHOU KAISA RIVERBANK NEW AGE**  
(惠州佳兆業東江新城)

Located on the south bank of Dongjiang River in Boluo, Huizhou, with famous schools in the proximity, it offers top-notch education for all ages from 3 to 18 years old. Embraced by the Riverside Ecological Park of 800,000 m<sup>2</sup>, the project has the largest commercial volume in Boluo and introduced merchants including China Resources Vanguard, Century Union Supermarket, one of the top 100 Chinese chain stores, Xinhua Bookstore, and Only International Education as well as a number of municipal support facilities of the government.





## PROJECT PORTFOLIO — SUMMARY

## ZHONGSHAN

**ZHONGSHAN KAISA PROSPEROUS GARDEN**  
(中山佳兆業香山熙園)

As a fully-furnished real estate district in the north of Zhongshan, Kaisa Prosperous Garden is located in the new centre of Xiaolan, enjoying a convenient road network of “one national highway, two railways and two expressways”, surrounded by two urban rail stations, and is just 3 kilometers from the Dongsheng Expressway and the Zhongshan Xiaolan Station. It is adjacent to Lijing School (麗景學校), with quality education resources. It is located within about 1.4 kilometers from three major commercial circles such as Huifeng City, integrating one-stop catering, leisure, shopping and convenient living environment; about 400 meters away from Xuri Park (旭日公園) and about 1.6 kilometers away from Dongsheng Park (東升公園), a real natural oxygen bar at your doorstep. The project offers south-facing units with a GFA of about 89-125 m<sup>2</sup>. The units are bright and have a full sense of spaciousness and translucency, bringing into maximum the sunshine and fresh air.

**ZHONGSHAN KAISA YISHAN MANSION**  
(中山佳兆業閱山府)

Kaisa Yishan Mansion is located in the CBD of Zhongshan’s core eastern district, at the intersection of Zhongshan’s two core trunk roads, the South Outer Ring Road (the Extension of the Shenzhen-Zhongshan Corridor) and the Yangtze River Road, with quick access to Boai Road, Guangzhou-Macao Expressway and Cuiheng Expressway, enjoy priority in the Greater Bay Area life circle within 1-hour. The project is located in the core area of Zhongshan’s main city with top political, commercial, cultural and educational resources. Within about 5 kilometers, there are 9 provincial-level universities, 4 mature business districts, 5 leisure parks, 3 Grade 3A medical facilities and other high-end urban facilities. The project is built on the mountain to create a terrace-style residential area, backed by the mountain and facing Wugui Mountain directly. It is a rare hotel-style resort residential area in the middle of the mountain that integrates four major general clubs, seven highlight landscapes, a smart community, and well-known luxury brands, which opens up a new era of the third-generation luxury residences in the eastern part of Zhongshan.





## PROJECT PORTFOLIO — SUMMARY

## DONGGUAN

**DONGGUAN KAISA LE GRAND BLEU**  
(東莞佳兆業碧海雲天)

The Le Grand Bleu project is located next to the New Binhaiwan Bay Area in Dongguan. It is a scarce low-density residential area. The project is surrounded by 1 light rail, 2 bridges and 5 expressways, which connect to Guangzhou and Shenzhen in 30 minutes, 6 stations to Bao'an with Suishen Urban Rail. Ferry Road has been reconstructed and expanded with 6 lanes heading to Binhaiwan Bay Area. The community comes with a 26,000 m<sup>2</sup> commercial street, supermarket, kindergarten and two swimming pools. The project enjoys approximately 28 kilometers of golden coastline, with an unobstructed sea view, facing Nansha and Weiyuan Island. About 5 kilometers of seaside promenade extends the freedom of living space. The yacht club at the doorstep satisfies the interest and taste of life; a bridge directly leads to the international award-winning Weiyuan Island Forest Park (威遠島森林公園), allowing residents to enjoy a rich leisure life. The project is selling sea view houses with a GFA of 110 m<sup>2</sup>-185 m<sup>2</sup> and sea view villas with a GFA of approximately 190-529 m<sup>2</sup>.

**DONGGUAN KAISA & TIMES BLOSSOM**  
(東莞佳兆業時代芳華)

Times Blossom occupies the golden gateway of Guangzhou, located in the east of Guangzhou, in the core radiation circle of the dual TOD in Zhongtang, and on the central island surrounded by twin rivers. It is jointly built by the two top brands of developers, namely Times China and Kaisa. Adjacent to the TOD hub station in eastern Guangzhou, it has nine rail interchanges including the Guangzhou-Dongguan-Shenzhen Railway and has smooth access to the transportation network of neighbouring cities such as Shenzhen, Guangzhou and Huizhou. The project is surrounded by 3 public primary schools and 2 public secondary schools within 3 kilometers, and 8 major shopping districts within 7 kilometers, providing 1,000,000 square meters of colorful living space. The project offers three- to four-bedroom units with a GFA of approximately 99-139 m<sup>2</sup>, and it is absolutely gorgeous. The project is dedicated to creating an all-age and all-time neighbourhood activity space, with a star swimming pool, sunny lawn, indoor children's theme clubhouse, community sports park and other living parks, returning to the beautiful daily life from a people-oriented perspective.



## PROJECT PORTFOLIO — SUMMARY

### DONGGUAN KAISA THE RHYTHM (東莞佳兆業陽光城時代天韻)

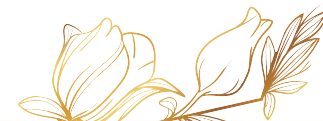


The Rhythm is located at the intersection of Houjie and Nancheng, in the affluent area of Shuilian Mountain, a youth community separated by a bridge from Nancheng. Jointly built by Times, Kaisa and Yango, the 7.9km CBD living circle, with a distance of 3 traffic lights leading directly to the China World Trade Center, 8 minutes to the Dongguan Enterprise Headquarters Base, and 10 minutes to Houjie Wanda, is equipped with 3,500 m<sup>2</sup> of community commercial space, providing a complete set of living, shopping and ancillary facilities. The area is equipped with a kindergarten, primary school within 100 meters, and 4 comprehensive primary, junior high and high schools within 10 minutes. Under the Shuilian Mountain, 6,000 acres of lush forests and 4 major parks are adjacent to the property. The project has a GFA of about 280,000 m<sup>2</sup> of large-scale community, with the concept of “life artist” to create a high value aesthetic living sample, and is endowed with about 56,000 m<sup>2</sup> of ecological gardens, equipped with about 550 meters of dual runways, about 600 m<sup>2</sup> of swimming pools, about 800 m<sup>2</sup> of children’s play zone, and dual stadiums supporting. The project offers three-bedroom apartments with a GFA of 88-100 m<sup>2</sup> and four-bedroom apartments with a GFA of 114-130 m<sup>2</sup>. The 16 buildings under the project are fully built.



## SHANTOU

### SHANTOU KAISA SPECULAR MOON (汕頭佳兆業印月府)



Kaisa Specular Moon is jointly owned by central state-owned enterprises AVIC Trust and Jiangxi Financial Development. The project is located in the core of Xinjin on the East Coast, and the surrounding facilities are well developed, with the Jin Zhonghua Overseas Chinese Pilot District School (金中華僑試驗區學校) and Jin Zhonghaiwan School District beside it, surrounded by schools, and the Waxianghui commercial circle is just one street away. The project is planned and constructed as a purely residential building with a modern style garden of about 40,000 m<sup>2</sup>, equipped with an island-themed elevated layer, striving to become the benchmark of high-quality residential units on the east coast.



## PROJECT PORTFOLIO — SUMMARY

## BEIJING

**BEIJING XISHAN PALACE**  
(北京西山相府)

Xishan Palace is located at the foot of Xishan Mountain in Mentougou District, Beijing, on the banks of the Yongding River. The project has planned a total of 298 units in 8-10-story houses, with one-floor-two-units design. The project's landscape is modeled after "The Humble Administrator's Garden" and adopts the "Jiu Jiu Gui Yi (九九歸一)" gardening technique to create the unique "Nine Scenes, Eight Happinesses, Seven Phoenixes, Six Treasures, Five Lakes, Four Seas, Three Pavilions, Two Terraces, and One Mountain" landscape of the community garden in the south of the Yangtze River. The project offers three-bedroom units with a GFA of 125-143 m<sup>2</sup>, which is a good choice for improvement of home ownership in the western part of Beijing.



## SHANGHAI

**SHANGHAI KAISA CITY PLAZA PHASE V**  
(上海佳兆業城市廣場五期)

Shanghai Kaisa City Plaza is located in the core area of Shanghai Jiading Beidamen Science and Technology Autonomous Innovation Industry Carrying Zone, with a full range of educational, medical, commercial and administrative facilities within 1 kilometer of the surrounding area. The project has a wide range of products, including high-rise villa, garden houses, and creekside villas, all of which belong to the core high-end product line of Kaisa, which aspires to "build a comprehensive city and recreate the city center". The overall architectural style of the project adopts the new Chinese style with Jiangnan characteristics. The facade complements the vegetation and flowers that one will never get tired of looking at it. The community's landscaping plan was designed by Mr. Kevin Chen, Chief Designer of BHL, with a global vision to create a "Bamboo Forest in the Metropolitan Area". It integrates a ceremonial foyer, a viewing gallery, an energetic running track, a fitness zone, an activity plaza, a neighbourhood meeting place, children's activities, elderly's activities, a pet park, and leisure walks, and constructs a panoramic, all-age, all-rounded, and all-season high-end living scene.





## PROJECT PORTFOLIO — SUMMARY

### NANJING

#### NANJING KAISA RIVERSIDE MANSION (南京佳兆業雲溪環園)

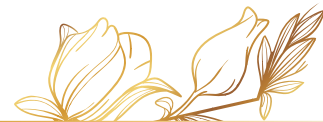


The Riverside Mansion project is located in the heart of Lukou City, an old town center which is well equipped with living facilities. The two metro line S1 and Line 18 (under planning) has smooth access to the main city. It is equipped with commercial facilities such as Zhengyang Road Commercial Street and Baili Plaza, and is adjacent to Lukou Second Kindergarten (祿口第二幼兒園), Baijiahu Primary School (百家湖小學分校), Lukou Secondary School (祿口中學) and other high-quality education resources for all ages. The project is adjacent to the Hengxi River, with a 10,000 m<sup>2</sup> axial garden view inside, and 11F low-density townhouses, with building spacing of about 43-47 meters, fully illuminated by sunlight. Eight thematic landscape spaces, and eight scenic spots, the whole family can enjoy the living world; glorious new Asian style architecture with simple and stylish atmosphere. It has created luxurious and spacious units with a GFA of approximately 95/105/122 m<sup>2</sup>, and all of them are equipped with double bathrooms to meet the needs of families; all of them are delivered fully furnished and equipped with seven major living systems such as central air-conditioning, kitchen and storage, intelligent security, and other well-known brands such as Kohler, Boss, and Moen are selected to build a benchmark of contemporary residential units.



### CHENGDU

#### CHENGDU KAISA LONGYUE NO. 1 (成都佳兆業瓏樾壹號)



Chengdu Kaisa Longyue No. 1 is located in the high-end residential area of Shiling near the Third Ring Road in downtown Chengdu, with about 30,000 mu of Qinglonghu Wetland Park and close to metro Line 4, enjoying the “prosperous outside and peaceful inside” main city lake residence villa life. The project is planned to include stacked villas and a small number of townhouses with a green ratio of about 40%. All villas are north- or south-facing which maximize the use of light and the view through the windows, demonstrating the sense of living rituals of a modern luxury residence. The façade of the building adopts a fusion of modernist simple lines and Eastern-style eaves, and creates a multiple gardens of art and luxury aesthetic gardens, which is a perfect interpretation of the contemporary pioneering aesthetic of a collector’s villa. The product design of multiple upper and lower double-stacked products creates a villa with a sense of luxury, privacy and respect with a density of residents closer to the land.





## PROJECT PORTFOLIO — SUMMARY

## GUIYANG

**GUIYANG KAISA MOUNTAIN**  
(貴陽佳兆業樾伴山)

As the flagship project of Kaisa Group in Guizhou, Guiyang Kaisa Mountain is located next to Yunfeng Mountain on Guanqing Road, Guiyang Guanshan Mountain, which is at the axis of urban development in Guizhou, and is surrounded by facilities such as Shan Shan Outlet, Guiyang Sports and Cultural Park and Qingzhen First People's Hospital, bringing prosperity to the region. Standing along the mountain, the project presents high-rise, stacked villa, courtyard and other benchmark products, which empowers the city's habitat to be renewed. The project also provides interactive functional landscapes such as a circular runway, neighbourhood space and sunny lawn, establishing a new height of life with humanistic warmth and dedicating a high-quality living environment to the city.

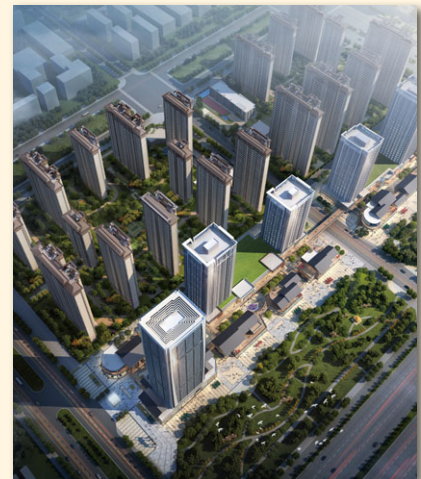


## LUOYANG

**LUOYANG KAISA CENTER**  
(佳兆業華耀城洛陽中心)

Luoyang Kaisa Center project is located in the heart of Luolong, at the intersection of Kaiyuan Avenue and Longmen Avenue and at the historical axis, with medical and educational resources on the side, four major international commercial centers, first tier ecological resources, and convenient transportation. The project is a 1 million m<sup>2</sup> urban complex integrating star level hotels, 5A-grade offices, specialty commercial districts, high-end residential units and apartments. The 1.2km commercial street underneath the Luoyang Center project is a new city landmark. The apartments with a GFA of about 38-73 m<sup>2</sup> draw on the attributes of Luoyang's tourist city and gather strong consumption power with the core of cultural and tourism industry. Landscape garden design master S.P.I Landscape worked together to create a poetic garden in the landscaping center. Interactive spaces such as high-quality clubs and elevated floors are specially customized to improve life; gyms and swimming pools meet the needs of all ages. With a GFA of about 108-187 m<sup>2</sup> of the existing units, it is fully based on the needs of people, creating the center of prosperous life, matching the future vision of the city with the new form of high-definition residential houses, and becoming the first choice for life improvement in Luolong.

Kaisa HYC Luoyang Center has been awarded the 2023 Luoyang Top 1 in terms of both commercial and residential sales area and value, topping the sales list in Luoyang with its "Red Center" award.



## PROJECT PORTFOLIO — SUMMARY

### LUOYANG KAISA WATERFRONT RESIDENCE (洛陽華耀城佳兆業水岸華府)



The Waterfront Residence project is located at the intersection of Yibin District and Luolong District, which is the bridgehead of the new Yibin District and enjoys the benefits of Yibin District and Luolong District. The project is close to the 2.5 million m<sup>2</sup> Hua Yao City commercial complex (under construction), with very convenient transportation. The project consists of 12 high-rise buildings, 6 townhouses and an 18-class kindergarten. The product offers approximately 1,935 units with a GFA of approximately 100-140 m<sup>2</sup> and a green area ratio of 30.1%. The project adopts “modern Chinese style” architecture, “Song-style aesthetics” landscaping and “pedestrian-vehicle segregation” design. The project will create a new oriental mansion for Luoyang.



# DIRECTORS AND SENIOR MANAGEMENT

## DIRECTORS

As at the date of this report, the board of directors (the “**Board**”) of the Company consists of nine directors (the “**Directors**”), three of whom are independent non-executive Directors. The Board has the general powers and duties for the management and conduct of the business. The Company has entered into service contracts with each of the Directors.

The table below sets forth certain information regarding the Directors:

Name	Age	Position
KWOK Ying Shing	59	Chairman and Executive Director
SUN Yuenan	60	Vice Chairman and Executive Director
MAI Fan	45	Vice Chairman, Executive Director and Chief Executive Officer
LI Haiming	49	Executive Director
KWOK Hiu Kwan	32	Executive Director
CHEN Shaohuan	58	Non-Executive Director
ZHANG Yizhao	53	Independent Non-Executive Director
RAO Yong	65	Independent Non-Executive Director
LIU Xuesheng	60	Independent Non-Executive Director

### Chairman and Executive Director

**KWOK Ying Shing (郭英成)**, aged 59, is the Chairman of the Board and an executive Director of the Company. He is also the chairman of the Nomination Committee and a member of the Remuneration Committee of the Board. He is one of the founders of the Group and was the Chairman and a Director since its inception in 1999. He resigned as the Chairman and an executive Director in December 2014 and was re-appointed as the Chairman and an executive Director in April 2015. Mr. Kwok is primarily responsible for overall strategy, investment planning and human resource strategy of the Group. Mr. Kwok has extensive experience in real estate development, investment and financing management.

### Executive Directors

**SUN Yuenan (孫越南)**, aged 60, has been an executive Director since November 2009. He is also a Vice Chairman and an authorised representative of the Company for the purpose of the Listing Rules and Companies Ordinance. Mr. Sun is primarily responsible for investment and management of the Group. Mr. Sun joined the Group in July 2001 as chief administrative director of Kaisa Group (Shenzhen) Co., Ltd. (“**Kaisa Group (Shenzhen)**”) and has held various positions within the Group, including senior vice president of the Group, deputy general manager of Kaisa Group (Shenzhen) and general manager of Guangzhou Jinmao Property Development Co., Ltd. Mr. Sun has extensive regulatory and business administration experience in the real estate industry. From 1993 to 2001, Mr. Sun served in various positions, including deputy chief of administrative office, deputy chief of legal division and deputy chief of personnel division, in Hengyang Municipal Bureau of Land Resources, which oversaw land resources in the city of Hengyang, Hunan Province. Mr. Sun received a bachelor’s degree in law from the Correspondence Institute of the Academy of the Central Committee of the Communist Party of China in December 2001.

**MAI Fan (麥帆)**, aged 45, has been an executive Director since July 2017. He is also a Vice Chairman, the Chief Executive Officer and an authorised representative of the Company for the purpose of the Listing Rules and Companies Ordinance. Mr. Mai is responsible for the overall management and daily operations of the Group. Mr. Mai also serves as the director of Urban Renewal Group, Shenzhen Football Club and Poverty Alleviation Group. Prior to joining the Group in August 2015, Mr. Mai served at the Shenzhen Municipal Highway Bureau and Futian Government, Shenzhen from July 2001 to July 2015. Mr. Mai received his bachelor of laws from the Sun Yat-sen University in 2001 and received the qualification of legal profession in 2002.

## DIRECTORS AND SENIOR MANAGEMENT

**LI Haiming (李海鳴)**, aged 49, has been an executive Director since April 2020. He has also been the Chief Operating Officer of the Group since January 2019. He is in charge of management and investment of the real estate sector of the Group. Since March 2020, he also serves as senior management of various subsidiaries of the Group, including as the chairman of each of Dingsheng Park Entertainment Group Services Co., Ltd\* (鼎盛樂園娛樂集團服務有限公司) and International Park Group\* (國際樂園集團); the president and chairman of Kaisa Services Co., Ltd\* (佳兆業服務有限公司), the general manager of Kendu Project Development Co., Ltd\* (肯渡項目開發公司). Mr. Li joined the Group in July 2002, and has served in various positions in the Group, including as the vice-president of the Group from July 2017 to January 2019, senior management of real estate of Shenzhen from May 2015 to July 2017, senior management of real estate of Changsha from July 2007 to April 2015. Mr. Li was appointed as an executive director of Kaisa Prosperity Holdings Limited (a company listed on the Stock Exchange, stock code: 2168) on 8 April 2020. Mr. Li graduated from the Party School of the Guangdong Provincial Committee of the CPC (廣東省委黨校) with a bachelor's degree in business management in July 2000. He also specialised in architecture and graduated from Chongqing Jianzhu College (重慶建築工程學院) in July 1994.

**KWOK Hiu Kwan (郭曉群)**, aged 32, has been an executive Director since April 2020. He is also the chairman and president of the Shanghai region of the Group. He is responsible for overseeing the Group's business (including mergers and acquisitions, property developments, investments and financing) and business development in Shanghai. Mr. Kwok worked as the vice president of the real estate of the Group's Shanghai region from May 2018 to March 2020. Since March 2020, he has been appointed as chairman of the Shanghai region of the Group. Mr. Kwok graduated from Essex University in the United Kingdom with a bachelor's degree in finance management in July 2013 and obtained a master in sociology from University College London in the United Kingdom in July 2014.

### Non-Executive Director

**CHEN Shaohuan (陳少環)**, aged 58, has been a non-executive Director of the Company since 26 December 2013. She received a Diploma in Economics and Management from the Social Science Faculty of South China University of Technology in the People's Republic of China in July 1987. Ms. Chen joined Sino Life Insurance Co., Ltd. (生命人壽保險股份有限公司) ("Sino Life Insurance") from December 2013 to November 2016 and was the deputy general manager of the asset management centre of Sino Life Insurance. Prior to joining Sino Life Insurance, Ms. Chen was the manager of the investment division of Shenzhen Fengsheng Investment Group Company Limited\* (深圳市豐盛投資集團有限公司) from June 1995 to November 2013. Ms. Chen was also the deputy general manager of a subsidiary of Shenzhen Wuzi Group Company\* (深圳市物資總公司) engaging in construction material business from September 1983 to May 1995.

### Independent Non-Executive Directors

**ZHANG Yizhao (張儀昭)**, age 53, has been an independent non-executive Director of the Company since 17 November 2009. Mr. Zhang is also the chairman of the Remuneration Committee and a member of each of the Audit Committee and the Nomination Committee. He is also an independent director of Hongli Group Inc. (NASDAQ: HLP) and China Carbon Graphite Group Inc. (OTC BB: CHGI). Mr. Zhang has over 20 years of experience in accounting and internal control, corporate finance, and portfolio management. Previously, Mr. Zhang was the CFO or director at various public companies listed in the US, Hong Kong and Tokyo. Mr. Zhang also had experiences in portfolio management and asset trading at Guangdong South Financial Services Corporation from 1993 to 1999. He is a Certified Public Accountant of the State of Delaware, and a member of the American Institute of Certified Public Accountants (AICPA). He also has the Chartered Global Management Accountant (CGMA) designation. Mr. Zhang graduated with a bachelor's degree in economics from Fudan University, Shanghai in 1992 and received a Master of Business Administration with concentrations in financial analysis and accounting from the State University of New York at Buffalo in 2003.

**RAO Yong (饒永)**, aged 65, has been an independent non-executive Director of the Company since 17 November 2009. Mr. Rao is also the chairman of the Audit Committee and a member of each of the Remuneration Committee and the Nomination Committee. Mr. Rao is currently a director of Shenzhen Pengcheng Certified Public Accountants Co. Ltd. He is a member of the Chinese Institute of Certified Public Accountants (CICPA) and a certified public valuer in China. Mr. Rao has over 29 years of experience in accounting and auditing. Mr. Rao was a director of the Audit Bureau of Shenzhen City from 1991 to 1997 and a head of the Audit Bureau of Wuzhou City, Guangxi Province from 1987 to 1990. Mr. Rao has also been a director of The Chinese Institute of Certified Public Accountants since 1996, a director of the Shenzhen Institute of Certified Public Accountants since 1996 and its president since 2005, a forensic accounting expert of Shenzhen City since 2002 and the deputy secretary-general of the Asset Evaluation Association of Shenzhen City since 1997. Mr. Rao was appointed as an independent non-executive director of Maoye International Holdings Limited (a company listed on the Stock Exchange, stock code: 848) on 29 April 2020. Mr. Rao received a diploma in accounting from Guangxi College of Finance and Economics, China in July 1980.



## DIRECTORS AND SENIOR MANAGEMENT

**LIU Xuesheng (劉雪生)**, aged 60, has been an independent non-executive Director of the Company since 28 February 2017. Mr. Liu joined Shenzhen Institute of Certified Public Accountants (深圳市註冊會計師協會) (“SZICPA”) since February 1999 as a secretary general. He is currently the vice president of Accounting Society of Shenzhen and vice president of Shenzhen Accounting Association. Prior to joining the SZICPA, Mr. Liu was the accountant of OCT Group (深圳華僑城集團) from April 1992 to February 1999. Mr. Liu graduated from Jiangxi Institute of Finance and Economics (江西財經學院) (now known as the Jiangxi University of Finance and Economics (江西財經大學) with a bachelor degree in 1989 and graduated from Shanghai University of Finance and Economics (上海財經大學) majoring in accounting and obtained a master degree in economics in 1992. He was admitted as Certified Public Accountants in the People’s Republic of China in 1995. Mr. Liu is currently an independent non-executive director of Shenzhen JPT Opto-electronics Co., Ltd (深圳市傑普特光電股份有限公司), which is a company listed on the Shanghai Stock Exchange. He is an independent non-executive director of unlisted Shenzhen Ping An Fund Management Co., Ltd. (深圳市平安基金管理有限公司) and a director of Shenzhen Academy of Metrology and Quality Inspection. From June 2008 to June 2011, Mr. Liu was the independent non-executive director of Dongjiang Environmental Company Limited (stock code: 895), a company listed in Hong Kong.

### SENIOR MANAGEMENT

As at the date of this report, the senior management members are ZHANG Huagang, LUO Tingting, SONG Wei, CHEN Yankun, XIE Binhong, LIU Lihao. The table below sets forth certain information regarding the senior management members:

Name	Age	Position
ZHANG Huagang	61	Vice Chairman
LUO Tingting	39	Chief Financial Officer
SONG Wei	39	Senior Vice President
CHEN Yankun	49	Senior Vice President
XIE Binhong	40	Senior Vice President and Chief Human Resources Officer
LIU Lihao	40	Senior Vice President

Please refer to the section headed “(A) The Board of Directors” of the Corporate Governance Report for further information on the changes in the senior management of the Group during the year and up to the date of this report.

## DIRECTORS AND SENIOR MANAGEMENT

**ZHANG Huagang (張華綱)**, aged 61, is the vice-chairman of the Group. He joined the Group in April 2020 and now serves as the chairman of Kaisa International Group, Kaisa Hotel Group, Kaisa Technology Innovation Group and Kaisa International Resorts Group. Before joining Kaisa Group, Mr. Zhang had worked in Gemdale Group, Zendai Property, etc. Mr. Zhang had earned his bachelor's degree in Industrial Automation from Huazhong University of Science and Technology in June 1982, and he graduated from New York State University with a master's degree in Business Administration in January 1989.

**LUO Tingting (羅婷婷)**, aged 39, is a chief financial officer of the Group, and mainly responsible for financial management. Ms. Luo joined the Group in April 2011, and successively served as the president assistant and the vice president of the Shenzhen Wealth Management Group, the general manager of the Planning and Finance Department of the Group and president assistant of the Group. She had worked in RSM China before joining our Group. In July 2006, Ms. Luo graduated from Jiangxi University of Finance and Economics with a bachelor's degree in Public Finance.

**SONG Wei (宋偉)**, aged 39, is a senior vice president of the Group. Mr. Song is primarily responsible for urban renewal work. Prior to joining the Group in November 2015, Mr. Song has successively engaged in news and planning in Hubei Daily Media Group and Evergrande Real Estate Group. Mr. Song has received a bachelor's degree in Journalism & Communication from Hubei University in 2007.

**CHEN Yankun (陳燕坤)**, aged 49, is a senior vice president of the Group and the chairman of Real Estate Group (Guangzhou Group), and is responsible for the management. Mr. Chen joined the Group in September 2017 and served as the vice chairman of Guangzhou Finance Group, the vice chairman of the Greater Bay Area Group, president of Guangzhou region, etc.. Before joining the Group, Mr. Chen had worked for the politics and law system for a long time.

**XIE Binhong (謝斌鴻)**, aged 40, is a senior vice president of the Group and chief human resources officer. He is responsible for the human resources management. Mr. Xie joined the Group in 2011 and served as the assistant president of Kaisa Commercial Group and the vice president of Kaisa Real Estate Group (Shenzhen Region), etc. Before joining the Group, Mr. Xie worked for Financial Street Huizhou Real Estate Co., Ltd. and other companies. Mr. Xie graduated from Peking University, with a master's degree in Business Administration in June 2018.

**LIU Lihao (劉立好)**, aged 40, is a senior vice president of the Group and president of Shenzhen Group, and is responsible for the management. Mr. Liu joined the Group in August 2012 and served as the assistant president of Real Estate Group (Beijing Region) and the vice president of Real Estate Group (Shanghai Region), etc. Before joining the Group, Mr. Liu worked on commercial real estate analysis and operating management successively in DTZ holdings and Guangming Technology Park Co., Ltd. of China Merchants Group. Mr. Liu graduated from Jiangxi University of Finance and Economics with bachelor's degrees of Economics and Laws.

# CORPORATE GOVERNANCE REPORT

The Board is pleased to present this Corporate Governance Report for the year ended 31 December 2023.

The Company recognises the value and importance of achieving high corporate governance standards to enhance corporate performance and accountability. The Board will strive to uphold the principles of corporate governance and adopt sound corporate governance practices to meet the legal and commercial standards, focusing on areas such as internal control, fair disclosure and accountability to all shareholders of the Company.

The Company is committed to achieving high standards of corporate governance. An internal corporate governance policy was adopted by the Board aiming at providing greater transparency, quality of disclosure as well as more effective risk and internal control. The execution and enforcement of the Company's corporate governance system is monitored by the Board with regular assessments. The Company believes that its commitment to high-standard practices will translate into long-term value and ultimately maximise returns to shareholders. The Company's management pledges to build long-term interests for shareholders via, for example, conducting business in a socially responsible and professional manner. The Board continues to monitor and review the Company's corporate governance practices to ensure compliance.

The Company has adopted the code provisions of the Corporate Governance Code (the "**CG Code**") as its own code to govern its corporate governance practices. The Company was conducting its business according to the principles of the CG Code set out in Appendix C1 to the Listing Rules.

For the year ended 31 December 2023, the Company complied with the code provisions of the CG Code set out in Appendix C1 to the Listing Rules.

## CORPORATE GOVERNANCE REPORT

### (A) THE BOARD OF DIRECTORS

#### Board Composition

The members of the Board during the financial year under review were as follows:

#### Members of the Board

##### Executive Directors:

Mr. KWOK Ying Shing

Mr. SUN Yuenan

Mr. MAI Fan

Mr. LI Haiming

Mr. KWOK Hiu Kwan

##### Non-executive Director:

Ms. CHEN Shaohuan

##### Independent non-executive Directors:

Mr. ZHANG Yizhao

Mr. RAO Yong

Mr. LIU Xuesheng

Biographical details of the Directors and the senior management of the Company are disclosed in the section headed "Directors and Senior Management" of this annual report. Save as disclosed in such section, to the best knowledge of the Company, there are no relationships (including financial, business, family or other material relationships) among the directors and senior management.

For the year ended 31 December 2023, the company secretary of the Company confirmed that he had received not less than 15 hours of relevant professional training to update his knowledge and skills.

As at 31 December 2023, the Board consisted of nine Directors including Mr. KWOK Ying Shing, Mr. SUN Yuenan, Mr. MAI Fan, Mr. LI Haiming and Mr. KWOK Hiu Kwan as the executive Directors, Ms. CHEN Shaohuan as the non-executive Director and Mr. ZHANG Yizhao, Mr. RAO Yong and Mr. LIU Xuesheng as the independent non-executive Directors. The overall management of the Company's operation is vested in the Board.



## CORPORATE GOVERNANCE REPORT

### Directors' Responsibilities

The Board takes on the responsibility to oversee all major matters of the Company, including the formulation and approval of all policy matters, overall strategies, risk management and internal control systems, and monitor the performance of the senior executives. The Directors have to make decisions objectively in the interests of the Company. As of 31 December 2023, the Board comprised nine Directors, including five executive Directors, one non-executive Director and three independent non-executive Directors. Their names and biographical details are set out in the section entitled "Directors and Senior Management" in this annual report.

All Directors have full and timely access to all relevant information about the Company so that they can discharge their duties and responsibilities as Directors. In particular, through regular Board meetings and receipt of regular financial and business updates, all Directors are kept abreast of the conduct, business activities and development, as well as regulatory updates applicable to the Company.

Liability insurance for Directors and members of the senior management of the Company was maintained by the Company with coverage for any legal liabilities which may arise in the course of performing their duties.

### Delegation by the Board

The management, consisting of the executive Directors of the Company along with other senior executives, is delegated with responsibilities for implementing the strategy and direction as adopted by the Board from time to time, and conducting the day-to-day operations of the Group. Executive Directors and senior executives meet regularly to review the performance of the businesses of the Group as a whole, co-ordinate overall resources and make financial and operational decisions. The Board also gives clear directions as to their powers of management including circumstances where management should report back, and will review the delegation arrangements on a periodic basis to ensure that they remain appropriate to the needs of the Group.

### Compliance with the Model Code for Directors' Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 of the Listing Rules as the standard for securities transactions by the Directors. The Company has made specific enquiries of all the Directors and all the Directors confirmed that they have complied with the required standards set out in the Model Code during the year ended 31 December 2023.

The Company has also established written guidelines on no less exacting terms than the Model Code for securities transactions by the relevant employees of the Group, who are likely to be in possession of inside information of the Company.

### Chairman and Chief Executive Officer

Under code provision C.2.1 of the CG Code, the roles of the chairman and the chief executive officer should be separate and should not be performed by the same individual. For the year ended 31 December 2023, in order to reinforce their respective independence, accountability and responsibility, Mr. KWOK Ying Shing acted as Chairman and Mr. MAI Fan acted as Chief Executive Officer during the year.

The chairman plays a leadership role and is responsible for the effective functioning of the Board in accordance with the good corporate governance practice adopted by the Company. He is also responsible for instilling corporate culture and developing strategic plans for the Company. Under code provisions C.2.2 and C.2.3 of the CG Code, the chairman would ensure that all Directors are properly briefed on issues arising at Board meetings and would be responsible for ensuring that Directors receive adequate information, which must be complete and reliable, in a timely manner. On the other hand, the chief executive officer primarily focuses on developing and implementing objectives and policies approved and delegated by the Board. The chief executive officer is also responsible for the Group's day-to-day management and operations and the formulation of the organisation structure, control systems and internal procedures and processes of the Company for the Board's approval.

## CORPORATE GOVERNANCE REPORT

### Independent Non-Executive Directors

The independent non-executive Directors play a significant role in the Board by virtue of their independent judgement and their views carry significant weight in the Board's decision. They bring an impartial view on the Company's strategies, performance and control.

All independent non-executive Directors possess extensive academic, professional and industry expertise and management experience and have provided their professional advice to the Board.

The Board also considers that the independent non-executive Directors can provide independent advice on the Company's business strategies, results and management so as to safeguard the interests of the Company and its shareholders.

For the year ended 31 December 2023, the Company has received an annual confirmation of independence from each independent non-executive Directors pursuant to Rule 3.13 of the Listing Rules. The Company considers that all independent non-executive Directors to be independent in accordance with the independence guidelines set out in the Listing Rules.

Pursuant to Rule 3.10(1) of the Listing Rules, every board of directors of a listed issuer must include at least three independent non-executive Directors. Pursuant to Rule 3.10A of the Listing Rules, the independent non-executive Directors of a listed issuer must represent at least one-third of the Board of such listed issuer. The Company has complied with Rules 3.10(1) and 3.10A of the Listing Rules.

### Mechanism to Ensure Board Independence

The Company has in place mechanisms to ensure independent views and input are available to the Board. The Board shall at all times comprise at least three independent non-executive Directors that represent at least one-third of the Board, such that there is always a strong element of independence on the Board which can effectively exercise independent judgement. Each independent non-executive Director is required to provide an annual confirmation of his/her independence to the Company and the Nomination Committee of the Company is responsible to assess the independence and time commitment of each independent non-executive Director at least annually.

All the Directors, including the independent non-executive Directors, are given equal opportunity and channels to communicate and express their views to the Board and have separate and independent access to the management of the Group in order to make informed decisions. To facilitate proper discharge of their duties, all the Directors are entitled to seek advice from the company secretary of the Company or, upon reasonable request, seek independent professional advice at the Company's expense. The chairman of the Board will hold meetings with the independent non-executive Directors without the involvement of other Directors at least annually to discuss any issues and concerns.

Any Director or his/her associate who has a conflict of interest in a matter to be considered by the Board will be dealt with by a physical Board meeting rather than by written resolutions. Such Director will be required to declare his/her interests before the meeting and abstain from voting and not counted towards the quorum on the relevant resolutions. Independent non-executive Directors who, and whose associates, have no interest in the matter should attend the Board meeting.

The Board has reviewed and considered that the mechanisms are effective in ensuring that independent views and input are provided to the Board during the year ended 31 December 2023.

## CORPORATE GOVERNANCE REPORT

### Board Meetings

The Board meets regularly to discuss and formulate the overall strategy as well as the operation and financial performance of the Group. Directors may participate either in person or through electronic means of communications. Meeting agenda for regular meetings are set after consultation with the Chairman. All Directors are given an opportunity to include matters in the agenda.

At least 14 days' notice will be given for a regular Board meeting to give all Directors an opportunity to attend. For all other Board meetings, reasonable notice will be given.

For the year ended 31 December 2023, it is considered that the Directors are well acknowledged to the business and the operation of the Group.

All Directors are provided with relevant materials relating to the matters in issue in advance before the meetings and have the opportunity to include matters in the agenda for Board meetings. They can separately get access to the senior executives and the company secretary at all time and may seek independent professional advice at the Company's expense. Minutes of board meetings and meetings of Board committees are kept by the company secretary of the meeting and such minutes are open for inspection at any reasonable time on reasonable notice by any Director. Pursuant to code provision C.5.5 of the CG Code, minutes of Board meetings and meetings of Board committees record in sufficient detail the matters considered by the Board and decisions reached, including any concerns raised by the Directors or dissenting views expressed. Draft and final versions of minutes of Board meetings were sent to all the Directors for their comment and record respectively, in both cases within a reasonable time after the Board meeting was held.

Other than regular meetings, the Chairman also meets with non-executive Directors (including Independent non-executive Directors) without the presence of executive Directors, to facilitate an open discussion among the non-executive Directors on issues relating to the Group.

Pursuant to code provision C.5.7 of the CG Code, if a substantial shareholder or a Director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter would be dealt with by way of a physical meeting, rather than a written resolution. Independent non-executive Directors who have no material interest in the transaction would be present at such Board meeting.

The Board procedures are in compliance with the Articles, as well as relevant rules and regulations.

### Appointment, Re-election and Removal of Directors

Each of the executive Directors has entered into service contract with the Company for a term of three years, and subject to re-election at the annual general meeting of the Company ("AGM"), and which will continue thereafter until terminated by either party thereto giving to the other party not less than three months' prior notice in writing. Each of the non-executive Directors and the independent non-executive Directors has entered into letter of appointment with the Company and is appointed for a period of one year commencing on the date of appointment, which shall be automatically extended for another one year upon expiration of the letter of appointment, and subject to re-election at the AGM, and such letter of appointment could be terminated by giving not less than three months' prior notice in writing. The Articles provide that any Director appointed by the Board to fill a casual vacancy in the Board shall hold office only until the first general meeting of the members of the Company and shall then be eligible for re-election at such meeting. Besides, any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following AGM of the Company and shall then be eligible for re-election.

In accordance with the Articles, at every AGM of the Company, one third of the Directors for the time being or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years and being eligible offer themselves for re-election.

The members of the Company may, at any general meetings convened and held in accordance with the Articles, remove a Director at any time before the expiration of his period of office notwithstanding anything contrary in the Articles or in any agreement between the Company and such Director.

## CORPORATE GOVERNANCE REPORT

### Training and Support for Directors

Directors must keep abreast of their collective responsibilities. Each newly appointed Director or alternative Director would receive an induction package covering the Group's businesses and the statutory regulatory obligations of a director of a listed company. The Group also provided briefings and other training to develop and refresh Directors' knowledge and skills. The Group continuously updates Directors on the latest developments regarding the Listing Rules and other applicable regulatory requirements, to ensure compliance and enhance their awareness of good corporate governance practices. Circulars or guidance notes are issued to Directors and senior management, where appropriate, to ensure awareness of best corporate governance practices.

Briefings on directors' duties were given to the newly appointed executive Directors.

During the year ended 31 December 2023, the Directors also participated in the following trainings:

Directors	Types of training
<b>Executive Directors</b>	
Mr. KWOK Ying Shing	B
Mr. SUN Yuenan	B
Mr. MAI Fan	B
Mr. LI Haiming	B
Mr. KWOK Hiu Kwan	B
<b>Non-Executive Director</b>	
Ms. CHEN Shaohuan	B
<b>Independent Non-Executive Directors</b>	
Mr. ZHANG Yizhao	A, B
Mr. RAO Yong	B
Mr. LIU Xuesheng	B

A: giving talks at seminars and/or conferences and/or forums

B: reading newspapers, journals, Company's newsletters and updates relating to the economy, general business, real estate or Directors' duties and responsibilities, etc.

### Board Diversity Policy

In 2013, the Board adopted a board diversity policy setting out the approach to achieve diversity on the Board. The Company considered diversity of board members can be achieved through consideration of a number of aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge. The ultimate decision will be made upon the merits and contribution that the selected candidates will bring to the Board.



## CORPORATE GOVERNANCE REPORT

The Board has reviewed, through the Nomination Committee, the structure, size, composition and diversity of the Board as well as the nomination and appointment procedure of directors during the year. The Nomination Committee took the view that the measurable objectives were achieved to a large extent. It paid particular attention to the cultural and educational background, professional and technical experience, and skills of the members of the Board and also reviewed the composition of executive Directors, non-executive Directors and independent non-executive Directors, so as to ensure appropriate diversity and independence within the Board.

There was one female Director and one female senior management during the year ended 31 December 2023. The Board aims to maintain at least the current level of female representation and will strive to achieve a balanced gender diversity based on stakeholders' expectations and best practices with the ultimate goal of increasing the proportion of female members over time as and when suitable candidates are identified. The Company will also ensure that there is gender diversity when recruiting staff at mid to senior level of the Group so that it will have a pipeline of female senior management and potential successors to the Board in the future. The Board will regularly review its policies and procedures for board diversity, taking into account relevant data and feedback from stakeholders, and will take appropriate action as needed to ensure that it is achieving its gender diversity goals.

As at 31 December 2023, diversity of the workforce in terms of gender is as follows: 69.3% are male employees and 30.7% are female employees.

During the year, after the annual review of the implementation and effectiveness of the Board Diversity Policy, the Board is satisfied that the Board Diversity Policy has been properly implemented and is effective.

### Board Committees

The Board has established three committees, namely, the Nomination Committee, the Remuneration Committee and the Audit Committee, for overseeing particular aspects of the Board and the Company's affairs. All Board committees are established with defined written terms of reference which are available to shareholders on the websites of the Company and the Stock Exchange. The Board committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company's expense.

### Nomination Committee and policy

The Nomination Committee is primarily responsible for, among other things, considering and recommending to the Board suitably qualified persons to become the member of the Board and is also responsible for reviewing the structure, size and composition of the Board on a regular basis and as required.

Its written terms of reference cover recommendations to the Board on the appointment of Directors, evaluation of Board composition and the management of Board succession with reference to certain guidelines as endorsed by the Committee. These guidelines include appropriate professional knowledge and industry experience, personal ethics, integrity and personal skills, and time commitments of members. The Nomination Committee will select and recommend candidates for directorship after consideration of referrals and engagement of external recruitment professionals, when necessary.

## CORPORATE GOVERNANCE REPORT

The composition of the Nomination Committee during the financial year under review was as follows:

**Chairman:**

Mr. KWOK Ying Shing, executive Director

**Members:**

Mr. ZHANG Yizhao, independent non-executive Director

Mr. RAO Yong, independent non-executive Director

The Nomination Committee was primarily responsible for the following duties during the year ended 31 December 2023:

- to review the structure, size and composition of the Board (including the skills, knowledge and experience) and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- to identify individuals suitably qualified to become Board members;
- to make recommendations to the Board on relevant matters relating to the appointment or re-appointment of Directors and succession planning for Directors, in particular the chairman and the chief executive officer of the Company; and
- to assess the independence of independent non-executive Directors.

In evaluating and selecting any candidate for directorship, the following factors would be considered:

- Character and integrity.
- Qualifications including professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategy.
- Diversity in all aspects with reference to the Diversity Policy of the Board.
- Any measurable objectives adopted for achieving diversity on the Board.
- Requirement for the Board to have independent non-executive directors in accordance with the Hong Kong Listing Rules and whether the candidate would be considered independent with reference to the independence guidelines set out in the Listing Rules.
- Any potential contributions the candidate can bring to the Board in terms of qualifications, skills, experience, independence and diversity.
- Willingness and ability to devote adequate time to discharge duties as a member of the Board and/or Board committee(s) of the Company.
- Such other perspectives that are appropriate to the Company's business and succession plan and where applicable, may be adopted and/or amended by the Board and/or the Nomination Committee from time to time for nomination of directors and succession planning.

## CORPORATE GOVERNANCE REPORT

### Audit Committee

The Audit Committee is responsible for, among other things, the review and supervision of the Group's financial reporting process, internal controls and review of the Company's financial statements. Their written terms of reference are in line with the provisions under the CG Code and explains the role and the authority delegated to the Audit Committee by the Board.

