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**建業地產股份有限公司 \***

**Central China Real Estate Limited**

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

(Stock Code: 0832)

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

### **FINANCIAL HIGHLIGHTS**

- For the year ended 31 December 2023, revenue was approximately RMB19,261 million, representing a decrease of approximately 20.0% as compared with 2022.
- Annual gross profit margin was 10.2%, representing an increase of 2.3 percentage points as compared with 2022.
- Loss for the year was approximately RMB3,103 million (2022: approximately RMB7,819 million).
- Loss attributable to equity holders of the Company for the year was approximately RMB3,264 million (2022: approximately RMB7,561 million).
- Basic loss per share for the year were RMB110.65 cents (2022: RMB259.67 cents).
- The Board did not recommend a final dividend for the year (2022: Nil).

## ANNUAL RESULTS

The Board announces the consolidated results (the “Annual Results”) of the Group for the year ended 31 December 2023 with comparative figures for the preceding financial year, as follows:

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the year ended 31 December 2023

(Expressed in Renminbi)

	Notes	2023 RMB'000	2022 RMB'000 (re-presented)
<b>Revenue</b>	2	<b>19,261,092</b>	24,082,521
Cost of sales		<u>(17,301,689)</u>	<u>(22,181,119)</u>
<b>Gross profit</b>		<b>1,959,403</b>	1,901,402
Other revenue	3	<b>190,203</b>	121,455
Other net losses	3	<b>(353,363)</b>	(1,065,647)
Write-down of inventories		<b>(1,613,417)</b>	(2,368,648)
Selling and marketing expenses		<b>(665,193)</b>	(1,134,267)
General and administrative expenses		<b>(889,497)</b>	(1,251,456)
Impairment losses on trade and other receivables and contract assets		<u><b>(202,222)</b></u>	<u>(611,994)</u>
		<b>(1,574,086)</b>	(4,409,155)
Finance costs	4(a)	<b>(971,432)</b>	(1,050,472)
Share of profits less losses of associates		<b>40,209</b>	16,134
Share of profits less losses of joint ventures		<u><b>147,012</b></u>	<u>(184,565)</u>
<b>Loss before change in fair value of investment properties and income tax</b>		<b>(2,358,297)</b>	(5,628,058)
Net valuation gain/(loss) on investment properties		<u><b>223,196</b></u>	<u>(1,414,263)</u>
<b>Loss before taxation</b>	4	<b>(2,135,101)</b>	(7,042,321)
Income tax	5	<u><b>(967,715)</b></u>	<u>(776,189)</u>
<b>Loss for the year</b>		<u><u><b>(3,102,816)</b></u></u>	<u><u>(7,818,510)</u></u>

	<i>Note</i>	<b>2023</b> <b><i>RMB'000</i></b>	2022 <i>RMB'000</i>
<b>Attributable to:</b>			
Equity shareholders of the Company		<b>(3,264,341)</b>	(7,561,017)
Non-controlling interests		<u><b>161,525</b></u>	<u>(257,493)</u>
<b>Loss for the year</b>		<u><b>(3,102,816)</b></u>	<u>(7,818,510)</u>
<b>Loss per share</b>	<i>6</i>		
– Basic ( <i>RMB cents</i> )		<b>(110.65)</b>	(259.67)
– Diluted ( <i>RMB cents</i> )		<u><b>(110.65)</b></u>	<u>(259.67)</u>

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

*for the year ended 31 December 2023*

*(Expressed in Renminbi)*

	<b>2023</b>	<b>2022</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Loss for the year</b>	<b>(3,102,816)</b>	<b>(7,818,510)</b>
<b>Other comprehensive income/(expense) for the year (after tax and reclassification adjustments)</b>		
<i>Items that will not be reclassified to profit or loss:</i>		
Equity investments at fair value through other comprehensive income – net movement in fair value reserve (non-recycling)	<b>(8,097)</b>	(20,493)
Exchange differences on:		
– Translation of financial statements to the presentation currency	<b>123,609</b>	(536,032)
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on:		
– Arising on a monetary item that forms part of net investment in foreign operations	<b>80,132</b>	(475,337)
<b>Other comprehensive income/(expense) for the year</b>	<b>195,644</b>	<b>(1,031,862)</b>
<b>Total comprehensive expense for the year</b>	<b>(2,907,172)</b>	<b>(8,850,372)</b>
<b>Attributable to:</b>		
Equity shareholders of the Company	<b>(3,068,697)</b>	(8,592,889)
Non-controlling interests	<b>161,525</b>	(257,483)
<b>Total comprehensive expense for the year</b>	<b>(2,907,172)</b>	<b>(8,850,372)</b>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 31 December 2023

(Expressed in Renminbi)