The Audit committee consists of three members, all of whom are non-executive Director and independent non-executive Directors. The composition of the Audit Committee during the financial year under review was as follows:

#### Chairman:

Mr. RAO Yong, independent non-executive Director

#### Members:

Mr. ZHANG Yizhao, independent non-executive Director

Ms. CHEN Shaohuan, non-executive Director

The Audit Committee was primarily responsible for the following duties during the year ended 31 December 2023:

- to make recommendation to the Board on the appointment, re-appointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and any questions of resignation or dismissal;
- to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards;
- to develop and implement policy on engaging an external auditor to supply non-audit services;
- to review and monitor integrity of the Company's financial statements, annual report and accounts and half-year reports and to review significant financial reporting judgements contained in them;
- to review the Company's financial controls, internal control and risk management systems;
- to discuss the internal control system with management of the Company and ensure that the management has performed its duty to have an effective internal control system;
- to review the financial and accounting policies and practices of the Company and its subsidiaries;
- to review the external auditor's management letter, any material queries raised by the auditor to the management in respect of the accounting records, financial accounts or systems of control and management's response, and to ensure that the Board provides a timely response to the issues raised; and
- to review the effectiveness of the risk management and internal control systems and the internal audit function.

## CORPORATE GOVERNANCE REPORT

### Remuneration Committee

The Remuneration Committee is responsible for, among other things, making recommendations to the Directors' remuneration and other benefits. The remuneration of all Directors is subject to regular monitoring by the Remuneration Committee to ensure that level of their remuneration and compensation are reasonable. Their written terms of reference are in line with the provisions of the CG Code. Pursuant to code provision E.1.3 of the CG Code, the remuneration committee would make available its terms of reference, explaining its role and the authority delegated to it by the Board. The composition of the Remuneration Committee during the financial year under review was as follows:

#### Chairman:

Mr. ZHANG Yizhao, independent non-executive Director

#### Members:

Mr. KWOK Ying Shing, executive Director

Mr. RAO Yong, independent non-executive Director

The Remuneration Committee was primarily responsible for the following duties during the year ended 31 December 2023:

- to make recommendations to the Board on the Company's policy and structure for all remunerations of Directors and senior management of the Company and on the establishment of formal and transparent procedures for developing policies on all such remunerations;
- to have the delegated responsibilities to determine the specific remuneration packages of all executive Directors and senior management members of the Company;
- to review and approve performance-based remunerations by reference to corporate goals and objectives resolved by the Board from time to time;
- to review and approve compensation payable to executive Directors and senior management of the Company in connection with any loss or termination of their office or appointment to ensure that such compensation is determined in accordance with relevant contractual terms and that such compensation is fair and not excessive for the Company;
- to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that such arrangements are determined in accordance with relevant contractual terms and that any compensation payment is reasonable and appropriate; and
- to ensure that no Director or any of his/her associates is involved in deciding his/her own remuneration.

The remuneration policy of the Group and details of the remuneration of the Directors are set out in the section headed "Report of the Directors" and note 14 to the consolidated financial statements. During the year ended 31 December 2023, the Remuneration Committee determined the remuneration packages of the executive Directors and senior management members of the Company, and reviewed the collective performance and individual performance as well as the performance-based bonus payment of them.



## CORPORATE GOVERNANCE REPORT

Pursuant to code provision E.1.5 of the CG Code, the remuneration of the members of the senior management by band for the year 2023 is set out below:

Remuneration bands (RMB)	Number of Persons
1 to 1,000,000	6
1,000,001 to 2,000,000	12
2,000,001 to 3,000,000	4
3,000,001 to 4,000,000	6
4,000,001 to 5,000,000	2
	30

**Corporate Governance Function**

The Board has delegated the functions set out in code provision A.2.1 of the CG Code to the Audit Committee.

During the year ended 31 December 2023, the Audit Committee has reviewed the Company's corporate governance policies and practices, training and continuous professional development of the Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, and the Company's compliance with the CG Code and disclosure in its Corporate Governance Report.

The Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The company secretary of the Company may from time to time and as the circumstances require provide updated written training materials relating to the roles, functions and duties of a director of a company listed on the Stock Exchange.

## CORPORATE GOVERNANCE REPORT

### Meeting Attendance

The attendance of Directors at Board meetings and meetings of the Board committees and general meetings during the year ended 31 December 2023, as well as the number of such meetings held, is set out as follows:

Meetings attended/held

Directors	Board	Nomination Committee	Audit Committee	Remuneration Committee
<b>Executive Directors</b>				
Mr. KWOK Ying Shing	4/4	1/1		1/1
Mr. SUN Yuenan	4/4			
Mr. MAI Fan	4/4			
Mr. LI Haiming	4/4			
Mr. KWOK Hiu Kwan	4/4			
<b>Non-Executive Director</b>				
Ms. CHEN Shaohuan	4/4		2/2	
<b>Independent Non-Executive Directors</b>				
Mr. ZHANG Yizhao	4/4	1/1	2/2	1/1
Mr. RAO Yong	4/4	1/1	2/2	1/1
Mr. LIU Xuesheng	4/4			

## (B) FINANCIAL REPORTING AND INTERNAL CONTROL

### Financial Reporting

The Directors are responsible for the preparation of the financial statements of the Group. In the preparation of financial statements, the Hong Kong financial reporting standards have been adopted and the appropriate accounting policies have been consistently used and applied. The Board aims to present a clear and balanced assessment of the Group's performance in the annual and interim reports to the shareholders, and make appropriate disclosure and announcements in a timely manner. Pursuant to code provision D.1.1 of the CG Code, management would provide sufficient explanation and information to the Board to enable the Board to make an informed assessment of the financial and other information put before the Board for approval.

The working scope and reporting responsibilities of Elite Partners CPA Limited, the Company's external auditor, are set out on pages 105 to 110 of the "Independent Auditor's Report" in this annual report.

Grant Thornton Hong Kong Limited was the auditors of the Company from 24 June 2016 to 27 June 2022. Elite Partners CPA Limited has been appointed as the auditor of the Company with effect from 27 June 2022.

### External Auditor's Remuneration

During the year under review, the fee payable to Elite Partners CPA Limited in respect of its audit services and non-audit services provided to the Company were RMB6.0 million and RMB2.1 million, respectively.

## CORPORATE GOVERNANCE REPORT

### **Risk Management and Internal Control**

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

Procedures have been designed for safeguarding assets against unauthorised use or disposition, the maintenance of proper accounting records for the provision of reliable financial information for internal use or for publications and the compliance of applicable laws, rules and regulations.

The Board has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and establishing and maintaining appropriate and effective risk management and internal control systems.

The Company has developed and adopted risk management procedures and guidelines with defined authority for implementation by key business processes and office functions. The Board, together with the Audit Committee, should collect the information from the risk management system, include discussions of risk and oversight of the management of those risks into the agenda of Board meetings.

An internal audit department has been established to perform regular financial and operational reviews and conduct audit of the Company and its subsidiaries. The work carried out by the internal audit department will ensure the internal controls are in place and functioning properly as intended. In addition, the Company, through the Audit Committee, has also reviewed the adequacy of resources, qualifications and experience of staff of the accounting and finance department and internal audit department, and their training programmes and budget.

During the course of audit performed by the external auditors, they reported on the weaknesses of the Group's risk management, internal control and accounting procedures which came to their attention.

The Directors, through the audit committee of the Company, reviewed the adequacy and effectiveness of the risk management and internal control systems of the Group, at least annually, for the year ended 31 December 2023. After such review, the Board considered that the Company's enhanced internal control system was adequate and effective.

### **Handling of Inside Information**

With a view to identifying, handling and disseminating inside information in compliance with the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), procedures including notification of regular blackout period and securities dealing restrictions to relevant Directors and employees, identification of project by code name and dissemination of information to stated purpose and on a need-to-know basis have been implemented by the Group to guard against possible mishandling and/or unauthorised use of inside information within the Group.

## CORPORATE GOVERNANCE REPORT

### (C) COMMUNICATIONS WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company has established and maintained various channels of communication with the Company's shareholders and the public to ensure that they are kept abreast of the Company's latest news and business development. Information relating to the Company's financial results, corporate details, property projects and major events are disseminated through publications of interim and annual reports, announcements, circulars, press release and newsletters. The Board believes that effective investor relations can contribute towards lower cost of capital, higher market liquidity for the Company's stock and a more stable shareholder base. Therefore, the Company is committed to maintaining a high level of corporate transparency and following a policy of disclosing relevant information to shareholders, investors, analysts and bankers in a timely manner. Keeping them aware of our corporate strategies and business operations is one of the key missions of our investor relations team.

The general meetings are valuable forums for direct communications between the Board and shareholders. The Directors and members of various Board committees will attend the general meetings of the Company. Shareholders can raise questions directly to the Board in respect of the performance and future development of the Group. At other times, Shareholders and investors can put enquires by writing to the Company for the attention of an Executive Director, or the Company Secretary, whose contact channels are set out below. The shareholder communication policy encourages all forms of communication and welcomes feedback, questions, or concerns from shareholders and aims to ensure that shareholders are provided with timely access to the Company's information. The policy has been and will be reviewed and updated periodically to remain relevant and effective.

Shareholders may put forward their written enquiries to the Board. In this regard, the Shareholders may send those enquiries or requests as mentioned to the following:

Address: 30/F, The Centre, No. 99 Queen's Road Central, Central, Hong Kong

Fax: (852) 3900 0990

Telephone: (852) 8202 6888

Pursuant to the code provisions of the CG Code, in respect of each substantially separate issue at a general meeting, a separate resolution should be proposed by the chairman of that meeting. The chairman of the Board should attend the AGM and invite for the chairman of the Audit Committee, Remuneration Committee and Nomination Committees any other committee (as appropriate) or in the absence of the chairman of such committees, another member of the committee or failing this his duly appointed delegate, to be available to answer questions at the AGM. The chairman of the independent Board committee (if any) should also be available to answer questions at any general meeting to approve a connected transaction or any other transaction that is subject to independent shareholders' approval. The Company would arrange for the notice to shareholders to be sent in the case of AGM at least 20 clear business days before the meeting and to be sent at least 10 clear business days in the case of all other general meetings. The chairman of a meeting should at the commencement of the meeting ensure that an explanation is provided of the detailed procedures for conducting a poll and answer any questions from shareholders on voting by way of a poll.



## CORPORATE GOVERNANCE REPORT

Shareholder (s) holding not less than one-twentieth of the paid up capital of the Company can make a requisition to convene an extraordinary general meeting. The requisition must state the objects of the meeting, and must be signed by the relevant shareholder (s) and deposited at the registered office of the Company. Besides, Section 115A of the Companies Ordinance of Hong Kong provides that (i) shareholder(s) representing not less than one-fortieth of the total voting rights of all shareholders of the Company or (ii) not less than 50 shareholders holding the shares in the Company on which there has been paid up an average sum of not less than HK\$2,000 per shareholder can put forward proposals for consideration at a general meeting of the Company by depositing a requisition in writing signed by the relevant shareholder(s) at the registered office of the Company.

There are no provisions allowing shareholders to putting forward proposals at the general meetings under the Cayman Islands Companies Law (2012 Revision). However, shareholders who wish to put forward proposals may follow the Articles of Association for requisitioning an extraordinary general meeting and including a resolution at such meeting. The requirements and procedures are set out in the above paragraph.

The constitutional documents of the Company are available on the websites of the Company and the Stock Exchange.

### (D) DIVIDEND POLICY

#### Purpose

This Dividend Policy (the “**Policy**”) sets out the principles and guidelines that the Company will apply when considering the declaration and payment of dividends to the shareholders of the Company.

#### Principles and Guidelines

The Company may, subject to the Cayman Companies Law, from time to time in general meeting declare dividends in any currency to be paid to the shareholders of the Company but no dividend shall be declared in excess of the amount recommended by the Board.

The Board may from time to time determine to pay to the shareholders of the Company such interim dividends as appear to the Board to be justified by the profits of the Company and in particular (but without prejudice to the generality of the foregoing) if at any time the share capital of the Company is divided into different classes, the Board may determine to pay such interim dividends in respect of those shares in the capital of the Company which confer on the holders thereof deferred or non-preferential rights as well as in respect of those shares which confer on the holders thereof preferential rights with regard to dividend and provided that the Board acts bona fide the Board shall not incur any responsibility to the holders of shares conferring any preference for any damage that they may suffer by reason of the payment of an interim dividend on any shares having deferred or non-preferential rights and may also pay any fixed dividend which is payable on any shares of the Company half-yearly or on any other dates, whenever such profits, in the opinion of the Board, justifies such payment.

## CORPORATE GOVERNANCE REPORT

The Board has the discretion to declare dividends to the shareholders of the Company, subject to the articles of the association of the Company and all applicable laws and regulations, taking into account the factors set out below:

- financial results;
- cash flow situation;
- business conditions and strategies;
- future operations and earnings;
- capital requirements and expenditure plans;
- interests of shareholders;
- taxation considerations;
- any contractual, statutory and regulatory restrictions on payment of dividends; and
- any other factors that the Board may consider relevant.

### Review of the Policy

The Board will review this Policy as appropriate from time to time.

## (E) CHANGE IN CONSTITUTIONAL DOCUMENTS

By a special resolution passed at the annual general meeting of the Company held on 27 June 2023, the Company adopted the Amended and Restated Memorandum and Articles of Association of the Company (the "**New M&A**") to, among other things, comply with the Core Shareholder Protection Standards set out in Appendix A1 (previously known as Appendix 3) to the Listing Rules, reflect certain updates in relation to the applicable laws of the Cayman Islands and the Listing Rules and make other housekeeping amendments. For details, please refer to the announcement and circular of the Company dated 24 May 2023, and the New M&A. Save as disclosed above, there was no change in the constitutional document during the Year. A latest version of the Company's constitutional documents are also available on the respective websites of the Company and Hong Kong Exchanges and Clearing Limited.

# REPORT OF THE DIRECTORS

The Board presents the annual report and the audited consolidated financial statements of the Group for the year ended 31 December 2023.

## PRINCIPAL ACTIVITIES

The Company is an investment holding company, and its subsidiaries are principally engaged in property development, property investment, property management, hotel and catering operations, cinema, department stores and cultural centre operations, water-way passenger and cargo transportation and health care operations, in the People's Republic of China (the "PRC"). The activities and particulars of the Company's subsidiaries are set out in note 46 to the consolidated financial statements. An analysis of the Group's turnover and operating profit for the year by principal activities is set out in note 6 to the consolidated financial statements.

## BUSINESS REVIEW

The business objectives of the Group are to develop its business and achieve sustainable growth of its business. A review of the businesses of the Group during the year using the key performance indicators and a discussion on the Group's future business development are provided in the section headed "Management Discussion and Analysis — Financial Review" in this report. Description of key risk factors and uncertainties that the Group is facing are provided in the section headed "Management Discussion and Analysis — Principal Risks and Uncertainties".

## RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2023 are set out in the consolidated statements of profit or loss and other comprehensive income on pages 111 to 112 in this annual report.

## DIVIDENDS

The Board does not recommend the payment of any dividend for the year ended 31 December 2023. None of the Shareholders has waived or agreed to waive any dividend.

## PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant, and equipment of the Group during the year are set out in note 15 to the consolidated financial statements.

## SHARE CAPITAL

Details of movements during the year in the share capital of the Company are set out in note 34 to the consolidated financial statements.

## RESERVES

Details of the movements in reserves of the Group during the year are set out in the consolidated statement of changes in equity. Details of the distributable reserves of the Company as at 31 December 2023 are set out in note 36 to the consolidated financial statements.

## BORROWINGS

Details of the borrowings are set out in note 31 to the consolidated financial statements.

## CHARITABLE DONATIONS

The charitable donations made by the Group during the year amounted to RMB0.03 million (2022: RMB2.1 million).

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

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

## REPORT OF THE DIRECTORS

### EQUITY-LINKED AGREEMENTS

Other than the Share Option Scheme, no equity-linked agreements that will or may result in the Company issuing Shares, or that require the Company to enter into any agreements that will or may result in the Company issuing Shares, were entered into by the Company during the year or subsisted at the end of the year.

### DIRECTORS

During the year ended 31 December 2023 and up to the date of this report, the Directors were as follows:

#### Executive Directors

Mr. KWOK Ying Shing  
Mr. SUN Yuenan  
Mr. MAI Fan  
Mr. LI Haiming  
Mr. KWOK Hiu Kwan

#### Non-Executive Director

Ms. CHEN Shaohuan

#### Independent Non-Executive Directors

Mr. ZHANG Yizhao  
Mr. RAO Yong  
Mr. LIU Xuesheng

The Company has received, from each of the independent non-executive Directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive Directors to be independent.

Pursuant to 3.10(1) of the Listing Rules, every board of directors of a listed issuer must include at least three independent non-executive Director. Pursuant to Rule 3.10A of the Listing Rules, the independent non-executive directors of a listed issuer must represent at least one-third of the board. The Company has complied with Rules 3.10(1) and 3.10A of the Listing Rules.

### BIOGRAPHY OF DIRECTORS AND SENIOR MANAGEMENT

The biography of all the Directors and members of the senior management of the Company are set out on pages 63 to 66.

### DIRECTOR'S SERVICE CONTRACTS

Each of the executive Directors has entered into service contract with the Company for a term of three years, and which will continue thereafter until terminated by either party thereto giving to the other party not less than three months' prior notice in writing. Each of the non-executive Directors and the independent non-executive Directors has entered into letter of appointment with the Company and is appointed for a period of one year commencing on the date of appointment, which shall be automatically extended for another one year upon expiration of the letter of appointment, and subject to re-election at the Company's general meeting, and such letter of appointment could be terminated by giving not less than three months' prior notice in writing. None of the Directors has entered into a service contract with the Company which is not determinable within one year without payment of compensation other than statutory compensation.



## REPORT OF THE DIRECTORS

### THE 2019 SHARE OPTION SCHEME

The Company adopted a share option scheme on 22 November 2009 (the “**2019 Share Option Scheme**”), which expired in 2019. A summary of the principal terms of the 2019 Share Option Scheme is set out as follows:

#### (1) Purpose of the 2019 Share Option Scheme

The purpose of the 2019 Share Option Scheme was to enable the Company to grant options of the Company to Eligible Participants with the view to achieving the following objectives.

- (i) motivate the Eligible Participants to optimise their performance efficiency for the benefit of the Group; and
- (ii) attract and retain or otherwise maintain on-going business relationship with the Eligible Participants whose contributions are or will be beneficial to the long-term growth of the Group.

#### (2) Participants of the 2019 Share Option Scheme

Participants of the 2019 Share Option Scheme included any full-time or part-time employees, executives or officers of the Company or any of its subsidiaries, any directors (including non-executive directors and independent non-executive directors) of the Company or any of its subsidiaries and any suppliers, customers, consultants, advisers and agents to the Company or any of its subsidiaries (the “**Eligible Participants**”).

#### (3) Total number of Shares available for issue under the 2019 Share Option Scheme

The maximum number of Shares in respect of which options could be granted under the 2019 Share Option Scheme may not exceed 10% of the number of shares in issue on the adoption of the scheme, unless with the prior approval from the shareholders of the Company. The 2019 Share Option Scheme limit was refreshed at the extraordinary general meeting held on 31 March 2014. As at 31 December 2023, the number of outstanding options under the 2019 Share Option Scheme was 158,580,803 Shares, representing approximately 2.26% of the issued share capital of the Company as at the date of the report.

During the year ended 31 December 2023, no share option was granted nor exercised and a total of 76,967,440 options have lapsed in accordance with the terms of the scheme.

#### (4) Maximum entitlement of each Eligible Participant

Unless approved by the shareholders of the Company, the maximum number of Shares issued and to be issued upon exercise of the options pursuant to the 2019 Share Option Scheme and any other share option schemes of the Company to each participant of the 2019 Share Option Scheme in any 12-month period up to and including the date of grant of the options may not exceed 1% of the total number of Shares in issue as at the date of grant.

#### (5) Period within which the securities must be taken up under an option

The period within which the options must be exercised was specified by the Company at the time of grant, provided that such period of time did not exceed a period of ten years commencing on the date on which the Share option was deemed to be granted and accepted.

## REPORT OF THE DIRECTORS

### (6) Payment on acceptance of option offer

HK\$1.00 was payable by the Eligible Participant of the 2019 Share Option Scheme to the Company upon acceptance of the option offered as consideration for the grant.

### (7) Basis of determining the subscription price

The subscription price per Share under the 2019 Share Option Scheme was determined by the Board and notified to each Eligible Participant and could be no less than the highest of (i) the official closing price of the Shares as stated in the daily quotation sheets issued by the Stock Exchange on the date of grant; (ii) the average of the official closing price of the Shares as stated in the daily quotation sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant; and (iii) the nominal value of a Share on the date of grant.

### (8) Termination of the 2019 Share Option Scheme

The 2019 Share Option Scheme remained valid until 14 June 2019 after which no further options may be granted under the 2019 Share Option Scheme. In respect of all options which remained exercisable on such date, the provisions of the 2019 Share Option Scheme remained in full force and effect. The summary below sets out the details of the outstanding options as at 31 December 2023 pursuant to the 2019 Share Option Scheme:

Grantee	Date of grant	Closing price of the securities immediately before the date on which the options were granted (HKD per share)	Exercise Period	Exercise Price (adjusted) (HKD)	Balance as at 1 January 2023	Granted during the year ended 31 Dec 2023	Exercised during the year ended 31 Dec 2023	Weighted average closing price of the securities immediately before the dates on which the options were exercised	Cancelled/ forfeited/ lapsed during the year ended 31 Dec 2023	Balance as at 31 Dec 2023
<b>Directors</b>										
<b>SUN Yuenan</b>	19 July 2017 (Note 1)	3.27	19 July 2018 to 18 July 2027	3.44	6,194,562	-	-	-	-	6,194,562
			19 July 2019 to 18 July 2027	3.44	6,194,563	-	-	-	-	6,194,563
			19 July 2020 to 18 July 2027	3.44	6,194,563	-	-	-	-	6,194,563
			19 July 2021 to 18 July 2027	3.44	12,389,126	-	-	-	-	12,389,126
<b>MAI Fan</b>	19 July 2017 (Note 1)	3.27	19 July 2018 to 18 July 2027	3.44	2,064,855	-	-	-	-	2,064,855
			19 July 2019 to 18 July 2027	3.44	2,064,854	-	-	-	-	2,064,854
			19 July 2020 to 18 July 2027	3.44	2,064,854	-	-	-	-	2,064,854
			19 July 2021 to 18 July 2027	3.44	4,129,708	-	-	-	-	4,129,708

## REPORT OF THE DIRECTORS

Grantee	Date of grant	Closing price of the securities immediately before the date on which the options were granted (HKD per share)	Exercise Period	Exercise Price (adjusted) (HKD)	Balance as at 1 January 2023	Granted during the year ended 31 Dec 2023	Exercised during the year ended 31 Dec 2023	Weighted average closing price of the securities immediately before the dates on which the options were exercised	Cancelled/ forfeited/ lapsed during the year ended 31 Dec 2023	Balance as at 31 Dec 2023
LI Haiming	19 July 2017 (Note 1)	3.27	19 July 2018 to 18 July 2027	3.44	1,445,398	–	–	–	–	1,445,398
			19 July 2019 to 18 July 2027	3.44	1,445,398	–	–	–	–	1,445,398
			19 July 2020 to 18 July 2027	3.44	1,445,398	–	–	–	–	1,445,398
			19 July 2021 to 18 July 2027	3.44	2,890,796	–	–	–	–	2,890,796
RAO Yong	19 July 2017 (Note 1)	3.27	19 July 2018 to 18 July 2027	3.44	289,079	–	–	–	–	289,079
			19 July 2019 to 18 July 2027	3.44	289,080	–	–	–	–	289,080
			19 July 2020 to 18 July 2027	3.44	289,080	–	–	–	–	289,080
			19 July 2021 to 18 July 2027	3.44	578,159	–	–	–	–	578,159
ZHANG Yizhao	19 July 2017 (Note 1)	3.27	19 July 2018 to 18 July 2027	3.44	289,079	–	–	–	–	289,079
			19 July 2019 to 18 July 2027	3.44	289,080	–	–	–	–	289,080
			19 July 2020 to 18 July 2027	3.44	289,080	–	–	–	–	289,080
			19 July 2021 to 18 July 2027	3.44	578,159	–	–	–	–	578,159
LIU Xuesheng	19 July 2017 (Note 1)	3.27	19 July 2018 to 18 July 2027	3.44	247,782	–	–	–	–	247,782
			19 July 2019 to 18 July 2027	3.44	247,783	–	–	–	–	247,783
			19 July 2020 to 18 July 2027	3.44	247,783	–	–	–	–	247,783
			19 July 2021 to 18 July 2027	3.44	495,565	–	–	–	–	495,565

## REPORT OF THE DIRECTORS

Grantee	Date of grant	Closing price of the securities immediately before the date on which the options were granted (HKD per share)	Exercise Period	Exercise Price (adjusted) (HKD)	Balance as at 1 January 2023	Granted during the year ended 31 Dec 2023	Exercised during the year ended 31 Dec 2023	Weighted average closing price of the securities immediately before the dates on which the options were exercised	Cancelled/ forfeited/ lapsed during the year ended 31 Dec 2023	Balance as at 31 Dec 2023
Other Employees	19 July 2017 (Note 1)	3.27	19 July 2018 to 18 July 2027	3.44	27,669,049	–	–	–	(13,328,634)	14,340,415
		3.27	19 July 2019 to 18 July 2027	3.44	27,617,427	–	–	–	(13,328,634)	14,288,793
		3.27	19 July 2020 to 18 July 2027	3.44	28,082,020	–	–	–	(13,328,634)	14,753,386
		3.27	19 July 2021 to 18 July 2027	3.44	62,358,587	–	–	–	(26,657,267)	35,701,320
	24 January 2019 (Note 2)	2.33	24 January 2020 to 23 January 2029	2.31	2,064,854	–	–	–	(2,064,854)	–
		2.33	24 January 2021 to 23 January 2029	2.31	2,064,854	–	–	–	(2,064,854)	–
		2.33	24 January 2022 to 23 January 2029	2.31	2,064,854	–	–	–	(2,064,854)	–
		2.33	24 January 2023 to 23 January 2029	2.31	4,129,709	–	–	–	(4,129,709)	–
	12 April 2019 (Note 3)	3.69	12 April 2020 to 13 April 2029	3.58	5,368,621	–	–	–	–	5,368,621
		3.69	12 April 2021 to 13 April 2029	3.58	5,368,621	–	–	–	–	5,368,621
		3.69	12 April 2022 to 13 April 2029	3.58	5,368,621	–	–	–	–	5,368,621
		3.69	12 April 2023 to 13 April 2029	3.58	10,737,242	–	–	–	–	10,737,242
	<b>Total</b>				235,548,243	–	–	–	(76,967,440)	158,580,803

## REPORT OF THE DIRECTORS

As at 31 December 2023, a total of 158,580,803 options were exercisable.

Notes:

1. The granted share options is divided into four tranches for a period of 48 months from the date of grant (i.e. 19 July 2017). Up to 20% of the granted share options were vested on 19 July 2018, up to 40% of the granted share options were vested on 19 July 2019, up to 60% of the granted share options were vested on 19 July 2020 and all the remaining granted share options were vested on 19 July 2021.
2. The granted share options is divided into four tranches for a period of 48 months from the date of grant (i.e. 24 January 2019). Up to 20% of the granted share options were vested on 24 January 2020, up to 40% of the granted share options were vested on 24 January 2021, up to 60% of the granted share options will be vested on 24 January 2022 and all the remaining granted share options will be vested on 24 January 2023.
3. The granted share options is divided into four tranches for a period of 48 months from the date of grant (i.e. 12 April 2019). Up to 20% of the granted share options were vested on 12 April 2020, up to 40% of the granted share options were vested on 12 April 2021, up to 60% of the granted share options will be vested on 12 April 2022 and all the remaining granted share options will be vested on 12 April 2023.

### THE NEW SHARE OPTION SCHEME

The Company adopted a new share option scheme on 14 June 2019 (the “**New Share Option Scheme**”). A summary of the principal terms of the New Share Option Scheme is set out as follows:

#### (1) Purpose of the New Share Option Scheme

The purpose of the New Share Option Scheme is to enable the Company to grant New Share Options (as defined below) to New Eligible Participants with the view to achieving the following objectives.

- (i) motivate the New Eligible Participants (as defined below) to optimise their performance efficiency for the benefit of the Group; and
- (ii) attract and retain or otherwise maintain an on-going business relationship with the New Eligible Participants whose contributions are or will be beneficial to the long-term growth of the Group.

#### (2) Participants of the New Share Option Scheme

Participants of the New Share Option Scheme include any full-time or part-time employees, executives, officers or directors (including non-executive directors and independent non-executive directors) who, in the sole opinion of the Board, will contribute or have contributed to the Group (the “**New Eligible Participants**”).

#### (3) Total number of Shares available for issue under the New Share Option Scheme

The total number of Shares which may be issued upon exercise of all Share options (“**New Share Options**”) granted and yet to be exercised under the New Share Option Scheme and other schemes of the Company must not exceed 30% of the Shares in issue from time to time. As at 1 January 2023 and 31 December 2023, the number of shares that may be issued in respect of options granted under all schemes of the Company was 245,872,514 and 158,580,803, representing 3.50% and 2.26% of the issued shares as at the date of this report, respectively. The maximum number of Shares in respect of which New Share Options may be granted under the New Share Option Scheme and options under the other schemes of the Company is 10% of the total number of Shares in issue on the Adoption Date, unless approval has been obtained from the shareholders of the Company, and adjusted for Right Issue in May 2021. As at 1 January 2023 and 31 December 2023, the maximum number of the Shares available for issue upon exercise of all New Share Options which may be granted under the New Share Option Scheme was 617,165,893 shares, represents approximately 8.80% of the issued share capital of the Company as at the date of the report.



## REPORT OF THE DIRECTORS

During the year ended 31 December 2023, no New Share Options were granted under the New Share Option Scheme. The summary below sets out the details of options granted as at 31 December 2023 pursuant to the New Share Option Scheme:

Grantee	Date of grant	Closing price of the securities immediately before the date on which the options were granted (HKD per share)	Exercise Period	Exercise Price (HKD)	Balance as at 1 January 2023	Grant during the year ended 31 Dec 2023	Exercised during the year ended 31 Dec 2023	Weighted average closing price of the Securities immediately before the dates on which the options were exercised	Cancelled/ forfeited/ lapsed during the year ended 31 Dec 2023 (Note 2)	Balance as at 31 Dec 2023
Other Employees	4 November 2020 (Note 1)	3.68	4 November 2021 to 3 November 2030	3.57	2,064,854	-	-	-	(2,064,854)	-
		3.68	4 November 2022 to 3 November 2030	3.57	2,064,854	-	-	-	(2,064,854)	-
		3.68	4 November 2023 to 3 November 2030	3.57	2,064,854	-	-	-	(2,064,854)	-
		3.68	4 November 2024 to 3 November 2030	3.57	4,129,709	-	-	-	(4,129,709)	-
<b>Total</b>				10,324,271	-	-	-	(10,324,271)	-	

Note:

- The granted share options is divided into four tranches for a period of 48 months from the date of grant (i.e. 4 November 2020). Up to 20% of the granted share options will be vested on 4 November 2021, up to 40% of the granted share options will be vested on 4 November 2022, up to 60% of the granted share options will be vested on 4 November 2023 and all the remaining granted share options will be vested on 4 November 2024.
- These options were forfeited.

#### (4) Maximum entitlement of each Participant

Unless approved by the shareholders of the Company, the maximum number of Shares in respect of which New Share Options may be granted under the New Share Option Scheme to each New Eligible Participant shall not, when aggregated with (a) any Shares issued upon exercise of New Share Options granted under the New Share Option Scheme or options under the other schemes which have been granted to that New Eligible Participant; (b) any Shares which would be issued upon the exercise of outstanding New Share Options granted under the New Share Option Scheme or options under the other schemes granted to that New Eligible Participant; and (c) any cancelled shares which were the subject of New Share Options granted under the New Share Option Scheme or options under the other schemes which had been granted to and accepted by that New Eligible Participant, in any 12-month period up to and including the date of grant of the options shall not exceed 1% of the total number of Shares in issue as at the date of grant.

## REPORT OF THE DIRECTORS

### (5) Period within which the securities must be taken up under a New Share Option

The period within which the New Share Options must be exercised will be specified by the Company at the time of grant, provided that such period of time shall not exceed a period of ten years commencing on the date on which the New Share Option is deemed to be granted and accepted.

### (6) Payment on acceptance of New Share Option offer

HK\$1.00 is payable by the New Eligible Participant of the New Share Option Scheme to the Company upon acceptance of the New Share Option offered as consideration for the grant.

### (7) Basis of determining the exercise price

The exercise price per Share under the New Share Option Scheme is determined by the Board in its absolute discretion but in any event must be at least the higher of: (i) the official closing price of the Shares as stated in the daily quotation sheets of the Stock Exchange on the date of on which such New Share Option is offered in writing (the “Offer Date”); (ii) the average of the official closing price of the Shares as stated in the daily quotation sheets of the Stock Exchange for the five business days immediately preceding the Offer Date; and (iii) the nominal value of a Share, provided that for the purpose of determining the exercise price where the Shares have been listed on the Stock Exchange for less than five (5) Business Days preceding the Offer Date, the issue price of the Shares in connection with such listing shall be deemed to be the closing price of the Shares for each Business Day falling within the period before the listing of the Shares on the Stock Exchange.

### (8) Remaining life of the New Share Option Scheme

The New Share Option Scheme will remain valid until 14 June 2029 after which no further New Share Options shall be offered. However, the provisions of the New Share Option Scheme shall in all other respects remain in full force and effect to the extent necessary to give effect to the exercise of any options granted prior thereto or otherwise as may be required in accordance with the provisions of this New Share Option Scheme and the New Share Options granted prior thereto but not yet exercised shall continue to be valid and exercisable in accordance with the New Share Option Scheme.

## THE SUBSIDIARY SHARE OPTION SCHEMES

### Kaisa Prosperity Holdings Limited

Kaisa Prosperity Holdings Limited (“Kaisa Prosperity”), the Group’s subsidiary engaged in the property management business, adopted a share option scheme (the “Kaisa Prosperity Share Option Scheme”) at the annual general meeting of Kaisa Prosperity held on 18 June 2019 (the “Kaisa Prosperity Share Option Scheme Adoption Date”). A summary of the principal terms of the Kaisa Prosperity Share Option Scheme is set out as follows:

#### (1) Purpose of the Kaisa Prosperity Share Option Scheme

The purpose of the Kaisa Prosperity Share Option Scheme is to enable Kaisa Prosperity to grant Kaisa Prosperity Share Options (as defined below) to Eligible Kaisa Prosperity Participants (as defined below) with the view to achieving the following objectives.

- (i) motivate the Eligible Kaisa Prosperity Participants to optimise their performance efficiency for the benefit of Kaisa Prosperity; and
- (ii) attract and retain or otherwise maintain an on-going business relationship with the Eligible Kaisa Prosperity Participants whose contributions are or will be beneficial to the long-term growth of Kaisa Prosperity.

## REPORT OF THE DIRECTORS

### (2) Participants of the Kaisa Prosperity Share Option Scheme

Participants of the Kaisa Prosperity Share Option Scheme include any full-time or part-time employees, executives, officers or directors (including non-executive directors and independent non-executive directors) who, in the sole opinion of the board of directors of Kaisa Prosperity, will contribute or have contributed to Kaisa Prosperity (the “**Eligible Kaisa Prosperity Participants**”).

### (3) Total number of Kaisa Prosperity Shares available for issue under the Kaisa Prosperity Share Option Scheme

The total number of shares of Kaisa Prosperity (the “**Kaisa Prosperity Share(s)**”) which may be issued upon exercise of all Kaisa Prosperity Share Options (“**Kaisa Prosperity Share Options**”) granted and yet to be exercised under the Kaisa Prosperity Share Option Scheme and other schemes of Kaisa Prosperity must not exceed 30% of the Kaisa Prosperity Shares in issue from time to time. The maximum number of Kaisa Prosperity Shares in respect of which Kaisa Prosperity Share Options may be granted under the Kaisa Prosperity Share Option Scheme and options under the other schemes of Kaisa Prosperity is 10% of the total number of Kaisa Prosperity Shares in issue on the Kaisa Prosperity Share Option Scheme Adoption Date, unless approval has been obtained from the shareholders of Kaisa Prosperity. As at 1 January 2023 and 31 December 2023, the maximum number of the Kaisa Prosperity Shares available for issue upon exercise of all Kaisa Prosperity Share Options which may be granted under the Kaisa Prosperity Share Option Scheme is 12,020,000 shares and 11,510,000 shares, represents approximately 7.8% and 7.5% of the total number of 154,110,000 Shares in issue as at the date of the report.

During the year ended 31 December 2023, no Kaisa Prosperity Share Options were granted under the Kaisa Prosperity Share Option Scheme. The summary below sets out the details of options granted as at 31 December 2023 pursuant to the Kaisa Prosperity Share Option Scheme:

Grantee	Date of grant	Closing price of the securities immediately before the date on which the options were granted (HKD per share)	Exercise Period	Exercise Price (HKD)	Balance	Grant	Exercised	Cancelled/	Balance
					as at 1 January 2023	during the year ended 31 December 2023	during the year ended 31 December 2023	forfeited/ lapsed during the year ended 31 December 2023	as at 31 December 2023
<b>Directors of Kaisa Prosperity</b>									
<b>LIAO Chuanqiang</b>	19 July 2019	15.36	19 July 2020 to 18 July 2029	15.70	400,000	–	–	–	400,000
		15.36	19 July 2021 to 18 July 2029	15.70	400,000	–	–	–	400,000
		15.36	19 July 2022 to 18 July 2029	15.70	400,000	–	–	–	400,000
		15.36	19 July 2023 to 18 July 2029	15.70	800,000	–	–	–	800,000

## REPORT OF THE DIRECTORS

Grantee	Date of grant	Closing price of the securities immediately before the date on which the options were granted (HKD per share)	Exercise Period	Exercise Price (HKD)	Balance as at	Grant during the year ended	Exercised during the year ended	Cancelled/ forfeited/ lapsed during the year ended	Balance as at
					1 January 2023	31 December 2023	31 December 2023	31 December 2023	31 December 2023
<b>MA Xiumin</b>	19 July 2019	15.36	19 July 2020 to 18 July 2029	15.70	10,000	–	–	–	10,000
			19 July 2021 to 18 July 2029	15.70	10,000	–	–	–	10,000
			19 July 2022 to 18 July 2029	15.70	10,000	–	–	–	10,000
			19 July 2023 to 18 July 2029	15.70	20,000	–	–	–	20,000
<b>LIU Hongbai</b>	19 July 2019	15.36	19 July 2020 to 18 July 2029	15.70	10,000	–	–	–	10,000
			19 July 2021 to 18 July 2029	15.70	10,000	–	–	–	10,000
			19 July 2022 to 18 July 2029	15.70	10,000	–	–	–	10,000
			19 July 2023 to 18 July 2029	15.70	20,000	–	–	–	20,000
<b>CHEN Bin</b>	19 July 2019	15.36	19 July 2020 to 18 July 2029	15.70	10,000	–	–	–	10,000
			19 July 2021 to 18 July 2029	15.70	10,000	–	–	–	10,000
			19 July 2022 to 18 July 2029	15.70	10,000	–	–	–	10,000
			19 July 2023 to 18 July 2029	15.70	20,000	–	–	–	20,000
<b>Other Employees</b>	19 July 2019	15.36	19 July 2020 to 18 July 2029	15.70	1,580,000	–	–	–	1,580,000
			19 July 2021 to 18 July 2029	15.70	1,580,000	–	–	–	1,580,000
			19 July 2022 to 18 July 2029	15.70	1,580,000	–	–	–	1,580,000
			19 July 2023 to 18 July 2029	15.70	2,580,000	–	–	(400,000)	2,180,000
<b>Total</b>					9,470,000	–	–	(400,000)	9,070,000

## REPORT OF THE DIRECTORS

### (4) Maximum entitlement of each Participant

Unless approved by the shareholders of Kaisa Prosperity, the maximum number of Kaisa Prosperity Shares in respect of which Kaisa Prosperity Share Options may be granted under the Kaisa Prosperity Share Option Scheme to each Eligible Subsidiary Participant shall not, when aggregated with (a) any Kaisa Prosperity Shares issued upon exercise of Kaisa Prosperity Share Options granted under the Kaisa Prosperity Share Option Scheme or options under the other schemes which have been granted to that Eligible Subsidiary Participant; (b) any Kaisa Prosperity Shares which would be issued upon the exercise of outstanding Kaisa Prosperity Share Options granted under the Kaisa Prosperity Share Option Scheme or options under the other schemes granted to that Eligible Subsidiary Participant; and (c) any cancelled shares which were the subject of Kaisa Prosperity Share Options granted under the Kaisa Prosperity Share Option Scheme or options under the other schemes which had been granted to and accepted by that Eligible Subsidiary Participant, in any 12-month period up to and including the date of grant of the options shall not exceed 1% of the total number of Kaisa Prosperity Shares in issue as at the date of grant.

### (5) Period within which the securities must be taken up under a Subsidiary Share Option

The period within which the Kaisa Prosperity Share Options must be exercised will be specified by Kaisa Prosperity at the time of grant, provided that such period of time shall not exceed a period of ten years commencing on the date on which the Subsidiary Share Option is deemed to be granted and accepted.

### (6) Payment on acceptance of Subsidiary Share Option offer

HK\$1.00 is payable by the Eligible Subsidiary Participant of the Kaisa Prosperity Share Option Scheme to Kaisa Prosperity upon acceptance of the Subsidiary Share Option offered as consideration for the grant.

### (7) Basis of determining the exercise price

The exercise price per Kaisa Prosperity Share under the Kaisa Prosperity Share Option Scheme is determined by the Board in its absolute discretion but in any event must be at least the higher of: (i) the official closing price of the Kaisa Prosperity Shares as stated in the daily quotation sheets of the Stock Exchange on the date of on which such Subsidiary Share Option is offered in writing (the "**Kaisa Prosperity Offer Date**"); (ii) the average of the official closing price of the Kaisa Prosperity Shares as stated in the daily quotation sheets of the Stock Exchange for the five business days immediately preceding the Kaisa Prosperity Offer Date; and (iii) the nominal value of a Kaisa Prosperity Share, provided that for the purpose of determining the exercise price where the Kaisa Prosperity Shares have been listed on the Stock Exchange for less than five (5) Business Days preceding the Offer Date, the issue price of the Kaisa Prosperity Shares in connection with such listing shall be deemed to be the closing price of the Kaisa Prosperity Shares for each Business Day falling within the period before the listing of the Kaisa Prosperity Shares on the Stock Exchange.

### (8) Remaining life of the Kaisa Prosperity Share Option Scheme

The Kaisa Prosperity Share Option Scheme will remain valid until 18 June 2029 after which no further Kaisa Prosperity Share Options shall be offered. However, the provisions of the Kaisa Prosperity Share Option Scheme shall in all other respects remain in full force and effect to the extent necessary to give effect to the exercise of any Kaisa Prosperity Share Options granted prior thereto or otherwise as may be required in accordance with the provisions of this Kaisa Prosperity Share Option Scheme and the Kaisa Prosperity Share Options granted prior thereto but not yet exercised shall continue to be valid and exercisable in accordance with the Kaisa Prosperity Share Option Scheme.



## REPORT OF THE DIRECTORS

### **Kaisa Health Group Holdings Limited**

Kaisa Health Group Holdings Limited (“**Kaisa Health**”), the Group’s subsidiary engaged in dental prosthetics business and health care business, adopted a share option scheme (the “**Kaisa Health Share Option Scheme**”) at the special general meeting of Kaisa Health held on 8 June 2015. A summary of the principal terms of the Kaisa Health Share Option Scheme is set out as follows:

#### **(1) Purpose of the Kaisa Health Share Option Scheme**

The purpose of the Kaisa Health Share Option Scheme is to recognise the contribution of the directors, employees and consultants of Kaisa Health by granting share options to them as incentives or rewards.

#### **(2) Participants of the Kaisa Health Share Option Scheme**

Participants of the Kaisa Health Share Option Scheme include all full-time or part-time employees, potential employees, executives or officers (including executive, non-executive and independent non-executive directors) of Kaisa Health or any of its subsidiaries and any suppliers, customers, consultants, agents and advisers who, in the sole opinion of the board of directors of Kaisa Health, will contribute or has contributed to Kaisa Health and/or any of its subsidiaries (the “**Eligible Kaisa Health Participants**”).

#### **(3) Total number of Kaisa Health Shares available for issue under the Kaisa Health Share Option Scheme**

The total number of Shares of Kaisa Health (the “**Kaisa Health Share(s)**”) which may be issued upon exercise of all Kaisa Health share options (“**Kaisa Health Share Options**”) granted and yet to be exercised under the Kaisa Health Share Option Scheme and other schemes of Kaisa Health must not exceed 30% of the Kaisa Health Shares in issue from time to time. The maximum number of Kaisa Health Shares in respect of which Kaisa Health Share Options may be granted under the Kaisa Health Share Option Scheme and options under the other schemes of Kaisa Health is 10% of the total number of Kaisa Health Shares in issue on the date of refreshment of scheme of the Kaisa Health Share Option Scheme (i.e. 22 June 2020) (“**Kaisa Health Share Option Scheme Refreshment Date**”). As at 31 December 2023, the maximum number of the Shares available for issue upon exercise of all Kaisa Health Share Options which may be granted under the Kaisa Health Share Option Scheme is 504,213,937 Kaisa Health Shares, being the sum of 10% of the issued share capital of Kaisa Health as at the Kaisa Health Share Option Scheme Refreshment Date and the Kaisa Health Share Options granted and yet to be exercised as at the Kaisa Health Share Option Scheme Refreshment Date minus the Kaisa Health Share Options exercised, cancelled, forfeited or lapsed, and represents approximately 2.81% of the issued share capital of the Kaisa Health as at the date of the report.

## REPORT OF THE DIRECTORS

During the year ended 31 December 2023, no Kaisa Health Share Options were granted under the Kaisa Health Share Option Scheme. The summary below sets out the details of options granted as at 31 December 2023 pursuant to the Kaisa Health Share Option Scheme:

Grantee	Date of grant	Closing price of the securities immediately before the date on which the options were granted (HKD per share)	Exercise Period	Exercise Price (HKD)	Balance as at 1 January 2023	Granted during the year ended 31 December 2023	Exercised during the year ended 31 December 2023	Cancelled/ forfeited/ lapsed during the year ended 31 December 2023	Balance as at 31 December 2023
<b>Directors of Kaisa Health</b>									
Mr. Zhang Huagang	22 July 2020	0.142	22 July 2021 to 21 July 2030 (Note 1)	0.196	50,000,000 (Note 1)	–	–	–	50,000,000
Mr. Luo Jun	22 July 2020	0.142	22 July 2021 to 21 July 2030 (Note 1)	0.196	40,000,000 (Note 1)	–	–	–	40,000,000
Mr. Wu Tianyu (Note 2)	22 July 2020	0.142	22 July 2021 to 21 July 2030 (Note 1, 2)	0.196	20,000,000 (Note 1, 2)	–	–	–	20,000,000
Ms. Jiang Sisi (Note 2)	22 July 2020	0.142	22 July 2021 to 21 July 2030 (Note 1, 2)	0.196	10,000,000 (Note 1, 2)	–	–	–	10,000,000
Dr. Liu Yanwen	22 July 2020	0.142	22 July 2021 to 21 July 2030 (Note 1)	0.196	6,000,000 (Note 1)	–	–	–	6,000,000
Dr. Lyu Aiping	22 July 2020	0.142	22 July 2021 to 21 July 2030 (Note 1)	0.196	6,000,000 (Note 1)	–	–	–	6,000,000
<b>Employees and participants</b>									
Employees and consultants	22 July 2020	0.142	22 July 2021 to 21 July 2030 (Note 1)	0.196	10,000,000 (Note 1)	–	–	–	10,000,000
<b>Total</b>					142,000,000	–	–	–	142,000,000

Notes:

- These share options were granted on 22 July 2020. 30% of the granted share option would vest on 22 July 2021 and be exercisable from 22 July 2021 to 21 July 2030. Another 30% of the granted share options would vest on 22 July 2022 and be exercisable from 22 July 2022 to 21 July 2030. The remaining 40% of the granted share options would vest on 22 July 2023 and be exercisable from 22 July 2023 to 21 July 2030.
- Ms. Jiang Sisi is the Chief Operating Officer of the Kaisa Health and also the director of certain subsidiaries of the Kaisa Health. She is also the spouse of Mr. Wu Tianyu. As such, Ms. Jiang Sisi and Mr. Wu Tianyu were deemed or taken to be interested in the share options of each other for the purposes of the SFO. The aggregate family interest in share options is 30,000,000 as at 31 December 2023.

## REPORT OF THE DIRECTORS

### (4) Maximum entitlement of each Participant

Unless approved by the shareholders of Kaisa Health, the maximum number of Kaisa Health Shares in respect of which Kaisa Health Share Options may be granted under the Kaisa Health Share Option Scheme to each Eligible Kaisa Health Participant shall not, when aggregated with (a) any Kaisa Health Shares issued upon exercise of Kaisa Health Share Options granted under the Kaisa Health Share Option Scheme or options under the other schemes which have been granted to that Eligible Kaisa Health Participant; (b) any Kaisa Health Shares which would be issued upon the exercise of outstanding Kaisa Health Share Options granted under the Kaisa Health Share Option Scheme or options under the other schemes granted to that Eligible Kaisa Health Participant; and (c) any cancelled shares which were the subject of Kaisa Health Share Options granted under the Kaisa Health Share Option Scheme or options under the other schemes which had been granted to and accepted by that Eligible Kaisa Health Participant, in any 12-month period up to and including the date of grant of the Kaisa Health Share options shall not exceed 1% of the total number of Kaisa Health Shares in issue as at the date of grant.

### (5) Period within which the securities must be taken up under a Kaisa Health Share Option

The period within which the Kaisa Health Share Options must be exercised will be specified by Kaisa Health at the time of grant, provided that such period of time shall not exceed a period of ten years commencing on the date on which the Kaisa Health Share Option is deemed to be granted and accepted.

### (6) Payment on acceptance of Kaisa Health Share Option offer

The offer for the grant of options (the "Kaisa Health Offer") must be taken up within 14 days from the date of Kaisa Health Offer, with a payment of HK\$1.00 as consideration by the grantee.

### (7) Basis of determining the exercise price

The exercise price per Kaisa Health Share under the Kaisa Health Share Option Scheme is determined at the highest of (i) the average closing prices of Kaisa Health Shares as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the date of the Kaisa Health Offer; (ii) the closing price of Kaisa Health Shares as stated in the Stock Exchange's daily quotations sheet on the date of the Kaisa Health Offer; and (iii) the nominal value of the Kaisa Health Shares.

### (8) Remaining life of the Kaisa Health Share Option Scheme

The Kaisa Health Share Option Scheme will remain valid until 7 June 2025 after which no further Kaisa Health Share Options shall be offered. However, the provisions of the Kaisa Health Share Option Scheme shall in all other respects remain in full force and effect to the extent necessary to give effect to the exercise of any Kaisa Health Share Options granted prior thereto or otherwise as may be required in accordance with the provisions of this Kaisa Health Share Option Scheme and the Kaisa Health Share Options granted prior thereto but not yet exercised shall continue to be valid and exercisable in accordance with the Kaisa Health Share Option Scheme.

## REPORT OF THE DIRECTORS

### **Kaisa Capital Investment Holdings Limited**

Kaisa Capital Investment Holdings Limited (“**Kaisa Capital**”), the Group’s subsidiary engaged in construction equipment business and property development business, adopted a share option scheme (the “**Kaisa Capital Share Option Scheme**”) at the extraordinary general meeting of Kaisa Capital held on 30 July 2015 (the “**Kaisa Capital Share Option Scheme Adoption Date**”). A summary of the principal terms of the Kaisa Capital Share Option Scheme is set out as follows:

#### **(1) Purpose of the Kaisa Capital Share Option Scheme**

The purpose of the Kaisa Capital Share Option Scheme is to provide an incentive and/or a reward to eligible participants for their contribution to, and continuing efforts to promote the interest of Kaisa Capital.

#### **(2) Participants of the Kaisa Capital Share Option Scheme**

Participants of the Kaisa Capital Share Option Scheme include (a) full-time or part-time employees of Kaisa Capital (including any directors, whether executive or non-executive and whether independent or not, of Kaisa Capital); (b) any business or joint venture partners, contractors, agents or representatives, consultants, advisers, suppliers, producers or licensors, customers, licensees (including any sub-licensee) or distributors, landlords or tenants (including any sub-tenants) of Kaisa Capital; and (c) any person who, in the sole discretion of the board of directors of Kaisa Capital, has contributed or may contribute to Kaisa Capital (the “**Eligible Kaisa Capital Participants**”).

#### **(3) Total number of Kaisa Capital Shares available for issue under the Kaisa Capital Share Option Scheme**

The total number of shares of Kaisa Capital (the “**Kaisa Capital Share(s)**”) which may be issued upon exercise of all Kaisa Capital share options (“**Kaisa Capital Share Options**”) granted and yet to be exercised under the Kaisa Capital Share Option Scheme and other schemes of Kaisa Capital must not exceed 30% of the total number of the Kaisa Capital Shares in issue from time to time. The maximum number of Kaisa Capital Shares in respect of which Kaisa Capital Share Options may be granted under the Kaisa Capital Share Option Scheme and options under the other schemes of Kaisa Capital is 10% of the total number of Kaisa Capital Shares in issue on the Kaisa Capital Share Option Scheme Adoption Date (i.e. 30 July 2015). As at 31 December 2023, the maximum number of the Kaisa Capital Shares available for issue upon exercise of all Kaisa Capital Share Options which may be granted under the Kaisa Capital Share Option Scheme is 80,000,000 Kaisa Capital Shares, being 10% of the issued share capital of Kaisa Capital as at the Kaisa Capital Share Option Scheme Adoption Date, and represents approximately 7.55% of the issued share capital of the Kaisa Capital as at the date of the report.

No Kaisa Capital Share Options were granted under the Kaisa Capital Share Option Scheme since the Kaisa Capital Share Option Scheme Adoption Date and during the year ended 31 December 2023.

## REPORT OF THE DIRECTORS

### (4) Maximum entitlement of each Participant

Unless approved by the shareholders of Kaisa Capital, the maximum number of Kaisa Capital Shares in respect of which Kaisa Capital Share Options may be granted under the Kaisa Capital Share Option Scheme to each Eligible Kaisa Capital Participant shall not, when aggregated with (a) any Shares issued upon exercise of Kaisa Capital Share Options granted under the Kaisa Capital Share Option Scheme or options under the other schemes which have been granted to that Eligible Kaisa Capital Participant; (b) any Shares which would be issued upon the exercise of outstanding Kaisa Capital Share Options granted under the Kaisa Capital Share Option Scheme or options under the other schemes granted to that Eligible Kaisa Capital Participant; and (c) any cancelled shares which were the subject of Kaisa Capital Share Options granted under the Kaisa Capital Share Option Scheme or options under the other schemes which had been granted to and accepted by that Eligible Kaisa Capital Participant, in any 12-month period up to and including the date of grant of the options shall not exceed 1% of the total number of Shares in issue as at the date of grant.

In addition, approval taken on a poll in a general meeting from the shareholder of Kaisa Capital will be required where Kaisa Capital Share Options are proposed to be granted to a connected person who is also a substantial shareholder (as defined in the Listing Rules) of Kaisa Capital or an independent non-executive director of Kaisa Capital or their respective associates and if such grant would result in the total number of Kaisa Capital Shares issued and to be issued upon exercise of the Kaisa Capital Share Options granted and to be granted (including Kaisa Capital Share Options exercised, cancelled and outstanding) in any 12-month period up to and including the date of grant to such person representing in aggregate over 0.1% of the total number of Kaisa Capital Shares in issue and having an aggregate value, based on the closing price of the securities at the date of each grant, in excess of HK\$5 million. The grantee, his associates and all core connected persons of Kaisa Capital must abstain from voting in favour of the proposed grant at such general meeting.

### (5) Period within which the securities must be taken up under a Kaisa Capital Share Option

The period within which the Kaisa Capital Share Options must be exercised will be specified by Kaisa Capital at the time of grant, provided that such period of time shall not exceed a period of ten years commencing on the date on which the Kaisa Capital Share Option is deemed to be granted and accepted.

### (6) Payment on acceptance of Kaisa Capital Share Option offer

The offer for the grant of options (the “**Kaisa Capital Offer**”) must be taken up within 21 days from the date of Kaisa Capital Offer, with a payment of HK\$10.00 as consideration by the grantee.

### (7) Basis of determining the subscription price

The subscription price per Kaisa Capital Share under the Kaisa Capital Share Option Scheme is determined by the Board but shall not be less than the highest of (i) the closing price of the Kaisa Capital Shares as stated in the Stock Exchange’s daily quotations sheet on the date of Kaisa Capital Offer (the “**Kaisa Capital Offer Date**”), which must be a business day; (ii) the average of the closing prices of the Kaisa Capital Shares as stated in the Stock Exchange’s daily quotations sheets for the five business days immediately preceding the Kaisa Capital Offer Date; and (iii) the nominal value of the Kaisa Capital Share.

### (8) Remaining life of the Kaisa Capital Share Option Scheme

The Kaisa Capital Share Option Scheme will remain valid until 29 July 2025 after which no further Kaisa Capital Share Options shall be offered. However, the provisions of the Kaisa Capital Share Option Scheme shall in all other respects remain in full force and effect to the extent necessary to give effect to the exercise of any Kaisa Capital Share Options granted prior thereto or otherwise as may be required in accordance with the provisions of this Kaisa Capital Share Option Scheme and the Kaisa Capital Share Options granted prior thereto but not yet exercised shall continue to be valid and exercisable in accordance with the Kaisa Capital Share Option Scheme.



## REPORT OF THE DIRECTORS

### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SECURITIES

#### Directors' and Chief Executive's Interests in Securities

As at 31 December 2023, the interests and short positions of Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code to be notified to the Company and the Stock Exchange were as follows:

(i) Long/short positions in the Shares:

Name of Company	Name of Director	Number of ordinary Shares held				Total	Approximate percentage of the total number of shares in issue
		Personal Interest	Family Interest	Interest in controlled corporation	Interest in trust		
Kaisa Group Holdings Ltd.	KWOK Ying Shing	–	1,617,000 (L)	819,506,003 (L) (Note 1)	970,533,735 (L) (Note 2)	1,791,656,738 (L)	25.54%
	MAI Fan	238,000 (L)	–	–	–	238,000 (L)	0.00%
	ZHANG Yizhao	7,600,000 (L)	–	–	–	7,600,000 (L)	0.11%
Kaisa Prosperity Holdings Limited	KWOK Ying Shing	–	–	258,250 (L)	–	258,250 (L)	0.17%
Kaisa Health Group Holdings Limited	KWOK Ying Shing	–	2,020,000	308,000,000 (L)	–	310,020,000 (L)	6.15%
Kaisa Capital Investment Holdings Limited	KWOK Ying Shing	–	275,600,000	–	–	275,600,000	26.0%

Notes:

- For further details, please refer to Note 2 to the table under the section headed "SUBSTANTIAL SHAREHOLDERS".
- For further details, please refer to Note 3 to the table under the section headed "SUBSTANTIAL SHAREHOLDERS".
- The percentages were calculated based on Shares in issue of the corresponding entity as at 31 December 2023.

## REPORT OF THE DIRECTORS

## (ii) Long positions in the underlying Shares:

Name of Director	Capacity	Number of underlying Shares	Approximate percentage of the issued share capital of the Company (Note) %
SUN Yuenan	Beneficial owner	30,972,814	0.44%
MAI Fan	Beneficial owner	10,324,271	0.15%
LI Haiming	Beneficial owner	7,226,990	0.10%
RAO Yong	Beneficial owner	1,445,398	0.02%
ZHANG Yizhao	Beneficial owner	1,445,398	0.02%
LIU Xuesheng	Beneficial owner	1,238,913	0.02%

## Note:

Each of the directors is deemed to be interested in the underlying shares of the Company within the meaning of Part XV of the SFO in respect of the share options of the Company granted to him. Further details are set out in the sections headed "THE 2019 SHARE OPTION SCHEME" and "THE NEW SHARE OPTION SCHEME" of this report.

The percentages were calculated based on 7,015,468,487 Shares in issue as at 31 December 2023, assuming all the options granted under the Share Option Scheme have been exercised.

Save for those disclosed above, as at 31 December 2023, none of the Directors or chief executive had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code to be notified to the Company and the Stock Exchange.

**ARRANGEMENTS TO ACQUIRE SHARES OR DEBENTURES**

Other than the Share Option Schemes as set out in note 42 to the consolidated financial statements, at no time during the year was the Company, its holding company, or any of its subsidiaries, a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

**DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS OF SIGNIFICANCE**

Other than as disclosed in note 14 to the consolidated financial statements, no transaction, arrangements or contract of significance to which the Company, its holding company or their subsidiaries was a party and in which a Director or his/her connected entity had a material interest, whether directly or indirectly, subsisting at the end of the year or at any time during the year ended 31 December 2023.

## REPORT OF THE DIRECTORS

### CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS

No contracts of significance between the controlling shareholder of the Company or any of its subsidiaries and the Group was made during the year ended 31 December 2023.

### RELATED PARTY TRANSACTIONS

Significant related party transactions entered by the Group for the year ended 31 December 2023 are set out in note 44 to the consolidated financial statements, which are in compliance with the requirements of the Listing Rules.

### REMUNERATION POLICY

The remuneration policy (which includes the payment of the emoluments to the employees) of the employees of the Group is set up by the Remuneration Committee on the basis of the employees' performance, qualifications and experiences. Details of the remuneration of the Directors are set out in note 14 to the consolidated financial statements, having regard to the Company's operating results, individual performance of the Directors and senior management and comparable market statistics. The Company has adopted the Share Option Scheme as an incentive to Directors and eligible employees, details of the Share Option Scheme are set out in the report of the Directors and note 42 to the consolidated financial statements.

### MAJOR CUSTOMERS AND SUPPLIERS

During the year, the Group purchased less than 30% of its goods and services from its 5 largest suppliers and sold less than 30% of its goods and services to its 5 largest customers.

At no time during the year ended 31 December 2023, none of the Director, their close associate or a shareholder of the Company (who to the knowledge of the Directors own more than 5% of the Company's issued share capital) have any interest in any of the Group's five largest suppliers or customers.

### SUBSTANTIAL SHAREHOLDERS

As at 31 December 2023, so far as the Directors were aware, persons other than the Directors or chief executive of the Company, who had interests or a short position in the Shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO are set out as follows:

Name of substantial shareholder	Capacity	Number of shares (Note 1)	Approximate percentage of the issued share capital of the Company (%)
Da Chang Investment Company Limited ("Da Chang")	Beneficial owner	819,506,003 (L) (Note 2)	11.68%
Da Feng Investment Company Limited ("Da Feng")	Beneficial owner	970,533,735 (L) (Note 3)	13.83%
BEA Trustees	Trustee	970,533,735 (L) (Note 3)	13.83%
Da Zheng Investment Company Limited	Beneficial owner	963,503,287 (L)	13.73%
Funde Sino Life Insurance Co., Ltd.	Beneficial owner	649,700,957 (L)	21.92%
	Interest in a controlled corporation	887,995,149 (L) (Note 4)	
Fund Resources Investment Holding Group Company Limited	Beneficial owner	887,995,149 (L)	12.66%

## REPORT OF THE DIRECTORS

Notes:

1. The letter “L” denotes the person’s long position in the Shares and the letter “S” denotes the person’s short position in the Shares.
2. Da Chang is wholly owned by Mr. Kwok Ying Shing.
3. Da Feng is wholly owned by Xingsheng Asia Limited, which is in turn wholly owned by Hongyi Asia Limited, which is in turn wholly owned by Junjia Enterprises Corporation. Junjia Enterprises Corporation is wholly owned by BEA Trustees. BEA Trustees is the trustee of 970,533,735 Shares under a family trust of which Mr. Kwok Ying Shing is the founder and a beneficiary of the trust.
4. 887,995,149 Shares were held by Fund Resources Investment Holding Group Company Limited, which was wholly owned by Funde Sino Life Insurance Co., Ltd. as at 31 December 2023. By virtue of SFO, Funde Sino Life Insurance Co., Ltd. is deemed to be interested in Shares held by Fund Resources Investment Holding Group Company Limited.
5. The percentage were calculated based on 7,015,468,487 shares in issue as at 31 December 2023.

Save for those disclosed above, as at 31 December 2023, to the best of the Directors’ knowledge, no other persons had any interests or short positions in the Shares or underlying Shares of the Company as recorded in the register required to be kept under section 336 of the SFO.

### PERMITTED INDEMNITY PROVISION

Under the Articles, every Director or other officers of the Company acting in relation to any of the affairs of the Company shall be entitled to be indemnified against all actions, costs, charges, losses, damages and expenses which he/she may incur or sustain in or about the execution of his/her duties in his/her office.

### MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended 31 December 2023.

### PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles, or the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

### ENVIRONMENTAL PROTECTION

As a responsible developer, the Group has endeavoured to comply with laws and regulations regarding environmental protection and adopted effective environmental measures to ensure that the conducting of the Group’s business meets the applicable local standards and ethics in respect of environmental protection. The Group puts great emphasis in environmental protection and sustainable development. Through the establishment of an ever-improving management system, enhancement on procedure monitoring, energy conservation and environment protection were strongly promoted, leading to the remarkable achievement of environmental management.

### COMPLIANCE WITH LAWS AND REGULATIONS

Compliance procedures have been enhanced to ensure adherence to applicable laws, rules and regulations in particular, those have significant impact on the Group. The Audit Committee is delegated by the Board to monitor the Group’s policies and practices on compliance with legal and regulatory requirements and such policies are regularly reviewed. Any changes in the applicable laws, rules and regulations are brought to the attention of relevant employees and relevant operation units from time to time. As far as the Company is aware, the Group has complied in material respects with the relevant laws and regulations which have a significant impact on the business and operations of the Company during the year ended 31 December 2023.

### KEY RELATIONSHIPS WITH THE GROUP’S STAKEHOLDERS

#### Workplace Quality

The Group believes that the directors, senior management and employees of the Group are instrumental to the success of the Group and that their industry knowledge and understanding of the market will enable the Group to maintain the competitiveness in the market. As such, the Share Option Scheme was adopted by the Company for the purpose of providing incentives and rewards to the Eligible Participants (as defined above) who contributed to the success of the Group’s operations.

## REPORT OF THE DIRECTORS

The Group provides on-the-job training and development opportunities to enhance its employees' career progression. Through different trainings, staff's professional knowledge in corporate operations, occupational and management skills are enhanced. The Group also organised staff-friendly activities for employees, such as annual dinner, to promote staff relationship.

The Group provides on providing a safe, effective and congenial working environment. Adequate arrangements, trainings and guidelines are implemented to ensure the working environment is healthy and safe. The Group provided health and safety communications for employees to present the relevant information and raise awareness of occupational health and safety issues. The Group values the health and well-being of its staff. In order to provide employees with health coverage, its employees are entitled to medical insurance benefits.

### Relationships with the Group's other stakeholders

The Group placed efforts in maintaining good relationships various financial institutions and banks given that the Group's business is capital intensive and require on-going funding for the development and growth of the Group's business. Further, the Group aims at delivering constantly high standards of quality in the products to its customers in order to stay competitive. Save as disclosed in this report, the Directors are not aware of any material and significant dispute between the Group and its financial institutions and/or customers during the year ended 31 December 2023.

### SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, it is confirmed that there is sufficient public float of at least 25% of the Company's issued shares as at the date of this report.

### AUDITOR

Grant Thornton Hong Kong Limited had resigned as the auditor of the Company with effect from 27 June 2022. Elite Partners CPA Limited has been appointed as the new auditor of the Company with effect from 27 June 2022 to fill the casual vacancy following the resignation of Grant Thornton Hong Kong Limited and to hold office until the conclusion of the next annual general meeting of the Company.

The consolidated financial statements for the year ended 31 December 2023 were audited by Elite Partners CPA Limited. A resolution to re-appoint Elite Partners CPA Limited as auditor of the Company will be proposed at the forthcoming AGM.

### PROFESSIONAL TAX ADVICE RECOMMENDED

The Company is not aware of any tax relief or exemption available to the shareholders of the Company by reason of their respective holding of the Company's securities. If the shareholders of the Company are unsure about the taxation implications of purchasing, holding, disposing of, dealing in, or the exercise of any rights in relation to the shares of the Company, they are advised to consult an expert.

### Directors' Interests in Competing Business

None of the Directors is or was interested in any business apart from the Group's business, that competes or competed or is or was likely to compete, either directly or indirectly, with the Group's business at any time during the year ended 31 December 2023 and up to and including the date of this annual report.

On behalf of the Board

**KWOK Ying Shing**

*Chairman*

Hong Kong, 28 March 2024



# INDEPENDENT AUDITOR'S REPORT



## TO THE MEMBERS OF KAISA GROUP HOLDINGS LIMITED

*(Incorporated in Bermuda with limited liability)*

### OPINION

We have audited the consolidated financial statements of Kaisa Group Holdings Ltd. (the "Company") and its subsidiaries (the "Group") set out on pages 111 to 252, which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### BASIS FOR OPINION

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

### MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 2.2 to the consolidated financial statements that the Group incurred a loss attributable to owners of the Company of approximately RMB19,932,153,000 for the year ended 31 December 2023 and as of that date, the Group had net current liabilities of RMB25,442,904,000, and the Group's current portion of interest-bearing bank and other borrowings amounted to RMB117,051,570,000, while its current portion of unrestricted cash bank balances and cash equivalents amounted to RMB994,771,000. Further, as at 31 December 2023, the Group had not repaid certain borrowings in aggregate principal amount according to their scheduled repayment dates as described in note 31 to the consolidated financial statements. These conditions along with the current situation as set forth in note 2.2, which indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

## INDEPENDENT AUDITOR'S REPORT

### KEY AUDIT MATTERS (Continued)

Key audit matter	How our audit addressed the Key Audit Matter
<p><b>Valuation of properties under development and completed properties held for sale</b></p> <p>Refer to note 5 regarding critical accounting estimates and judgements, note 23 regarding properties under development and note 24 regarding completed properties held for sale to the consolidated financial statements.</p> <p>As at 31 December 2023, the Group had properties under development and completed properties held for sale ("properties") amounting to RMB71,497,787,000 and RMB20,484,100,000, respectively, which in total represented approximately 40% of the total assets of the Group. Given the significant balance of properties under development and completed properties held for sale and the involvement of critical accounting estimates, the impairment assessment of these properties is considered as a key audit matter.</p> <p>These properties are carried at the lower of cost and net realisable value. Significant management judgement is required in determining the estimated net realisable values of these properties with reference to the latest selling prices of the properties and the budgeted costs to be incurred until completion and sale.</p> <p>Based on the management's analysis of the net realisable value of the properties, write-down of approximately RMB3,275,982,000 were charged to profit or loss for the year ended 31 December 2023.</p>	<p>We understood and evaluated the management's procedures on identifying properties for which the net realisable values may be lower than their carrying amounts, including the methodologies and inputs used in the estimation of the net realisable values.</p> <p>Our procedures in relation to assessing the appropriateness of the valuation of these properties included:</p> <ul style="list-style-type: none"> <li>(i) testing the calculation for the impairment assessment performed by the management;</li> <li>(ii) assessing future costs to be incurred to completion on a sample basis;</li> <li>(iii) comparing the carrying amounts of the properties taking into account the estimated amounts to completion with the related net realisable value with regard to properties under development; and</li> <li>(iv) testing management's key estimates on a sample basis for selling price which is estimated based on prevailing market conditions. We compared the estimated selling price to the recent market transactions by reference to the Group's selling prices of pre-sale units in the same project or the prevailing market price of the comparable properties with similar type, size and location.</li> </ul>
<p><b>Valuation of investment properties</b></p> <p>Refer to note 5 regarding critical accounting estimates and judgements, note 2.10 regarding accounting policy of investment properties and note 17 of investment properties to the consolidated financial statements.</p> <p>As at 31 December 2023, the Group had investment properties amounting to RMB9,016,710,000. The involvement of critical accounting estimates, the valuation of the investment properties is considered as a key audit matter.</p> <p>The estimate of the fair value of the Group's investment properties requires significant management judgement taking into account the conditions and locations of the properties as well as the latest market transactions. To support the management's determination of the fair value, the Group has engaged an external valuer to perform valuations on the investment properties at the reporting date. Different valuation techniques were applied to different types of investment properties.</p>	<p>We evaluated the independence, competence and relevant experience of the external valuer engaged by the Company.</p> <p>We also assessed the scope of the valuations, critical judgements and data used in the valuations and evaluated the methodology and assumptions used.</p> <p>In addition, we evaluated the source data used in the valuations by benchmarking them to relevant market information.</p>

## INDEPENDENT AUDITOR'S REPORT

## KEY AUDIT MATTERS (Continued)

Key audit matter	How our audit addressed the Key Audit Matter
<p><b>Valuation of interests in associates and joint ventures</b></p> <p>Refer to note 5 regarding critical accounting estimates and judgements, note 19 regarding investments in associates and note 20 regarding investments in joint ventures to the consolidated financial statements. We identified the valuation of investments in associates and joint ventures as a key audit matter due to the significance of the Group's interests in associates and joint ventures in the context of the Group's consolidated financial statements, combined with the judgements involved in the management's impairment assessment of the investments in associates and joint ventures, in particular, the future prospects of each associate and joint venture.</p> <p>As at 31 December 2023, the carrying amounts of investments in associates and joint ventures amounting to RMB22,254,794,000 and RMB8,450,839,000 respectively.</p> <p>As disclosed in notes 19 and 20 to the consolidated financial statements, investments in associates and joint ventures are carried in the consolidated statement of financial position at cost and adjusted for post-acquisition changes in the Group's share of the net assets of the associates and joint ventures, less accumulated impairment in the values of individual investments. As such, the Group is required to assess at each reporting date whether there is any indication that the carrying amounts of interests in associates and joint ventures may be impaired. For those associates and joint ventures in which such indication exists, the Group assessed the carrying amounts for impairment.</p> <p>Based on the management analysis, impairment loss on investment in associate of RMB397,030,000 has recognised in the profit or loss.</p>	<p>Our procedures in relation to the valuation of investments in associates and joint ventures included:</p> <ul style="list-style-type: none"> <li>• assessing the appropriateness of the management's accounting for investments in associates and joint ventures;</li> <li>• understanding the management's process for identifying the existence of impairment indicators in respect of the interests in associates and joint ventures and evaluating the effectiveness of such process;</li> <li>• where indicators of impairment have been identified, assessing the reasonableness of the recoverable amount of each of the relevant associates and joint ventures and obtaining an understanding from management of their financial position and future development plan; and</li> <li>• assessing the reasonableness of key inputs and assumptions used by the management in their estimation of recoverable amounts, including projections of cash flows, growth rates and discount rates applied; and comparing cash flow projections to supporting evidence, such as budgets, and evaluating the reasonableness of these budgets with reference to the future prospects of the associates and joint ventures as well as our knowledge of the industry and business.</li> </ul>

## INDEPENDENT AUDITOR'S REPORT

### OTHER INFORMATION

The directors are responsible for the other information. The other information comprises all the information included in the 2023 annual report of the Company, but does not include the consolidated financial statements and our auditor's report thereon.

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

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

### RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are assisted by the audit committee in discharging their responsibility for overseeing the Group's financial reporting process.

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

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

## INDEPENDENT AUDITOR'S REPORT

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

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

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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



## INDEPENDENT AUDITOR'S REPORT

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

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

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

The engagement partner on the audit resulting in this independent auditor's report is Yip Kai Yin with Practising Certificate number P07854.

#### **Elite Partners CPA Limited**

*Certified Public Accountants*

28 March 2024

Level 23, YF Life Tower

33 Lockhart Road

Wan Chai, Hong Kong

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2023

	Notes	2023 RMB'000	2022 RMB'000
<b>Revenue</b>	6	<b>26,158,767</b>	25,390,022
Cost of sales	7	<b>(24,460,265)</b>	(21,997,576)
<b>Gross profit</b>		<b>1,698,502</b>	3,392,446
Other gains and losses, net	8	<b>(7,802,732)</b>	(8,881,629)
Selling and marketing costs	7	<b>(591,952)</b>	(568,666)
Administrative expenses	7	<b>(1,901,110)</b>	(2,620,064)
Net fair value loss of investment properties	17	<b>(408,900)</b>	(232,508)
Net loss on disposals of subsidiaries	41(a)	<b>(619,793)</b>	(68,721)
Net loss on deemed disposals of subsidiaries	41(b)	–	(678,692)
Provision for expected credit losses	8	<b>(4,701,719)</b>	(1,011,958)
<b>Operating loss</b>		<b>(14,327,704)</b>	(10,669,792)
Share of results of associates		<b>(2,919,188)</b>	(619,919)
Share of results of joint ventures	20	<b>288,216</b>	(113,133)
Finance income	9	<b>48,751</b>	286,165
Finance costs	9	<b>(1,785,323)</b>	(1,795,311)
<b>Finance costs, net</b>	9	<b>(1,736,572)</b>	(1,509,146)
<b>Loss before income tax</b>		<b>(18,695,248)</b>	(12,911,990)
Income tax expenses	10	<b>(1,006,350)</b>	(99,936)
<b>Loss for the year</b>		<b>(19,701,598)</b>	(13,011,926)
<b>(Loss)/Profit for the year attributable to:</b>			
Owners of the Company		<b>(19,932,153)</b>	(13,064,558)
Non-controlling interests		<b>230,555</b>	52,632
		<b>(19,701,598)</b>	(13,011,926)
<b>Loss per share for loss attributable to owners of the Company (expressed in RMB per share)</b>			
– Basic	12(a)	<b>(2.841)</b>	(1.883)
– Diluted	12(b)	<b>(2.841)</b>	(1.883)

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2023

	Notes	2023 RMB'000	2022 RMB'000
<b>Loss for the year</b>		<b>(19,701,598)</b>	(13,011,926)
<b>Other comprehensive (expenses)/income, including reclassification adjustments</b>			
<i>Items that will be reclassified subsequently to profit or loss</i>			
Share of other comprehensive (expense)/income of associates		<b>(2,602)</b>	60
Reclassification of cumulative translation reserve upon disposal of a foreign operation	41(a)	<b>9,462</b>	—
Exchange differences on translation of foreign operations		<b>17,256</b>	18,030
<b>Other comprehensive income for the year, including reclassification adjustments</b>		<b>24,116</b>	18,090
<b>Total comprehensive expenses for the year</b>		<b>(19,677,482)</b>	(12,993,836)
<b>Total comprehensive (expenses)/income for the year attributable to:</b>			
Owners of the Company		<b>(19,916,594)</b>	(13,049,239)
Non-controlling interests		<b>239,112</b>	55,403
		<b>(19,677,482)</b>	(12,993,836)

The notes on pages 119 to 252 are an integral part of these consolidated financial statements.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended 31 December 2023

	Notes	2023 RMB'000	2022 RMB'000
<b>Non-current assets</b>			
Property, plant and equipment	15	5,029,514	4,456,386
Right-of-use assets	16	598,175	574,378
Investment properties	17	9,016,710	9,452,400
Land use rights	18	379,176	395,098
Investments in associates	19	22,254,794	25,155,266
Investments in joint ventures	20	8,450,839	8,166,590
Financial assets at fair value through profit or loss	21	4,562,844	6,359,654
Goodwill and intangible assets	22	939,729	974,984
Debtors, deposits and other receivables	25	28,608	26,553
Deferred tax assets	33	1,362,966	1,509,410
Total non-current assets		52,623,355	57,070,719
<b>Current assets</b>			
Properties under development	23	71,497,787	91,871,852
Completed properties held-for-sale	24	20,484,100	16,465,066
Inventories		378,757	347,600
Debtors, deposits and other receivables	25	44,486,906	52,575,325
Deposits for land acquisition	26	2,425,322	226,434
Prepayments for proposed development projects	27	36,555,406	38,581,706
Prepaid tax		–	519,266
Restricted bank balances and cash	28	2,406,284	3,713,407
Financial assets at fair value through profit or loss	21	967,978	904,837
Cash and bank balances	28	994,771	2,067,642
Total current assets		180,197,311	207,273,135
<b>Current liabilities</b>			
Contract liabilities	29	20,325,482	36,629,118
Accrued construction costs		8,695,203	12,409,696
Income tax payable		12,958,433	12,569,282
Lease liabilities	30	135,416	127,418
Borrowings	31	117,051,570	109,892,414
Other payables	32	46,474,111	30,091,531
Total current liabilities		205,640,215	201,719,459
<b>Net current (liabilities)/assets</b>		<b>(25,442,904)</b>	5,553,676
<b>Total assets less current liabilities</b>		<b>27,180,451</b>	62,624,395

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended 31 December 2023

	Notes	2023 RMB'000	2022 RMB'000
<b>Non-current liabilities</b>			
Lease liabilities	30	441,389	467,704
Borrowings	31	16,572,447	24,275,535
Other payables	32	5,876	18,548
Deferred tax liabilities	33	2,436,384	2,617,644
<b>Total non-current liabilities</b>		<b>19,456,096</b>	27,379,431
<b>Net assets</b>			
		<b>7,724,355</b>	35,244,964
<b>Equity</b>			
Share capital	34	613,530	613,530
Share premium	34	6,376,801	6,376,801
Perpetual capital securities	35	1,350,054	1,350,054
Reserves	36	(20,389,495)	(477,548)
<b>Equity attributable to owners of the Company</b>		<b>(12,049,110)</b>	7,862,837
<b>Non-controlling interests</b>		<b>19,773,465</b>	27,382,127
<b>Total equity</b>		<b>7,724,355</b>	35,244,964

The financial statements on pages 111 to 118 were approved by the board of directors on 28 March 2024 and were signed on its behalf by:

**Kwok Ying Shing**  
Director

**Mai Fan**  
Director

The notes on pages 119 to 252 are an integral part of these consolidated financial statements.



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2023

	Attributable to owners of the Company					Non-controlling interests	Total equity
	Share capital	Share premium	Perpetual capital securities	Reserves	Sub-total		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balances as at 31 December 2021 and 1 January 2022	613,530	6,376,801	1,350,054	12,690,673	21,031,058	38,050,958	59,082,016
Profit/(Loss) for the year	–	–	148,289	(13,212,847)	(13,064,558)	52,632	(13,011,926)
Other comprehensive income for the year	–	–	–	15,319	15,319	2,771	18,090
Total comprehensive income/ (expenses) for the year	–	–	148,289	(13,197,528)	(13,049,239)	55,403	(12,993,836)
Acquisitions of subsidiaries (note 40)	–	–	–	–	–	(391,317)	(391,317)
Net increase in non-controlling interests without passing and losing on control of subsidiary	–	–	–	–	–	210,505	210,505
Net decrease in non-controlling interests arising from loss of control of subsidiaries	–	–	–	–	–	(10,521,685)	(10,521,685)
Distribution payable on perpetual capital securities	–	–	(148,289)	–	(148,289)	–	(148,289)
Dividend paid to non-controlling interests of subsidiaries	–	–	–	–	–	(21,737)	(21,737)
Share-based payments (note 42)	–	–	–	29,307	29,307	–	29,307
<b>Balance as at 31 December 2022</b>	<b>613,530</b>	<b>6,376,801</b>	<b>1,350,054</b>	<b>(477,548)</b>	<b>7,862,837</b>	<b>27,382,127</b>	<b>35,244,964</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2023

	Attributable to owners of the Company					Non-controlling interests RMB'000	Total equity RMB'000
	Share capital RMB'000	Share premium RMB'000	Perpetual Capital Securities RMB'000	Reserves RMB'000	Sub-total RMB'000		
Balance as at 31 December 2022 and 1 January 2023	613,530	6,376,801	1,350,054	(477,548)	7,862,837	27,382,127	35,244,964
(Loss)/Profit for the year	–	–	–	(19,932,153)	(19,932,153)	230,555	(19,701,598)
Other comprehensive income for the year	–	–	–	15,559	15,559	8,557	24,116
Total comprehensive (expense)/ income for the year	–	–	–	(19,916,594)	(19,916,594)	239,112	(19,677,482)
Acquisitions of subsidiaries (note 40)	–	–	–	–	–	51,244	51,244
Net increase in non-controlling interests without passing and losing on control of subsidiary	–	–	–	(1,158)	(1,158)	914	(244)
Net decrease in non-controlling interests arising from loss of control of subsidiaries	–	–	–	–	–	(83,593)	(83,593)
Deregistration of subsidiaries	–	–	–	–	–	(7,761,600)	(7,761,600)
Dividend paid to non-controlling interests of subsidiaries	–	–	–	–	–	(54,739)	(54,739)
Share-based payments (note 42)	–	–	–	5,805	5,805	–	5,805
<b>Balance as at 31 December 2023</b>	<b>613,530</b>	<b>6,376,801</b>	<b>1,350,054</b>	<b>(20,389,495)</b>	<b>(12,049,110)</b>	<b>19,773,465</b>	<b>7,724,355</b>

The notes on pages 119 to 252 are an integral part of these consolidated financial statements.

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2023

	Notes	2023 RMB'000	2022 RMB'000
<b>Cash flows from operating activities</b>			
Cash generated from/(used in) operations	37(a)	<b>315,523</b>	(4,613,605)
Income tax paid		<b>(304,423)</b>	(421,146)
Interest paid		<b>(370,278)</b>	(1,225,127)
<i>Net cash used in operating activities</i>		<b>(359,178)</b>	(6,259,878)
<b>Cash flows from investing activities</b>			
Additions to property, plant and equipment	15	<b>(73,646)</b>	(74,596)
Additions to investment properties	17	–	(67,408)
Additions to land use rights	18	<b>(900)</b>	–
Additions to intangible assets	22	<b>(2,000)</b>	(453)
Acquisitions of financial assets at FVTPL		–	(340,764)
Acquisitions of subsidiaries, net of cash acquired	40(a)	<b>25</b>	393,950
Increase in amounts due from associates		<b>(348,521)</b>	(4,985,435)
Decrease in amounts due from joint ventures		<b>59,301</b>	3,580,949
Increase in amounts due from non-controlling interest of a subsidiary		<b>(421,498)</b>	(20,807)
Decrease in short-term bank deposits		–	1,500,000
Decrease in long-term bank deposits		–	700,000
Capital injection to joint ventures	20	–	(9,000)
Capital injection to associates		–	(4,900)
Cash (outflow)/inflow from disposals of subsidiaries	41(a)	<b>(6,149)</b>	151,464
Cash outflow from deemed disposals of subsidiaries		–	(89,447)
Dividend income received from financial assets at FVTPL	8	–	16,062
Interest received		<b>48,751</b>	286,165
Decrease in consideration payables related to acquisitions of associate and joint venture		–	(33,272)
Decrease in consideration payables related to acquisitions of subsidiaries		<b>(44,702)</b>	(62,303)
Proceed from disposals of investment properties		<b>26,790</b>	–
Proceeds from disposals of financial assets at FVTPL		<b>96,839</b>	810,616
Proceeds from disposals of property, plant and equipment	37(a)	<b>61,339</b>	269,107
<i>Net cash (used in)/generated from investing activities</i>		<b>(604,371)</b>	2,019,928

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2023

	Notes	2023 RMB'000	2022 RMB'000
<b>Cash flows from financing activities</b>			
Capital injection by non-controlling interests		914	401
Decrease in amounts due to associates		(155,714)	(677,173)
Increase in amounts due to joint ventures		470,124	352,627
Decrease in restricted cash relating to borrowings		78,408	5,681,770
Increase/(Decrease) in amounts due to non-controlling interests of subsidiaries		2,701	(124,201)
Proceeds from bank and other borrowings		1,587,104	1,826,431
Payment of lease liabilities	37(b)	(87,881)	(75,701)
Repayments of bank and other borrowings		(2,040,061)	(3,794,529)
Dividend paid to non-controlling interests of subsidiaries		(54,739)	(21,737)
<i>Net cash (used in)/generated from financing activities</i>		<b>(199,144)</b>	3,167,888
<b>Net decrease in cash and cash equivalents</b>			
Cash and cash equivalents at the beginning of the year		2,067,642	3,060,184
Exchange adjustments		89,822	79,520
<b>Cash and cash equivalents at the end of the year, represented by cash and bank balances</b>		<b>994,771</b>	2,067,642

The notes on pages 119 to 252 are an integral part of these consolidated financial statements.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

## 1. GENERAL INFORMATION

Kaisa Group Holdings Limited (the “Company”) was incorporated in the Cayman Islands on 2 August 2007 as an exempted company with limited liability under the Companies Law, Cap. 22 (2009 Revision as consolidated and revised from time to time) of the Cayman Islands.

The address of the registered office and principal place of business of the Company are disclosed in the “Corporate Information” section to the annual report.

The Company is engaged in investment holding and its subsidiaries (collectively, the “Group”) are principally engaged in property development, property investment, property management, hotel and catering operations, cultural centre operations and healthcare operations in the People’s Republic of China (the “PRC”).

The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

These consolidated financial statements are presented in Renminbi (“RMB”), which is also the currency of the primary economic environment in which most of the group entities operate (i.e. the functional currency of the Company and most of the entities comprising the Group), and all values are rounded to the nearest thousand (‘000) unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors of the Company on 28 March 2024.

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

### 2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and disclosure requirement of the Hong Kong Companies Ordinance. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets (including financial assets at fair value through profit or loss (“FVTPL”) and investment properties), which are carried at fair value.

The consolidated financial statements also comply with the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”).

The material accounting policies that have been used in the preparation of these consolidated financial statements are summarised below. These policies have been consistently applied to all the years presented unless otherwise stated. The adoption of new and amended HKFRSs and the impacts on the Group’s financial statements, if any, are disclosed in note 3.

It should be noted that accounting estimates and assumptions are used in preparation of the consolidated financial statements. Although these estimates are based on management’s best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 5.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

### 2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

#### 2.2 Going concern basis

For the year ended 31 December 2023, the Group incurred net loss of approximately RMB19,701,598,000. As at 31 December 2023, the Group's net current liabilities were amounted to approximately RMB25,442,904,000 and the Group's current liabilities (including those that had become default or cross-default or contain early demand clauses) were amounted to approximately RMB205,640,215,000.

In addition, as at 31 December 2023, the Group did not repay certain bank and other borrowings of approximately RMB68,475,643,000 according to their scheduled repayment dates. As a result, as at 31 December 2023, bank and other borrowings with the aggregate principal amount of approximately RMB105,641,934,000 had become default or cross-default. Subsequent to 31 December 2023, the Group did not repay certain other bank and other borrowings according to the scheduled repayment dates.

Moreover, as disclosed in the Company's announcement dated 8 March 2024, the High Court of the Hong Kong Special Administrative Region has granted the application of Citicorp International Limited ("Petitioner") regarding the winding-up petition of the Company in relation to the Company's non-payment of the 10.875% notes due in 2023 issued in outstanding principal amount of USD750,000,000 and accrued interests. The hearing of the petition has been adjourned to 29 April 2024.

These events or conditions indicate that material uncertainties exist that may cast significant doubt on the Group's ability to continue as a going concern. In view of such circumstances, the directors of the Company (the "Directors") have been given careful consideration to the future liquidity and performance of the Group and the Group's available sources of financing. The following plans and measures are formulated with the objective to mitigate the liquidity pressure of the Group:

- The Company has been actively working with its financial advisor, Houlihan Lokey (China) Limited, and legal advisor, Sidley Austin, to assess its current financial and operational conditions with a view to formulating a comprehensive solution that respects the rights of all stakeholders and unlocks the inherent value of the Group's business and assets as the onshore operating environment recovers over time. In this regard, the Company has been communicating and constructively engaging with certain holders of the senior notes and other debts issued by the Group and their financial advisors, and legal advisors, to facilitate the formulation of a consensual and holistic restructuring proposal for the Group's debts. As at the date when the consolidated financial statements were authorized for issue, no agreement has been reached;
- The Group will continue to implement measures to accelerate the pre-sales and sales of its properties under development and completed properties, and to speed up the collection of outstanding sales proceeds and other receivables. The Group will also continue to actively adjust sales and pre-sale activities to better respond to changing markets to achieve the latest budgeted sales and pre-sales volumes and amounts;
- The Group will continue to seek suitable opportunities to dispose of its equity interest in certain project development companies to generate additional cash inflows. The Group's properties are predominantly located in higher tier cities that make it relatively more attractive to potential buyers and retain a higher value in current market conditions; and
- The Group has been taking measures to control administrative costs and contain unnecessary capital expenditures to preserve liquidity. The Group will continue to actively assess additional measures to further reduce discretionary spending.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

### 2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

#### 2.2 Going concern basis (Continued)

The management believes that the purpose of the abovementioned winding-up petition used by the creditors are to facilitate the negotiation process of a comprehensive debt extension solution with the Group. In fact, the Group has been actively communicating and maintaining constructive dialogue with the ad hoc group of bondholders and their financial advisors, with the aim of facilitating the formulation of a practicable debt extension solution for the Group's offshore debts as soon as possible. The Directors believe that the Group will be able to reach agreements with its creditors regarding the debt restructuring for the Group's existing borrowings. The Directors have considered the Group's cash flow projections prepared by the management, which cover a period of not less than 12 months from the end of the reporting period. The Directors are of the opinion that, taking into account the above mentioned plans and measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations upon agreements with its creditors as and when they fall due in the foreseeable future. Accordingly, they are satisfied that it is appropriate to prepare the consolidated financial statements for the year ended 31 December 2023 on a going concern basis.

Notwithstanding the above, material uncertainties exist as to whether the Group is able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend upon the followings:

- (a) the successful renewal of its debts including bank and other borrowings and senior notes;
- (b) the successful and timely implementation of the plans to accelerate the pre-sale and sale of properties under development and completed properties, speed up the collection of outstanding sales proceeds and other receivables, and control costs and control capital expenditure so as to generate adequate net cash inflows; and
- (c) the successful disposal of assets when needed.

Should the Group be unable to operate as a going concern, adjustments would have to be made to write down the carrying amounts of the assets to their net recoverable amounts, to provide for any further liabilities that may arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effects of these adjustments have not been reflected in the consolidated financial statements of the Group for the year ended 31 December 2023.

#### 2.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to 31 December each year.

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. When assessing whether the Group has power over the entity, only substantive rights relating to the entity (held by the Group and others) are considered.

The Group includes the income and expenses of a subsidiary in the consolidated financial statements from the date it gains control until the date when the Group ceases to control the subsidiary.

Non-controlling interests represent the equity on a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at their proportionate share of the subsidiary's net identifiable assets.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

### 2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

#### 2.3 Basis of consolidation (Continued)

##### (i) Business combinations

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred to the former owners of the acquired business and the equity interests issued by the Group in exchange for control of the acquiree. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by HKFRSs.

Acquisition-related costs are expensed as incurred.

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

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

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

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

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

##### (iii) Disposal of subsidiaries

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

### 2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

#### 2.4 Company's statement of financial position

In the Company's statement of financial position, the investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

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

#### 2.5 Associates

An associate is an entity over which the Group has significant influence, which is the power to participate in the financial and operating policy decisions of the investee but is not control of these policy, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognising the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investments in associates include goodwill identified on acquisition. Upon the acquisition of the ownership interest in an associate, any difference between the cost of the associate and the Group's share of the net fair value of the associate's identifiable assets and liabilities is accounted for as goodwill.

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

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

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognising the amount in profit or loss included in "other gains or losses, net".

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

Gains or losses on dilution of equity interest in associates are recognised in profit or loss.

#### 2.6 Joint ventures

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

### 2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

#### 2.6 Joint ventures (Continued)

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. The Group's investments in joint ventures include goodwill identified on acquisition. Upon the acquisition of the ownership interest in a joint venture, any difference between the cost of the joint venture and the Group's share of the net fair value of the joint venture's identifiable assets and liabilities is accounted for as goodwill. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

#### 2.7 Segment reporting

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

#### 2.8 Foreign currency translation

##### (i) Functional and presentation currency

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

##### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. All foreign exchange gains and losses are presented in profit or loss on a net basis within "Other gains and (losses), net".

##### (iii) Group companies

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

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

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are taken into equity owners' equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in profit or loss as part of the gain or loss on sale.



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended 31 December 2023

**2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION** (Continued)**2.9 Property, plant and equipment**

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

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

Hotel properties	20-25 years
Land and buildings	20-40 years
Machinery	5 years
Motor vehicles	5-10 years
Furniture, fitting and equipment	3-8 years

**2.10 Investment properties**

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Properties and land use right that are currently being constructed or developed for future use as investment property is classified as investment property.

Investment properties also include leased properties which are being recognised as right-of-use assets under HKFRS 16 and subleased by the Group under operating leases.

Investment property is measured initially at its cost, including related cost directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour and other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalized borrowings costs.

After initial recognition, investment property is carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections.

Changes in fair values or the sale of an investment property are recognised in profit or loss in the period in which they arise.

If an investment property becomes an item of properties under development because of the change in use evidenced by the Group's commencement of further development of the property for sale, the property's deemed cost for subsequent accounting is its fair value at the date of change in use.

If an item of property, plant and equipment becomes an investment property because its use has been changed, any difference resulting between the carrying amount and the fair value of this item at the date of transfer is recognised in equity as a revaluation of property, plant and equipment under HKAS 16. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in profit or loss to the extent the impairment provision previous made.

**2.11 Land use rights**

The Group makes upfront payments to obtain land use rights (which meet the definition of right-of-use assets). The upfront payments of the land use rights are recorded as assets. The depreciation of land use rights is recognised as an expense on a straight-line basis over the unexpired period of the land use rights.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

### 2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

#### 2.12 Intangible assets and goodwill

(i) **Contracts with sports players**

Separately acquired contracts with sports players are shown at historical cost. Costs of contracts with sports players are initially recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using the straight-line method ranged from one to five years.

The assets' amortisation methods and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

(ii) **Trademarks and patent, customer relationship, technology, distribution network and other intangible assets**

Trademarks and patent, customer relationship, technology, distribution network and other intangible assets acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using the straight-line method ranged from five to eleven years over the expected life of these intangible assets.

The assets' amortisation methods and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

(iii) **Goodwill**

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (i.e. the acquisition date). Goodwill is measured as the excess of the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the Group's interest in the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

Goodwill is stated at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units and is tested annually for impairment.

On subsequent disposal of a subsidiary, the attributable amount of goodwill capitalised is included in the determination of the amount of gain or loss on disposal.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended 31 December 2023

**2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION** (Continued)**2.13 Impairment of non-financial assets (other than contract assets)**

The following assets are subject to impairment testing:

- goodwill arising on business combinations;
- other intangible assets;
- property, plant and equipment;
- right-of-use assets;
- land use rights; and
- the Company's interests in subsidiaries, associates and joint ventures

Goodwill and other intangible assets with indefinite useful life or those not yet available for use are tested for impairment at least annually, irrespective of whether there is any indication that they are impaired. All other assets are tested for impairment whenever there are indications that the asset's carrying amount may not be recoverable.

An impairment loss is recognised as an expense immediately for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of fair value, reflecting market conditions less costs of disposal, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of time value of money and the risk specific to the asset.

For the purposes of assessing impairment, where an asset does not generate cash inflows largely independent from those from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e. a cash-generating unit). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Corporate assets are allocated to individual cash-generating units, when a reasonable and consistent basis of allocation can be identified, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified. Goodwill in particular is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which the goodwill is monitored for internal management purpose and not be larger than an operating segment.

Impairment losses recognised for cash-generating units, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the cash generating unit, except that the carrying value of an asset will not be reduced below its individual fair value less cost of disposal, or value in use, if determinable.

An impairment loss on goodwill is not reversed in subsequent periods. In respect of other assets, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the asset's recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Impairment losses recognised in an interim period in respect of goodwill, are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

### 2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

#### 2.14 Financial instruments

##### *Recognition and derecognition*

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all of its risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

##### *Financial assets*

##### *Classification and initial measurement of financial assets*

Except for those trade debtors that do not contain a significant financing component and are measured at the transaction price in accordance with HKFRS 15, all financial assets are initially measured at fair value, in case of a financial asset not at FVTPL, plus transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in the consolidated statement of profit or loss and other comprehensive income.

Financial assets are classified into the following categories:

- amortised cost;
- FVTPL; or
- fair value through other comprehensive income (“FVOCI”)

The classification is determined by both:

- the entity’s business model for managing the financial assets; and
- the contractual cash flow characteristics of the financial assets.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within “Finance costs, net” or “Other gains and (losses), net.”

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended 31 December 2023

**2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION** (Continued)**2.14 Financial instruments** (Continued)*Financial assets (Continued)**Subsequent measurement of financial assets**Debt investments*Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. Interest income from these financial assets is included in finance income in profit or loss. The Group's debtors, deposits and other receivables (excluding prepayments and prepaid other taxes), restricted bank balances and cash, short-term bank deposits, long-term bank deposits and cash and bank balances fall into this category of financial instruments.

Financial assets at FVTPL

Assets that do not meet the criteria for amortised cost or financial assets at FVOCI are categorised and measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL and is not part of a hedging relationship is recognised in profit or loss and presented net in the consolidated statement of profit or loss and other comprehensive income within "Other gains and (losses), net" in the period in which it arises. Interest income from these financial assets is included in the "Finance costs, net" in profit or loss.

Equity investments

Investments in equity instruments are classified as FVTPL unless these equity instruments are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

Dividends from these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "Other gains and (losses), net" in profit or loss.

*Financial liabilities and equity**Classification and measurement of financial liabilities*

The Group's financial liabilities include accrued construction cost, lease liabilities, borrowings and other payables (excluding deed tax and other tax payables and deposits received).

Financial liabilities (other than lease liabilities) are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at FVTPL.

Subsequently, financial liabilities (other than lease liabilities) are measured at amortised cost using the effective interest method except for derivatives designated at FVTPL, which are carried subsequently at fair value with "Other gains or (losses), (net)" recognised in profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within "Finance costs, net" in profit or loss.

Accounting policies of lease liabilities are set out in note 2.27.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

### 2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

#### 2.14 Financial instruments *(Continued)*

##### Financial liabilities and equity *(Continued)*

##### *Classification and measurement of financial liabilities* *(Continued)*

##### Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Fees paid to the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that part or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility which it relates.

Borrowings are removed from the consolidated statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as finance costs.

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

##### Accrued construction cost and other payables

Accrued construction cost and other payables are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest method.

##### Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended 31 December 2023

**2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION** (Continued)**2.15 Impairment of financial assets**

HKFRS 9's impairment requirements use forward-looking information to recognise expected credit losses ("ECL") – the "ECL model". Instruments within the scope included loans and other debt-type financial assets measured at amortised cost and trade debtors recognised and measured under HKFRS 15.

The Group considers a broader range of information when assessing credit risk and measuring ECL, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ("Stage 1") and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ("Stage 2").

"Stage 3" would cover financial assets that have objective evidence of impairment at the reporting date.

"12-month ECL" are recognised for the Stage 1 category while "lifetime ECL" are recognised for the Stage 2 and Stage 3 category.

Measurement of the ECL is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

**Trade debtors**

For trade debtors, the Group applies a simplified approach in calculating ECL and recognises a loss allowance based on lifetime ECL at each reporting date. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial assets. In calculating the ECL, the Group has established a provision matrix that is based on its historical credit loss experience and external indicators, adjusted for forward-looking factors specific to the debtors and the economic environment.

To measure the ECL, trade debtors have been grouped based on shared credit risk characteristics and the days past due.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

### 2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

#### 2.15 Impairment of financial assets (Continued)

##### Other financial assets measured at amortised cost

The Group measures the loss allowance for other receivables equal to 12-month ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increase in the likelihood or risk of default occurring since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 180 days past due, unless the Group has reasonable information that demonstrate otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the end of each reporting period. A debt instrument is determined to have low credit risk if it has a low risk of default, the borrower has strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfill its contractual cash flow obligations.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECL that results from default events on a financial instrument that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended 31 December 2023

**2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION** (Continued)**2.15 Impairment of financial assets** (Continued)

Other financial assets measured at amortised cost (Continued)

*(i) Measurement of ECLs*

ECLs are probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

Credit-impaired financial assets

At each reporting date, the Group assesses on a forward-looking basis whether financial assets carried at amortised cost are credit impaired. A financial asset is "credit-impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant of financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise; and
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation or the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the consolidated statement of financial position as the loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the relevant assets.

*(ii) Write-offs*

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

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

**2.16 Inventories**

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are calculated using the first-in, first-out method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

### 2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

#### 2.17 Properties under development

Except for the leasehold land element which is measured at cost model in accordance with the accounting policies of right-of-use assets in note 2.27, properties under development are stated at the lower of cost and net realisable value. Net realisable value takes into account the price ultimately expected to be realised less applicable variable selling expenses and anticipated cost to completion.

Development cost of properties comprises mainly construction costs, land use rights in relation to properties under development for subsequent sale, borrowing costs on qualifying assets and professional fees incurred during the development period. On completion, the properties are transferred to completed properties held for sale.

Properties under development are classified as current assets unless those will not be realised in the normal operating cycle.

#### 2.18 Completed properties held for sales

Except for the leasehold land element which is measured at cost model in accordance with the accounting policies of right-of-use assets in note 2.27, completed properties remaining unsold at each reporting date are stated at the lower of cost and net realisable value.

Cost comprises development costs attributable to the unsold properties.

Net realisable value is determined by reference to the estimated selling price in the ordinary course of business, less applicable estimated selling expenses to make the sale.

#### 2.19 Contract liabilities

A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue (see note 2.26). A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised.

For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

#### 2.20 Share capital

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

#### 2.21 Perpetual capital securities

Perpetual capital securities with no contractual obligation to repay its principal or to pay any distribution are classified as part of equity. These are initially recognised at their fair value on the date of issuance and are not subsequently remeasured.

#### 2.22 Borrowing cost

Borrowing costs incurred, net of any investment income earned on the temporary investment of the specific borrowings, for the acquisition, construction or production of any qualifying asset are recognised during the period of time that is required to complete and prepare the asset for its intended use. A qualifying asset is an asset which necessarily takes a substantial period of time to get ready for its intended use or sale. Other borrowing costs are expensed when incurred.

Borrowing costs are recognised as part of the cost of a qualifying asset when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are being undertaken. Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended 31 December 2023

**2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION** (Continued)**2.23 Current and deferred income tax**

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

**(i) Current income tax**

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the group entities operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

**(ii) Deferred income tax**

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

For the purposes of measuring deferred tax liabilities or deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. If the presumption is rebutted, deferred tax liabilities and deferred tax assets for such investment properties are measured in accordance with the above general principles set out in HKAS 12 (i.e. based on the expected manner as to how the properties will be recovered).

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

**2.24 Employee benefits****(i) Employee leave entitlements**

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the reporting date.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

**(ii) Retirement benefits**

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

### 2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

#### 2.24 Employee benefits (Continued)

##### (ii) Retirement benefits (Continued)

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

The Group also participates in a pension scheme under the rules and regulations of the Mandatory Provident Fund Scheme Ordinance ("MPF Scheme") for all employees in Hong Kong, which is a defined contribution retirement scheme. The contributions to the MPF Scheme are based on minimum statutory contribution requirement of 5% of eligible employees' relevant aggregate income. The assets of this pension scheme are held separately from those of the Group in independently administered funds. No forfeited contribution under the defined contribution retirement benefit plans is available to reduce the contribution payable in future years.

The Group's contributions to the defined contribution retirement schemes are expensed as incurred.

##### (iii) Bonus entitlements

The expected cost of bonus payment is recognised as a liability when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made. Liabilities of bonus plan are expected to be settled within twelve months and are measured at the amounts expected to be paid when they are settled.

##### (iv) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after reporting date are discounted to present value.

##### (v) Share-based payments

The Group operates equity-settled share option schemes, which the Group receives services from employees as consideration for equity instruments ("options") of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any service and non-market performance vesting conditions. At each reporting date, the Group revises its estimates of the number of options that are expected to vest based on the non-market performance and service conditions. It recognises the impact of the revision of original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

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

The options granted by the Company over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investments in subsidiary undertakings, with a corresponding credit to equity.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended 31 December 2023

**2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION** (Continued)**2.25 Provisions and contingent liabilities**

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

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

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

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the consolidated financial statements. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as a provision.

**2.26 Revenue recognition**

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customers, the type of transactions and the specifics of each arrangement.

To determine whether to recognise revenue, the Group follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when (or as) performance obligation(s) are satisfied

In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative standalone selling prices. If the stand-alone selling prices are not directly observable, they are estimated based on expected cost plus a margin or adjusted market assessment approach, depending on the availability of observable information. The transaction price for a contract excludes any amounts collected on behalf of third parties.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

### 2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

#### 2.26 Revenue recognition (Continued)

Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers.

Future details of the Group's revenue and other income recognition policies are as follows:

##### (i) Sales of properties

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

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

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

For properties that have no alternative use to the Group due to contractual reasons and when the Group has an enforceable right to payment from the customers for performance completed to date, the Group recognises revenue as the performance obligation is satisfied over time in accordance with the input method for measuring progress, i.e. the costs incurred up to date compared with the total budgeted costs, which depict the Group's performance towards satisfying the performance obligation.

For contract where the period between the payment by the customer and the transfer of the promised property or service exceeds one year, the transaction price is adjusted for the effects of a significant financing component.

Deposits and instalments received from purchasers prior to delivery of the properties to the customers are contract liabilities.

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

##### (ii) Rental income

Rental income from properties leasing under operating leases is recognised on a straight-line basis over the lease terms.

##### (iii) Hotel operation income

Revenue from hotel operation is recognised in the accounting period in which the services are rendered.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended 31 December 2023

**2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION** (Continued)**2.26 Revenue recognition** (Continued)**(iv) Property management**

Revenue arising from property management is recognised in the accounting period in which the services are rendered. The Group bills a fixed amount for each month of service provided and recognises as revenue in the amount to which the Group satisfies performance obligations by transferring the services to its customers.

For property management services income from properties managed under lump sum basis, where the Group acts as principal and is primary responsible for providing the property management services to the property owners, the Group recognises the fee received or receivable from property owners as its revenue and all related property management costs as its cost of service. For property management services income from properties managed under commission basis, the Group recognises the commission, which is calculated by certain percentage of the total property management fee received or receivable from the property units, as its revenue for arranging and monitoring the services as provided by other suppliers to the property owners.

Pre-delivery and consulting services to non-property owners mainly includes fees for construction sites management, display units and property sales venues management and consulting services to property developers at the pre-delivery stage, and property management consulting services provided to other property management companies which are billed based on actual level of services provided at pre-determined price and revenue is recognised when such services are provided.

**(v) Catering income**

Revenue from restaurant operations is recognised when food, beverages and services are delivered to or rendered to and have been accepted by customers.

**(vi) Hire income from charter**

Hire income from time charter is accounted for as operating lease and is recognised on a straight-line basis over the period of each time charter contract.

**(vii) Passenger transportation agency service**

Revenue from passenger transportation agency service are recognised based on net agencies fee upon departure of ferries at terminals.

**(viii) Sales of goods**

The Group manufactures and sells a range of consumer products, including dental prosthetics. Revenue from sales of goods are recognised when the products have been delivered to and accepted by customers.

**(ix) Interest income**

Interest income is recognised on a time-proportion basis using the effective interest method. For financial assets measured at amortised cost are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit-impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of ECL allowance) of the asset.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

### 2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

#### 2.27 Leases

(a) Definition of lease and the Group as a lessee

*Measurement and recognition of leases as a lessee*

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability on the consolidated statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the underlying asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any lease incentives received).

Except for those right-of-use assets meeting the definition of investment properties, the Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term unless the Group is reasonably certain to obtain ownership at the end of the lease term. The Group also assesses the right-of-use assets (except for those meeting the definition of investment properties) for impairment when such indicator exists. Those right-of-use assets meeting the definition of investment properties are subsequently measured at fair value, in accordance with the Group's accounting policies.

At the lease commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

Subsequent to initial measurement, the liability will be reduced for lease payments made and increased for interest cost on the lease liability. It is remeasured to reflect any reassessment or lease modification, or if there are changes in-substance fixed payments. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these leases are recognised as an expense in profit or loss on a straight-line basis over the lease term.

On the consolidated statement of financial position, right-of-use assets that do not meet the definition of investment property have been included in "Right-of-use assets" are presented under non-current assets. Right-of-use assets that meet the definition of investment property are presented within "investment property". The prepaid lease payments for leasehold land are presented as "Land use rights" under non-current assets.



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended 31 December 2023

**2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION** (Continued)**2.27 Leases** (Continued)(b) **The Group as a lessor**

As a lessor, the Group classifies its leases as either operating or finance leases.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset, and classified as an operating lease if it does not. The Group sub-leases some of its properties and the sub-lease contracts are classified as operating leases.

The Group also earns rental income from operating leases of its investment properties. Rental income is recognised on a straight-line basis over the term of the lease.

**2.28 Financial guarantee contracts**

A financial guarantee contract is a contract that requires the issuer (or guarantor) to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with the expected credit loss model under HKFRS 9 Financial Instruments and the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of HKFRS 15 Revenue from Contracts with Customers.

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

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instruments and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assessing the obligations.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

### 2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

#### 2.29 Related parties

For the purposes of these consolidated financial statements, a party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and if that person:
  - i. has control or joint control over the Group;
  - ii. has significant influence over the Group; or
  - iii. is a member of the key management personnel of the Group or of a parent of the Group.
  
- (b) the party is an entity and if any of the following conditions applies:
  - i. the entity and the Group are members of the same group;
  - ii. one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
  - iii. the entity and the Group are joint ventures of the same third party;
  - iv. one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - v. the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group (if the Group is itself such a plan) and the sponsoring employers are also related to the Group;
  - vi. the entity is controlled or jointly controlled by a person identified in (a);
  - vii. a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
  - viii. the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

## 3. ADOPTION OF NEW AND AMENDED HKFRSs

## 3.1 New and amended HKFRSs that are effective for annual periods beginning on or after January 2023

In the current year, the Group has applied for the first time the following new and amended standards issued by Hong Kong Institute of Certified Public Accountants, which are relevant to the Group's operations and effective for the consolidated financial statements for the annual period beginning on 1 January 2023:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred tax related to liabilities arising from a single transaction
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules

Except as described below, the application of the amendments to HKFRSs in the current year had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

In accordance with the guidance set out in the amendments, accounting policy information that is standardised information, or information that only duplicates or summarises the requirements of the HKFRSs, is considered immaterial accounting policy information and is no longer disclosed in the notes to the consolidated financial statements so as not to obscure the material accounting policy information disclosed in the notes to the consolidated financial statements.

## 3.2 Issued but not yet effective HKFRSs

At the date of authorisation of these consolidated financial statements, the following amended standards have been published but are not yet effective, and have not been adopted early by the Group:

		Effective for the accounting period beginning on or after
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)	1 January 2024
Amendments to HKAS 1	Non-current Liabilities with Covenants	1 January 2024
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangement	1 January 2024
Amendments to HKAS 21	Lack of Exchangeability	1 January 2025
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Directors anticipate that all of the applicable pronouncements will be adopted in the Group's accounting policy for the first period beginning on or after the effective date of the pronouncement. The amended HKFRSs and interpretation are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

### 4. FINANCIAL RISK MANAGEMENT

The Group conducts its operations in the PRC and is subject to special considerations and significant risks. These include risks associated with, among others, the political, economic and legal environment, influence of national authorities over pricing regulation and competition in the industry.

The Group's major financial instruments include financial assets at FVTPL, debtors, deposits and other receivables (excluding prepayments and prepaid other taxes), cash and bank balances, restricted bank balances and cash, accrued construction costs, other payables, lease liabilities, and borrowings. Details of these financial instruments are disclosed in respective notes. The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.

#### 4.1 Financial risk factors

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The property industry is highly sensitive to the economic environment in the PRC, which will affect the volumes of property transactions and selling prices. The Group mainly relies on sales of properties and borrowings to fund its operations.

Risk management is carried out by the Group's management under the supervision of the Directors. The Group's management identifies, evaluates and manages significant financial risks in the Group's individual operating units. The Directors provide guidance for overall risk management.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

## 4. FINANCIAL RISK MANAGEMENT (Continued)

## 4.1 Financial risk factors (Continued)

## Market risk

## Foreign exchange risk

The Group's businesses are principally conducted in RMB, except that some of the borrowings are denominated in other currencies. As at 31 December 2023 and 2022, the carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the respective reporting dates are as follows:

	2023 RMB'000	2022 RMB'000
<b>Monetary assets</b>		
United States Dollars ("US\$")	1,283,568	1,940,350
Hong Kong Dollars ("HK\$")	863,014	673,303
Euro ("EUR")	—	527
	<b>2,146,582</b>	2,614,180
<b>Monetary liabilities</b>		
US\$	83,968,730	83,508,631
HK\$	499,728	219,061
	<b>84,468,458</b>	83,727,692

The following table shows the sensitivity analysis of a 5% change in RMB against the relevant foreign currencies. The sensitivity analysis includes only foreign currency denominated monetary items and adjusts their translation at the year-end for a 5% change in foreign currency rates. If there is a 5% increase/(decrease) in RMB against the relevant currencies, the effect of (decrease)/increase (2022: (decrease)/increase) in the loss (2022: loss) for the year is as follows:

	2023	Increase/ (Decrease) in and equity profit or loss and equity RMB'000	2022	Increase/ (Decrease) in and equity profit or loss and equity RMB'000
	Sensitivity rate %		Sensitivity rate %	
USD	5%	4,134,258	5%	4,078,414
HKD	5%	(18,164)	5%	(22,712)
EUR	5%	—	5%	(26)

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

### 4. FINANCIAL RISK MANAGEMENT (Continued)

#### 4.1 Financial risk factors (Continued)

##### Market risk (Continued)

##### Interest rate risk

The Group's interest-bearing assets and liabilities are mainly restricted bank balances and cash, cash and bank balances, other receivables, certain bank and other borrowings and senior notes. Restricted bank balances and cash, cash and bank balances, and certain bank and other borrowings issued at variable rates expose the Group to cash flow interest-rate risk. Senior notes, certain bank and other borrowings, other receivables and lease liabilities issued at fixed rates expose the Group to fair value interest-rate risk. The Group currently does not use any derivative contracts to hedge its exposure to interest rate risk. However, management will consider hedging significant interest rate exposure should the need arise.

As at 31 December 2023, if interest rates on assets and liabilities had been increased/decreased by 100 (2022: 100) basis point with all variables held constant, the Group's post-tax loss for the year would have been RMB34,011,000 decreased/increased (2022: the Group's post-tax loss for the year would have been RMB57,810,000 decreased/increased). Majority of the interest expenses would be capitalised as a result of such interest expenses directly attributable to the property construction.

##### Price risk

The Group's exposure to equity securities and debt securities price risk arises from investments held by the Group and classified in the Group's consolidated statement of financial position as at FVTPL. The Group regularly monitors the fluctuation of the price and assesses the impact on the Group's consolidated financial statements.

The table below summarises the impact of increases or decreases of price of the stocks and debt securities, which the Group purchased, on the Group's equity as at 31 December 2023. The analysis is based on the assumption that the stock price increased by 5% or decreased by 5% with all other variables held constant, and that all the Group's equity instruments moved in line with the price of each stock.

	2023 Decrease/ (increase) in the Group's loss for the year RMB'000	2022 Increase/ (decrease) in the Group's profit for the year RMB'000
Price of each stock – increases by 5%	<b>48,399</b>	43,946
Price of each stock – decreases by 5%	<b>(48,399)</b>	(43,946)
Price of each debt security – increases by 5%	–	1,296
Price of each debt security – decreases by 5%	–	(1,296)



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended 31 December 2023

**4. FINANCIAL RISK MANAGEMENT** (Continued)**4.1 Financial risk factors** (Continued)**Credit risk**

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group.

The Group's credit risk primarily arises from debtors, deposits and other receivables (excluding prepayments and prepaid other taxes), restricted bank balances and cash and bank balances. In respect of the Group's trade receivables, the Group has policies in place to ensure that sales are made to buyers with an appropriate financial strength and appropriate percentage of down payments. It also has other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. For properties that are still under construction and the buyers choose to pay by bank mortgage, the Group typically provides guarantees to banks in connection with the buyers' borrowing of mortgage loans to finance their purchases of the properties. If a buyer defaults on the payment of its mortgage during the term of the guarantee, the bank holding the mortgage may demand the Group to repay the outstanding amount under the loan and any accrued interest thereon. Under such circumstances, the Group is able to retain the buyer's deposits and sell the property to recover any amounts paid by the Group to the bank. In this regard, the Directors consider that the Group's credit risk is mitigated. In addition, the Group reviews regularly the recoverable amount of each individual trade receivable to ensure that adequate impairment losses are made for irrecoverable amounts. Having considered the slow recovery of the PRC's economy, in particular, the real estate sector, an expected credit loss of trade receivables of approximately RMB74,587,000 (2022: RMB4,672,000) was recognised for the year ended 31 December 2023.

The Group has arranged bank financing for certain purchasers of property units and provided guarantees to secure obligations of such purchasers for repayments. No credit limits were exceeded during the year, and management does not expect any significant losses from non-performance by these counterparties.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

### 4. FINANCIAL RISK MANAGEMENT (Continued)

#### 4.1 Financial risk factors (Continued)

##### Credit risk (Continued)

The Group also provided guarantees in respect of certain borrowings of the Group's associates and joint ventures and third parties. The maximum exposure of such guarantees are the principal amounts borrowed by the associates and joint ventures, which has been disclosed in note 38. As at 31 December 2023, the Group has recognised a financial liability in respect of these guarantees of RMB2,427,710,000 (2022: RMB254,194,000) (see note 32).

The credit risk of restricted bank balances and cash and bank balances is limited because the counterparties are either state-owned banks located in the PRC or banks with high credit ratings.

For the Group's financial assets measured at amortised cost that include other receivables, other deposits, amounts due from joint ventures, associates and non-controlling interests of subsidiaries, management makes periodic collective assessments as well as individual assessment on the recoverability of these receivables based on historical settlement records, past experience and forward-looking information. An expected credit loss including the direct written off of financial assets of approximately RMB2,453,616,000 (2022: RMB1,456,645,000) was recognised for the year ended 31 December 2023 which had been outstanding for a long period of time despite various recovery actions had been taken by the Group.

The Group considers the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It also considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- internal credit rating
- external credit rating, if any
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- significant increases in credit risk on other financial instruments of the individual property owner or the same borrower

The Group uses four categories for those receivables which reflect their credit risk and how the loss provision is determined for each of those categories.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

## 4. FINANCIAL RISK MANAGEMENT (Continued)

## 4.1 Financial risk factors (Continued)

## Credit risk (Continued)

## Trade receivables

The Group applies the simplified approach to providing for ECL prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables.

To measure the ECL of trade receivables, trade receivables have been grouped based on shared credit risk characteristics and the days past due. As at 31 December 2023 and 2022, there was no concentration of credit risk with respect to trade receivables as the Group has a large number of customers. Credit losses for trade receivables are assessed on both individual and collective basis.

The loss allowance provision for trade receivables as at 31 December 2023 and 2022 is determined as follows, the ECL provision below also incorporate forward-looking information.

	Current	More than 180 days past due	More than 1 year past due	Total
<b>2023</b>				
Expected loss rate	0.2%-3.5%	3.5%-9.2%	24.9%-100%	
Gross carrying amount (note 25(a)) (RMB'000)	1,184,645	201,727	656,379	2,042,751
Loss allowance provision (note 25(a)) (RMB'000)	12,049	18,493	163,166	193,708
	Current	More than 180 days past due	More than 1 year past due	Total
<b>2022</b>				
Expected loss rate	0.2%-3.5%	3.5%-9.2%	24.9%-100%	
Gross carrying amount (note 25(a)) (RMB'000)	1,484,461	218,704	358,277	2,061,442
Loss allowance provision (note 25(a)) (RMB'000)	17,006	20,050	89,062	126,118

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

### 4. FINANCIAL RISK MANAGEMENT (Continued)

#### 4.1 Financial risk factors (Continued)

##### Credit risk (Continued)

*Deposits and other receivables (excluding trade receivables, prepayments and prepaid other taxes but including amounts due from joint ventures, associates and non-controlling interests of subsidiaries)*

For financial assets measured at amortised cost include other receivables, other deposits, amounts due from joint ventures, associates and non-controlling interests of subsidiaries, management makes periodic collective assessments as well as individual assessment on the recoverability of deposits and other receivables based on the consideration of historical settlement records, past experience and forward-looking information. Credit losses for deposits and other receivables (excluding prepayments and prepaid other taxes) are assessed on both individual and collective basis.

Various categories adopted by the Group for the expected loss assessment on the Group's deposits and other receivables (excluding trade receivables, prepayments and prepaid other taxes but including amounts due from joint ventures, associates and non-controlling interests of subsidiaries) are as follows:

Category	Group definition of category	Basis for recognition of ECL provision
Performing	Debtors have a low risk of default or there Has not been significant increase in credit risk	12 months expected losses
Underperforming	Receivables for which the credit risk has increased significantly since initial recognition; as significant increase in credit risk is presumed if interest and/or principal repayments are more than 180 days past due	Lifetime expected losses
Non-performing	Interest and/or principal repayments are more than 1 year to 3 years past due and there is no reasonable expectation of recovery	Lifetime expected losses/ asset is written off

The Group accounts for its credit risk by appropriately providing for ECL on a timely basis. In calculating the ECL rates, the Group considers historical loss rates for each category of receivables and adjusts for forward-looking macroeconomic data.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

## 4. FINANCIAL RISK MANAGEMENT (Continued)

## 4.1 Financial risk factors (Continued)

## Credit risk (Continued)

Deposits and other receivables (excluding trade receivables, prepayments and prepaid other taxes but including amounts due from joint ventures, associates and non-controlling interests of subsidiaries) (Continued)

As at 31 December 2023 and 2022, the Group has recognised provisions for credit losses against other receivables, other deposits, restricted deposits for borrowings from non-financial institutions, amounts due from joint ventures, associates and non-controlling interests of subsidiaries as follows:

## 2023

Group's internal credit rating	Expected credit loss rates	Basis for recognition of expected credit loss provision	Gross carrying amount RMB'000	ECL provision RMB'000	Carrying amount (net of ECL) RMB'000
Performing	1.2%-11%	12 months expected losses	30,579,837	(384,933)	30,194,904
Underperforming	11%-21%	Lifetime expected losses	9,322,754	(1,018,977)	8,303,777
Non-performing	32%-100%	Lifetime expected losses	2,693,865	(1,676,253)	1,017,612
Total			42,596,456	(3,080,163)	39,516,293

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

### 4. FINANCIAL RISK MANAGEMENT (Continued)

#### 4.1 Financial risk factors (Continued)

Credit risk (Continued)

*Deposits and other receivables (excluding trade receivables, prepayments and prepaid other taxes but including amounts due from joint ventures, associates and non-controlling interests of subsidiaries)*(Continued)

2022

Group's internal credit rating	Expected credit loss rates	Basis for recognition of expected credit loss provision	Gross carrying amount RMB'000	ECL provision RMB'000	Carrying amount (net of ECL) RMB'000
Performing	1%-11%	12 months expected losses	38,426,337	(507,647)	37,918,690
Underperforming	11%-21%	Lifetime expected losses	7,652,862	(836,458)	6,816,404
Non-performing	31%-51%	Lifetime expected losses	3,686,149	(1,783,306)	1,902,843
Total			49,765,348	(3,127,411)	46,637,937

As at 31 December 2023, the cumulative ECL recognised on amounts due from associates, joint ventures and non-controlling interests of subsidiaries were amounted to RMB507,356,000, RMB870,497,000 and RMB139,893,000 respectively (2022: RMB184,770,000, RMB193,944,000 and RMB1,713,057,000 respectively).

No significant change to estimation techniques or assumptions was made during the year.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

## 4. FINANCIAL RISK MANAGEMENT (Continued)

## 4.1 Financial risk factors (Continued)

## Credit risk (Continued)

*Deposits and other receivables (excluding trade receivables, prepayments and prepaid other taxes but including amounts due from joint ventures, associates and non-controlling interests of subsidiaries)* (Continued)

The loss allowance provision for deposits and other receivables (excluding trade receivables, prepayments and prepaid other taxes but including amounts due from joint ventures, associates and non-controlling interests of subsidiaries) as at 31 December 2023 and 2022 reconciles to the opening loss allowance for that provision as follows:

	Performing RMB'000	Underperforming RMB'000	Non-performing RMB'000	Total RMB'000
Opening loss allowance as at 1 January 2022	605,609	360,818	1,686,435	2,652,862
Transfers	(213,683)	172,342	41,341	–
Written-off	–	–	(375,278)	(375,278)
Provision for loss allowance recognised in profit or loss during the year	115,721	303,298	430,808	849,827
Closing loss allowance as at 31 December 2022 and 1 January 2023	<b>507,647</b>	<b>836,458</b>	<b>1,783,306</b>	<b>3,127,411</b>
Transfers	<b>(243,317)</b>	<b>243,317</b>	–	–
Written-off	–	–	<b>(852,299)</b>	<b>(852,299)</b>
Provision for loss allowance recognised in profit or loss during the year	<b>120,603</b>	<b>(60,798)</b>	<b>745,246</b>	<b>805,051</b>
Closing loss allowance as at 31 December 2023	<b>384,933</b>	<b>1,018,977</b>	<b>1,676,253</b>	<b>3,080,163</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

### 4. FINANCIAL RISK MANAGEMENT (Continued)

#### 4.1 Financial risk factors (Continued)

Credit risk (Continued)

*Deposits and other receivables (excluding trade receivables, prepayments and prepaid other taxes but including amounts due from joint ventures, associates and non-controlling interests of subsidiaries)*(Continued)

Summary of movement in ECL allowance

	Trade receivables RMB'000	Deposits and other receivables (excluding prepayments and prepaid other taxes) RMB'000	Total RMB'000
Closing loss allowance as at 31 January 2022	121,446	2,652,862	2,774,308
Written-off	–	(375,278)	(375,278)
Provision for loss allowance recognised in profit or loss during the year (note 8)	4,672	849,827	854,499
Closing loss allowance as at 31 December 2022 as at 1 January 2023	<b>126,118</b>	<b>3,127,411</b>	<b>3,253,529</b>
Written-off	<b>(6,997)</b>	<b>(852,299)</b>	<b>(859,296)</b>
Provision for loss allowance recognised in profit or loss during the year (note 8)	<b>74,587</b>	<b>805,051</b>	<b>879,638</b>
Closing loss allowance as at 31 December 2023	<b>193,708</b>	<b>3,080,163</b>	<b>3,273,871</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

## 4. FINANCIAL RISK MANAGEMENT (Continued)

## 4.1 Financial risk factors (Continued)

## Liquidity risk

Management aims at maintain sufficient cash and bank balances or having available funding through an adequate amount of available financing, including proceeds from pre-sale of properties, short-term bank and other borrowings to meet its construction commitments. However, as explained in note 2.2, due to the unfavorable market condition in the property market in the PRC, the Group did not repay certain liabilities upon contractual maturities during and subsequent to the year ended 31 December 2023. Various plans and measures as explained in note 2.2 have been in process to help mitigate the Group's liquidity and financial position.

The table below analyses the Group's financial liabilities into relevant maturity groupings taking into account the contractual terms of the Group's financial liabilities. The amounts disclosed in the table below are the contractual undiscounted cash flows (including interest payments computed using contractual rates) and the earliest date the Group can be required to pay. The "on demand or within 1 year" category includes the Group's liabilities that had become default or cross-default as at 31 December 2023.

	On demand or within 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
<b>At 31 December 2023</b>					
Accrued construction costs	8,695,203	–	–	–	8,695,203
Borrowings	121,198,934	2,848,869	6,324,645	11,576,286	141,948,734
Other payables	44,046,402	5,876	–	–	44,052,278
Lease liabilities	162,231	100,101	300,304	97,900	660,536
	<b>174,102,770</b>	<b>2,954,846</b>	<b>6,624,949</b>	<b>11,674,186</b>	<b>195,356,751</b>

	On demand or within 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
<b>At 31 December 2022</b>					
Accrued construction costs	12,409,696	–	–	–	12,409,696
Borrowings	121,880,786	11,197,435	5,842,785	12,430,558	151,351,564
Other payables	29,837,337	18,492	56	–	29,855,885
Lease liabilities	152,351	86,445	259,334	226,585	724,715
	<b>164,280,170</b>	<b>11,302,372</b>	<b>6,102,175</b>	<b>12,657,143</b>	<b>194,341,860</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

### 4. FINANCIAL RISK MANAGEMENT (Continued)

#### 4.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The management review the Group's capital structure periodically.

Consistent with other property developers that have significant operations in the PRC in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated as total borrowings (including current and non-current borrowings, as shown in the consolidated statement of financial position) less cash and bank balances, long-term and short-term bank deposits and restricted bank balances and cash.

The gearing ratios of the Group at 31 December 2023 and 2022 were as follows:

	2023 RMB'000	2022 RMB'000
Total borrowings (note 31)	<b>133,624,017</b>	134,167,949
Less: Bank balances and cash (note 28)	<b>(3,401,055)</b>	(5,781,049)
Net debt	<b>130,222,962</b>	128,386,900
Total equity	<b>7,724,355</b>	35,244,964
Gearing ratio	<b>1,685.87%</b>	364.27%

The gearing ratio for 2023 was higher than that for 2022 as a result of (i) decrease in bank balances and cash; and (ii) the Group recorded a loss of approximately RMB19,701,598,000 for the year ended 31 December 2023.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

## 4. FINANCIAL RISK MANAGEMENT (Continued)

## 4.3 Fair value estimation

The different levels of the financial instruments carried at fair value, by valuation method, have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices, and not using significant unobservable inputs) (level 2).
- Significant inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Group's financial assets and financial liabilities that are measured at fair value:

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
<b>As at 31 December 2023</b>				
<b>Assets</b>				
Financial assets at FVTPL	<b>967,978</b>	<b>1,170,656</b>	<b>3,392,188</b>	<b>5,530,822</b>
<b>As at 31 December 2022</b>				
<b>Assets</b>				
Financial assets at FVTPL	904,837	1,784,385	4,575,269	7,264,491

There was no transfer into or out of level 3 during the year ended 31 December 2023 and 2022.

The nominal value less impairment provisions of debtors and other receivables and the nominal value of accrued construction costs and other payables approximate their fair value due to their short maturities. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

### 4. FINANCIAL RISK MANAGEMENT (Continued)

#### 4.3 Fair value estimation (Continued)

##### (i) Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1. Fair value gain on financial assets at FVTPL of RMB106,051,000 (2022: fair value loss of RMB480,122,000) was recognised in the profit or loss for the year ended 31 December 2023.

##### (ii) Financial instruments in level 2

As at 31 December 2023, the fair value of financial instruments in level 2 comprises of unlisted managed funds which are determined based on information provided by quoted market makers and net asset values of the related funds provided by relevant financial institutions, which reflect the fair value of the underlying investments. Fair value loss on financial assets at FVTPL of RMB248,190,000 (2022: fair value gain of RMB374,270,000) was recognised in the profit or loss for the year ended 31 December 2023.

##### (iii) Financial instruments in level 3

*Information about level 3 financial derivatives' fair value measurements*

Financial assets at level 3

The following table presents the changes in level 3 financial assets for the year ended 31 December 2023 and 2022:

	2023 RMB'000	2022 RMB'000
At 1 January	4,575,269	5,256,659
Additions	41,741	500
Deemed disposal of subsidiaries	–	(147,438)
Derecognition	(44,541)	(296,459)
Net fair value loss recognised in profit or loss	(1,152,823)	(274,982)
Exchange realignment	(27,458)	36,989
At 31 December	3,392,188	4,575,269

Additions and derecognition of financial assets during the year ended 31 December 2023 mainly represented unlisted investment fund units in properties development and other businesses.

For the Group's financial assets measured at FVTPL under the level 3 category, the net fair value loss on the financial assets at FVTPL for the year ended 31 December 2023 amounting to about RMB1,152,823,000 (2022: RMB274,982,000) which was recognised in the profit or loss for the year ended 31 December 2023.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

## 4. FINANCIAL RISK MANAGEMENT (Continued)

## 4.3 Fair value estimation (Continued)

## (iii) Financial instruments in level 3 (Continued)

*Information about level 3 financial derivatives' fair value measurements* (Continued)

Financial assets at level 3 (Continued)

The fair values of the Group's major investments in unlisted equity securities as at 31 December 2023 and 31 December 2022 are determined by using the market approach model, revalued by independent valuation experts. The fair value of other financial asset included in note 21 at 31 December 2023 is determined by using the income approach model, revalued by independent valuation experts. The valuation techniques and significant unobservable inputs of the financial assets at FVTPL and derivative financial instruments are as follows:

Financial instruments	Valuation techniques	Significant unobservable inputs	Range	Sensitivity relationship of unobservable inputs to fair value
Unlisted equity securities	Market approach	Price to book ratios	0.45 to 2.39 (2022: 0.4 to 3.0)	Increase/(decrease) in price to book ratios would result in increase/(decrease) in fair value
		Discount for lack of marketability	20.5% (2022: 20%)	Increase/(decrease) in discount rate would result in (decrease)/increase in fair value
Other financial asset	Income approach	Expected growth rate	2% (2022: 2% to 5%)	Increase/(decrease) in expected growth rate would result in increase/(decrease) in fair value
		Discount rate	12% (2022: 10.5%)	Increase/(decrease) in discount rate would result in (decrease)/increase in fair value

The discount for lack of marketability represents the amounts of premiums and discounts determined by the Group that market participants would take into account when pricing the investments.

Other fair value disclosures

The carrying amounts of the Group's financial instruments carried at amortised cost were not materially different from their fair values as at 31 December 2023 and 2022 except for the following financial instruments, for which their carrying amounts and fair value are disclosed below:

	2023		2022	
	Carrying amount RMB'000	Fair value RMB'000	Carrying amount RMB'000	Fair value RMB'000
<b>Borrowings:</b>				
– Senior notes (note 31(a))	<b>82,049,361</b>	<b>3,042,735</b>	81,642,282	11,609,041

The Group does not have any financial assets/liabilities that are subject to offsetting, enforceable master netting arrangement and similar agreements during the years ended 31 December 2023 and 2022.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

### 5. KEY ESTIMATION OF UNCERTAINTIES

Estimates and judgements used in preparing the consolidated financial statements are evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal to the related actual results. The estimates and assumptions that may have a significant effect on the carrying amounts of assets and liabilities within the next financial year are discussed below.

#### (i) Fair value of investment properties

Investment properties, including those completed investment properties and investment properties under construction, are carried at fair value in the consolidated statement of financial position and the changes in the fair value are recognised in the profit or loss. The Group obtains valuations from independent valuers at least annually. In making the judgement, consideration is given to inputs and assumptions that are mainly based on market conditions existing at the reporting date, expected rental from future leases in the light of current market conditions and capitalisation rates. Changes in subjective inputs and assumptions can materially affect the fair value estimate. The key assumptions used in the valuation in determining fair value for the Group's portfolio of properties are set out in note 17 to the consolidated financial statements.

As at 31 December 2023, the aggregate fair value of the Group's investment properties amounted to RMB9,016,710,000 (2022: RMB9,452,400,000), which was based on the valuation performed by an independent professional valuer.

#### (ii) Impairment losses on properties under development and completed properties held for sale

The Group assesses the carrying amounts of properties under development and completed properties held for sale according to their net realisable amounts based on the realisability of these properties, taking into account estimated costs to completion based on past experience (properties under development only) and committed contracts and estimated net sales value based on prevailing market conditions. Impairment losses are recognised when events or changes in circumstances indicate that the carrying amounts may not be realised. The assessment requires the use of judgement and estimates.

During the year ended 31 December 2023, based on the management's best estimate, an impairment loss was recognised in the profit or loss amounting to RMB3,275,982,000 (2022: RMB1,687,805,000) (see note 8).

#### (iii) Impairment of non-financial assets (other than goodwill, investments in associates and joint ventures)

The Group assesses whether there are any indicators of impairment for all non-financial assets (other than goodwill, investments in associates and joint ventures) at the end of the reporting period. These non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying amounts of an asset or a cash-generating unit ("CGU") exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use.

When value-in-use calculations are undertaken, management estimates the expected future cash flows from the asset or CGU and choose a suitable discount rate in order to calculate the present value of those cash flows.

During the year ended 31 December 2023, based on the management's best estimate, the Group has not recognised impairment losses (2022: Nil) for intangible assets (other than goodwill) (see note 22).

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended 31 December 2023

**5. KEY ESTIMATION OF UNCERTAINTIES** (Continued)**(iv) Income taxes, land appreciation taxes, withholding taxes and deferred income taxes**

The Group's subsidiaries that operate in the PRC are subject to income tax in the PRC. Significant judgement is required in determining the provision for income taxes and withholding taxes on undistributed earnings of PRC subsidiaries. There are many transactions and calculations for which the ultimate determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such difference will impact the income tax and deferred income tax provision in the period in which such determination is made.

Deferred tax liabilities have not been established for income tax and withholding tax that would be payable on certain profits of PRC subsidiaries to be repatriated and distributed by way of dividends as the Directors consider that the timing of the reversal of the related temporary differences can be controlled and such temporary differences will not be reversed in the foreseeable future.

Deferred tax assets relating to certain temporary differences and tax losses are recognised when management considers it is probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. The outcome of their actual utilisation may be different.

The Group is subject to land appreciation taxes in the PRC. However, the implementation and settlement of these taxes varies among various tax jurisdictions in cities of the PRC, and the Group has not finalised certain of its land appreciation taxes calculation and payments with any local tax authorities in the PRC for most of its property projects. Accordingly, judgement is required in determining the amount of the land appreciation tax. The Group recognises these land appreciation taxes based on management's best estimates according to the interpretation of the tax rules. The final tax outcome could be different from the amounts that were initially recorded, and these differences will impact the income tax expense and tax provisions in the periods in which such taxes have been finalised with local tax authorities.

**(v) Provision for impairment of trade debtors and other receivables**

Under HKFRS 9, the Group makes allowances on items subjects to ECL (including debtors, deposits and other receivables (excluding prepayments and prepaid other taxes)) based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. As at 31 December 2023, the aggregate carrying amounts of debtors, deposits and other receivables (excluding prepayments and prepaid other taxes) amounted to RMB41,365,336,000 (net of ECL allowance of RMB3,273,871,000) (2022: RMB48,573,261,000 (net of ECL allowance of RMB3,253,529,000)).

When the actual future cash flows are different from expected, such difference will impact the carrying amount of trade receivables and other items within the scope of ECL of HKFRS 9 and credit losses in the periods in which such estimate has been changed.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

### 5. KEY ESTIMATION OF UNCERTAINTIES (Continued)

#### (vi) Estimation of goodwill impairment

The Group tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of CGU is determined based on value-in-use calculations which require the use of judgment and assumptions.

For the year ended 31 December 2023, based on the management's best estimate, no impairment loss has recognised on the Group's goodwill (2022: Nil). Details of impairment assessment and key assumptions are disclosed in note 22(a).

#### (vii) Fair value measurement of financial instruments

As at 31 December 2023, the Group's financial asset measured at FVTPL under level 3 fair value hierarchy was amounted to RMB3,392,188,000 (2022: RMB4,575,269,000). Judgement and estimation are required in establishing the relevant valuation techniques and the relevant inputs thereof. Changes in assumptions relating to these factors could affect the reported fair values of these instruments. Further disclosures regarding the fair value measurement of those financial assets are set out in note 4.3.

#### (viii) Impairment assessment on investments in associates and joint ventures

As at 31 December 2023, the carrying amounts of the Group's investments in associates and joint ventures, net of impairment losses, were amounted to RMB22,254,794,000 and RMB8,450,839,000 respectively (2022: RMB25,155,266,000 and RMB8,166,590,000 respectively). Such investments are reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. Determining whether impairment loss should be recognised/reversed requires an estimation of the recoverable amount of the relevant associate/joint venture which is the higher of value in use and fair value less costs of disposal. The recoverable amount of each investment takes into account the respective financial position of the Group's associates or joint ventures, historical and expected future performance expected by the management with significant judgement.

Based on the management's best estimates, an impairment loss of RMB397,030,000 has been recognised on the Group's investments in associates (2022: Nil).

#### (ix) Classification of some of the Group's financial assets at FVTPL

The Group's financial assets at FVTPL as set out in note 21 included the Group's investment in an unlisted entity although the Group has over 20% equity interest in this investee. In making the judgement as to how the Group's investment should be classified, the Directors considered the facts that (a) the majority ownership of the investee is concentrated by a major shareholder who has over 50% equity interests in the investee and hence has power to direct the relevant activities of the investee by simple majority votes without regard to the views of the Group; and (b) the Group is entitled to appoint one out of seven directors of the investee. The Directors, therefore, concluded that the Group does not have sufficient significant influence over the operating and financing activities of this investee and hence has classified such investment as a financial asset at FVTPL. As at 31 December 2023, the carrying amount of such an investment was amounted to RMB2,913,256,000 (2022: RMB3,886,166,000) with a fair value loss of about RMB972,910,000 being recognised in profit or loss for the current year with reference to the fair value estimated by an independent valuer engaged by the Group.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended 31 December 2023

**5. KEY ESTIMATION OF UNCERTAINTIES** (Continued)**(x) Control over Kaisa Health Group Holdings Limited (“Kaisa Health Group”)**

The Group has obtained de facto control over Kaisa Health Group (a company incorporated in the Bermuda with limited liability and the shares of which are listed on the main board of the Stock Exchange in Hong Kong) in November 2017. As at 31 December 2023, the Group has 42.00% equity interests (2022: 42.99%), which is accounted for and consolidated into the consolidated financial statements of the Group as a subsidiary. The Directors assessed whether the Group has control over Kaisa Health Group based on whether the Group has the practical ability to direct the relevant activities of Kaisa Health Group unilaterally. Key judgments adopted in concluding the Group has obtained control in Kaisa Health Group are: (a) the Group is the largest shareholder of Kaisa Health Group since November 2017 and no other single shareholder directly or indirectly controls more voting rights than the Group; (b) the shareholding of other non-controlling interests is dispersed and the chance of all other shareholders getting together to vote against the Group is remote; and (c) the Group has obtained effective control over majority of the board of Kaisa Health Group.

**(xi) Control over Kaisa Capital Investment Holdings Limited (“Kaisa Capital Group”)**

The Group has obtained de facto control over Kaisa Capital Group (a company incorporated in the Cayman Islands with limited liability, and the shares of which are listed on the main board of the Stock Exchange in Hong Kong) since the Group's acquisition of 30.6% equity interests of Kaisa Capital Group on 29 April 2021. The Group has treated Kaisa Capital Group as a subsidiary since the acquisition and consolidated into the consolidated financial statements of the Group as a subsidiary. The Directors assessed whether the Group has control over Kaisa Capital Group based on whether the Group has the practical ability to direct the relevant activities of Kaisa Capital Group unilaterally. Key judgments adopted in concluding the Group has obtained control in Kaisa Capital Group are: (a) pursuant to the terms of the Acting In Concert Undertaking dated 28 April 2021 with details being disclosed in the Company's announcement dated 28 April 2021, Excel Range Investments Limited (“Excel Range”) (being a substantial shareholder holding 26% of the equity interests of Kaisa Capital Group at the time of the acquisition and up to the date when the consolidated financial statements were authorised for issued) has irrevocably and unconditionally undertaken to the Group that it will act in concert with the Group with respect to Kaisa Capital Group where Excel Range will vote in the same manner as the Group at shareholders' meetings of Kaisa Capital Group and that it will let the Group take the lead with respect to the control of Kaisa Capital Group; (b) since 16 July 2021, Mr. Kwok Ying Shing, the Chairman of the Company, has been appointed as the Chairman of Kaisa Capital Group.

**(xii) Going concern assumptions**

As stated in note 2.2, the Group's consolidated financial statements for the year ended 31 December 2023 have been prepared on a going concern basis. The assessment of the going concern assumption involves making significant judgment by the Directors and management about the future outcome of events or conditions which are uncertain. The Directors and management have been in the process of formulating plans and measures to mitigate the liquidity pressure of the Group and conclude that it is appropriate to prepare the consolidated financial statements for the year ended 31 December 2023 on a going concern basis.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

### 6. SEGMENT INFORMATION

The CODM has been identified as the executive directors of the Company who are responsible for reviewing the Group's internal reporting in order to assess performance and allocate resources. The management has determined the operating segments based on these reports. The executive directors assessed the performance of each single operating segment based on a measure of segment results. Net fair value loss on financial assets at FVTPL, corporate and other unallocated expenses, finance income, finance costs and income tax credit/expenses are not included in the result for each operating segment.

The CODM identified the segments based on the nature of business operations. Specifically, the CODM assessed the performance of property development, property investment, property management, hotel and catering operations, cultural centre operations and healthcare operations and regarded these being the reportable segments.

As the CODM of the Group considers most of the revenue and results of the Group are attributable to the market primarily in the PRC, and over 90% of the Group's assets are located in the PRC, no geographical segment information is presented.

Revenue for the year ended 31 December 2023 and 2022 consists of the following:

	2023 RMB'000	2022 RMB'000
Sales of properties	<b>22,550,814</b>	21,277,141
Rental income	<b>459,841</b>	467,422
Property management	<b>1,658,208</b>	1,614,007
Hotel and catering operations	<b>339,952</b>	319,324
Cultural centre operations	<b>264,308</b>	241,943
Water-way passenger and cargo transportation	–	232,265
Healthcare operations	<b>590,892</b>	485,615
Other	<b>294,752</b>	752,305
	<b>26,158,767</b>	25,390,022











**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended 31 December 2023

**6. SEGMENT INFORMATION** (Continued)

For the years ended 31 December 2023 and 31 December 2022, none of the Group's customer accounted for more than 10% of the Group's total revenue.

Sales between segments are carried out at agreed terms amongst relevant parties. The revenue from external parties reported to the management is measured in a manner consistent with that in the profit or loss.

Segment assets consist primarily of property, plant and equipment, right-of-use assets, investment properties, investments in joint ventures, investments in associates, goodwill and intangible assets, land use rights, properties under development, completed properties held for sale, inventories, debtors, deposits and other receivables, deposits for land acquisition, prepayments for proposed development projects, cash and bank balance, restricted bank balance and cash. They exclude financial assets at FVTPL, deferred tax assets and prepaid tax.

As at 31 December 2023, segment assets of property development segment, property management and others segment included the investments in associates accounted for using the equity method totaling approximately RMB20,197,345,000, RMB33,945,000 and RMB2,023,504,000 (2022: RMB22,863,856,000, RMB26,982,000 and RMB2,264,428,000) respectively. In addition, the segment assets of property development segment and other segment included the investments in joint ventures accounted for using the equity method totaling RMB6,780,803,000 and RMB1,670,036,000 (2022: RMB6,618,253,000 and RMB1,548,337,000) respectively.

Segment liabilities consist primarily of contract liabilities, accrued construction costs, operating borrowings and other payables. They exclude lease liabilities, deferred tax liabilities, income tax payable, corporate borrowings.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

### 7. EXPENSES BY NATURE

Expenses included in cost of sales, selling and marketing costs and administrative expenses are analysed as follows:

	2023 RMB'000	2022 RMB'000
Auditor's remunerations		
– Audit services	6,000	6,000
– Non-audit services	2,100	2,000
Advertising and other promotional costs	249,455	252,794
Agency fee incurred for sales of properties in the PRC	179,808	119,887
Depreciation of land use rights (note 18)	13,476	17,502
Amortisation of intangible assets (note 22)	37,255	34,193
Cost of properties sold	21,956,287	19,457,901
Depreciation		
– property, plant and equipment (note 15)	298,183	290,619
– right-of-use assets (note 16)	42,097	76,584
Direct operating expenses arising from		
– investment properties	242,074	247,154
– property management	1,310,306	1,305,380
– hotel and catering operations	216,543	215,870
– cultural centre operations	189,637	261,594
– water-way passenger and cargo transportation	–	179,782
– healthcare operations	296,729	200,287
Donations	3	2,053
Legal and professional fees	207,376	252,941
Minimum lease payments under operating leases	4,304	10,856
Other taxes	78,002	46,847
Staff costs – including directors' emoluments (note 14)	1,208,576	1,626,421



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

## 8. OTHER GAINS AND LOSSES – NET

	2023 RMB'000	2022 RMB'000
Other gains and (losses) mainly included in the following items:		
Dividend income received from		
– unlisted financial assets at FVTPL	–	16,062
Forfeited customer deposits	<b>2,984</b>	1,955
Government subsidy income (note)	<b>92,069</b>	157,954
Gain on disposals of property, plant and equipment (note 37(a))	<b>167</b>	29,721
Net exchange loss	<b>(1,239,476)</b>	(6,809,102)
Net fair value loss on financial assets at FVTPL	<b>(1,294,962)</b>	(380,834)
Loss on disposal of financial assets at FVTPL	<b>(50,000)</b>	(9,682)
Impairment loss on prepayments for proposed development projects	<b>(1,128,201)</b>	–
Impairment loss on investments in associates	<b>(397,030)</b>	–
Impairment loss on property, plant and equipment (note 15)	–	(22,670)
Impairment loss on right-of-use assets (note 16)	–	(7,898)
Write-down of properties under development and completed properties held for sale (note 23 & 24)	<b>(3,275,982)</b>	(1,687,805)
(Provision)/Reversal for ECL allowance/write-off include:		
– relating to financial assets and contract assets	<b>(2,528,203)</b>	(1,215,956)
– relating to financial guarantees (note 38)	<b>(2,173,516)</b>	203,998
	<b>(4,701,719)</b>	(1,011,958)

Note: The amount represents the subsidies received from local government bureaux in the PRC as an incentive for development in specific regions. There was no unfulfilled conditions and other contingencies attached to the receipt of the subsidies.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

### 9. FINANCE COSTS – NET

	2023 RMB'000	2022 RMB'000
<b>Finance income</b>		
Interest income on bank deposits	<b>48,751</b>	286,165
<b>Finance costs</b>		
Interest expense		
– Bank borrowings	<b>2,461,388</b>	2,193,325
– Senior Notes (note 31(a))	<b>7,396,568</b>	7,100,445
– Other borrowings	<b>2,670,178</b>	2,649,105
– Lease liabilities	<b>2,084</b>	4,179
Total interest expense	<b>12,530,218</b>	11,947,054
Less: interest capitalised	<b>(10,744,895)</b>	(10,151,743)
	<b>1,785,323</b>	1,795,311
Finance costs – net	<b>(1,736,572)</b>	(1,509,146)

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

## 10. INCOME TAX EXPENSES

	2023 RMB'000	2022 RMB'000
<b>Current income tax</b>		
– PRC enterprise income tax	243,210	404,468
– PRC land appreciation tax	797,956	125,041
Deferred income tax	(34,816)	(429,573)
	<b>1,006,350</b>	99,936

The income tax on the Group's loss before income tax differs from the theoretical amount that would arise using the enacted tax rate of the home country of the group entities as follows:

	2023 RMB'000	2022 RMB'000
Loss before income tax	(18,695,248)	(12,911,990)
Share of results of associates and joint ventures, net	2,630,972	733,052
	<b>(16,064,276)</b>	(12,178,938)
Calculated at PRC enterprise income tax rate of 25% (2022: 25%)	(4,016,069)	(3,044,735)
Effect of different income tax rates of subsidiaries	228,516	384,390
Income not subject to tax	(72,328)	(71,741)
Expenses not deductible for tax purposes	167,827	106,260
Effect of tax losses/deductible temporary difference not recognised	3,900,448	2,600,721
PRC enterprise income tax	208,394	(25,105)
PRC land appreciation tax	797,956	125,041
Income tax expenses	<b>1,006,350</b>	99,936

**Overseas income tax**

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Company Law of Cayman Islands and, accordingly, is exempted from payment of Cayman Islands income tax. The group companies in the British Virgin Islands ("BVI") were incorporated under the International Business Companies Act of the British Virgin Islands and, accordingly, exempted from British Virgin Islands income tax.

**Hong Kong profits tax**

No Hong Kong profits tax has been provided for the years ended 31 December 2023 and 2022 as the Group has no assessable profits arising in or derived from Hong Kong for the years.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

### 10. INCOME TAX EXPENSES (Continued)

#### PRC withholding income tax

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

#### PRC enterprise income tax

PRC enterprise income tax has been provided on the estimated assessable profits of subsidiaries operating in the PRC at 25% (2022: 25%).

#### 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 of sales of properties less deductible expenditures including cost of land use rights and all property development expenditures.

### 11. DIVIDEND

	2023 RMB'000	2022 RMB'000
Final dividend to ordinary shareholders of the Company in respect of the previous financial year, of Nil (2022: Nil) per share	—	—

The Company has resolved not to declare a final dividend for the years ended 31 December 2023 and 2022.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

## 12. LOSS PER SHARE

## (a) Basic

Basic loss per share are calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

	2023	2022
Loss attributable to owners of the Company (RMB'000)	<b>(19,932,153)</b>	(13,064,558)
Distribution on perpetual capital securities (RMB'000)	–	(148,289)
	<b>(19,932,153)</b>	(13,212,847)
Weighted average number of ordinary shares in issue	<b>7,015,468,487</b>	7,015,468,487
Basic loss per share (RMB)	<b>(2.841)</b>	(1.883)

The calculation of basic loss per share is based on the Group's loss attributable to owners of the Company of RMB19,932,153,000 (2022: RMB13,212,847,000) and the weighted average number of 7,015,468,487 (2022: 7,015,468,487) ordinary shares.

## (b) Diluted

	2023	2022
Loss attributable to owners of the Company (RMB'000)	<b>(19,932,153)</b>	(13,212,847)
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	<b>7,015,468,487</b>	7,015,468,487
Diluted loss per share (RMB)	<b>(2.841)</b>	(1.883)

The computation of diluted loss per share for the years ended 31 December 2023 and 2022 did not assume the exercise of outstanding share options of the Company since their assumed conversion would result in a decrease in loss per share.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

### 13. STAFF COSTS – INCLUDING DIRECTORS’ EMOLUMENTS

	2023 RMB'000	2022 RMB'000
Wages and salaries	<b>997,071</b>	1,299,672
Contribution to pension schemes	<b>46,881</b>	65,002
Medical benefits	<b>23,265</b>	32,987
Share-based payments (note 43(a))	<b>5,805</b>	29,307
Other allowances and benefits	<b>135,554</b>	199,453
	<b>1,208,576</b>	1,626,421

#### Contribution to pension plans

Employees in the Group’s PRC subsidiaries are required to participate in a defined contribution retirement scheme administrated and operated by the local municipal governments. The Group’s PRC subsidiaries contribute funds which are calculated on certain percentage of the average employee salary as agreed by local municipal governments to the scheme to fund the retirement benefits of the employees.

The Group also participates in a pension scheme under the rules and regulations of the Mandatory Provident Fund Scheme Ordinance (“MPF Scheme”) for all employees in Hong Kong. The contributions to the MPF Scheme are based on minimum statutory contribution requirement of the lower of 5% of eligible employees’ relevant aggregate income and the maximum monthly contribution is HK\$1,500.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

## 14. DIRECTORS' CHIEF EXECUTIVE'S AND SENIOR MANAGEMENT'S REMUNERATION

## (a) Director's and chief executive's emoluments

Directors' and chief executive's emoluments disclosed pursuant to the Listing Rules, section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of information about Benefit of Directors) Regulations, is as follows:

	Year ended 31 December 2023						
	Fees RMB'000	Salary RMB'000	Other benefits RMB'000	Discretionary performance- related bonus RMB'000	Contribution to pension scheme RMB'000	Share-based payments RMB'000	Total RMB'000
<b>Name of director</b>							
<b>Chairman</b>							
Mr. Kwok Ying Shing	–	3,802	–	–	–	–	3,802
<b>Vice Chairman</b>							
Mr. Sun Yuenan	–	4,406	60	–	35	–	4,501
<b>Executive Directors</b>							
Mr. Mai Fan*	–	3,754	52	–	43	–	3,849
Mr. Li Hai Ming	–	3,168	52	–	43	–	3,263
Mr. Kwok Hiu Kwan	–	760	–	–	–	–	760
<b>Non-Executive Director</b>							
Ms. Chen Shaohuan	–	272	–	–	–	–	272
<b>Independent Non-Executive Directors</b>							
Mr. Rao Yong	272	–	–	–	–	–	272
Mr. Zhang Yizhao	272	–	–	–	–	–	272
Mr. Liu Xuesheng	272	–	–	–	–	–	272
<b>Total</b>	<b>816</b>	<b>16,162</b>	<b>164</b>	<b>–</b>	<b>121</b>	<b>–</b>	<b>17,263</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

### 14. DIRECTORS' CHIEF EXECUTIVE'S AND SENIOR MANAGEMENT'S REMUNERATION (Continued)

#### (a) Director's and chief executive's emoluments (Continued)

Name of director	Year ended 31 December 2022						
	Fees RMB'000	Salary RMB'000	Other benefits RMB'000	Discretionary performance- related bonus RMB'000	Contribution to pension scheme RMB'000	Share-based payments RMB'000	Total RMB'000
<b>Chairman</b>							
Mr. Kwok Ying Shing	–	3,499	–	–	–	–	3,499
<b>Vice Chairman</b>							
Mr. Sun Yuenan	–	11,162	67	–	45	–	11,274
<b>Executive Directors</b>							
Mr. Mai Fan*	–	8,230	53	–	45	–	8,328
Mr. Li Hai Ming	–	5,821	53	–	45	–	5,919
Mr. Kwok Hiu Kwan	–	656	–	–	–	–	656
<b>Non-Executive Director</b>							
Ms. Chen Shaohuan	–	250	–	–	–	–	250
<b>Independent Non-Executive Directors</b>							
Mr. Rao Yong	250	–	–	–	–	–	250
Mr. Zhang Yizhao	250	–	–	–	–	–	250
Mr. Liu Xuesheng	250	–	–	–	–	–	250
<b>Total</b>	<b>750</b>	<b>29,618</b>	<b>173</b>	<b>–</b>	<b>135</b>	<b>–</b>	<b>30,676</b>

\* Chief executive officer of the Company

Notes:

- (i) Share option benefits represent fair value of share options granted to the relevant director which was charged to the consolidated statement of profit or loss and other comprehensive income in accordance with HKFRS 2.
- (ii) Salary paid to a director is generally an emolument paid or payable in respect of the person's other services in connection with the management of the affairs of the Company and its subsidiary undertakings

During the years ended 31 December 2023 and 2022, no emoluments were paid by the Group to any director as an inducement to join or leave the Group or compensation for loss of office. There were no arrangements under which a director has waived or has agreed to waive any emoluments.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

## 14. DIRECTORS' CHIEF EXECUTIVE'S AND SENIOR MANAGEMENT'S REMUNERATION (Continued)

## (b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year included three (2022: three) directors whose emoluments are reflected in note (a) above. The emoluments for the remaining two (2022: two) individuals for the year ended 31 December 2023 are as follows:

	2023 RMB'000	2022 RMB'000
Salaries and other benefits	6,295	8,518
Contribution to pension schemes	105	45
Discretionary bonus	–	–
Share-based payments	1,724	4,079
	<b>8,124</b>	12,642

The emoluments for the remaining two (2022: two) individuals for the year ended 31 December 2023 fell within the following bands

	Number of Individuals 2023	Number of Individuals 2022
HK\$3,000,001 to HK\$3,500,000	1	–
HK\$4,500,001 to HK\$5,000,000	1	–
HK\$6,500,001 to HK\$7,000,000	–	1
HK\$8,500,001 to HK\$9,000,000	–	1
	<b>2</b>	2

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

### 15. PROPERTY, PLANT AND EQUIPMENT

	Hotel Properties RMB'000	Land and buildings RMB'000	Machinery RMB'000	Motor vehicles RMB'000	Furniture, fitting and equipment RMB'000	Aircraft RMB'000	Vessels RMB'000	Construction in progress RMB'000	Total RMB'000
<b>At 1 January 2022</b>									
Cost	1,910,229	1,586,384	276,028	50,673	1,150,010	324,949	831,097	207,169	6,336,539
Accumulated depreciation and impairment	(270,564)	(352,969)	(78,409)	(6,485)	(75,057)	(38,589)	(269,381)	–	(1,091,454)
Net carrying amounts	1,639,665	1,233,415	197,619	44,188	1,074,953	286,360	561,716	207,169	5,245,085
<b>Year ended 31 December 2022</b>									
Opening net carrying amounts	1,639,665	1,233,415	197,619	44,188	1,074,953	286,360	561,716	207,169	5,245,085
Additions	–	2,229	45,612	961	–	–	–	25,794	74,596
Acquisitions of subsidiaries (note 40)	456,441	–	–	238	2,425	–	–	–	459,104
Disposals	–	(129,941)	(25,342)	(18,980)	(33,896)	–	–	(31,227)	(239,386)
Disposals of subsidiaries (note 41(a))	–	(9,184)	–	–	(1,631)	(286,360)	–	–	(297,175)
Deemed disposals of subsidiaries (note 41(b))	–	–	–	–	–	–	(488,961)	(21,564)	(510,525)
Depreciation (notes 6 and 7)	(76,125)	(39,669)	(45,528)	(10,033)	(46,509)	–	(72,755)	–	(290,619)
Transfer from right-of-use assets	–	–	26,346	–	662	–	–	(1,861)	25,147
Impairment	–	–	(17,928)	(44)	(1,898)	–	–	(2,800)	(22,670)
Exchange realignment	–	2,150	10,170	128	403	–	–	(22)	12,829
Closing net carrying amounts	2,019,981	1,059,000	190,949	16,458	994,509	–	–	175,489	4,456,386
<b>At 31 December 2022</b>									
Cost	2,366,670	1,588,614	321,640	51,870	1,152,432	–	–	178,289	5,659,515
Accumulated depreciation and impairment	(346,689)	(529,614)	(130,691)	(35,412)	(157,923)	–	–	(2,800)	(1,203,129)
Net carrying amounts	2,019,981	1,059,000	190,949	16,458	994,509	–	–	175,489	4,456,386
<b>Year ended 31 December 2023</b>									
Opening net carrying amounts	2,019,981	1,059,000	190,949	16,458	994,509	–	–	175,489	4,456,386
Transfer from right-of-use asset	–	–	13,064	–	–	–	–	–	13,064
Transfer from properties held-for-sale	857,677	–	–	–	–	–	–	–	857,677
Transfer to properties under development	–	–	–	–	–	–	–	(16,914)	(16,914)
Additions	–	27,563	16,493	2,019	9,421	–	–	18,150	73,646
Acquisitions of subsidiaries (note 40)	–	–	–	–	5,937	–	–	–	5,937
Disposals	–	(4,568)	(13,100)	(139)	(43,365)	–	–	–	(61,172)
Disposals of subsidiaries (note 41(a))	–	–	(2,381)	(4)	(132)	–	–	–	(2,517)
Depreciation (notes 6 and 7)	(142,275)	(38,721)	(37,067)	(7,595)	(72,525)	–	–	–	(298,183)
Exchange realignment	–	96	1,633	134	(262)	–	–	(11)	1,590
Closing net carrying amounts	2,735,383	1,043,370	169,591	10,873	893,583	–	–	176,714	5,029,514
<b>At 31 December 2023</b>									
Cost	3,433,255	1,298,770	430,790	53,889	1,167,790	–	–	176,714	6,561,208
Accumulated depreciation and impairment	(697,872)	(255,400)	(261,199)	(43,016)	(274,207)	–	–	–	(1,531,694)
Net carrying amounts	2,735,383	1,043,370	169,591	10,873	893,583	–	–	176,714	5,029,514

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

**15. PROPERTY, PLANT AND EQUIPMENT** (Continued)

As at 31 December 2023, hotel properties, land and buildings with net carrying amounts of approximately RMB1,941,093,000 (2022: RMB1,962,923,000) were pledged as collateral for the Group's borrowings (note 31).

As at 31 December 2023, there was a land and building with net carrying amounts of approximately RMB875,264,000 (2022: RMB889,216,000) located in Hong Kong and under medium-term lease (between 10 and 50 years), and the remaining balances of hotel properties and land and buildings of approximately RMB2,903,489,000 (2022: RMB2,189,765,000) was located in the PRC and under medium-term and long-term lease (more than 50 years).

Depreciation expenses were charged to the following categories in the consolidated statement of profit or loss and other comprehensive income:

	2023 RMB'000	2022 RMB'000
Cost of sales	<b>162,653</b>	154,142
Administrative expenses	<b>135,530</b>	136,477
	<b>298,183</b>	290,619

The management of the Group concluded there was an indication for impairment on certain of the Group's land and buildings. The recoverable amount of those land and buildings are determined based on their fair value less costs of disposal. The fair value measurement is categorised into Level 3 under the fair value hierarchy. There was no impairment loss provided for the years ended 31 December 2023 and 2022.

**16. RIGHT-OF-USE ASSETS**

The amount in respect of leases are as follows:

	Motor vehicles RMB'000	Office equipment RMB'000	Properties RMB'000	Machinery RMB'000	Total RMB'000
At 1 January 2022	582	553	550,359	74,977	626,471
Additions	–	–	10,184	36,244	46,428
Early termination	–	–	–	(1,065)	(1,065)
Transfer to property, plant and machinery	–	–	–	(25,147)	(25,147)
Depreciation	(546)	(19)	(57,729)	(18,290)	(76,584)
Impairment	–	–	(7,898)	–	(7,898)
Exchange realignment	–	–	6,484	5,689	12,173
At 31 December 2022 and 1 January 2023	<b>36</b>	<b>534</b>	<b>501,400</b>	<b>72,408</b>	<b>574,378</b>
Additions	–	–	<b>12,721</b>	<b>85,425</b>	<b>98,146</b>
Early termination	–	–	–	<b>(16,015)</b>	<b>(16,015)</b>
Transfer to property, plant and machinery	–	–	–	<b>(13,064)</b>	<b>(13,064)</b>
Disposal of subsidiaries	–	–	<b>(4,949)</b>	–	<b>(4,949)</b>
Depreciation	<b>(36)</b>	<b>(19)</b>	<b>(28,058)</b>	<b>(13,984)</b>	<b>(42,097)</b>
Exchange realignment	–	–	<b>525</b>	<b>1,251</b>	<b>1,776</b>
<b>At 31 December 2023</b>	<b>–</b>	<b>515</b>	<b>481,639</b>	<b>116,021</b>	<b>598,175</b>

The right-of use assets represented leases of motor vehicles, office equipment, properties (staff quarters, offices and etc.) and machinery in Hong Kong and the PRC. The leases typically run for an initial period of 1 to 18 (2022: 1 to 18) years.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

### 17. INVESTMENT PROPERTIES

	Under construction RMB'000	Completed RMB'000	Total RMB'000
At 1 January 2022	11,802,000	8,460,500	20,262,500
Additions	67,408	–	67,408
Deemed disposals of subsidiaries (note 41(b))	(110,408)	(122,100)	(232,508)
Transfer to properties under development	(10,645,000)	–	(10,645,000)
At 31 December 2022 and 1 January 2023	<b>1,114,000</b>	<b>8,338,400</b>	<b>9,452,400</b>
Disposal	–	(26,790)	(26,790)
Decrease in fair value	(44,000)	(364,900)	(408,900)
Transfer (note)	(1,070,000)	1,070,000	–
<b>At 31 December 2023</b>	<b>–</b>	<b>9,016,710</b>	<b>9,016,710</b>

Note: The construction has been completed as at the end of the current reporting period but the relevant subsidiary has not obtained the 房產證 “House Property Right Certificate”.

The following amounts have been recognised in the consolidated statement of profit or loss and other comprehensive income for investment properties:

	2023 RMB'000	2022 RMB'000
Rental income (note 6)	<b>459,841</b>	467,422
Direct operating expenses arising from investment properties that generate rental income	<b>242,074</b>	247,154



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

## 17. INVESTMENT PROPERTIES (Continued)

## Valuation processes of the Group

The Group obtains independent valuations from Savills Valuation and Professional Services Limited, for its investment properties at least semiannually. For all investment properties, their current use equates to the highest and best use.

Discussions of valuation processes and results are held between the management, audit committee and the valuers in respect of valuations at the end of the reporting period, including but not limited to the following areas:

- discusses and assesses reasonableness of methodologies, major assumptions and inputs adopted in the independent valuation reports;
- assesses property valuations movements and compares to the prior year valuation reports; and
- holds discussions with the independent valuers.

## Valuation techniques

## Fair value measurements using significant unobservable inputs

Fair values of completed commercial properties are generally derived using the income capitalisation method. This valuation method is based on the capitalisation of the net income and reversionary income potential by adopting appropriate capitalisation rates, which are derived from analysis of sale transactions and valuers' estimates of prevailing investor requirements or expectations. The prevailing market rents adopted in the valuation have reference to recent lettings, within the subject properties and other comparable properties.

	2023		2022	
	Commercial RMB'000	Carpark RMB'000	Commercial RMB'000	Carpark RMB'000
Capitalisation rate	2.5%-6.5%	6.5%	2.5%-6.5%	6.5%
Expected vacancy rate	0%-15%	N/A	0%-15%	N/A
Monthly rental	RMB73-779 per sq.m.	RMB2,330 per unit	RMB79-774 per sq.m.	RMB2,330 per unit

Capitalisation and expected vacancy rates are estimated by the independent valuers based on the risk profile of the properties being valued. The higher the rates, the lower the fair value.

As at 31 December 2022, the fair values of commercial properties under development are generally derived using the combination of direct comparison method by making reference to the comparable market transactions for the land portion as available in the market and the income capitalisation method by capitalising market rent derived from the properties. This valuation method is essentially a means of valuing the land and properties under development by reference to its development potential by deducting development costs together with developer's profit and risk from the estimated capital value of the proposed development assuming completed as at the date of valuation.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

### 17. INVESTMENT PROPERTIES (Continued)

#### Valuation techniques (Continued)

Fair value measurements using significant unobservable inputs (Continued)

	2023 RMB'000	2022 RMB'000
Term yield and reversionary yield	N/A	3.00% – 4.50%
Budgeted construction cost to be incurred (RMB/sq.m.)	N/A	1,200–6,000
Anticipated developer's profit margin	N/A	5% – 12%

The higher the term yield and reversionary yield, the lower the fair value.

Estimated costs to complete per square meter and developer's profit margin required are estimated by the independent valuers based on market conditions at the year-end dates. The estimates are largely consistent with the budgets developed internally by the Group based on management's experience and knowledge of market conditions. The higher the estimated costs to be incurred, the lower the fair value. The higher the anticipated developer's profit margin, the higher the fair value.

As at 31 December 2023 and 2022, the fair value measurement of the Group's investment properties is categorised at level 3. During the years ended 31 December 2023 and 2022, there were no transfers into or out of level 3.

The Group's investment properties are analysed as follows:

	2023 RMB'000	2022 RMB'000
In the PRC, held under: Leases of between 10 to 50 years	<b>9,016,710</b>	9,452,400

As at 31 December 2023, investment properties with aggregate cumulative of RMB9,016,710,000 (2022: RMB9,452,400,000) were pledged as collateral for the Group's borrowings (note 31).

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

## 18. LAND USE RIGHTS

	2023 RMB'000	2022 RMB'000
At 1 January	<b>395,098</b>	672,088
Addition	<b>900</b>	–
Transfer to properties under development (note 23)	–	(259,421)
Depreciation – expensed in administrative expenses (note 7)	<b>(13,476)</b>	(17,502)
Disposal of subsidiaries (note 41(a))	<b>(3,283)</b>	–
Exchange realignment	<b>(63)</b>	(67)
At 31 December	<b>379,176</b>	395,098
In the PRC, held under:		
Leases of over 50 years	–	19,563
Leases of between 10-50 years	<b>379,176</b>	375,535
At 31 December	<b>379,176</b>	395,098

Land use rights comprise cost of acquiring rights to use certain lands, which are principally located in the PRC, for hotel properties, self-use buildings and self-operating properties over fixed periods. The prepaid lease payments for the land use rights meet the definition of right-of-use assets in accordance with HKFRS 16.

As at 31 December 2023, land use rights with net carrying amounts of RMB208,767,000 (2022: RMB208,832,000) were pledged as collateral for the Group's borrowings (note 31).

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

### 19. INVESTMENTS IN ASSOCIATES

	2023 RMB'000	2022 RMB'000
Cost of investments in associates, less accumulated impairment		
– Listed	<b>703,521</b>	1,100,551
– Unlisted	<b>25,353,387</b>	24,935,039
Share of post-acquisition loss and other comprehensive loss	<b>(3,802,114)</b>	(880,324)
	<b>22,254,794</b>	25,155,266
Fair value of listed investments	<b>534,142</b>	459,768

- (i) During the year ended 31 December 2023, an associate has been deregistered and loss of deregistration of associate of RMB1,937,000 has been recognised in the profit or loss.
- (ii) During the year ended 31 December 2022, the Group entered into a restructuring trust agreement with two independent third parties, pursuant to which the Group's interests in certain property development projects held by its subsidiaries and a joint venture ("Properties") were injected into 深圳市城開信銀投資有限公司 (Shenzhen Chengkai Xinyin Investment Co., Ltd.) ("Chengkai Xinyin") as an initial capital contribution to the trust. The Group classified its interests in the trust as interests in associate as the Group only has significant influence over the operation of Chengkai Xinyin and the trust. For detail, please referred to note 41(b).
- (iii) As at 31 December 2023 and 2022, the management reviewed the recoverable amount of the Group's interest in associates after taking into account the financial performance and financial position of the associates and the unfavorable business outlook of the associates. For the year ended 31 December 2023, an impairment loss RMB397,030,000 has been recognised on the Group's investments in associates (2022: Nil).
- (iv) As at 31 December 2023, based on management's best estimates, the Group has recognised an aggregate cumulative impairment loss of RMB1,055,715,000 (2022: RMB658,685,000).
- (v) Fair value disclosure in respect of investments in associates of which their shares are listed on the relevant stock exchanges

As at 31 December 2023, the fair value of the Group's interest in an associate, namely, 廣東佳兆業佳雲科技股份有限公司 Kaisa JiaYun Technology Inc. ("JiaYun Technology"), of which its shares are listed on the SZSE, was amounted to RMB534,142,000 (2022: RMB459,768,000). The fair value was determined based on the market prices available on the respective stock exchanges, which are level 1 inputs in terms of HKFRS 13, Fair value measurement.

- (vi) As at 31 December 2023, 101,419,425 (2022: 101,419,425) shares of JiaYun Technology were pledged as collaterals for the Group's borrowings (note 31).

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

## 19. INVESTMENTS IN ASSOCIATES (Continued)

Set out below are details of associates of the Group as at 31 December 2023 and 2022 which, in the opinion of the Directors, are material to the Group:

Name of entity	Place of business/ Country of incorporation	Particular of issued and paid up capital	Proportion of the issued capital/ interest held by the Group	Principal activity
福州金鵬盛天房地產開發 有限公司 Fuzhou Jinpeng Sheng Tian Property Development Co., Ltd.* ("Fuzhou Jinpeng")	The PRC	RMB50,000,000 (2022: RMB50,000,000)	49% (2022: 49%)	Property development
JiaYun Technology	The PRC	RMB634,555,224 (2022: RMB634,555,224)	21.31% (2022: 21.31%)	Internet marketing
福州鑫地源房地產開發 有限公司 Fuzhou Xin De Yuan Property Development Co., Ltd.* ("Xin De Yuan")	The PRC	RMB50,000,000 (2022: RMB50,000,000)	49% (2022: 49%)	Property development
西部信託 – 鳳凰1號重組 服務信託 – 深圳市 城開信銀投資有限公司 Western Trust Co., LTD – No.1 Phoenix Restructuring Service Trust- Shenzhen Chengkai Xinyin Investment Co., Ltd* ("Trust and Xinyin")	The PRC	Class A: RMB15,653,320,000 Class B: RMB1,500,000,000 Class C: RMB7,598,168,224 (2022: Class A: RMB15,653,320,000 Class B: RMB1,500,000,000 Class C: RMB7,598,168,224)	Class C: RMB7,598,168,224 (2022: Class C: RMB7,598,168,224)	Property development
Nanjing Zhengye	The PRC	RMB2,460,000,000 (2022: RMB2,460,000,000)	49% (2022: 49%)	Property development

\* The English translation of the name of the Company established in the PRC is for reference only. The official name of the Company is in Chinese.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

### 19. INVESTMENTS IN ASSOCIATES (Continued)

The following table illustrates the summarised financial information of material associates of the Group as at the end of the reporting period. Such financial information has been adjusted to reflect the fair values of identifiable assets and liabilities of the associates at the completion dates of the acquisitions by the Group, and reconciled to the carrying amount in the consolidated financial statements.

#### 31 December 2023

	Trust and Xinyin RMB'000	Nanjing Zhengye RMB'000	Fuzhou Jinpeng RMB'000	JiaYun Technology RMB'000	Xin De Yuan RMB'000
Current assets	25,173,440	6,927,065	5,098,733	508,919	3,199,585
Non-current assets	12,965,150	–	–	145,410	–
Current liabilities	(2,857,033)	(4,444,239)	(20)	(189,074)	–
Non-current liabilities	(2,470,037)	–	–	(45,719)	–
Net assets	32,811,520	2,482,826	5,098,713	419,536	3,199,585
Reconciliation to the Group's interest in the associates:					
Proportion of the Group's ownership	N/A*	49%	49%	21.31%	49%
Carrying amount of the investment	15,130,232	1,216,584	2,498,369	89,403	1,567,797
Goodwill	–	–	–	444,739	–
Carrying amount of the Group' investment	15,130,232	1,216,584	2,498,369	534,142	1,567,797
Revenue for the year	2,079,762	3,315,106	–	406,802	–
Total expenses for the year	(5,159,022)	(2,998,915)	(1)	(502,716)	(1)
(Loss)/Profit for the year	(3,079,260)	364,959	(1)	(95,914)	(1)
Other comprehensive income/(expense) for the year	4,076	–	–	(9,866)	–
Total comprehensive (expense)/income for the year	(3,075,184)	364,959	(1)	(105,780)	(1)

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

## 19. INVESTMENTS IN ASSOCIATES (Continued)

31 December 2022

	Trust and Xinyin RMB'000	Nanjing Zhengye RMB'000	Fuzhou Jinpeng RMB'000	JiaYun Technology RMB'000	Xin De Yuan RMB'000
Current assets	23,593,163	6,188,805	5,098,733	629,225	3,199,599
Non-current assets	17,051,463	–	–	187,618	–
Current liabilities	(1,806,142)	(3,932,438)	(20)	(214,145)	(13)
Non-current liabilities	(3,773,061)	(138,500)	–	(29,066)	–
<b>Net assets</b>	<b>35,065,423</b>	<b>2,117,867</b>	<b>5,098,713</b>	<b>573,632</b>	<b>3,199,586</b>
Reconciliation to the Group's interest in the associates:					
Proportion of the Group's ownership	N/A*	49%	49%	21.31%	49%
Carrying amount of the investment	18,208,624	1,037,754	2,498,369	122,241	1,567,797
Goodwill	–	–	–	841,769	–
<b>Carrying amount of the Group' investment</b>	<b>18,208,624</b>	<b>1,037,754</b>	<b>2,498,369</b>	<b>964,010</b>	<b>1,567,797</b>
Revenue for the period/year	386,134	–	–	2,271,422	–
Total expenses for the period/year	(831,181)	(20,798)	(1)	(2,340,539)	(1)
Loss for the period/year	(445,047)	(20,798)	(1)	(69,117)	(1)
Other comprehensive income/(expense) for the period/year	15,278	–	–	(10,867)	–
Total comprehensive expense for the period/year	(429,769)	(20,798)	(1)	(79,984)	(1)

\* Class C owners are entitled to the remaining interests arising from the sale of Properties after deducting the returns entitled by Class A and Class B owners.

The following table illustrates the aggregate summarised financial information of the Group's associates that are not individually material:

	2023 RMB'000	2022 RMB'000
Share of the associates' results for the period/year since acquisitions/capital injection	313	(162,852)
Aggregate carrying amounts of the Group's interests in these associates	1,307,670	901,695



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

### 20. INVESTMENTS IN JOINT VENTURES

	2023 RMB'000	2022 RMB'000
At 1 January	<b>8,166,590</b>	12,997,981
Deemed disposal (notes 41(b) & note (i))	–	(4,612,826)
Transfer to subsidiaries (notes 40(a))	<b>(3,967)</b>	(114,432)
Capital injection to joint venture	–	9,000
Share of results of joint ventures	<b>288,216</b>	(113,133)
At 31 December	<b>8,450,839</b>	8,166,590

- (i) During the year ended 31 December 2022, the Group entered into a restructuring trust agreement with two independent third parties, pursuant to which the Group's interests in certain property development projects held by its subsidiaries and a joint venture ("Properties") were injected into 深圳市城開信銀投資有限公司 (Shenzhen Chengkai Xinyin Investment Co., Ltd.) ("Chengkai Xinyin") as an initial capital contribution to the trust. The Group classified its interests in the trust as interests in associate as the Group only has significant influence over the operation of Chengkai Xinyin and the trust. For detail, please referred to note 41(b).
- (ii) The management reviewed the recoverable amount of the interest in joint ventures after taking into account the financial performance and financial position of the joint ventures. As at 31 December 2023, no impairment loss has been recognised on the Group's investments in joint ventures (2022: Nil).

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

## 20. INVESTMENTS IN JOINT VENTURES (Continued)

Set out below are details of joint ventures of the Group as at 31 December 2023 and 2022 which, in the opinion of the Directors, are material to the Group.

Name of entity	Place of business/Country of incorporation	Particular of issued and paid up capital	Proportion of the issued capital/interest held by the Group	Principal activity
Huizhou City Kaileju Company Limited* ("Kaileju") ("惠州市愷樂居置業有限公司")	The PRC	RMB40,000,000 (2022: RMB40,000,000)	51% (2022: 51%)	Property development
Guangzhou Nantian Company Limited* ("Nantian") ("廣州南天商業大廣場建設發展有限公司")	The PRC	RMB10,000,000 (2022: RMB10,000,000)	70% (2022: 70%)	Property leasing and development
Guangdong Jiasheng Property Development Co., Ltd.* ("Jiasheng") ("廣東佳盛房地產開發有限公司")	The PRC	RMB560,000,000 (2022: RMB560,000,000)	55% (2022: 55%)	Property development

\* The English translation of the name of the Company established in the PRC is for reference only. The official name of the Company is in Chinese.

Although the Group has over 50% equity interests in the above joint ventures, in accordance with the relevant joint arrangements, the decisions about relevant activities of the above entities require unanimous consent of the parties sharing control, accordingly they are classified as joint ventures of the Group. All the joint ventures of the Group are unlisted corporate entities with no quoted market prices available.

The Group has not incurred any contingent liabilities by other commitments relating to its investment in joint venture as at 31 December 2023 (2022: Nil).

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

### 20. INVESTMENTS IN JOINT VENTURES (Continued)

The following table illustrates the summarised financial information of material joint ventures of the Group as at the end of the reporting period. Such financial information has been adjusted to reflect the fair values of identifiable assets and liabilities of the joint ventures as at the completion dates of acquisitions by the Group, and reconciled to the carrying amount in the consolidated financial statements.

#### 31 December 2023

	Nantian 2023 RMB'000	Kaileju 2023 RMB'000	Jiasheng 2023 RMB'000
Current assets	6,876,396	3,756,477	10,327,367
Non-current assets	–	2,594	540
Current liabilities	(4,916,569)	(836,386)	(1,472,712)
Non-current liabilities	–	(721,671)	(2,824,380)
Net assets	1,959,827	2,201,014	6,030,815
The above amounts of assets and liabilities include the following:			
Cash and cash equivalents	30,061	43,213	839,687
Non-current financial liabilities (excluding trade and other payables and provision)	–	721,671	2,824,380
Current financial liabilities (excluding trade and other payables and provisions)	(401,170)	(52,566)	–
Reconciliation to the Group's interest in the joint ventures			
Proportion to the Group's Ownership	70%	51%	55%
Carrying amount of the Group's investment	1,371,879	1,122,517	3,316,948
Revenue	284	1,893,055	–
(Loss)/Profit and total comprehensive (expense)/income for the year	(5,032)	322,838	(39,742)
The above profit/loss for the year including the following:			
Interest expenses	–	–	–
Depreciation	–	–	–
Income tax expenses	–	122,762	–

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

## 20. INVESTMENTS IN JOINT VENTURES (Continued)

31 December 2022

	Nantian 2022 RMB'000	Kalleju 2022 RMB'000	Jiasheng 2022 RMB'000
Current assets	7,092,288	5,055,004	10,367,109
Non-current assets	–	7,893	540
Current liabilities	(5,127,429)	(2,500,257)	(1,472,712)
Non-current liabilities	–	(684,464)	(2,824,380)
Net assets	1,964,859	1,878,176	6,070,557
The above amounts of assets and liabilities include the following:			
Cash and cash equivalents	40,211	173,204	839,687
Non-current financial liabilities (excluding trade and other payables and provision)	–	(684,464)	(2,824,380)
Current financial liabilities (excluding trade and other payables and provisions)	(394,807)	(1,879,264)	–
Reconciliation to the Group's interest in the joint ventures			
Proportion to the Group's Ownership	70%	51%	55%
Carrying amount of the Group's investment	1,375,401	957,870	3,338,807
Revenue	284	–	–
Loss and total comprehensive expense for the year	(10,748)	(32,749)	(34,822)
The above profit/loss for the year including the following:			
Interest expenses	–	–	–
Depreciation	–	–	–
Income tax expenses	–	16,404	–

Set out below are the aggregate financial information of joint ventures that are not individually material:

	2023 RMB'000	2022 RMB'000
The Group's share of results for the year since acquisition/capital injection to obtain joint control	148,951	(69,755)
Carrying amount of the Group's interest in these joint ventures	2,639,495	2,494,512

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

### 21. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2023 RMB'000	2022 RMB'000
<b><i>Listed securities:</i></b>		
Equity securities – in Hong Kong (note i)	–	5,799
Equity securities – outside Hong Kong (notes i)	<b>967,978</b>	873,128
Debt securities – outside Hong Kong (note i)	–	25,910
<b><i>Unlisted securities:</i></b>		
Equity securities or funds – outside Hong Kong (note ii)	<b>4,378,598</b>	6,031,982
Other financial asset (note iii)	<b>184,246</b>	327,672
At 31 December	<b>5,530,822</b>	7,264,491
Less: non-current portion	<b>(4,562,844)</b>	(6,359,654)
Current portion	<b>967,978</b>	904,837

The fair value measurements of the Group's investments in listed and unlisted securities has been described in note 4.3.

The Group did not have significant influence or joint control on any of the above investments. The Group did not participate in the policy-making process and the operating and financial decisions of these unlisted investments as at 31 December 2023 and 2022.

Notes:

- (i) The fair value measurement of these investments are classified as level 1 fair value measurement which are based on the quoted price available from the relevant stock exchanges. For the year ended 31 December 2023, the Group recognised a net fair value gain of RMB106,051,000 (2022: fair value loss RMB480,122,000) in respect of the fair value change in the consolidated statement of the profit or loss and other comprehensive income.
- (ii) The unlisted equity securities or investments in funds mainly represented the Group's investments in (a) an unlisted equity investment in an investee which is engaged in financial service business with the carrying amount as at 31 December 2023 amounting to RMB2,913,256,000 (2022: RMB3,886,166,000); (b) unlisted funds with the aggregate carrying amount as at 31 December 2023 amounting to RMB1,170,656,000 (2022: RMB1,784,385,000); and (c) other unlisted investments in private enterprises as at 31 December 2023 amounting to RMB294,686,000 (2022: RMB361,431,000). For the year ended 31 December 2023, the Group recognised a net fair value loss of RMB1,257,587,000 (2022: net fair value gain RMB100,503,000) in profit or loss.
- (iii) The amount represents consideration paid for an exclusive right to sell certain non-residential properties in the PRC (the "Properties") for a five-year period since December 2021. Since the contractual arrangements give the Group a contractual right to receive cash which are variable, the asset is considered as a financial asset at FVTPL. A fair value loss of RMB143,426,000 (2022: RMB1,215,000) has been recognised in profit or loss for the year ended 31 December 2023.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

## 22. GOODWILL AND INTANGIBLE ASSETS

	Goodwill RMB'000 (note a)	Contracts with sports players RMB'000 (note b)	Trademarks and patent RMB'000 (note c)	Customer relationship RMB'000 (note c)	Technology RMB'000 (note c)	Distribution network RMB'000 (note c)	Other RMB'000	Total RMB'000
<b>Cost</b>								
At 1 January 2022	1,087,331	1,279,274	327,249	143,789	13,858	497,400	7,895	3,356,796
Additions	–	–	–	–	–	–	453	453
At 31 December 2022 and 1 January 2023	<b>1,087,331</b>	<b>1,279,274</b>	<b>327,249</b>	<b>143,789</b>	<b>13,858</b>	<b>497,400</b>	<b>8,348</b>	<b>3,357,249</b>
Additions	–	–	–	–	–	–	2,000	2,000
<b>At 31 December 2023</b>	<b>1,087,331</b>	<b>1,279,274</b>	<b>327,249</b>	<b>143,789</b>	<b>13,858</b>	<b>497,400</b>	<b>10,348</b>	<b>3,359,249</b>
<b>Accumulated amortization and impairment</b>								
At 1 January 2022	321,982	1,279,274	131,076	96,587	13,858	497,400	7,895	2,348,072
Amortisation	–	–	23,871	10,322	–	–	–	34,193
At 31 December 2022 and 1 January 2023	<b>321,982</b>	<b>1,279,274</b>	<b>154,947</b>	<b>106,909</b>	<b>13,858</b>	<b>497,400</b>	<b>7,895</b>	<b>2,382,265</b>
Amortisation	–	–	26,008	10,322	–	–	925	37,255
<b>At 31 December 2023</b>	<b>321,982</b>	<b>1,279,274</b>	<b>180,955</b>	<b>117,231</b>	<b>13,858</b>	<b>497,400</b>	<b>8,820</b>	<b>2,419,520</b>
<b>Net carrying amounts</b>								
At 31 December 2023	765,349	–	146,294	26,558	–	–	1,528	939,729
At 31 December 2022	765,349	–	172,302	36,880	–	–	453	974,984

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

### 22. GOODWILL AND INTANGIBLE ASSETS (Continued)

Notes:

(a) For the purposes of impairment testing, goodwill as at 31 December 2023, net of impairment, has been allocated to the following cash-generating units ("CGUs"):

- RMB490,387,000 (2022: RMB490,387,000) relating to health care operations which have been allocated in health care segments;
- RMB165,035,000 (2022: RMB165,035,000) relating to property management operations which have been included in property management segment;
- RMB94,387,000 (2022: RMB94,387,000) in trading of construction machinery and financial service operations, respectively, which have been allocated in other segments;
- RMB15,254,000 (2022: RMB15,254,000) relating to sports operations which have been allocated in cultural centre operations segment; and
- RMB286,000 (2022: RMB286,000) relating to cinema operations which have been allocated in cultural centre operations segments.

The following set out the key inputs and assumptions relating to the impairment assessment for the material segments:

#### Healthcare segment

The recoverable amount of the CGU is determined by the management based on value-in-use calculation. These calculations used the five-year cash flow projections are based on financial budgets approved by the management with an average growth rate of 15% (2022: 25%) per annum. Cash flows beyond the five years period are extrapolated using 3% (2022: 5%) growth rate. A pre-tax discount rate of 15% (2022: 16%) is used for this CGU and derived using risk-free rate, the market returns and CGU specific factors. The key assumptions are annual growth rates, estimated future selling prices and direct costs which are estimated based on past practices and expectations of future changes in the market. The management believe that any reasonably possible change in any of these assumptions would not cause the aggregate carrying amount of CGU to exceed the aggregate recoverable amount of CGU. As at 31 December 2023, the management conducted a review on goodwill relating to health care operations and concluded that no impairment is considered necessary to provide in respect of goodwill in health care operations (2022: nil).

#### Property management segment

The recoverable amount of the CGU is determined by the management based on value-in-use calculation. These calculations used the five-year cash flow projections are based on financial budgets approved by the management with an average growth rate of 0%-11% (2022: 2%-14%) per annum. Cash flows beyond the five-year period are extrapolated using 2% (2022: 2%) growth rate. A pre-tax discount rate of 14% (2022: 20%) is used for this CGU and derived using risk-free rate, the market returns and CGU specific factors. The key assumptions are annual growth rates, estimated future selling prices and direct costs which are estimated based on past practices and expectations of future changes in the market. The management believe that any reasonably possible change in any of these assumptions would not cause the aggregate carrying amount of CGU to exceed the aggregate recoverable amount of CGU. As at 31 December 2023, the management conducted a review on goodwill relating to property management operation and concluded that no impairment is considered necessary to provide in respect of goodwill in property management operation (2022: nil).

- (b) The amounts represent the costs to acquire sports players' contracts or to extend their contracts, including the related agent's fees which were fully impaired in prior years.
- (c) The trademarks and patent, customer relationship and distribution network were measured at their fair values at the date of acquisition and the valuation of the intangible assets is performed by an independent professional valuer not related to the Group. The fair value of these intangible assets at the date of acquisition was determined based on the income approach by estimating the future income arising from these intangible assets and the cost approach by reference to the financial information provided by the Group. The expected useful lives of these intangible assets ranged from 5 to 11 (2022: 5 to 11) years.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

## 23. PROPERTIES UNDER DEVELOPMENT

	2023 RMB'000	2022 RMB'000
Amount comprises:		
Construction costs	<b>12,562,929</b>	17,942,525
Interest capitalised	<b>18,699,325</b>	20,338,813
Land use rights	<b>43,674,601</b>	54,854,799
	<b>74,936,855</b>	93,136,137
Less: Provisions for net realisable value	<b>(3,439,068)</b>	(1,264,285)
	<b>71,497,787</b>	91,871,852

The properties under development were located in the PRC and Hong Kong and are stated at lower of cost and net realisable value.

As at 31 December 2023, the net aggregate amount of properties under development of approximately RMB67,800,385,000 (2022: RMB74,635,713,000) were pledged as collateral for the Group's borrowings (note 31).

## 24. COMPLETED PROPERTIES HELD FOR SALE

	2023 RMB'000	2022 RMB'000
Completed properties held for sale	<b>21,306,897</b>	16,730,603
Less: Provision for net realisable value	<b>(822,797)</b>	(265,537)
Balance as at 31 December	<b>20,484,100</b>	16,465,066
Properties expected to be realised:		
Within one year from the end of the reporting period	<b>17,890,405</b>	12,978,948
After one year from the end of the reporting period	<b>2,593,695</b>	3,486,118
Balance as at 31 December	<b>20,484,100</b>	16,465,066

The completed properties for sale were located in the PRC under medium-term and long-term lease. Completed properties held for sale which are expected to be recovered in more than twelve months after the reporting date are classified under current assets as it is expected to be realised in the Group's normal operating cycle.

As at 31 December 2023, the net aggregate amount of completed properties held for sale of approximately RMB6,947,056,000 (2022: RMB8,587,295,000) were pledged as collateral for the Group's borrowings (note 31).

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

### 25. DEBTORS, DEPOSITS AND OTHER RECEIVABLES

	2023 RMB'000	2022 RMB'000
Trade debtors – net of ECL allowances (note a)	<b>1,849,043</b>	1,935,324
Other receivables (note b)	<b>12,222,207</b>	12,811,418
Other deposits (note b)	<b>1,562,110</b>	1,913,621
Prepayments (note d)	<b>1,880,346</b>	2,475,206
Prepaid other taxes	<b>1,269,832</b>	1,553,411
Amounts due from associates (note b)	<b>11,426,651</b>	15,021,916
Amounts due from joint ventures (note b)	<b>15,708,544</b>	15,767,845
Amount due from non-controlling interests of subsidiaries (note b)	<b>1,676,944</b>	4,250,548
	<b>45,746,634</b>	53,793,965
Less: Provision for ECL allowances (note c)	<b>(3,080,163)</b>	(3,127,411)
Deposits, prepayments and other receivables – net	<b>42,666,471</b>	50,666,554
Total debtors, deposits and other receivables – net	<b>44,515,514</b>	52,601,878
Non-current portion		
– Other receivables (note b)	<b>(28,608)</b>	(26,553)
Current portion	<b>44,486,906</b>	52,575,325

As at 31 December 2023 and 2022, the carrying amounts of debtors, deposits, other receivables, amounts due from associates, amounts due from joint ventures and amount due from non-controlling interests of subsidiaries approximate their fair value.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

**25. DEBTORS, DEPOSITS AND OTHER RECEIVABLES** (Continued)

- (a) Trade debtors mainly arise from sales of properties, provision of property management services, provision of construction and design services and provision of financial services. Trade debtors are settled in accordance with the terms stipulated respectively in the property sale and purchase agreements or service agreements. The ageing analysis of trade debtors based on contractual terms as at the respective reporting dates is as follows:

	2023 RMB'000	2022 RMB'000
Within 90 days	<b>931,165</b>	1,115,564
Over 90 days and within 180 days	<b>253,480</b>	368,899
Over 180 days and within 270 days	<b>112,606</b>	118,131
Over 270 days and within 365 days	<b>89,121</b>	100,572
Over 365 days	<b>656,379</b>	358,276
	<b>2,042,751</b>	2,061,442
Less: Provision for ECL allowances (note c)	<b>(193,708)</b>	(126,118)
Trade debtor – net of ECL	<b>1,849,043</b>	1,935,324

The Group applies the simplified approach to provide for ECL prescribed by HKFRS 9. As at 31 December 2023, a provision of RMB193,708,000 (2022: RMB126,118,000) was made against the gross amount of trade receivables.

Generally, no credit terms were granted to the customers of residential properties. For the Group's operation other than property development, the Group generally grant 0-90 days credit term to customers. There is no concentration of credit risk with respect to trade debtors as the Group has a large number of customers as at 31 December 2023 and 2022.

The Group did not hold any collateral as security or other credit enhancements over the trade receivable.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

### 25. DEBTORS, DEPOSITS AND OTHER RECEIVABLES (Continued)

(b) Details of deposits and other receivables are as follows:

	2023 RMB'000	2022 RMB'000
Other receivables (note i, ii, iii)	<b>12,222,207</b>	12,811,418
Other deposits (note iv)	<b>1,562,110</b>	1,913,621
Amounts due from associates (note v)	<b>11,426,651</b>	15,021,916
Amounts due from joint ventures (note v)	<b>15,708,544</b>	15,767,845
Amount due from non-controlling interests of subsidiaries (note v)	<b>1,676,944</b>	4,250,548
	<b>42,596,456</b>	49,765,348
Less: Provision for ECL allowances (note c)	<b>(3,080,163)</b>	(3,127,411)
Deposits and other receivables – net	<b>39,516,293</b>	46,637,937

- (i) These receivables mainly include the interest receivables, amounts to be refunded by the government in relation to the land acquisitions in the PRC, a receivable from a former associate of the Group of RMB1,014.3 million (2022: RMB1,014.3 million), costs incurred as payments to independent third parties for the purpose of securing and acquiring property development projects and certain loan advances. For the year ended 31 December 2023, provision for ECL allowance and written-off relating to these receivables was approximately RMB1,460,434,000 and RMB1,028,875,000 respectively (2022: RMB217,285,000 and nil respectively). The written-off amount was related to those receivables that had been outstanding for a long period of time.
- (ii) As at 31 December 2023, other receivables of RMB90,620,000 (2022: RMB89,330,000) are unsecured, carry interest at rates 4.35% (2022: 4.35%) p.a. and repayable within one year. For the year ended 31 December 2023, provision for ECL allowance relating to these receivables were approximately RMB1,771,000 (2022: reversed RMB2,430,000).
- (iii) Included in other receivables, those which are repayable over 1 year from the end of the reporting period amounting to RMB28,608,000 (2022: RMB26,553,000), which are classified as non-current asset.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

## 25. DEBTORS, DEPOSITS AND OTHER RECEIVABLES (Continued)

(b) Details of deposits and other receivables are as follows: (Continued)

(iv) Details of other deposits are as follows:

	2023 RMB'000	2022 RMB'000
Deposit paid for acquisitions of land use rights for property development	80,700	155,200
Refundable deposit to redevelopment project partner (note)	1,008,211	1,061,812
Other	473,199	696,609
	<b>1,562,110</b>	1,913,621

Note: The balances represent deposits paid by the Group for tendering redevelopment projects in the PRC, which is refundable when the tendering process were not being accepted.

For the year ended 31 December 2023, a reversal of the ECL allowance relating to these deposits were reversed approximately RMB8,542,000 (2022: reversed RMB8,933,000).

- (v) The balances are unsecured, interest-free and repayable on demand. For the year ended 31 December 2023, a reversal of the ECL allowance and written-off relating to these receivables were approximately RMB574,025,000 and 545,103,000 respectively (2022: provision for ECL allowance and written-off related to these receivables were approximately RMB626,031,000 and RMB732,063,000 respectively). The written-off amount was related to those receivables were outstanding for a long period of time.
- (vi) The carrying amounts of the Group's receivables are mainly denominated in RMB and USD.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

### 25. DEBTORS, DEPOSITS AND OTHER RECEIVABLES (Continued)

- (c) Impairment losses in respect of debtors, deposits and other receivables (excluding prepayments and prepaid other taxes) are recorded using an allowance account unless the Group is satisfied that recovery of the amounts are remote, in which case the impairment losses are written off against debtors, deposits and other receivables (excluding prepayments and prepaid other taxes) directly. The movement in the allowance for impairment of debtors, deposits and other receivables (excluding prepayments and prepaid other taxes) is disclosed in note 4.1.
- (d) Prepayments mainly represent prepayments for purchase of construction materials and services.
- (e) The maximum credit risk exposure is the gross amount shown on the table above.

### 26. DEPOSITS FOR LAND ACQUISITION

Deposits for land acquisition arise from the acquisition of land in various regions in the PRC. These deposits would be converted into land use rights when the rights to use the lands have been obtained. The carrying amounts of the Group's deposits for land acquisition are mainly denominated in RMB.

### 27. PREPAYMENTS FOR PROPOSED DEVELOPMENT PROJECTS

The Group has entered into a number of contractual arrangements relating to redevelopment of certain areas and other development projects with independent third parties and has made prepayments in accordance with the terms of these respective contracts. These prepayments would be converted into properties under development upon the completion of the contracts.

During the year, as requested by the counterparties, the Group had entered into termination agreements to terminate several development projects, as a result, the Group recognised a loss of RMB1,128,201,000 in the profit or loss for the year ended 31 December 2023 (2022: Nil).

### 28. BANK BALANCES AND CASH

	2023 RMB'000	2022 RMB'000
<b>Current:</b>		
Restricted bank balances and cash	<b>2,406,284</b>	3,713,407
Cash and bank balances	<b>994,771</b>	2,067,642
	<b>3,401,055</b>	5,781,049

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

## 28. BANK BALANCES AND CASH (Continued)

- (i) Restricted bank balances and cash mainly comprised of:
- (a) In accordance with relevant documents issued by local State-Owned Land and Resource Bureau, certain subsidiaries of the Group engaged in property development are required to place in designated bank accounts certain amount of proceeds from pre-completion sale of properties as guaranteed deposits for constructions of related properties. The deposits can only be used for purchases of construction materials and construction of the relevant property projects when approvals are obtained from local State-Owned Land and Resource Bureau. As at 31 December 2023, such guaranteed deposits amounted to RMB1,755,056,000 (2022: RMB2,634,034,000), which will be released after the construction of the relevant properties is completed or the related property ownership certificates are issued, whichever is earlier.
- (b) As at 31 December 2023, the Group's cash of RMB142,746,000 (2022: RMB164,979,000) was deposited in certain banks as guaranteed deposits for the benefit of mortgage loan facilities (note 39) granted by the banks to the purchasers of the Group's properties.
- (c) As at 31 December 2023, the Group's cash of RMB198,031,000 (2022: RMB276,439,000) was deposited in certain banks as guaranteed deposits for borrowings (note 31).
- (d) As at 31 December 2023, the Group's cash of RMB224,282,000 (2022: RMB578,955,000) was deposited in certain banks as guaranteed deposits for issuance of bills payables and outstanding litigation and arbitration cases of certain subsidiaries of the Group.
- (ii) The effective interest rates and maturities of bank deposits in the PRC are ranged from 1.15% to 1.65% (2022: 2.25% to 2.85%) per annum and no maturities (2022: no maturities) as at 31 December 2023.
- (iii) Restricted bank balances and cash and cash and bank balances are denominated in the following currencies:

	2023 RMB'000	2022 RMB'000
Denominated in – RMB	3,239,491	5,262,418
Denominated in – HKD	77,759	439,837
Denominated in – USD	83,805	78,267
Denominated in – EUR	–	527
	<b>3,401,055</b>	5,781,049

- (iv) The conversion of RMB denominated balances into foreign currencies and the remittance of such foreign currencies denominated bank balances and withdraw from the PRC are subject to relevant rules and regulation of foreign exchange control promulgated by the PRC government.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

### 29. CONTRACT LIABILITIES

The amount of RMB20,325,482,000 (2022: RMB36,629,118,000) represents deposits and instalments received on properties sold to independent third parties after the issuance of pre-sale certificates by local government authorities.

### 30. LEASE LIABILITIES

	2023 RMB'000	2022 RMB'000
Total minimum lease payments:		
Due within one year	<b>162,231</b>	152,351
Due in the second to fifth years	<b>400,405</b>	345,779
Due after the fifth years	<b>97,900</b>	226,585
	<b>660,536</b>	724,715
Future finance charges on leases liabilities	<b>(83,731)</b>	(129,593)
Present value of leases liabilities	<b>576,805</b>	595,122
Present value of minimum lease payments		
Due within one year	<b>135,416</b>	127,418
Due in the second to fifth years	<b>351,931</b>	261,426
Due after the fifth years	<b>89,458</b>	206,278
	<b>576,805</b>	595,122
Less:		
Portion due within one year included under current liabilities	<b>(135,416)</b>	(127,418)
Portion due after one year included under non-current liabilities	<b>441,389</b>	467,704

As at 31 December 2023, the weighted average lessee's incremental borrowing rate applied was 7.13% (2022: 7.13%).

During the year ended 31 December 2023, the total cash outflows for the leases and short-term leases and low-value assets are RMB107,064,000 (2022: RMB116,912,000).

For both years, the Group leases various motor vehicles, machinery, office equipment and properties (including warehouse, staff quarters, offices and etc.) for its operations. Lease contracts are entered into for fixed term of 1 year to 18 years (2022: 1 year to 18 years), but may have extension and termination options. Lease terms are negotiated on an individual basis and contain different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

The Group considered that no extension option or termination option would be exercised at the lease commencement date.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

## 31. BORROWINGS

		2023 RMB'000	2022 RMB'000
Borrowings included in current liabilities:			
Senior Notes	(a)	<b>82,049,361</b>	81,642,282
Bank borrowings – secured	(b)	<b>8,434,276</b>	4,305,664
Bank borrowings – unsecured	(b)	<b>2,471,457</b>	3,127,155
Other borrowings – secured	(b)	<b>10,815,902</b>	6,564,133
Other borrowings – unsecured	(b)	<b>13,171,793</b>	14,144,399
Loan from a related company	(d)	<b>108,781</b>	108,781
		<b>117,051,570</b>	109,892,414
Borrowings included in non-current liabilities:			
Bank borrowings – secured	(b)	<b>5,456,233</b>	9,340,897
Bank borrowings – unsecured	(b)	<b>2,735,794</b>	3,789,520
Other borrowings – secured	(b)	<b>7,399,630</b>	10,795,118
Other borrowings – unsecured	(b)	<b>865,790</b>	350,000
Loan from the controlling shareholder of the Company	(e)	<b>115,000</b>	–
		<b>16,572,447</b>	24,275,535
Total borrowings		<b>133,624,017</b>	134,167,949

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

### 31. BORROWINGS (Continued)

Notes:

#### (a) Senior Notes

As at 31 December 2023 and 2022, the Group issued the following Senior Notes which are listed on the Singapore Exchange Securities Trading Limited:

	Issue date	Par value							Maturity date
		As at		Repurchase/ repayment	As at		As at		
		1 January 2022	New issuance		31 December 2022 and 1 January 2023	New Issuance		31 December 2023	
Par value									
2021 6.5% Notes – tranche I (US\$'000)	8 December 2020	250,000	–	–	250,000	–	–	250,000	7 December 2021
2021 6.5% Notes – tranche II # (US\$'000)	22 December 2020	150,000	–	–	150,000	–	–	150,000	7 December 2021
2022 8.5% Notes (US\$'000)	30 June 2017	1,147,000	–	–	1,147,000	–	–	1,147,000	30 June 2022
2022 11.25% Notes – tranche I (US\$'000)	9 April 2019	350,000	–	–	350,000	–	–	350,000	9 April 2022
2022 11.25% Notes – tranche II * (US\$'000)	2 July 2019	200,000	–	–	200,000	–	–	200,000	9 April 2022
2022 11.95% Notes – tranche I (US\$'000)	22 October 2019	400,000	–	–	400,000	–	–	400,000	22 October 2022
2022 11.95% Notes – tranche II ** (US\$'000)	1 November 2019	200,000	–	–	200,000	–	–	200,000	22 October 2022
2022 6.6% Notes (US\$'000)	5 February 2021	110,000	–	–	110,000	–	–	110,000	4 February 2022
2022 8.65% Notes (US\$'000)	23 July 2021	300,000	–	–	300,000	–	–	300,000	22 July 2022
2022 10.5% Notes (US\$'000)	8 September 2021	300,000	–	–	300,000	–	–	300,000	7 September 2022
2023 9.75% Notes – tranche I (US\$'000)	10 July 2020	400,000	–	–	400,000	–	–	400,000	28 September 2023
2023 9.75% Notes – tranche II ### (US\$'000)	16 February 2021	100,000	–	–	100,000	–	–	100,000	28 September 2023
2023 9.75% Notes – tranche III #### (US\$'000)	27 April 2021	200,000	–	–	200,000	–	–	200,000	28 September 2023
2023 9.75% Notes – tranche IV #### (US\$'000)	16 June 2021	280,000	–	–	280,000	–	–	280,000	28 September 2023
2023 10.875% Notes – tranche I (US\$'000)	23 July 2019	300,000	–	–	300,000	–	–	300,000	23 July 2023
2023 10.875% Notes – tranche II *** (US\$'000)	13 November 2019	150,000	–	–	150,000	–	–	150,000	23 July 2023
2023 10.875% Notes – tranche III *** (US\$'000)	26 January 2021	300,000	–	–	300,000	–	–	300,000	23 July 2023
2023 11.5% Notes – tranche I (US\$'000)	30 May 2019	400,000	–	–	400,000	–	–	400,000	30 January 2023
2023 11.5% Notes – tranche II **** (US\$'000)	24 June 2019	300,000	–	–	300,000	–	–	300,000	30 January 2023
2023 11.95% Notes – tranche I (US\$'000)	12 November 2019	300,000	–	–	300,000	–	–	300,000	12 November 2023
2023 11.95% Notes – tranche II (US\$'000) #	17 November 2020	200,000	–	–	200,000	–	–	200,000	12 November 2023
2024 9.375% Notes (US\$'000)	30 June 2017	2,247,453	–	–	2,247,453	–	–	2,247,453	30 June 2024
2025 9.95% Notes – tranche I (US\$'000)	23 January 2020	300,000	–	–	300,000	–	–	300,000	23 July 2025
2025 9.95% Notes – tranche II (US\$'000)	3 February 2021	200,000	–	–	200,000	–	–	200,000	23 July 2025
2025 10.5% Notes (US\$'000)	15 January 2020	500,000	–	–	500,000	–	–	500,000	15 January 2025
2025 11.25% Notes – tranche I (US\$'000)	8 July 2020	300,000	–	–	300,000	–	–	300,000	16 April 2025
2025 11.25% Notes – tranche II # (US\$'000)	2 September 2020	400,000	–	–	400,000	–	–	400,000	16 April 2025
2025 11.7% Notes (US\$'000)	11 May 2021	1,000,022	–	–	1,000,022	–	–	1,000,022	11 November 2025
2026 11.65% Notes (US\$'000)	1 June 2021	300,000	–	–	300,000	–	–	300,000	1 June 2026
Total (US\$'000)		11,584,475	–	–	11,584,475	–	–	11,584,475	

\* 2023 11.25% Notes – tranche II was consolidated and form a single series with the 2023 11.25% Notes – tranche I.

\*\* 2023 11.95% Notes – tranche II was consolidated and form a single series with the 2023 11.95% Notes – tranche I.

\*\*\* 2024 10.875% Notes – tranche II and tranche III were consolidated and form a single series with the 2024 10.875% Notes – tranche I.

\*\*\*\* 2024 11.5% Notes – tranche II was consolidated and form a single series with the 2024 11.5% Notes – tranche I.

# 2022 6.5% Notes – tranche II was consolidated and form a single series with the 2022 6.5% Notes – tranche I.

# 2024 11.95% Notes – tranche II was consolidated and form a single series with the 2024 11.95% Notes – tranche I.

## 2026 11.25% Notes – tranche II was consolidated and form a single series with the 2026 11.25% Notes – tranche I.

### 2024 9.75% Notes – tranche II, tranche III and tranche IV were consolidated and form a single series with the 2024 9.75% Notes – tranche I.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

## 31. BORROWINGS (Continued)

Notes: (Continued)

## (a) Senior Notes (Continued)

The major terms and conditions of the senior notes include early redemption options of the Group and the repurchase of the senior notes upon a change of control.

The senior notes are secured by the pledge of shares of the Group's subsidiaries incorporated outside the PRC, and are jointly and severally guaranteed by certain subsidiaries of the Group.

The 2022 6.5% Notes tranche I & II were matured on 7 December 2021, the 2022 6.6% Notes were matured on 4 February 2022, the 2022 11.25% Notes – tranche I & II were matured on 9 April 2022, the 2022 8.5% Notes were matured on 30 June 2022, the 2022 8.65% Notes were matured on 22 July 2022, the 2022 10.5% Notes were matured on 7 September 2022, the 2022 11.95% Notes – tranche I & II were matured on 22 October 2022, 2023 11.5% Notes – tranche I & II were matured 30 January 2023, 2023 10.875% Notes – tranche I, II & III were matured 23 July 2023, the 2023 9.75% Notes – tranche I, II, III & IV were matured 28 September 2023 and 2023 11.95% Notes – tranche I & II were matured 12 November 2023. The Group did not pay the principal and accrued unpaid interest on the maturity dates.

Due to the cross-default terms and conditions set out in the relevant Senior Notes agreements, all of the outstanding Senior Notes have been classified as current liabilities as at 31 December 2023 and 2022.

## (b) Bank and other borrowings

The Group's bank and other borrowings of RMB32,101,654,000 (2022: RMB31,005,812,000) were secured by certain property, plant and equipment, investment properties, land use rights, properties under development, completed properties held for sale and restricted bank balances and cash of the Group and shares of Kaisa Prosperity Holdings Limited and the Group's associate.

The pledged assets for the Group's bank and other borrowings are as follows:

	2023 RMB'000	2022 RMB'000
Property, plant and equipment (note 15)	1,941,093	1,962,923
Investment properties (note 17)	9,016,710	9,452,400
Land use rights (note 18)	208,767	208,832
Investments in associates (note 19)	534,142	964,010
Properties under development (note 23)	67,800,385	74,635,713
Completed properties held for sale (note 24)	6,947,056	8,587,295
Restricted bank balances and cash (note 28)	198,031	276,439
	<b>86,646,184</b>	96,087,612

Certain bank and other borrowings are guaranteed by certain subsidiaries of the Group:

	2023 RMB'000	2022 RMB'000
Group companies		
– guaranteed and secured by the Group's assets	21,130,987	26,799,953
– guaranteed by the Company	28,178,544	23,709,078
	<b>49,309,531</b>	50,509,031

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

### 31. BORROWINGS (Continued)

Notes: (Continued)

- (c) As at 31 December 2023, in addition to the senior notes as described above, (i) certain borrowings of the Group with the outstanding principal balance of RMB105,800,434,000 (2022: RMB98,530,931,000) was repayable on demand under the circumstances that certain bank and other borrowings with outstanding balances of RMB23,592,573,000 (2022: RMB16,888,649,000) had not been repaid on demand or on schedule or otherwise renewed or extended; and (ii) certain bank and other borrowings with outstanding balances of RMB158,500,000 (2022: RMB89,330,000) contain early demand clauses in the relevant loans agreements. Accordingly, the above-mentioned borrowings are classified as current liabilities in the consolidated financial positions of the Group.
- (d) **Loan from a related company**  
The amount due is unsecured, carries interest rate at 12% (2022: 12%) per annum and is repayable on demand. The related company is controlled by a substantial shareholder of the Company.
- (e) **Loan from the controlling shareholder of the Company**  
The amount is unsecured, carries interest rate at 5% per annum and is repayable in 2025.
- (f) The weighted average effective interest rates at each of the reporting dates were as follows:

	2023 RMB'000	2022 RMB'000
<b>Non-current liabilities</b>		
Bank borrowings	6.26%	6.2%
Other borrowings	7.07%	7.08%
Loan from the controlling shareholder of the Company	5%	N/A
<b>Current liabilities</b>		
Bank borrowings	6.46%	7.5%
Other borrowings	11.04%	10.9%
Loan from a related company	12.0%	12.0%
Senior Notes	10.21%	10.4%

- (g) The amounts of the Group's borrowings are denominated in RMB except for Senior Notes and certain bank and other borrowings with aggregate amounts of RMB83,965,897,000 and RMB488,189,000 (2022: RMB83,493,373,000 and RMB172,015,000), which are denominated in US\$ and HK\$ respectively.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

## 32. OTHER PAYABLES

	2023 RMB'000	2022 RMB'000
Other payables and accruals (note i)	<b>8,046,535</b>	7,289,169
Accrued interest	<b>27,869,557</b>	15,133,802
Accrued staff costs	<b>146,019</b>	103,392
Consideration payables related to acquisitions of subsidiaries	<b>115,979</b>	160,681
Consideration payables related to acquisitions of associates and joint ventures	<b>598,180</b>	598,180
Deed tax and other taxes payables	<b>2,889,391</b>	2,130,026
Deposits received	<b>565,871</b>	937,001
Provision for financial guarantee contracts (note 38)	<b>2,427,710</b>	254,194
Amounts due to associates (note ii)	<b>1,640,493</b>	1,796,207
Amounts due to joint ventures (note ii)	<b>1,474,668</b>	1,004,544
Amounts due to non-controlling interests of subsidiaries (note ii)	<b>705,584</b>	702,883
	<b>46,479,987</b>	30,110,079
Less: non-current portion		
Consideration payable related to acquisition of a subsidiary	<b>(5,876)</b>	(18,548)
Current portion	<b>46,474,111</b>	30,091,531

Notes:

- (i) Other payables and accruals mainly included deposits received from construction companies, accrued operating expenses, advance from third parties for operations, amounts due to former shareholders in relation to newly acquired subsidiaries which are interest-free, unsecured and repayable on demand and payables of cooperation parties.

As at 31 December 2023 and 2022, the other payables and accruals are interest-free, unsecured and repayable on demand.

- (ii) The amounts due are unsecured, interest-free and repayable on demand.
- (iii) The carrying amounts of other payables are denominated in RMB and approximate to their fair values.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

### 33. DEFERRED INCOME TAX

	2023 RMB'000	2022 RMB'000
Deferred tax assets	<b>1,362,966</b>	1,509,410
Deferred tax liabilities	<b>(2,436,384)</b>	(2,617,644)
The net movement on the deferred income tax is as follows:	<b>(1,108,234)</b>	(1,537,807)
Recognised in profit or loss (note 10)	<b>34,816</b>	429,573
At 31 December	<b>(1,073,418)</b>	(1,108,234)

The movements in deferred tax assets and liabilities without taking into consideration the offsetting of balances within the same tax jurisdiction, were as follows:

Deferred tax assets arose from:

	Temporary difference arising from ECL on debtors deposits and other receivables RMB'000	Tax losses RMB'000	Total RMB'000
At 1 January 2022	991,819	331,406	1,323,225
Credited to profit or loss	303,734	–	303,734
At 31 December 2022 and 1 January 2023	<b>1,295,553</b>	<b>331,406</b>	<b>1,626,959</b>
Credited to profit or loss	<b>(78,000)</b>	<b>(78,598)</b>	<b>(156,598)</b>
At 31 December 2023	<b>1,217,553</b>	<b>252,808</b>	<b>1,470,361</b>

Deferred tax assets are recognised for tax losses carried forward to the extent that realisation of the related benefit through the future taxable profit is probable. The Group did not recognize tax losses amounting to RMB41,258,384,000 (2022: RMB25,990,797,000) that can be carried forward against future taxable income. These tax losses will expiry from 2024 to 2028 (2022: 2023 to 2027).



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

## 33. DEFERRED INCOME TAX (Continued)

Deferred tax liabilities arose from:

	Properties acquired in business combination RMB'000	Intangible assets acquired in business combination RMB'000	Revaluation of investment properties RMB'000	Fair value of financial assets at FVTPL RMB'000	Total RMB'000
At 1 January 2022	—	224,256	2,490,457	146,319	2,861,032
Credited to profit or loss	—	(5,505)	(58,127)	(62,207)	(125,839)
At 1 January 2023	—	<b>218,751</b>	<b>2,432,330</b>	<b>84,112</b>	<b>2,735,193</b>
Credited to profit or loss	—	<b>(5,077)</b>	<b>(102,225)</b>	<b>(84,112)</b>	<b>(191,414)</b>
At 31 December 2023	—	<b>213,674</b>	<b>2,330,105</b>	—	<b>2,543,779</b>

At 31 December 2023, the unrecognised deferred tax liabilities were RMB1,582,147,000 (2022: RMB2,023,464,000) relating to withholding tax that would be payable for undistributed profits of PRC subsidiaries, as the Directors consider that the timing for the reversal of the related temporary differences can be controlled and such temporary differences will not be reversed in the foreseeable future. The total undistributed profits of these PRC subsidiaries as at 31 December 2023 amounted to RMB31,642,933,000 (2022: RMB40,469,278,000).

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

### 34. SHARE CAPITAL AND SHARE PREMIUM

	Number of ordinary shares	Nominal value of ordinary shares HK\$'000	Equivalent nominal value of ordinary shares RMB'000	Share premium RMB'000	Total RMB'000
<b>Authorised:</b>					
Ordinary share of HK\$0.10 each					
At 1 January 2022, 31 December 2022					
1 January 2023 and 31 December 2023	50,000,000,000	5,000,000	4,405,545	–	4,405,545
<b>Issue and fully paid:</b>					
At 1 January 2022, 31 December 2022,					
1 January 2023 and 31 December 2023	<b>7,015,468,487</b>	<b>701,547</b>	<b>613,530</b>	<b>6,376,801</b>	<b>6,990,331</b>

### 35. PERPETUAL CAPITAL SECURITIES

On 30 September 2020, the Company issued 10.875% perpetual capital securities with an aggregate principal amount of US\$200,000,000 (equivalent to approximately RMB1,361,519,000) (the "Securities") which are listed on Singapore Exchange Securities Trading Limited at an issue price of 100%. Transaction costs relating to the issue of the Securities amounted to approximately RMB11,465,000. Distribution is payable semiannually in arrears in equal instalments on 30 March and 30 September of each year based on the distribution rate as defined in the subscription agreement. Distribution by the Company may be deferred at its sole discretion. The Securities have no fixed maturity and are redeemable in whole, but not in part, at the Company's option on 30 September 2023, or any distribution payment date falling thereafter at their principal amounts together with any accrued, unpaid or deferred distributions. While any distributions are unpaid or deferred, the Company will not declare, pay dividends or make distributions or similar periodic payments in respect of, or repurchase, redeem or otherwise acquire any securities of lower rank.

As the Securities do not contain any contractual obligation to pay cash or other financial assets, in accordance with HKAS 32 "Financial Instruments: Presentation", they are classified as equity for accounting purpose. Any distributions made by the Company to the holders of the Securities will be deducted directly to equity in the consolidated financial statements.

The Company has sent the optional deferral notices to the Trust Agent which provides that the Company has elected to defer the Distribution scheduled to be paid on the Distribution Payment Date falling on 30 March 2023, 30 September 2023 and 30 March 2024 respectively.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

## 36. THE GROUP'S RESERVES

	Merger reserve RMB'000 (note a)	Exchange reserve RMB'000 (note b)	Statutory reserve RMB'000 (noted c)	Share option reserve RMB'000 (note d)	Capital reserve RMB'000	Retained earnings RMB'000	Total RMB'000
Balance at 1 January 2022	382	(13,557)	1,025,629	397,445	(158,477)	11,439,251	12,690,673
Loss for the year	–	–	–	–	–	(13,212,847)	(13,212,847)
Other comprehensive income for the year	–	15,259	–	–	–	60	15,319
Total comprehensive income/(expense) for the year	–	15,259	–	–	–	(13,212,787)	(13,197,528)
Share-based payments (note 42(a))	–	–	–	29,307	–	–	29,307
Share options lapsed	–	–	–	(50,062)	–	50,062	–
Balance at 31 December 2022 and 1 January 2023	<b>382</b>	<b>1,702</b>	<b>1,025,629</b>	<b>376,690</b>	<b>(158,477)</b>	<b>(1,723,474)</b>	<b>(477,548)</b>
Loss for the year	–	–	–	–	–	(19,932,153)	(19,932,153)
Other comprehensive income/(expense) for the year	–	<b>18,161</b>	–	–	–	(2,602)	<b>15,559</b>
Total comprehensive income/(expense) for the year	–	<b>18,161</b>	–	–	–	<b>(19,934,755)</b>	<b>(19,916,594)</b>
Net increase in non-controlling interests without passing and losing on control of subsidiary	–	–	(285)	–	(873)	–	(1,158)
Share-based payments (note 42(a))	–	–	–	5,805	–	–	5,805
Share options lapsed	–	–	–	(203,242)	–	203,242	–
Balance at 31 December 2023	<b>382</b>	<b>19,863</b>	<b>1,025,344</b>	<b>179,253</b>	<b>(159,350)</b>	<b>(21,454,987)</b>	<b>(20,389,495)</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

### 36. THE GROUP'S RESERVES (Continued)

Notes:

- (a) The merger reserve of the Group represents the difference between the nominal value of the share capital and share premium of the subsidiaries acquire pursuant to the group reorganisation in December 2007 and the nominal value of the share capital of the Company issued in exchange thereof. The reorganisation qualifies as common control combinations and has been accounted for using merger accounting.
- (b) In accordance with the relevant rules and regulations in the PRC and the provision of the articles of association of the PRC companies comprising the Group, before 1 January 2006, the local investment enterprises were required to appropriate at each year end 5% to 10% of the profit for the year after netting off the accumulated losses brought forward (based on figures reported in the statutory financial statements) to the statutory surplus reserve and the statutory public welfare fund (collectively the "Statutory Reserves"), respectively. After 1 January 2006, the local investment enterprises are allowed to appropriate 10% of the net profit to the Statutory Reserves until the accumulated appropriation exceeds 50% of the registered capital.

For Chinese-foreign entities, in accordance with the Law of the PRC on Chinese-foreign Equity Joint Ventures, the percentage of profits to be appropriated to the Statutory Reserves is solely determined by the Board of Directors of these foreign investment enterprises.

In accordance with the Laws of the PRC on Enterprises Operated Exclusively with Foreign Capital and the companies' articles of association, an appropriation to the Statutory Reserves, after net of accumulated losses of previous years, have to be made prior to profit distribution to the investor. The appropriation for the Statutory Reserve of these foreign investment enterprises shall be no less than 10% of the net profit until the accumulated appropriation exceeds 50% of the registered capital.

For the year ended 31 December 2023, the Board of Directors of the Company's subsidiaries in the PRC, including both local and foreign investment enterprises, appropriated Nil (2022: Nil) to the Statutory Reserves.

- (c) Share option reserve represents value of employee services in respect of share options granted under the Share Option Scheme (note 42).
- (d) Capital reserve arose from the difference between the amount by which the non-controlling interests are adjusted and the consideration paid for the acquisition of additional equity interest in subsidiaries.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

## 37. NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS

## (a) Cash generated from operations

	2023 RMB'000	2022 RMB'000
Loss for the year	<b>(19,701,598)</b>	(13,011,926)
Adjustments for:		
Income tax expenses (note 10)	<b>1,006,350</b>	99,936
Depreciation of property, plant and equipment (notes 7 and 15)	<b>298,183</b>	290,619
Depreciation of right-of-use assets (notes 7 and 16)	<b>42,097</b>	76,584
Depreciation of land use rights (notes 7 and 18)	<b>13,476</b>	17,502
Amortisation of intangible assets (notes 7 and 22)	<b>37,255</b>	34,193
Dividend income received from financial assets at FVTPL (note 8)	–	(16,062)
Fair value loss of investment properties (note 17)	<b>408,900</b>	232,508
Impairment loss on property, plant and equipment	–	22,670
Impairment loss on right-of-use assets	–	7,898
Impairment loss on prepayments for proposed development projects	<b>1,128,201</b>	–
Impairment loss on investment in associates	<b>397,030</b>	–
Loss on deregistration of an associate	<b>1,937</b>	–
Interest income (note 9)	<b>(48,751)</b>	(286,165)
Interest expense (note 9)	<b>1,785,323</b>	1,795,311
Gain on disposal of property, plant and equipment	<b>(167)</b>	(29,721)
Loss on disposal of financial assets at FVTPL	<b>50,000</b>	9,682
Net exchange loss	<b>1,239,476</b>	6,809,102
Net fair value loss on financial assets at FVTPL (note 8)	<b>1,294,962</b>	380,834
Net loss on disposals of subsidiaries (note 41(a))	<b>619,793</b>	68,721
Net loss on deemed disposals of subsidiaries (note 41(b))	–	678,692
Provision for ECL or written off of debtors and other receivables (notes 8)	<b>2,528,203</b>	1,215,956
Share of results of associates	<b>2,919,188</b>	619,919
Share of results of joint ventures (note 20)	<b>(288,216)</b>	113,133
Share-based payments (note 42(a))	<b>5,805</b>	29,307
Recognition/(Reversal) of financial liabilities in respect of financial guarantees related to liabilities of the Group's associates and joint ventures (note 8)	<b>2,173,516</b>	(203,998)
Write-down of completed properties held for sale and properties under development (note 8)	<b>3,275,982</b>	1,687,805
Changes in working capital:		
Inventories	<b>(31,296)</b>	144,953
Properties under development and completed properties held for sale	<b>19,257,070</b>	19,279,269
Debtors, deposits and other receivables	<b>831,181</b>	(5,725,583)
Deposits for land acquisition	<b>87,068</b>	(8,075)
Prepayments for proposed development projects	<b>(627,061)</b>	(1,094,147)
Restricted cash	<b>1,228,715</b>	1,715,132
Contract liabilities	<b>(16,303,636)</b>	(8,148,165)
Accrued construction costs	<b>(3,643,652)</b>	(7,509,060)
Other payables	<b>330,189</b>	(3,910,429)
<b>Cash generated from/(used in) operations</b>	<b>315,523</b>	(4,613,605)

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

### 37. NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

#### (a) Cash generated from operations (Continued)

Note:

Loss on disposal of property, plant and equipment are as follows:

	2023 RMB'000	2022 RMB'000
Net carrying value disposed (note 15)	61,172	239,386
Proceeds received	(61,339)	(269,107)
Gain on disposal of property, plant and equipment (note 8)	(167)	(29,721)

#### (b) Reconciliation liabilities arising from financing activities

	2023	
	Borrowings RMB'000 (note 31)	Lease liabilities RMB'000 (note 30)
At 1 January 2023	134,167,949	595,122
Proceeds from bank and other borrowings	1,587,104	–
Repayments of bank and other borrowings	(2,040,061)	–
Payment of lease liabilities	–	(87,881)
Total changes from financing cash flows	133,714,992	507,241
Non-cash changes		
– exchange differences	1,389,045	–
– finance expenses recognised (note 9)	12,528,134	2,084
Other changes (note)	(13,510,100)	80,047
Acquisitions of subsidiaries (note 40)	151,946	–
Disposals of subsidiaries (note 41(a))	(650,000)	(12,567)
<b>At 31 December 2023</b>	<b>133,624,017</b>	<b>576,805</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

## 37. NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

## (b) Reconciliation liabilities arising from financing activities (Continued)

	2022	
	Borrowings RMB'000 (note 31)	Lease liabilities RMB'000 (note 30)
At 1 January 2022	131,706,494	625,514
Proceeds from bank and other borrowings	1,826,431	–
Repayments of bank and other borrowings	(3,794,529)	–
Payment of lease liabilities	–	(75,701)
<b>Total changes from financing cash flows</b>	<b>129,738,396</b>	<b>549,813</b>
Non-cash changes		
– exchange differences	6,916,356	–
– finance expenses recognised (note 9)	11,886,257	4,179
Other changes (note)	(13,229,994)	41,184
Acquisitions of subsidiaries (note 40)	2,954,411	–
Disposals of subsidiaries (note 41(a))	(161,758)	–
Deemed disposal of subsidiaries (note 41(b))	(3,935,719)	(54)
<b>At 31 December 2022</b>	<b>134,167,949</b>	<b>595,122</b>

Note:

Other change mainly represent the interest capitalisation, additions to new lease liabilities, decrease in other payables included in operating activities.

## (c) Non-cash transactions

The Group entered into the following non-cash investing and financing activities which are not reflected in the consolidated statements of cash flows.

During the year ended 31 December 2023, the Group entered into certain lease contracts in which additions of right-of-use assets and lease liabilities amounting to RMB98,146,000 (2022: RMB40,096,000) was recognised at the lease commencement date.

During the year ended 31 December 2022, the capital injection of non-controlling interests of certain subsidiaries amount to RMB210,505,000 were set-off with other payables.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

### 38. CONTINGENT LIABILITIES

#### a. Financial Guarantees Contracts

- (i) The Group had provided guarantees in respect of mortgage facilities granted by certain banks related to mortgage loans arranged for certain purchasers of the Group's properties amounting to RMB26,269,550,000 as at 31 December 2023 (2022: RMB29,672,303,000). Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage principals together with accrued interest and penalty owed by the defaulted purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties. Such guarantees expire or terminate upon the earlier of (i) issuance of the property ownership certificates which are generally be available within six months to one year after the purchasers take possession of the relevant properties; and (ii) the mortgage loans obtained by the purchasers of properties.

The Director consider that summarised default in payments, the net realisable value of the related properties can cover the repayment of the outstanding mortgage principals together with the accrued interest and penalty and therefore no provision has been made in the consolidated financial statements for the guarantees.

- (ii) As of 31 December 2023, the financial guarantees given by the Group relating to the liabilities of the Group's joint ventures and associates and third parties were amounting to RMB21,730,809,000 (2022: RMB23,787,493,000).

#### b. Litigation

Up to the date when the consolidated financial statements were authorised for issue, various parties had filed litigations against various subsidiaries of the Group due to non-repayment of the Group's borrowings and outstanding construction payables. The Group had assessed the impact of the these litigation matters on the consolidated financial statements for the year ended 31 December 2023. The Group is also actively communicating with relevant creditors and seeking various ways to resolve these litigations. The Group considered that no further provision was required to be recognised in the consolidated financial statements as the outstanding amounts had already been recognised in the consolidated financial statements.

### 39. COMMITMENTS

#### (a) Commitments for property development expenditure, acquisitions of property, plant and equipment, acquisitions of subsidiaries, an associate and a joint venture

	2023 RMB'000	2022 RMB'000
Contracted but not provided for		
– Acquisitions of land use rights and property development activities	<b>12,348,756</b>	15,476,892
– Acquisitions of subsidiaries (note)	<b>13,000,000</b>	13,000,000
	<b>25,348,756</b>	28,476,892

Note: The Company entered into sales and purchase agreements with vendors of which, the beneficial owner is the Chairman of the Company, for the acquisition of certain target companies at total consideration of RMB13,000,000,000. The transaction was approved at an extraordinary general meeting of the Company held on 2 July 2021 and had not been completed as at the date of the report. Further details of the acquisition can be found in the announcements of the Company dated 27 March 2021 and 27 May 2021.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

## 39. COMMITMENTS (Continued)

## (b) Lease commitments

At the reporting date, the lease commitments for short-term leases and low-value assets leases are as follows:

	2023 RMB'000	2022 RMB'000
Not later than one year	365	365
Later than one year and not later than five years	–	–
	<b>365</b>	365

As at 31 December 2023 and 2022, the Group leases staff quarters, offices and office equipment with a lease period of twelve months, which are qualified to be accounted for under low-value assets and short-term lease exemption under HKFRS 16.

## (c) Operating lease rentals receivable

The future aggregate minimum lease rentals receivable under non-cancellable operating leases in respect of land and buildings are as follows:

	2023 RMB'000	2022 RMB'000
Within 1 year	180,956	191,992
After 1 year but within 2 years	180,947	162,359
After 2 years but within 3 years	139,678	136,148
After 3 years but within 4 years	110,190	114,643
After 4 years but within 5 years	84,514	76,433
After 5 years	181,277	193,946
	<b>877,562</b>	875,521

The Group leases its investment properties (note 17) under operating lease arrangements which run for an initial period of one to twenty-one (2022: one to twenty) years, with an option to renew the lease and renegotiated the terms at the expiry date or at the dates as mutually agreed between the Group and the respective tenants. The terms of the leases generally also require the tenants to pay security deposits.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

### 40. ACQUISITIONS OF SUBSIDIARIES

#### (a) Acquisitions of assets

For the year ended 31 December 2023

During the year ended 31 December 2023, the Group entered into (i) certain sales and purchase agreements with independent third parties to acquire certain property development companies at total consideration of RMB410,000,000; and (ii) certain share transfer agreements with existing business partners to acquire additional equity interests in investees which were classified as the Group's joint ventures before the further acquisitions with the aggregate consideration of approximately RMB6,000,000. The Group considered that these acquisitions were just acquisitions of assets in substance and as a result the difference between the purchase consideration paid and the net assets acquired are recognised as adjustments to the carrying values of properties under development.

The non-controlling interests recognised at the acquisition date were measured by reference to the proportionate share of the recognised amounts of the acquiree's identifiable net assets.

The aggregate balances of identifiable assets and liabilities arising from these acquisitions as at their respective acquisition dates are as follows:

	Acquisitions of assets RMB'000	Acquisitions of additional interests in the Group's joint ventures RMB'000
Property, plant and equipment	5,937	–
Prepayment for proposed development projects	928,356	178,874
Cash and bank balances	24	1
Other payables and contract liabilities	(473,073)	(16,962)
Borrowings	–	(151,946)
Total identifiable net assets	461,244	9,967
Less: pre-existing interests	–	(3,967)
Less: non-controlling interests	(51,244)	–
Identifiable net assets acquired	410,000	6,000
Total purchase consideration	410,000	6,000
Cash and bank balances in the subsidiaries acquired and cash inflow on acquisition of the subsidiaries	24	1

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

## 40. ACQUISITIONS OF SUBSIDIARIES (Continued)

## (a) Acquisitions of assets (Continued)

For the year ended 31 December 2022

During the year ended 31 December 2022, the Group entered into (i) certain sales and purchase agreements with independent third parties to acquire certain property development companies at total consideration of RMB1,602,710,000; and (ii) certain capital injection agreements and share transfer agreements with existing business partners to acquire additional equity interests in investees which were classified as the Group's joint ventures or associates before the further acquisitions with the aggregate consideration of approximately RMB154,290,000. The Group considered that these acquisitions would be just an acquisition of assets in substance and as a result the difference between the purchase consideration paid and the net assets acquired are recognised as adjustments to the carrying values of properties under development.

The non-controlling interests recognised at the acquisition date were measured by reference to the proportionate share of the recognised amounts of the acquiree's identifiable net assets.

The aggregate balances of identifiable assets and liabilities arising from these acquisitions as at their respective acquisition dates are as follows:

	Acquisitions of assets RMB'000	Acquisitions of additional interests in certain joint ventures RMB'000
Property, plant and equipment	456,847	2,257
Financial assets at FVTPL	–	6,350
Properties under development	1,870,720	2,948,074
Completed properties held-for-sale	264,197	888,177
Debtors, deposits and other receivables	486,942	1,180,049
Prepayment for proposed development projects	–	4,578
Amounts due from the Group	313,793	–
Amounts due from associates of the Group	84,844	492,851
Amounts due from joint ventures of the Group	130,385	1,883,317
Prepaid tax	23,606	210,068
Cash and bank balances	2,690	391,260
Accrued construction costs	(268,677)	(1,119,409)
Amounts due to joint ventures of the Group	(613,053)	(222,053)
Borrowings	–	(2,954,411)
Total identifiable net assets/(liabilities)	1,602,710	(122,595)
Less: pre-existing interests	–	(114,432)
Less: non-controlling interests	–	391,317
Identifiable net assets acquired	1,602,710	154,290
Total purchase consideration	1,602,710	154,290
Cash and bank balances in the subsidiaries acquired and cash inflow on acquisition of the subsidiaries	2,690	391,260

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

### 41. DISPOSALS OF SUBSIDIARIES/DEEMED DISPOSALS OF SUBSIDIARIES

#### (a) Disposal of subsidiaries

During the year ended 31 December 2023, the Group entered into agreements with certain independent third parties to dispose of all the interests in certain subsidiaries. These subsidiaries were engaged in property development and healthcare operations. The following table summarises the aggregate net assets and liabilities of the subsidiaries disposed of during the current year and the financial impacts are summarised as follows:

	2023 RMB'000
Net assets disposed of:	
Property, plant and equipment	2,517
Right-of-use assets	4,949
Land use rights	3,283
Inventories	139
Properties under development	2,325,408
Completed properties held-for-sale	32,889
Debtors, deposits and other receivables	251,660
Prepayment for proposed development projects	13,500
Prepaid tax	172,009
Cash and bank balances	6,249
Accrued construction costs	(70,841)
Other payables and contract liabilities	(1,337,995)
Lease liabilities	(12,567)
Borrowings	(650,000)
Income tax payable	(335)
	<b>740,865</b>
Non-controlling interests	(83,593)
Exchange reserve	9,462
	<b>666,734</b>
Net assets disposed of	<b>666,734</b>
Net loss on disposals of subsidiaries	<b>(619,793)</b>
	<b>46,941</b>
Total consideration	<b>46,941</b>
Satisfied by:	
Cash consideration	100
Other receivables	5,100
Financial assets at FVTPL	41,741
	<b>46,941</b>
Net cash outflow in respect of disposals of subsidiaries:	
Cash consideration	100
Cash and bank balances disposals of	(6,249)
	<b>(6,149)</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

## 41. DISPOSALS OF SUBSIDIARIES/DEEMED DISPOSALS OF SUBSIDIARIES (Continued)

## (a) Disposal of subsidiaries (Continued)

During the year ended 31 December 2022, the Group entered into agreements with certain independent third parties to dispose of all the interests in certain subsidiaries. These subsidiaries were engaged in property development. The following table summarises the aggregate net assets and liabilities of the subsidiaries disposed of during the current year and the financial impacts are summarised as follows:

	2022 RMB'000
Net assets disposed of:	
Property, plant and equipment	297,175
Properties under development	775,319
Debtors, deposits and other receivables	156,843
Cash and bank balances	5,804
Contract liabilities	(1,113)
Accrued construction costs	(66,796)
Borrowings	(161,758)
Other payables	(573,721)
	431,753
Non-controlling interests	(205,764)
Net liabilities disposed of	225,989
Loss on disposals of subsidiaries	(68,721)
Cash consideration satisfied by cash	157,268
Net cash inflow in respect of disposals of subsidiaries:	
Cash consideration	157,268
Cash and bank balances disposed of	(5,804)
	151,464

## (b) Deemed disposals of subsidiaries

During the year ended 31 December 2022, the Group entered into a restructuring trust agreement with two independent third parties, pursuant to which the Group's interests in certain property development projects held by its subsidiaries and a joint venture ("Properties") were injected into 深圳市城開信銀投資有限公司 (Shenzhen Chengkai Xinyin Investment Co., Ltd.) ("Chengkai Xinyin") as an initial capital contribution to the trust. The entire equity interests in Chengkai Xinyin are held by the trust and the beneficial interests of which are vested in three classes, namely Class A, Class B and Class C (the "Trust Arrangement"). Upon the establishment of the Trust, the beneficial interests of Class A and Class B are held by two independent third parties and Class C are held by the Group.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

### 41. DISPOSALS OF SUBSIDIARIES/DEEMED DISPOSALS OF SUBSIDIARIES (Continued)

#### (b) Deemed disposals of subsidiaries (Continued)

Pursuant to the Trust Arrangement, the beneficial owner of Class A owners are entitled to the fixed income return from the cash generated from the trust assets ("Class A Return"); Class B owners are entitled to the income return arising from their financing provided to the trust for the construction of the Properties based on the fixed interest rate; Class C owners are entitled to the remaining interests arising from the sale of Properties after deducting the returns entitled by Class A and Class B owners.

Although the Group is entitled to a variable return under Class C, the Group does not have the majority decision making over Chengkai Xinyin and the trust under the Trust Arrangement. Accordingly, the relevant subsidiaries and the joint venture were ceased to be the subsidiaries and joint venture of the Group upon the establishment of the Trust Arrangement. Alternatively, the Group classified its interests in the trust as interests in associate as the Group only has significant influence over the operation of Chengkai Xinyin and the trust.

The following table summarises the net assets of the subsidiaries and joint ventures disposed of upon the establishment of the Trust Arrangement:

	2022 RMB'000
Property, plant and equipment	510,525
Land use rights	6,522
Properties under development	776,060
Investment in associate	11,282
Investment in joint venture	4,612,826
Inventories	26,008
Debtors, deposits and other receivables	4,080,439
Amounts due from the Group	2,498,283
Amounts due from joint ventures of the Group	5,107,645
Deposits for land acquisition	17,880,836
Prepaid tax	15,141
Financial assets at FVTPL	147,438
Cash and bank balances	89,447
Contract liabilities	(10,474)
Income tax payable	(905)
Borrowings	(3,935,719)
Other payables	(1,900,299)
Amounts due to joint ventures of the Group	(281,995)
Lease liabilities	(54)
	29,633,006
Non-controlling interests	(10,315,921)
Net assets disposed of	19,317,085
Loss on deemed disposals	(678,692)
	18,638,393
Satisfied by:	
Equity interests in associate	18,638,393
Net cash outflow arising on deemed disposals:	
Cash and bank balances disposals of	(89,447)



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

## 42. SHARE OPTION

## (a) Share Option Scheme of the Company

Pursuant to the shareholders' resolution passed on 14 June 2019, a post-IPO share option scheme is terminated and the new share option scheme (the "Share Option Scheme") is conditionally adopted with effective from 14 June 2019. Pursuant to the terms of the Share Option Scheme, the Company may grant options at its discretion, to any eligible person (including directors, employees, officers of any member of the Group, advisers, consultants, suppliers, agents and customers of any members of the Group). The maximum number of shares which may be issued upon exercise of all options (the "Share Option") granted and yet to be exercised under the Share Option Scheme or any other share option schemes adopted by the Company must not exceed 30% of the Company's shares in issue from time to time.

No options may be granted under the Share Option Scheme after 10 years since the adoption. The vesting periods, exercise periods and vesting conditions may be specified by the Company at the time of the grant, and the options expire no later than 10 years from the relevant date of grant. The exercise price of the option under the Share Option Scheme shall be no less than the highest of (i) the official closing price of the Company's shares as stated in the daily quotation sheet issued by the Stock Exchange on the date of grant; (ii) the average of the official closing price of the Company's shares as stated in the daily quotation sheets issued by the Stock Exchange for the five Stock Exchange business days immediately preceding the date of grant; (iii) the nominal value of a share of the Company.

Details of the movement of the share options under Share Option Scheme are as follows:

	2023		2022	
	Weighted average exercise price in HK\$ per share	Number	Weighted average exercise price in HK\$ per share	Number
<b>At 1 January</b>	<b>3.413</b>	<b>245,872,514</b>	3.209	291,076,614
Cancelled/lapsed during the year	<b>3.322</b>	<b>(87,291,711)</b>	2.097	(45,204,100)
At 31 December	<b>3.464</b>	<b>158,580,803</b>	3.413	245,872,514

As at 31 December 2023, 158,580,803 (2022: 224,811,000) outstanding options granted under the Share Option Scheme were exercisable (note).

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

### 42. SHARE OPTION (Continued)

#### (a) Share Option Scheme of the Company (Continued)

Note: Terms of share options at the reporting date were as follows:

Exercised period	Vesting period	Exercise prices per share HK\$*	Number of share options*	
			2023	2022
19/7/2018-18/7/2027	19/7/2017-18/7/2018	3.440	<b>24,871,170</b>	38,199,804
19/7/2019-18/7/2027	19/7/2017-18/7/2019	3.440	<b>24,819,551</b>	38,148,185
19/7/2020-18/7/2027	19/7/2017-18/7/2020	3.440	<b>25,284,144</b>	38,612,778
19/7/2021-18/7/2027	19/7/2017-18/7/2021	3.440	<b>56,762,833</b>	83,420,100
24/1/2020-23/1/2029	24/1/2019-23/1/2020	2.310	–	2,064,854
24/1/2021-23/1/2029	24/1/2019-23/1/2021	2.310	–	2,064,854
24/1/2022-23/1/2029	24/1/2019-23/1/2022	2.310	–	2,064,854
24/1/2023-23/1/2029	24/1/2019-23/1/2023	2.310	–	4,129,709
12/4/2020-11/4/2029	12/4/2019-11/4/2020	3.580	<b>5,368,621</b>	5,368,621
12/4/2021-11/4/2029	12/4/2019-11/4/2021	3.580	<b>5,368,621</b>	5,368,621
12/4/2022-11/4/2029	12/4/2019-11/4/2022	3.580	<b>5,368,621</b>	5,368,621
12/4/2023-11/4/2029	12/4/2019-11/4/2023	3.580	<b>10,737,242</b>	10,737,242
4/11/2021-4/11/2030	4/11/2020-3/11/2021	3.570	–	2,064,854
4/11/2022-4/11/2030	4/11/2020-3/11/2022	3.570	–	2,064,854
4/11/2023-4/11/2030	4/11/2020-3/11/2023	3.570	–	2,064,854
4/11/2024-4/11/2030	4/11/2020-3/11/2024	3.570	–	4,129,709
			<b>158,580,803</b>	245,872,514

\* The number of options and exercise price was adjusted upon the completion of Rights Issue on 8 May 2021.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

## 42. SHARE OPTION (Continued)

## (a) Share Option Scheme of the Company (Continued)

On 19 July 2017, the Company offered to grant to the directors of the Company and certain employees of the Company and its subsidiaries (the "July 2017 Grant") of 64,000,000 and 250,300,000 share options respectively, of HK\$0.1 each in the capital of the Company. The Company further granted a director of the Company (the "September 2017 Grant" and the "November 2017 Grant") of 20,000,000 and 28,000,000 shares options on 22 September 2017 and 29 November 2017 respectively of HK\$0.1 each in the capital of the Company.

On 24 January 2019, the Company offered to grant to certain employees of the Company and its subsidiaries (the "January 2019 Grant") of 18,000,000 share options of HK\$0.1 each in the capital of the Company. The Company further granted certain employees of the Company and its subsidiaries (the "April 2019 Grant") of 34,000,000 share options on 12 April 2019 of HK\$0.1 each in the capital of the Company.

On 4 November 2020, the Company offered to grant to an employee of the Company and its subsidiaries (the "November 2020 Grant") of 10,000,000 share options of HK\$0.10 each in the capital of the Company.

The valuations were based on the Binomial Option Pricing Model with the following data and assumptions:

	July 2017 Grant	January 2019 Grant	April 2019 Grant	November 2020 Grant
Fair value under binomial model (HK\$'000)	543,168	17,677	51,857	13,298
Closing share price at grant date (HK\$)	3.55	2.37	3.69	3.68
Exercise price (HK\$)	3.55	2.38	3.70	3.69
Annual risk free interest rate	2.05%	2.49%	2.26%	0.91%
Expected volatility	42%	45%	46%	46%
Expected option life	10 years	10 years	10 years	10 years
Expected divided yield	Nil	2.5%	2.5%	3.46%

Expected volatility was determined by using the historical volatility of the Company's share price from the listing date to the grant date. The risk-free interest rate is equal to Hong Kong Dollar swap rate over the exercise period at the grant date.

The Binomial Option Pricing Model has been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options are based on the Directors' best estimate. The value of an option varies with different variables of certain subjective assumptions.

The Group recognised a share option expense of RMB5,805,000 (2022: RMB29,307,000) during the year ended 31 December 2023.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

### 42. SHARE OPTION (Continued)

#### (b) Share Option Scheme of Kaisa Health Group

Kaisa Health Group, a non-wholly owned subsidiary of the Company, operates a share option scheme (the “Kaisa Health’s Scheme”). The Kaisa Health’s Scheme was adopted pursuant to a special general meeting on 8 June 2015 for a period of 10 years as incentive or reward for the grantees for their contribution or potential contribution to Kaisa Health Group and its subsidiaries.

During the year ended 31 December 2023, no (2022: no) options were granted, none of options were exercised and cancelled, and no (2022: 84,200,000) share options were forfeited/lapsed.

Under the Kaisa Health’s Scheme, Kaisa Health Group may grant options to eligible participant which includes any full-time or part-time employees, consultants, potential employees, executives or officers (including executive, non-executive and independent non-executive directors) of Kaisa Health Group or any of its subsidiaries and any suppliers, customers, consultants, agents and advisers who, in the sole opinion of the board of directors, will contribute or has contributed to Kaisa Health Group and/or any of its subsidiaries.

Share options granted to a director, chief executive or substantial shareholder of Kaisa Health Group, or to any of their associates, are subject to approval by the independent non-executive directors of Kaisa Health Group. In addition, any share options granted to a substantial shareholder or any independent non-executive director of Kaisa Health Group, or to any of their associates, which would result in the shares issued and to be issued upon exercise of all share options already granted and to be granted (including share options exercised, cancelled and outstanding) to such person in any one year up to and including the date of such grant (i) representing in aggregate value over 0.1% of the shares of Kaisa Health Group in issue on that date; and (ii) having an aggregate value, based on the closing price of the shares on the date of each grant, in excess of HK\$5 million, are subject to shareholders’ approval in a general meeting.

The exercisable period of the options granted are determined by the board of directors of Kaisa Health Group at its absolute discretion. The share options will expire no later than ten years from the date of grant. At the time of grant of the share options, Kaisa Health Group may specify a minimum period for which an option must be held before it can be exercised. The acceptance date should not be later than 14 days after the date of offer. A nominal consideration of HK\$1 is payable on acceptance of the grant of options. The subscription price of the option shares is not less than the higher of (i) the closing price of the shares on the date of grant; (ii) the average closing prices of the shares on the five trading days immediately preceding the date of grant; and (iii) the nominal value of the shares. The maximum number of shares in respect of which options may be granted under the Kaisa Health’s Scheme may not exceed, in aggregate, nominal amount of 10% of the issued share capital of Kaisa Health Group at the date of approval of the Kaisa Health’s Scheme. The Kaisa Health’s Scheme limit may be increased from time to time to 10% of the shares in issue as at the date of such shareholders’ approval. However, the total maximum number of shares which may be issued upon exercise of all outstanding share options must not exceed 30% of the issued share capital from time to time. The number of shares in respect of which options may be granted to each eligible participants in any one year is not permitted to exceed 1% of the shares of Kaisa Health Group in issue from time to time.

At 31 December 2023, the number of shares in respect of which options had been granted and remained outstanding under the Kaisa Health’s Scheme was 142,000,000 (2022: 142,000,000), representing 2.8% (2022: 2.8%) of the shares of the Kaisa Health Group Holdings Limited in issue at that date.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

## 42. SHARE OPTION (Continued)

## (b) Share Option Scheme of Kaisa Health Group (Continued)

The fair values of share options were calculated using binomial option pricing model based on following data:

	12 September 2016	22 July 2020	26 August 2021
Share price at grant date (HK\$)	0.350	0.144	0.275
Exercise price (HK\$)	0.400	0.196	0.450
Expected volatility	76.75%	63.68%	73.33%
Expected option life	6 years	10 years	10 years
Annual risk-free interest rate	0.713%	0.396%	1.010%
Expected dividend yield	0.00%	0.00%	0.00%
Early exercise multiples			
– Director and its associate	2.8x	2.8x	N/A
– Employees or consultants	2.2x	2.8x	2.2x

The variables and assumptions used in computing the fair value of the share options were based on Kaisa Health Group's directors' best estimate. The value of an option varies with different variables of certain subjective assumptions.

Details of specific categories of options are as follows:

Grant date	Date of grant	Vesting period	Exercisable period	Exercise price	Closing price of the securities immediately before the date on which the options were granted
2016	12/9/2016	12/9/2016–15/6/2021	12/9/2017–11/9/2022	HK\$0.400	HK\$0.350
2020	22/7/2020 (note i)	22/7/2020–21/7/2023	22/7/2020–21/7/2030	HK\$0.196	HK\$0.142
2021	26/8/2021 (note ii)	26/8/2021-25/8/2024	26/8/2022-25/8/2031	HK\$0.450	HK\$0.275

Notes:

- (i) Share options subject to approval of independent shareholders was proposed and granted by board of directors on 22 July 2020.
- (ii) Share options subject to approval of independent shareholders was proposed and granted by board of directors on 26 August 2021. All the share options were forfeited on 10 November 2021 upon the resignation of grantees.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

### 42. SHARE OPTION (Continued)

#### (b) Share Option Scheme of Kaisa Health Group (Continued)

A summary of the movements of the number of share options under the Kaisa Health's Scheme during the years is as follows:

Type of participant	Option type	Outstanding at	Lapsed	Grant	Outstanding at	Lapsed	Grant during	Outstanding at
		1 January	during	during	31 December	during	the year ended	31 December
		2022	the year ended	the year ended	2022 and	the year ended	31 December	2023
			31 December	31 December	1 January	31 December	2023	31 December
		2022	2022	2022	2023	2023	2023	2023
Mr. Wu Tianyu	2016	38,000,000	(38,000,000)	–	–	–	–	–
Ms. Jiang Sisi	2016	38,000,000	(38,000,000)	–	–	–	–	–
Employees	2016	8,200,000	(8,200,000)	–	–	–	–	–
Mr. Zhang Huagang	2020	50,000,000	–	–	50,000,000	–	–	50,000,000
Mr. Luo Jun	2020	40,000,000	–	–	40,000,000	–	–	40,000,000
Mr. Wu Tianyu	2020	20,000,000	–	–	20,000,000	–	–	20,000,000
Dr. Liu Yanwen	2020	6,000,000	–	–	6,000,000	–	–	6,000,000
Dr. Lyu Aiping	2020	6,000,000	–	–	6,000,000	–	–	6,000,000
Ms. Jiang Sisi	2020	10,000,000	–	–	10,000,000	–	–	10,000,000
Employee	2020	10,000,000	–	–	10,000,000	–	–	10,000,000
Outstanding at the end of the year		226,200,000	(84,200,000)	–	142,000,000	–	–	142,000,000
Exercisable at the end of the year		141,600,000			100,000,000			142,000,000
Weighted average exercise price		HK\$0.272	HK\$0.400	–	HK\$0.196	–	–	HK\$0.196

In the opinion of the Directors, the fair value of the services received from consultants cannot be estimated reliably, the equity-settled share-based payment transactions with consultants are measured at the fair value of the equity instruments granted.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended 31 December 2023

**42. SHARE OPTION** (Continued)**(c) Share Option Scheme of Kaisa Prosperity**

Kaisa Prosperity, a non-wholly owned subsidiary of the Company, operates a share option scheme (the “Kaisa Prosperity’s Scheme”). The Kaisa Prosperity’s Scheme was adopted pursuant to the shareholders’ resolution passed on 18 June 2019. Pursuant to the terms of the share option scheme, Kaisa Prosperity may grant options at its discretion, to any eligible person (including directors, employees, officers of any member of Kaisa Prosperity and its subsidiaries, advisers, consultants, suppliers, agents and customers of any members of the Kaisa Prosperity). The maximum number of shares which may be issued upon exercise of all options granted and yet to be exercised under the Kaisa Prosperity’s Scheme or any other Kaisa Prosperity’s Schemes adopted by Kaisa Prosperity must not exceed 30% of the Kaisa Prosperity’s shares in issue from time to time.

No options may be granted under the Kaisa Prosperity’s Scheme after 10 years since the adoption. The vesting periods, exercise periods and vesting conditions may be specified by Kaisa Prosperity at the time of the grant, and the options expire no later than 10 years from the relevant date of grant.

The exercise price of the option under the Kaisa Prosperity’s Scheme shall be no less than the highest of (i) the official closing price of Kaisa Prosperity’s shares as stated in the daily quotation sheet issued by the Stock Exchange on the date of grant; (ii) the average of the official closing price of Kaisa Prosperity’s shares as stated in the daily quotation sheets issued by the Stock Exchange for the five Stock Exchange business days immediately preceding the date of grant; (iii) the nominal value of a share of Kaisa Prosperity.

Details of the movement of the share options under Kaisa Prosperity Scheme are as follows:

	Weighted average exercise price in HK\$ per share	Number
At 1 January 2022	15.7	10,050,000
Forfeited during the year	15.7	(580,000)
At 31 December 2022 and 1 January 2023	<b>15.7</b>	<b>9,470,000</b>
Forfeited during the year	<b>15.7</b>	<b>(400,000)</b>
At 31 December 2023	<b>15.7</b>	<b>9,070,000</b>

On 19 July 2019, Kaisa Prosperity offered to grant to the directors of the Kaisa Prosperity and certain employees of Kaisa Prosperity and its subsidiaries (the “July 2019 Grant”) of 2,750,000 and 8,700,000 share options respectively, of HK\$0.1 each in the capital of Kaisa Prosperity. The closing price of the shares immediately before the date of grant was HK\$15.36. The 8,700,000 share options granted to the employees and 2,750,000 share options granted to the directors of the Kaisa Prosperity have a fair value under the binomial model of HK\$62,564,000 and HK\$22,241,000, respectively.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

### 42. SHARE OPTION (Continued)

#### (c) Share Option Scheme of Kaisa Prosperity (Continued)

The valuations were based on the Binomial Option Pricing Model with the following data and assumptions:

	July 2019 Grant
Fair value under binomial model	HK\$84,805,000
Closing share price at grant date	HK\$15.7
Exercise price	HK\$15.7
Annual risk free interest rate	1.87%
Expected volatility	50.86%
Expected option life	10 years
Expected dividend yield	1.15%

Expected volatility was determined by using the historical volatility of Kaisa Prosperity's share price from the listing date to the grant date.

The risk free interest rate is equal to HK\$ swap rate over the exercise period at the grant date. The Binomial Option Pricing Model has been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. The value of an option varies with different variables of certain subjective assumptions.

As at 31 December 2023, 9,070,000 of the outstanding options granted under the share option scheme were exercisable (2022: 5,970,000).

Note:

Terms of share options at the reporting date were as follows:

Exercise period	per share HK\$	Number of share options as at 31 December 2023
19/7/2020–18/7/2029	15.70	2,010,000
19/7/2021–18/7/2029	15.70	2,010,000
19/7/2022–18/7/2029	15.70	1,950,000
19/7/2023–18/7/2029	15.70	3,100,000
		<b>9,070,000</b>

Note: Such share options shall be vested in four tranches in accordance with the following dates: (i) up to 20% of the share options granted to each grantee at any time after the expiration of 12 months from the date of grant, i.e. 18 July 2020; (ii) up to 40% of the share options granted to each grantee at any time after the expiration of 24 months from the date of grant, i.e. 18 July 2021; (iii) up to 60% of the share options granted to each grantee at any time after the expiration of 36 months from the date of grant, i.e. 18 July 2022; and (iv) all the remaining share options granted to each grantee at any time after the expiration of 48 months from the date of grant. The shares options are exercisable within a period of ten years from the date of grant, i.e. 18 July 2029, subject to the vesting schedule.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

## 43. FINANCIAL INSTRUMENTS BY CATEGORY

## Assets as per consolidated statement of financial position

	2023 RMB'000	2022 RMB'000
<b>Financial assets at amortised cost</b>		
Debtors, deposits and other receivables, excluding prepayments and prepaid other taxes (note 25)	41,365,336	48,573,261
Bank balances and cash (note 28)		
– Restricted cash	2,406,284	3,713,407
– Cash and bank balances	994,771	2,067,642
	<b>44,766,391</b>	54,354,310
<b>Financial assets at FVTPL</b>		
Financial assets at FVTPL (note 21)	5,530,822	7,264,491

## Liabilities as per consolidated statement of financial position

	2023 RMB'000	2022 RMB'000
<b>Financial liabilities at amortised cost</b>		
Accrued construction costs	8,695,203	12,409,696
Borrowings (note 31)	133,624,017	134,167,949
Other payables, excluding deed tax and other tax payables (note 32)	43,590,596	27,980,053
Lease liabilities (note 30)	576,805	595,122
	<b>186,486,621</b>	175,152,820

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

### 44. RELATED PARTY TRANSACTIONS

The Company is ultimately controlled by Mr. Kwok Ying Shing (the “Controlling Shareholder”).

Apart from those related party transactions disclosed elsewhere in the consolidated financial statements, the following transaction were carried out with related parties.

#### (a) Key management compensation

	2023 RMB'000	2022 RMB'000
Directors' fee	816	750
Salaries and other short-term employee benefits	57,172	97,668
Discretionary bonuses	95	–
Retirement scheme contributions	757	981
Share-based payments	1,724	6,449
	<b>60,564</b>	105,848

#### (b) Transactions with related parties

	Notes	2023 RMB'000	2022 RMB'000
Other income from associates		4,973	27,609
Other income from joint ventures		17,015	72,894
Property management fee income from associates		24,424	35,164
Property management fee income from joint ventures		85,783	117,823
Financial advisory fees charged by an associate		–	957
Rental expenses charged by a Controlling Shareholder	(i)	1,140	1,140

Notes:

- (i) This represents payment of rental expense for various office premises to a Controlling Shareholder, Mr. Kwok Ying Shing. The rental expense paid during the year was determined at prevailing market rate of respective office premise.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

## 44. RELATED PARTY TRANSACTIONS (Continued)

## (c) Balances with related parties

	2023	2022
	RMB'000	RMB'000
Loan from a related company (note 31(d))	<b>(108,781)</b>	(108,781)
Loan from the controlling shareholder of the Company (note 31(e))	<b>(115,000)</b>	–
Trade receivable from associates, net of ECL	<b>195,830</b>	192,740
Trade receivable from joint ventures, net of ECL	<b>506,599</b>	510,176
Amounts due from associates, net of ECL (note 25)	<b>10,919,295</b>	14,837,146
Amounts due from joint ventures, net of ECL (note 25)	<b>14,838,047</b>	15,573,901
Amounts due to associates (note 32)	<b>(1,640,493)</b>	(1,796,207)
Amounts due to joint ventures (note 32)	<b>(1,474,668)</b>	(1,004,544)
Interest payable to a related company		
– included in accrued interest in other payables	<b>(235,535)</b>	(235,535)

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

### 45. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

Statement of financial position of the Company as at 31 December 2023

	2023 RMB'000	2022 RMB'000
<b>Non-current assets</b>		
Investments in subsidiaries	89,111,471	94,852,816
Financial assets at fair value through profit or loss	–	20,768
	<b>89,111,471</b>	94,873,584
<b>Current assets</b>		
Deposits and other receivables	34,545	40,709
Cash and bank balances	5,368	5,598
	<b>39,913</b>	46,307
<b>Current liabilities</b>		
Borrowings	82,258,226	82,306,736
Other payables	19,386,010	10,348,443
	<b>101,644,236</b>	92,655,179
<b>Net current liabilities</b>	<b>(101,604,323)</b>	(92,608,872)
<b>Total assets less current liabilities</b>	<b>(12,492,852)</b>	2,264,712
<b>Net (liabilities)/assets</b>	<b>(12,492,852)</b>	2,264,712
<b>EQUITY</b>		
Share capital (note 34)	613,530	613,530
Share premium (note 34)	6,376,801	6,376,801
Perpetual capital securities	1,350,054	1,350,054
Reserves (note (a))	(20,833,237)	(6,075,673)
<b>Total (deficit)/equity</b>	<b>(12,492,852)</b>	2,264,712

Approved and authorised for issue by the Board of Directors on 28 March 2024.

**Kwok Ying Shing**  
Director

**Mai Fan**  
Director

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

## 45. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

(Continued)

## Statement of financial position of the Company as at 31 December 2023 (Continued)

Note:

(a) Reserve movement of the Company

	Share option reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
Balance at 1 January 2022	375,204	(2,882,292)	(2,507,088)
Loss and total comprehensive expense for the year	–	(3,543,927)	(3,543,927)
Share-based payment	10,688	–	10,688
Share options lapsed	(35,346)	–	(35,346)
Balance at 31 December 2022 and 1 January 2023	<b>350,546</b>	<b>(6,426,219)</b>	<b>(6,075,673)</b>
Loss and total comprehensive expense for the year	–	<b>(14,559,418)</b>	<b>(14,559,418)</b>
Share-based payment	<b>5,096</b>	–	<b>5,096</b>
Share options lapsed	<b>(203,242)</b>	–	<b>(203,242)</b>
Balance at 31 December 2023	<b>152,400</b>	<b>(20,985,637)</b>	<b>(20,833,237)</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

### 46. PARTICULAR OF PRINCIPAL SUBSIDIARIES

Name	Place and date of incorporation/ establishment	Type of legal entity	Nominal value of issued and fully paid share capital/ paid-in-capital	Percentage of attributable equity interest		Principal activities
				2023	2022	
Jinsheng Engineering Management Consulting (Shenzhen) Co., Ltd. 今盛工程管理諮詢(深圳)有限公司	the PRC, 27 July 2001	Limited liability company	HK\$714,000,000	100%	100%	Property development
Kaisa Urban Redevelopment Group (Shenzhen) Co., Ltd. 佳兆業城市更新集團(深圳)有限公司	the PRC, 26 March 2004	Limited liability company	RMB15,190,000	100%	100%	Property development
Kaisa Group (Shenzhen) Co., Ltd. 佳兆業集團(深圳)有限公司	the PRC, 3 June 1999	Limited liability company	RMB2,826,163,980	100%	100%	Property development
Shenzhen Nanao Kaisa Property Development Co., Ltd. 深圳市南澳佳兆業房地產開發有限公司	the PRC, 15 February 2004	Limited liability company	RMB640,000,000	100%	100%	Property development
Huizhou Canrong Property Ltd. 惠州燦榮房產有限公司	the PRC, 14 January 1994	Limited liability company	RMB35,926,506	100%	100%	Property development
Zhaoruijing Hotel Zhiye Management (Suizhong) Co., Ltd. 兆瑞景酒店置業管理(綏中)有限公司	the PRC, 20 December 2010	Limited liability company	HK\$68,300,000	100%	100%	Hotel management
Leisure Land Hotel Zhiye Management (Suizhong) Co., Ltd. 可域酒店置業管理(綏中)有限公司	the PRC, 20 December 2010	Limited liability company	RMB144,653,000	100%	100%	Hotel management
Kaisa Zhiye (Nanchong) Co., Ltd. 佳兆業置業(南充)有限公司	the PRC, 28 December 2010	Limited liability company	RMB850,000,000	100%	100%	Property development
Kaisa Real Estate (Benxi) Co., Ltd. 佳兆業地產(本溪)有限公司	the PRC, 7 March 2011	Limited liability company	HK\$210,000,000	100%	100%	Property development
Zuhai Kaisa Property Development Co., Ltd. 珠海市佳兆業房地產開發有限公司	the PRC, 9 June 2011	Limited liability company	RMB518,000,000	100%	100%	Property development
Kaisa Tourism Development Co., Ltd. 佳兆業旅遊開發有限公司	the PRC, 15 July 2011	Limited liability company	HK\$93,600,000	100%	100%	Property development
Kaisa Property (Suizhong) Co., Ltd. 佳兆業地產(綏中)有限公司	the PRC, 15 July 2011	Limited liability company	HK\$246,500,000	100%	100%	Property development
Kaisa Xindu Zhiye (Qingdao) Co., Ltd. 佳兆業新都置業(青島)有限公司	the PRC, 18 February 2013	Limited liability company	US\$60,000,000	100%	100%	Property development



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

### 46. PARTICULAR OF PRINCIPAL SUBSIDIARIES (Continued)

Name	Place and date of incorporation/ establishment	Type of legal entity	Nominal value of issued and fully paid share capital/ paid-in-capital	Percentage of attributable equity interest		Principal activities
				2023	2022	
Zhuhai Zhanda Property Development Co., Ltd. 珠海市展大房地產開發有限公司	the PRC, 11 April 1992	Limited liability company	RMB98,040,000	100%	100%	Property development
Kaisa Property Management (Shenzhen) Co., Ltd. 佳兆業物業管理(深圳)有限公司	the PRC, 20 October 1999	Limited liability company	RMB310,000,000	100%	100%	Property development
Kaisa Commerce Group Co., Ltd. 佳兆業商業集團有限公司	the PRC, 19 July 2004	Limited liability company	RMB1,000,000,000	100%	100%	Commerce management
Shenzhen Jililong Shiye Co., Ltd. 深圳市吉利隆實業有限公司	the PRC, 21 March 1997	Limited liability company	RMB12,000,000	100%	100%	Property development
Guangzhou Jinmao Property Development Co., Ltd. 廣州金貿房地產開發有限公司	the PRC, 27 October 2005	Limited liability company	RMB202,500,000	100%	100%	Property development
Dongguan Kaisa Property Development Co., Ltd. 東莞市佳兆業房地產開發有限公司	the PRC, 6 September 2004	Limited liability company	RMB38,000,000	100%	100%	Property development
Dongguan Yingsheng Property Development Co., Ltd. 東莞市盈盛房地產開發有限公司	the PRC, 3 March 2006	Limited liability company	RMB20,000,000	100%	100%	Property development
Huizhou Jiabo Property Development Co., Ltd. 惠州市佳博房地產開發有限公司	the PRC, 14 September 2007	Limited liability company	RMB1,000,000	100%	100%	Property development
Dongguan Yingyan Property Development Co., Ltd. 東莞市盈雁房地產開發有限公司	the PRC, 4 July 2008	Limited liability company	RMB10,000,000	80%	80%	Property development
Chengdu Kaisa Investment Co., Ltd. 成都佳兆業投資有限公司	the PRC, 22 June 2007	Limited liability company	RMB20,000,000	100%	100%	Property development
Dongguan Yingtai Property Development Co., Ltd. 東莞市盈泰房地產開發有限公司	the PRC, 4 January 2007	Limited liability company	RMB10,000,000	100%	100%	Property development
Nanchong Kaisa Property Co., Ltd. 南充市佳兆業房地產有限公司	the PRC, 10 December 2010	Limited liability company	RMB10,000,000	100%	100%	Property development
Shenzhen Henggang Kaisa Investment Consulting Co., Ltd. 深圳市橫崗佳兆業投資諮詢有限公司	the PRC, 3 June 2011	Limited liability company	RMB10,000,000	100%	100%	Property development

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

### 46. PARTICULAR OF PRINCIPAL SUBSIDIARIES (Continued)

Name	Place and date of incorporation/ establishment	Type of legal entity	Nominal value of issued and fully paid share capital/ paid-in-capital	Percentage of attributable equity interest		Principal activities
				2023	2022	
Anshan Junhuishangpin Property Development Co., Ltd. 鞍山君匯上品房地產開發有限公司	the PRC, 28 June 2011	Limited liability company	RMB152,825,200	100%	100%	Property development
Wan Rui Fa Property (Anshan) Co., Ltd. 萬瑞發地產(鞍山)有限公司	the PRC, 28 June 2011	Limited liability company	US\$19,115,864	100%	100%	Property development
Dongguan City Oasis Garden Property Development Co., Ltd. 東莞市城市綠洲花園房地產開發有限公司	the PRC, 21 October 2011	Limited liability company	RMB10,000,000	100%	100%	Property development
Shanghai Xiangyi Management Consulting Co., Ltd. 上海向益管理諮詢有限公司	the PRC, 3 November 2011	Limited liability company	RMB25,000,000	100%	100%	Investment holding
Chongqing Shenlian Investment Co., Ltd. 重慶深聯投資有限公司	the PRC, 22 August 2012	Limited liability company	RMB20,000,000	60%	60%	Property development
Dongguan Yulongshan Property Development Co., Ltd. 東莞市御龍山房地產開發有限公司	the PRC, 9 April 2013	Limited liability company	RMB20,000,000	100%	100%	Property development
Chongqing Tanxun Wulianwang Technology Co., Ltd. 重慶談訊物聯網科技有限公司	the PRC, 13 November 2013	Limited liability company	RMB10,000,000	100%	100%	Property development
Kaisa E-Commerce (Shenzhen) Co., Ltd. 佳兆業電子商務(深圳)有限公司	the PRC, 24 February 2014	Limited liability company	RMB20,000,000	100%	100%	Property development
Shenzhen No.1 Warehouse Fast Network Co., Ltd. 深圳市一號倉佳速網絡有限公司	the PRC, 9 December 2014	Limited liability company	RMB10,000,000	100%	100%	Computer technology
Wuhan Haiding Property Co., Ltd. 武漢市海鼎置業有限責任公司	the PRC, 22 November 2002	Limited liability company	RMB30,000,000	100%	100%	Property development
Chongqing Xinshitong Real Estate Development Co., Ltd. 重慶市新事通房地產開發有限公司	the PRC, 27 December 2016	Limited liability company	RMB20,000,000	100%	100%	Property development
Shenzhen Sanlian Kendu Pharmaceutical Co., Ltd. 深圳三聯肯渡製藥股份有限公司	the PRC, 25 September 1995	Limited liability company	RMB100,000,000	70%	70%	Property development
Shaoxing Hongjia Housing Co., Ltd. 紹興鴻佳置業有限公司	the PRC, 25 July 2016	Limited liability company	RMB30,000,000	100%	100%	Property development

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

### 46. PARTICULAR OF PRINCIPAL SUBSIDIARIES (Continued)

Name	Place and date of incorporation/ establishment	Type of legal entity	Nominal value of issued and fully paid share capital/ paid-in-capital	Percentage of attributable equity interest		Principal activities
				2023	2022	
Zhuhai Jia Jun Investment Company Limited 珠海市佳駿投資有限公司	the PRC, 18 May 2017	Limited liability company	RMB50,000,000	100%	100%	Property development
Xinzheng Henderson Real Estate Development Company Limited 新鄭市佳兆業房地產開發有限公司	the PRC, 14 July 2017	Limited liability company	RMB400,000,000	100%	100%	Property development
Zhongshan Fuze Real Estate Development Co., Ltd. 中山富澤房地產開發有限公司	the PRC, 17 March 2015	Limited liability company	RMB10,000,000	100%	100%	Property development
Hangzhou Jiaxin Zhiye Co., Ltd. 杭州佳欣置業有限公司	the PRC, 18 September 2017	Limited liability company	RMB40,932,200	100%	100%	Property development
Jiashan Shangwan Real Estate Development Co., Ltd. 嘉善尚灣房地產開發有限公司	the PRC, 13 October 2017	Limited liability company	RMB16,000,000	51%	51%	Property development
Shenzhen Woodland Height Shiye Co., Ltd. 深圳市桂芳園實業有限公司	the PRC, 13 October 2003	Limited liability company	RMB500,000,000	100%	100%	Property development
Shenzhen Longgang Kaisa Property Development Co., Ltd. 深圳市龍崗佳兆業房地產開發有限公司	the PRC, 14 November 2006	Limited liability company	RMB204,680,000	100%	100%	Property development
Chengdu Nanxing Yinji Property Development Co., Ltd. 成都南興銀基房地產開發有限公司	the PRC, 5 November 2004	Limited liability company	RMB420,000,000	100%	100%	Property development
Hunan Kaisa Property Development Co., Ltd. 湖南佳兆業房地產開發有限公司	the PRC, 22 August 2007	Limited liability company	RMB220,000,000	100%	100%	Property development
Shenzhen Dapeng Kaisa Property Development Co., Ltd. 深圳市大鵬佳兆業房地產開發有限公司	the PRC, 17 November 2000	Limited liability company	RMB100,000,000	100%	100%	Property development
Shenzhen Tajian Construction & Engineering Co., Ltd. 深圳市泰建建築工程有限公司	the PRC, 19 July 2007	Limited liability company	RMB1,000,000,000	100%	100%	Construction engineering
Shenzhen Xingwoer Property Development Co., Ltd. 深圳市興沃爾房地產開發有限公司	the PRC, 29 January 1999	Limited liability company	RMB10,000,000	100%	100%	Property development
Shanghai Xinwan Investment Development Co., Ltd. 上海新灣投資發展有限公司	the PRC, 17 January 2007	Limited liability company	RMB35,000,000	100%	100%	Investment holding

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

### 46. PARTICULAR OF PRINCIPAL SUBSIDIARIES (Continued)

Name	Place and date of incorporation/ establishment	Type of legal entity	Nominal value of issued and fully paid share capital/ paid-in-capital	Percentage of attributable equity interest		Principal activities
				2023	2022	
Boluo Kaisa Real Estate Development Co., Ltd. 博羅縣佳兆業房地產開發有限公司	the PRC, 2 June 2008	Limited liability company	RMB10,000,000	100%	100%	Property development
Shenzhen Golden Bay Hotel Co., Ltd. 深圳市金沙灣大酒店有限公司	the PRC, 17 June 1997	Limited liability company	RMB50,000,000	100%	100%	Property development
Jiangsu Kaisa Investment Co., Ltd. 江蘇佳兆業投資有限公司	the PRC, 18 May 2010	Limited liability company	RMB15,000,000	100%	100%	Property development
Baoji Crafts (Shenzhen) Co., Ltd. 寶吉工藝品(深圳)有限公司	the PRC, 28 December 1988	Limited liability company	RMB877,725,000	100%	100%	Property development
Jiangyin Washington Waterfront Property Development Co., Ltd. 江陰水岸華府房地產開發有限公司	the PRC, 10 December 2010	Limited liability company	RMB20,000,000	100%	100%	Property development
Zhejiang Wufeng Zhiye Co., Ltd. 浙江伍豐置業有限公司	the PRC, 7 January 2010	Limited liability company	RMB260,000,000	100%	100%	Property development
Jiangyin Jincuiyuan Property Development Co., Ltd. 江陰金翠園房地產開發有限公司	the PRC, 22 February 2011	Limited liability company	RMB20,000,000	100%	100%	Property development
Shenzhen Yantian Kaisa Property Development Co., Ltd. 深圳市鹽田佳兆業房地產開發有限公司	the PRC, 19 April 2011	Limited liability company	RMB800,000,000	100%	100%	Property development
Kaisa Dongdaihe Property Development Co., Ltd. 佳兆業東戴河房地產開發有限公司	the PRC, 6 July 2011	Limited liability company	RMB50,000,000	100%	100%	Property development
Shenzhen Yuefeng Investment Co., Ltd. 深圳市悅峰投資有限公司	the PRC, 25 April 2012	Limited liability company	RMB100,000,000	100%	100%	Property development
Taizhou Kaisa Jiangshan Property Development Co., Ltd. 泰州佳兆業江山房地產開發有限公司	the PRC, 30 December 2011	Limited liability company	RMB50,000,000	51%	51%	Property development
Wuhan Kaisa Investment Co., Ltd. 武漢市佳兆業投資有限公司	the PRC, 13 July 2012	Limited liability company	RMB250,000,000	100%	100%	Property development
Shanghai Jinwan Zhaoye Property Development Co., Ltd. 上海金灣兆業房地產開發有限公司	the PRC, 2 August 2012	Limited liability company	RMB30,000,000	100%	100%	Property development

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

## 46. PARTICULAR OF PRINCIPAL SUBSIDIARIES (Continued)

Name	Place and date of incorporation/ establishment	Type of legal entity	Nominal value of issued and fully paid share capital/ paid-in-capital	Percentage of attributable equity interest		Principal activities
				2023	2022	
Jiangyin Binjiangyayuan Property Development Co., Ltd. 江陰濱江雅園房地產開發有限公司	the PRC, 14 September 2012	Limited liability company	RMB20,000,000	100%	100%	Property development
Dalian Huapu Zhiye Co., Ltd. 大連華普置業有限公司	the PRC, 9 December 2009	Limited liability company	RMB100,000,000	100%	100%	Property development
Shanghai Jiawan Zhaoye Property Co., Ltd. 上海嘉灣兆業房地產有限公司	the PRC, 24 December 2012	Limited liability company	RMB30,000,000	100%	100%	Property development
Kaisa Culture and Sports Investment Development (Shenzhen) Co., Ltd. 佳兆業文化體育(深圳)有限公司	the PRC, 25 January 2013	Limited liability company	RMB72,000,000	90%	90%	Commerce management
Kaisa Property (Hangzhou) Co., Ltd. 佳兆業房地產(杭州)有限公司	the PRC, 6 March 2013	Limited liability company	RMB40,820,000	100%	100%	Property development
Chengdu Tianjia Zhiye Co., Ltd. 成都天佳置業有限公司	the PRC, 19 April 2013	Limited liability company	RMB200,000,000	100%	100%	Property development
Shenzhen Jiawangji Property Development Co., Ltd. 深圳市佳旺基房地產開發有限公司	the PRC, 5 February 2010	Limited liability company	RMB50,000,000	70%	70%	Property development
Wuhan Junhui Property Development Co., Ltd. 武漢市君匯房地產開發有限公司	the PRC, 20 May 2013	Limited liability company	RMB50,000,000	100%	100%	Property development
Shanghai Rongwan Zhaoye Property Development Co., Ltd. 上海榮灣兆業房地產開發有限公司	the PRC, 17 October 2013	Limited liability company	RMB30,000,000	100%	100%	Property development
Wan Tai Chang Property Development (Suizhong) Co., Ltd. 萬泰昌房地產開發(綏中)有限公司	the PRC, 15 October 2013	Limited liability company	HK\$428,999,750	100%	100%	Property development
Hangxilongye Property (Hangzhou) Co., Ltd. 杭溪隆業房地產(杭州)有限公司	the PRC, 26 June 2013	Limited liability company	RMB98,000,000	100%	100%	Property development
Shanghai Chengwan Zhaoye Property Development Co., Ltd. 上海誠灣兆業房地產有限公司	the PRC, 2 August 2013	Limited liability company	RMB58,820,000	100%	100%	Property development
Chongqing Kaisa Property Development Co., Ltd. 重慶佳兆業房地產開發有限公司	the PRC, 13 November 2013	Limited liability company	RMB946,675,000	100%	100%	Property development

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

### 46. PARTICULAR OF PRINCIPAL SUBSIDIARIES (Continued)

Name	Place and date of incorporation/ establishment	Type of legal entity	Nominal value of issued and fully paid share capital/ paid-in-capital	Percentage of attributable equity interest		Principal activities
				2023	2022	
Sichuan Tianzi Zhiye Co., Ltd. 四川天姿置業有限公司	the PRC, 15 September 2006	Limited liability company	RMB20,000,000	100%	100%	Property development
Huizhou Weitong Property Co., Ltd. 惠州緯通房產有限公司	the PRC, 14 January 1994	Limited liability company	HK\$256,026,685	100%	100%	Property development
Kaisa Technology (Huizhou) Co., Ltd. 佳兆業科技(惠州)有限公司	the PRC, 24 March 2008	Limited liability company	US\$3,794,256	100%	100%	Property development
Kaisa Real Estate (Liaoning) Co., Ltd. 佳兆業地產(遼寧)有限公司	the PRC, 28 January 2010	Limited liability company	RMB1,086,670,000	100%	100%	Property development
Shenzhen Zhengchangtai Investment Consulting Co., Ltd. 深圳市正昌泰投資諮詢有限公司	the PRC, 13 June 2007	Limited liability company	RMB10,000,000	100%	100%	Property development
Wan Rui Chang Property Development Co., Ltd. 萬裕昌計算機技術開發(深圳)有限公司	the PRC, 26 October 2001	Limited liability company	HK\$2,000,000	100%	100%	Commerce management
Kaisa Holdings Limited 佳兆業集團有限公司	HK, 16 July 1999	Limited liability company	HK\$10,000	100%	100%	Investment holding
Beijing Jinmao Caixun Xinxi Co., Ltd. 北京金貿財迅信息有限公司	the PRC, 5 December 2005	Limited liability company	RMB24,400,000	100%	100%	Commerce management
Dong Sheng Investment Company Limited 東升投資有限公司	BVI, 25 July 2007	Limited liability company	US\$1	100%	100%	Investment holding
Rui Jing Investment Company Limited 瑞景投資有限公司	BVI, 23 July 2007	Limited liability company	HK\$1	100%	100%	Investment holding
Kaisa (Huizhou) Road Construction Development Co., Ltd. 佳兆業(惠州)道路建設發展有限公司	the PRC, 2 February 2008	Limited liability company	US\$40,000,000	100%	100%	Commerce management
Tai An Da Investment Company Limited 泰安達投資有限公司	BVI, 2 March 2010	Limited liability company	US\$2	100%	100%	Investment holding
Wan Rui Fa Investment Company Limited 萬瑞發投資有限公司	HK, 2 March 2010	Limited liability company	HK\$10,000	100%	100%	Investment holding

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

## 46. PARTICULAR OF PRINCIPAL SUBSIDIARIES (Continued)

Name	Place and date of incorporation/ establishment	Type of legal entity	Nominal value of issued and fully paid share capital/ paid-in-capital	Percentage of attributable equity interest		Principal activities
				2023	2022	
Tai He Sheng Investment Company Limited 泰和盛投資有限公司	BVI, 2 March 2010	Limited liability company	US\$1	100%	100%	Investment holding
Tai Chong Li Investment Company Limited 泰昌利投資有限公司	BVI, 2 March 2010	Limited liability company	US\$1	100%	100%	Investment holding
Wan Jin Chang Investment Limited 萬晉昌投資有限公司	HK, 2 March 2010	Limited liability company	HK\$1	100%	100%	Investment holding
Wan Rui Chang Investment Company Limited 萬瑞昌投資有限公司	HK, 2 March 2010	Limited liability company	HK\$1	100%	100%	Investment holding
Wan Tai Chang Investment Company Limited 萬泰昌投資有限公司	HK, 2 March 2010	Limited liability company	HK\$1	100%	100%	Investment holding
Shenzhen Kaisa Hotel Management Co., Ltd. 深圳市佳兆業酒店管理有限公司	the PRC, 15 September 2010	Limited liability company	RMB110,750,000	100%	100%	Hotel management
Hong Kong Kaisa Industry Co., Limited 香港佳兆業實業有限公司	HK, 24 November 2010	Limited liability company	US\$1,000	100%	100%	Investment holding
Sunny Sino Investments Limited 熙華投資有限公司	HK, 21 September 2011	Limited liability company	US\$1	100%	100%	Investment holding
Xifeng Management Consulting (Shenzhen) Co., Ltd. 熙豐管理諮詢(深圳)有限公司	the PRC, 17 November 2011	Limited liability company	RMB1,000,000	100%	100%	Commerce management
Shenzhen Dehong Management Consulting Co., Ltd. 深圳市德弘管理諮詢有限公司	the PRC, 8 November 2011	Limited liability company	RMB500,000,000	100%	100%	Commerce management
Action Enrich Limited 行裕有限公司	BVI, 2 May 2012	Limited liability company	US\$1,000	100%	100%	Investment holding
Chengdu Dingchengda Property Development Co., Ltd. 成都市鼎誠達房地產開發有限公司	the PRC, 6 July 2012	Limited liability company	RMB10,000,000	100%	100%	Property development
Wan Rui Chang Property Development (Suizhong) Co., Ltd. 萬瑞昌房地產開發(綏中)有限公司	the PRC, 1 August 2012	Limited liability company	HK\$244,000,000	100%	100%	Property development



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

### 46. PARTICULAR OF PRINCIPAL SUBSIDIARIES (Continued)

Name	Place and date of incorporation/ establishment	Type of legal entity	Nominal value of issued and fully paid share capital/ paid-in-capital	Percentage of attributable equity interest		Principal activities
				2023	2022	
Kaisa Property (Dandong) Co., Ltd. 佳兆業地產(丹東)有限公司	the PRC, 30 October 2012	Limited liability company	US\$50,500,000	100%	100%	Property development
Splendid Maple Limited 燁楓有限公司	BVI, 21 May 2013	Limited liability company	US\$10,000	100%	100%	Investment holding
Suzhou Kaisa Property Development Co., Ltd. 蘇州市佳兆業房地產開發有限公司	the PRC, 20 February 2014	Limited liability company	RMB196,000,000	100%	100%	Property development
Chengdu Jincheng Jiaye Property Development Co., Ltd. 成都錦城佳業房地產開發有限公司	the PRC, 24 February 2014	Limited liability company	RMB10,000,000	100%	100%	Property development
Nanjing Aoxin Property Development Co., Ltd. 南京奧信房地產開發有限公司	the PRC, 11 November 2013	Limited liability company	RMB50,000,000	100%	100%	Property development
Shanghai Qingwan Zhaoye Property Development Co., Ltd. 上海青灣兆業房地產開發有限公司	the PRC, 21 August 2014	Limited liability company	RMB50,000,000	100%	100%	Property development
Chengdu Jinxinrui Property Development Co., Ltd. 成都市錦新瑞房地產開發有限公司	the PRC, 7 November 2012	Limited liability company	RMB50,000,000	100%	100%	Property development
Shenzhen Guanyang Property Development Co., Ltd. 深圳冠洋房地產有限公司	the PRC, 5 June 2009	Limited liability company	RMB100,000,000	51%	51%	Property development
Shenzhen Jielingzixun Co., Ltd. 深圳市傑領資訊諮詢有限公司	the PRC, 3 November 2014	Limited liability company	RMB0	100%	100%	Commerce management
Hainan Kaisa Industrial Group Co., Ltd. 海南佳兆業實業集團有限公司	the PRC, 29 April 2010	Limited liability company	RMB10,000,000	100%	100%	Property development
Guangzhou Kaisa Investment Co., Ltd. 廣州佳兆業投資諮詢有限公司	the PRC, 8 March 2010	Limited liability company	RMB10,000,000	55%	55%	Property development
Shenzhen Kaisa Real Estate Co., Ltd. 深圳市佳兆業置業有限公司	the PRC, 7 September 2012	Limited liability company	RMB10,000,000	100%	100%	Property development
Shenzhen Guan Lan Kaisa Real Estate Development Co., Ltd. 深圳市觀瀾佳兆業置業發展有限公司	the PRC, 30 August 2013	Limited liability company	RMB50,000,000	100%	100%	Property development

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

## 46. PARTICULAR OF PRINCIPAL SUBSIDIARIES (Continued)

Name	Place and date of incorporation/ establishment	Type of legal entity	Nominal value of issued and fully paid share capital/ paid-in-capital	Percentage of attributable equity interest		Principal activities
				2023	2022	
Shenzhen Jili Real Estate Development Co., Ltd. 深圳市吉麗房地產開發有限公司	the PRC, 25 October 2019	Limited liability company	RMB532,800,000	100%	100%	Property development
Qinghai Pharmaceutical Co., Limited 青海製藥有限公司	the PRC, 31 May 2000	Limited liability company	RMB100,000,000	54.84%	54.84%	Manufacturing and trading of pharmaceutical products
Guangzhou Jingsheng Real Estate Development Co., Ltd. 廣州市景晟房地產開發有限公司	the PRC, 8 August 2019	Limited liability company	RMB10,000,000	100%	100%	Property development
Dalian Shizhan Real Estate Development Co., Ltd. 大連世展房地產開發有限公司	the PRC, 26 January 2014	Limited liability company	RMB138,000,000	100%	100%	Property development
Hengyang Hengji Real Estate Development Co., Ltd. 衡陽恒基置業有限公司	the PRC, 27 October 2010	Limited liability company	RMB10,000,000	51%	51%	Property development
Chengdu Huaguan Keheng Technology Co., Ltd. 成都華冠可恒科技有限公司	the PRC, 26 June 2017	Limited liability company	RMB40,816,327	51%	51%	Property development
Chengdu Jinxi Shengrong Real Estate Development Co., Ltd. 成都錦熙晟榮房地產開發有限公司	the PRC, 26 April 2017	Limited liability company	RMB10,000,000	100%	100%	Property development
Qingdao Jiake Real Estate Development Co., Ltd. 青島佳科房地產開發有限公司	the PRC, 25 December 2018	Limited liability company	RMB10,000,000	51%	51%	Property development
Bazhou Yujingxuan Real Estate Development Co., Ltd. 霸州市裕景軒房地產開發有限公司	the PRC, 8 August 2017	Limited liability company	RMB5,000,000	100%	100%	Property development
Chengdu Jiaruihua Real Estate Development Co., Ltd. 成都佳瑞華房地產開發有限公司	the PRC, 19 October 2017	Limited liability company	RMB10,000,000	100%	100%	Property development
Xingbotong Electrical (Shenzhen) Co., Ltd. 興博通電子(深圳)有限公司	the PRC, 28 May 2001	Limited liability company	HK\$390,000,000	100%	100%	Property development
Suzhou Jiayuanhuafu Real Estate Development Co., Ltd. 蘇州市佳源華府房地產開發有限公司	the PRC, 17 January 2018	Limited liability company	RMB50,209,400	100%	100%	Property development

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

### 46. PARTICULAR OF PRINCIPAL SUBSIDIARIES (Continued)

Name	Place and date of incorporation/ establishment	Type of legal entity	Nominal value of issued and fully paid share capital/ paid-in-capital	Percentage of attributable equity interest		Principal activities
				2023	2022	
Kaisa Health Group Holdings Limited 佳兆業健康集團控股有限公司 (note i)	the PRC, 26 March 1997	Limited liability company	HK\$6,303,000	<b>42%</b>	42.99%	Health care operations
Huizhou Jiashang Investment Co., Ltd. 惠州市佳尚投資有限公司	the PRC, 1 August 2017	Limited liability company	RMB7,000,000	<b>70%</b>	70%	Property development
Shenzhen Dashengtong Real Estate Development Co., Ltd. 深圳市達盛通置業有限公司	the PRC, 28 April 2016	Limited liability company	RMB10,000,000	<b>100%</b>	100%	Property development
Pinggu Nuoxin Real Estate Development (Dalian) Co., Ltd. 平谷諾信置業(大連)有限公司	the PRC, 8 November 2011	Limited liability company	RMB90,812,600	<b>100%</b>	100%	Property development
Shenzhen Football Club Co., Ltd. 深圳市足球俱樂部有限公司	the PRC, 28 October 1994	Limited liability company	RMB110,000,000	<b>90%</b>	90%	Cultural operation
Kaisa Prosperity Holdings Limited 佳兆業美好集團有限公司 (note i)	Cayman Islands, 13 October 2019	Limited liability company	HK\$1,541,100	<b>67.18%</b>	67.18%	Investment holding
Zhongshan Runbang Real Estate Development Co., Ltd. 中山市潤邦房地產開發有限公司	the PRC, 24 May 2012	Limited liability company	RMB1,000,000	<b>100%</b>	100%	Property development
Chengdu Shengshi Phoenix Nest Property Co., Ltd. 成都盛世鳳巢置業有限公司	the PRC, 7 January 2014	Limited liability company	RMB30,000,000	<b>100%</b>	100%	Property development
Zhuhai Hao Hui Business Service Co., Ltd. 珠海浩輝商務服務有限公司	the PRC, 28 May 2015	Limited liability company	RMB10,000,000	<b>100%</b>	100%	Commerce management
Suizhong Jia Yue Real Estate Development Co., Ltd. 綏中佳悅房地產開發有限公司	the PRC, 21 August 2018	Limited liability company	RMB50,000,000	<b>100%</b>	100%	Property development
Zhangjiagang Kaisa Top Quality Real Estate Development Co., Ltd. 張家港市佳兆業上品房地產開發有限公司	the PRC, 2 July 2018	Limited liability company	RMB50,000,000	<b>100%</b>	100%	Property development
Xuzhou Jiale Real Estate Development Co., Ltd. 徐州佳樂房地產開發有限公司	the PRC, 27 June 2018	Limited liability company	US\$215,000,000	<b>50%</b>	50%	Property development
Shaoxing Ming Yue Real 紹興明悅置業有限公司	the PRC, 10 May 2018	Limited liability company	RMB2,000	<b>99%</b>	99%	Property development

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

## 46. PARTICULAR OF PRINCIPAL SUBSIDIARIES (Continued)

Name	Place and date of incorporation/ establishment	Type of legal entity	Nominal value of issued and fully paid share capital/ paid-in-capital	Percentage of attributable equity interest		Principal activities
				2023	2022	
Shenzhen Jiaye Zhongliang Industrial Development Co., Ltd. 深圳市嘉業中梁實業發展有限公司	the PRC, 16 July 2019	Limited liability company	RMB50,000,000	51%	51%	Property development
Guangzhou Kaisa Industrial Investment Co., Ltd. 廣州佳兆業產業投資有限公司	the PRC, 1 November 2018	Limited liability company	RMB50,000,000	51%	51%	Property development
Victorious Resources Limited 源凱有限公司	BVI, 3 August 2018	Limited liability company	US\$50,000	100%	100%	Investment holding
South Prestige Limited 南譽有限公司	BVI, 29 May 2018	Limited liability company	US\$50,000	100%	100%	Investment holding
Zhongshan Hong Kong Real Estate Development Company Limited 中山富港房地產開發有限公司	the PRC, 16 March 2017	Limited liability company	RMB120,480,000	80%	80%	Property development
Great Harbour Global Limited 耀港環球有限公司	BVI, 7 January 2019	Limited liability company	US\$50,000	100%	100%	Investment holding
Guangzhou Jiajing Real Estate Development Co., Ltd. 廣州佳徑房地產開發有限公司	the PRC, 11 March 2020	Limited liability company	RMB200,000,000	80%	80%	Property development
Good Promise Investments Limited 康諾投資有限公司	Hong Kong, 13 November 2018	Limited liability company	HK\$1	100%	100%	Investment holding
Weikang (Qingyuan) Zhiye Co., Ltd. 威康(清遠)置業有限公司	the PRC, 23 September 2008	Limited liability company	HK\$41,746,692	100%	100%	Property development
Jinlun (Qingyuan) Zhiye Co., Ltd. 金倫(清遠)置業有限公司	the PRC, 23 September 2008	Limited liability company	HK\$32,896,742	100%	100%	Property development
Qingyuan Delun Zhiye Co., Ltd. 清遠德倫置業有限公司	the PRC, 23 September 2008	Limited liability company	HK\$39,355,600	100%	100%	Property development
Kaisa Capital Investment Holdings Limited (note i)	Cayman Islands 11 March 2010	Limited liability company	HK\$10,600,000	30.6%	30.6%	trading of construction machinery and spare parts

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

### 46. PARTICULAR OF PRINCIPAL SUBSIDIARIES (Continued)

Notes:

- (i) Kaisa Prosperity Holdings Limited, Kaisa Health Group Holdings Limited and Kaisa Capital Investment Holdings Limited are listed companies in Main Board of Hong Kong Stock Exchange.
- (ii) The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

The table below shows details of non-wholly owned subsidiary of the Company that is individual material non-controlling interests of the Group as at 31 December 2023 and 2022:

Name of subsidiary	Place of Incorporation	Proportion of ownership interests and voting rights held by non-controlling interests		Total comprehensive income/(loss) allocated to non-controlling interests		Accumulated non-controlling interests	
		2023	2022	2023	2022	2023	2022
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
深圳市嘉業中梁實業發展有限公司 ("Shenzhen Jiaye")	the PRC	49%	49%	—#	—#	3,184,998	3,184,998
廣州佳兆業投資有限公司 ("Guangzhou Kaisa Industrial")	the PRC	49%	49%	—#	—#	2,498,986	2,498,986

# Amount less than RMB1,000

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

## 46. PARTICULAR OF PRINCIPAL SUBSIDIARIES (Continued)

Summarised financial information in respect of the Group's subsidiary with individual material non-controlling interest as set out below. The summarised financial information below represents amounts before intra-group eliminations.

	2023	
	Guangzhou Kaisa Industrial RMB'000	Shenzhen Jiaye RMB'000
Current assets	5,099,985	6,704,500
Non-current assets	–	–
Current liabilities	(13)	(204,503)
Non-current liabilities	–	–
Equity	5,099,972	6,499,997
Equity attributable to owners of the Company	2,600,986	3,314,999
Equity attributable to non-controlling interests	2,498,986	3,184,998
	Guangzhou Kaisa Industrial RMB'000	Shenzhen Jiaye RMB'000
Revenue	–	–
Loss for the year	_#	_#
Other comprehensive expense for the year	–	–
Total comprehensive expense attributable to owners of the Company	_#	_#
Total comprehensive expense attributable to the non-controlling interests	_#	_#
Total comprehensive income/(expense) for the year	_#	_#
Net cash used in operating activities	_#	_#
Net cash from investing activities	–	–
Net cash from financing activities	–	–
Net cash outflow	_#	_#

# Amount less than RMB1,000

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

### 46. PARTICULAR OF PRINCIPAL SUBSIDIARIES (Continued)

	2022	
	Guangzhou Kaisa Industrial RMB'000	Shenzhen Jiaye RMB'000
Current assets	5,099,985	6,704,500
Non-current assets	—	—
Current liabilities	(13)	(204,503)
Non-current liabilities	—	—
Equity	5,099,972	6,499,997
Equity attributable to owners of the Company	2,600,986	3,314,999
Equity attributable to non-controlling interests	2,498,986	3,184,998
	Guangzhou Kaisa Industrial RMB'000	Shenzhen Jiaye RMB'000
Revenue	—	—
Loss for the year	—#	—#
Other comprehensive expense for the year	—	—
Total comprehensive expense attributable to owners of the Company	—#	—#
Total comprehensive expense attributable to the non-controlling interests	—#	—#
Total comprehensive income/(expense) for the year	—#	—#
Net cash used in operating activities	—#	—#
Net cash from investing activities	—	—
Net cash from financing activities	—	—
Net cash outflow	—#	—#

# Amount less than RMB1,000



# FINANCIAL SUMMARY

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	31 December					
	2023 RMB'000	2022 RMB'000	2021 RMB'000	2020 RMB'000	2019 RMB'000	2018 RMB'000
<b>Non-current assets</b>						
Property, plant and equipment	5,029,514	4,456,386	5,245,085	5,311,916	4,819,506	3,055,880
Right-of-use assets	598,175	574,378	626,471	536,993	1,358,516	–
Investment properties	9,016,710	9,452,400	20,262,500	34,524,400	35,309,000	35,930,000
Land use rights	379,176	395,098	672,088	720,913	753,493	669,078
Investments in associates	22,254,794	25,155,266	7,088,114	13,817,340	11,918,789	7,072,822
Investments in joint ventures	8,450,839	8,166,590	12,997,981	18,386,366	14,092,325	8,677,152
Financial assets at fair value through profit or loss	4,562,844	6,359,654	7,912,876	5,369,151	7,807,357	6,567,622
Debtors, deposits and other receivables	28,608	26,553	25,000	20,000	553,500	1,652,852
Goodwill and intangible assets	939,729	974,984	1,008,724	1,276,405	1,238,218	1,105,288
Long-term bank deposits	–	–	700,000	1,200,000	1,600,000	400,000
Deferred tax assets	1,362,966	1,509,410	1,201,915	628,380	864,268	784,310
	<b>52,623,355</b>	57,070,719	57,740,754	81,791,864	80,314,972	65,915,004
<b>Current assets</b>						
Properties under development	71,497,787	91,871,852	84,231,134	71,367,943	63,674,746	64,764,338
Completed properties held for sale	20,484,100	16,465,066	15,951,492	13,036,568	13,003,874	13,130,534
Inventories	378,757	347,600	518,561	416,781	260,302	105,305
Deposits for land acquisition	2,425,322	226,434	19,391,786	18,204,746	19,891,354	19,445,196
Prepayments for proposed development projects	36,555,406	38,581,706	37,482,981	25,004,121	23,782,080	19,080,815
Debtors, deposits and other receivables	44,486,906	52,575,325	55,356,621	48,468,486	33,461,565	22,600,171
Prepaid taxes	–	519,266	658,793	356,481	1,092,397	1,134,324
Restricted bank balances and cash	2,406,284	3,713,407	11,110,309	6,248,888	6,016,455	6,792,292
Financial assets at fair value through profit or loss	967,978	904,837	3,127,408	5,338,349	43,034	328,204
Short-term bank deposits	–	–	1,500,000	3,585,570	2,536,724	252,718
Cash and bank balances	994,771	2,067,642	3,060,184	36,078,762	26,824,859	15,479,139
	<b>180,197,311</b>	207,273,135	232,389,269	228,106,695	190,587,390	163,113,036

## FINANCIAL SUMMARY

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

	31 December					
	2023 RMB'000	2022 RMB'000	2021 RMB'000	2020 RMB'000	2019 RMB'000	2018 RMB'000
<b>Current liabilities</b>						
Contract liabilities	20,325,482	36,629,118	44,788,870	49,706,027	39,388,659	39,154,089
Accrued construction costs	8,695,203	12,409,696	18,597,466	18,593,833	14,494,060	12,599,547
Income tax payable	12,958,433	12,569,282	12,819,884	12,020,469	10,739,849	7,773,315
Lease liabilities	135,416	127,418	134,041	103,208	159,694	–
Borrowings	117,051,570	109,892,414	104,743,370	23,069,223	31,891,998	16,965,694
Other payables	46,474,111	30,091,531	19,750,707	24,260,845	27,011,322	19,917,262
Derivative financial instruments	–	–	–	27,450	82,807	–
	<b>205,640,215</b>	201,719,459	200,834,338	127,781,055	123,768,389	96,409,907
<b>Net current (liabilities)/assets</b>	<b>(25,442,904)</b>	5,553,676	31,554,931	100,325,640	66,819,001	66,703,129
<b>Total assets less current liabilities</b>	<b>27,180,451</b>	62,624,395	89,295,685	182,117,504	147,133,973	132,618,133
<b>Non-current liabilities</b>						
Lease liabilities	441,389	467,704	491,473	453,240	1,226,605	–
Borrowings	16,572,447	24,275,535	26,963,124	98,401,736	85,303,554	91,800,258
Other payables	5,876	18,548	19,350	19,768	10,248	–
Deferred tax liabilities	2,436,384	2,617,644	2,739,722	4,523,386	4,886,993	4,478,563
	<b>19,456,096</b>	27,379,431	30,213,669	103,398,130	91,427,400	96,278,821
<b>Net assets</b>	<b>7,724,355</b>	35,244,964	59,082,016	78,719,374	55,706,573	36,339,312
<b>EQUITY</b>						
Share capital	613,530	613,530	613,530	538,942	534,844	533,389
Share premium	6,376,801	6,376,801	6,376,801	4,948,564	5,546,561	6,168,607
Owners of perpetual capital securities	1,350,054	1,350,054	1,350,054	1,350,054	–	–
Reserves	(20,389,495)	(477,548)	12,690,673	25,496,179	19,634,942	14,938,114
<b>Equity attributable to owners of the Company</b>	<b>(12,049,110)</b>	7,862,837	21,031,058	32,333,739	25,716,347	21,640,110
Non-controlling interests	19,773,465	27,382,127	38,050,958	46,385,635	29,990,226	14,699,202
<b>Total equity</b>	<b>7,724,355</b>	35,244,964	59,082,016	78,719,374	55,706,573	36,339,312

## FINANCIAL SUMMARY

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME

	For the year ended 31 December					
	2023 RMB'000	2022 RMB'000	2021 RMB'000	2020 RMB'000	2019 RMB'000	2018 RMB'000
<b>Revenue</b>	<b>26,158,767</b>	25,390,022	35,544,684	55,770,181	48,021,685	38,704,967
Cost of sales	<b>(24,460,265)</b>	(21,997,576)	(30,916,419)	(39,862,713)	(34,191,622)	(27,576,209)
<b>Gross profit</b>	<b>1,698,502</b>	3,392,446	4,628,265	15,907,468	13,830,063	11,128,758
Other gains and losses, net	<b>(7,802,732)</b>	(8,881,629)	(7,262,310)	1,687,692	(741,020)	(1,633,635)
Selling and marketing costs	<b>(591,952)</b>	(568,666)	(1,611,875)	(2,017,284)	(1,996,166)	(1,262,466)
Administrative expenses	<b>(1,901,110)</b>	(2,620,064)	(3,588,635)	(3,730,287)	(3,350,817)	(2,601,078)
Fair value (loss)/gain of investment properties	<b>(408,900)</b>	(232,508)	(1,822,651)	189,433	178,419	212,374
Net (loss)/gain on disposals of subsidiaries	<b>(619,793)</b>	(68,721)	392,360	774,075	245,581	–
Net (loss)/gain on deemed disposals of subsidiaries	–	(678,692)	–	816,560	2,460,638	2,912,593
Provision for expected credit losses	<b>(4,701,719)</b>	(1,011,958)	(2,875,764)	(1,352,963)	(753,321)	(529,332)
<b>Operating (loss)/profit</b>	<b>(14,327,704)</b>	(10,669,792)	(12,140,610)	12,274,694	9,873,377	8,227,214
Share of results of associates	<b>(2,919,188)</b>	(619,919)	(115,327)	(44,756)	92,619	239,913
Share of results of joint ventures	<b>288,216</b>	(113,133)	(324,699)	37,595	(197,697)	(48,726)
Fair value gain/(loss) of financial derivatives	–	–	27,450	52,838	(82,191)	–
Finance income	<b>48,751</b>	286,165	689,893	466,546	580,269	402,511
Finance costs	<b>(1,785,323)</b>	(1,795,311)	(1,710,160)	(2,284,561)	(798,774)	(1,049,027)
<b>Finance costs – net</b>	<b>(1,736,572)</b>	(1,509,146)	(1,020,267)	(1,818,015)	(218,505)	(646,516)
<b>(Loss)/profit before income tax</b>	<b>(18,695,248)</b>	(12,911,990)	(13,573,453)	10,502,356	9,467,603	7,771,885
Income tax (expenses)/credit	<b>(1,006,350)</b>	(99,936)	315,050	(5,223,975)	(5,303,595)	(4,477,629)
<b>(Loss)/profit for the year</b>	<b>(19,701,598)</b>	(13,011,926)	(13,258,403)	5,278,381	4,164,008	3,294,256

## FINANCIAL SUMMARY

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Continued)

	For the year ended 31 December					
	2023 RMB'000	2022 RMB'000	2021 RMB'000	2020 RMB'000	2019 RMB'000	2018 RMB'000
<i>Other comprehensive income/(expense), including reclassification adjustments</i>						
<i>Items that will be classified subsequently to profit or loss:</i>						
Share of other comprehensive (expense)/ income of associates	(2,602)	60	(268)	21,944	–	–
Reclassification of cumulative translation reserve upon Disposal of a foreign operation	9,462	–	–	–	–	–
Exchange differences on translation of foreign operations	17,256	18,030	(23,562)	19,073	(25,165)	6,641
Other comprehensive income/ (expense) for the year, including reclassification adjustments	24,116	18,090	(23,830)	41,017	(25,165)	6,641
Total comprehensive (expense)/ income for the year	(19,677,482)	(12,993,836)	(13,282,233)	5,319,398	4,138,843	3,300,897
<b>(Loss)/profit for the year attributable to:</b>						
Owners of the Company	(19,932,153)	(13,064,558)	(12,726,728)	5,447,125	4,594,265	2,750,206
Non-controlling interests	230,555	52,632	(531,675)	(168,744)	(430,257)	544,050
	(19,701,598)	(13,011,926)	(13,258,403)	5,278,381	4,164,008	3,294,256
<b>Total comprehensive (expense)/ income for the year attributable to:</b>						
Owners of the Company	(19,916,594)	(13,049,239)	(12,758,281)	5,494,815	4,578,816	2,734,394
Non-controlling interests	239,112	55,403	(523,952)	(175,417)	(439,973)	566,503
	(19,677,482)	(12,993,836)	(13,282,233)	5,319,398	4,138,843	3,300,897





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