	<i>Notes</i>	<b>2023</b> <i>RMB'000</i>	2022 <i>RMB'000</i>
<b>Non-current assets</b>			
Property, plant and equipment		<b>8,787,050</b>	8,978,696
Investment properties		<b>4,301,530</b>	3,805,990
Goodwill and other intangible assets		<b>877,107</b>	1,086,541
Biological assets		<b>108,945</b>	178,481
Interests in associates		<b>953,616</b>	1,734,710
Interests in joint ventures		<b>3,868,020</b>	3,804,901
Other financial assets		<b>617,254</b>	628,051
Deferred tax assets		<b>95,357</b>	48,495
		<u><b>19,608,879</b></u>	<u>20,265,865</u>
<b>Current assets</b>			
Trading securities		<b>2,424</b>	4,496
Biological assets		<b>26,610</b>	34,451
Inventories and other contract costs		<b>75,552,395</b>	92,508,118
Contract assets		<b>47,847</b>	49,152
Trade and other receivables	7	<b>6,749,071</b>	6,524,266
Deposits and prepayments		<b>10,178,789</b>	11,768,748
Tax recoverable		<b>2,976,171</b>	3,449,389
Restricted bank deposits		<b>1,756,104</b>	2,462,406
Cash and cash equivalents		<b>388,174</b>	1,890,077
		<u><b>97,677,585</b></u>	<u>118,691,103</u>
<b>Current liabilities</b>			
Bank loans		<b>(4,680,946)</b>	(4,526,629)
Other loans		<b>(1,532,560)</b>	(2,123,570)
Trade and other payables	8	<b>(52,173,609)</b>	(57,339,130)
Contract liabilities		<b>(39,396,196)</b>	(51,666,372)
Senior notes		<b>(13,865,495)</b>	(6,234,757)
Lease liabilities		<b>(20,207)</b>	(36,355)
Taxation payable		<b>(1,589,059)</b>	(1,325,697)
		<u><b>(113,258,072)</b></u>	<u>(123,252,510)</u>
<b>Net current liabilities</b>		<u><b>(15,580,487)</b></u>	<u>(4,561,407)</u>
<b>Total assets less current liabilities</b>		<u><b>4,028,392</b></u>	<u>15,704,458</u>

	<b>2023</b>	2022
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
<b>Non-current liabilities</b>		
Bank loans	<b>(3,431,541)</b>	(3,519,385)
Other loans	–	(1,000)
Senior notes	–	(7,256,012)
Lease liabilities	<b>(212,427)</b>	(326,083)
Deferred tax liabilities	<b>(1,057,100)</b>	(1,273,928)
	<u><b>(4,701,068)</b></u>	<u>(12,376,408)</u>
<b>NET (LIABILITIES)/ASSETS</b>	<u><b>(672,676)</b></u>	<u>3,328,050</u>
<b>CAPITAL AND RESERVES</b>		
Share capital	<b>266,528</b>	266,528
Share premium and reserves	<b>(2,411,198)</b>	519,031
<b>Total (deficit)/equity attributable to equity shareholders of the Company</b>	<b>(2,144,670)</b>	785,559
<b>Non-controlling interests</b>	<u><b>1,471,994</b></u>	<u>2,542,491</u>
<b>TOTAL (DEFICIT)/EQUITY</b>	<u><b>(672,676)</b></u>	<u>3,328,050</u>

# NOTES TO THE FINANCIAL STATEMENTS

*(Expressed in Renminbi)*

Central China Real Estate Limited (the “Company”) is a limited liability company incorporated in the Cayman Islands on 15 November 2007. Its principal place of business is at Room A122A, 16/F, Tower 5, The Gateway, Harbour City, Tsim Sha Tsui, Kowloon, Hong Kong and has its registered office at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal activity of the Company is investment holding and its subsidiaries are principally engaged in property development in Henan Province in the People’s Republic of China (the “PRC”).

## 1 MATERIAL ACCOUNTING POLICY INFORMATION

### (a) Statement of compliance

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

The HKICPA has issued certain amendments to HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 1(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting periods reflected in these consolidated financial statements.

### (b) Basis of preparation and functional and presentation currency

- (i) The consolidated financial statements for the year ended 31 December 2023 comprise the Company and its subsidiaries (together referred to as “the Group”) and the Group’s interest in associates and joint ventures. The consolidated financial statements are presented in Renminbi (“RMB”) rounded to the nearest thousand, while the Company’s functional currency is the Hong Kong dollar (“HK\$”).

### ***Multiple Uncertainties Relating to going concern***

The Group incurred a net loss of approximately RMB3,103 million and net operating cash outflows for the year ended 31 December 2023. As at 31 December 2023, the Group's net current liabilities and net liabilities amounted to approximately RMB15,580 million and approximately RMB673 million respectively, total bank and other loans and senior notes amounted to approximately RMB23,511 million, out of which bank and other loans of approximately RMB6,214 million and offshore senior notes of approximately RMB13,865 million will be due for repayment within the next twelve months, while its cash and cash equivalents amounted to approximately RMB388 million.

During the year ended 31 December 2023, the real estate sector in the People's Republic of China ("the PRC") continued to experience volatility. This mainly includes the tightened policies adopted towards the real estate sector in 2021 and the deteriorating consumer sentiment in the PRC, resulting in the whole real estate sector suffering from short-term liquidity pressures. As a result, pre-sale of Chinese property developers has generally decreased in 2023. The Group also experienced a significant decline of its contracted sales in 2023. Although the Chinese government has announced an array of policies to shore up the sector recently, the local market condition in the real estate sector of Henan Province still needs time to recover. Therefore, the Company anticipates that in the absence of a strong and quick recovery in the local market of Henan Province, the Group's real estate operation in Henan Province remains under pressure in the near term.

On 23 June 2023, the Company announced that it will suspend payments to all offshore creditors (the "Default") to ensure fair treatment among all offshore creditors. Such non-payment may lead to the Group's creditors demanding acceleration of repayment of their debts and/or take actions pursuant to the respective terms of the relevant financing arrangements. As at 31 December 2023, the Group's total existing offshore senior notes amounted to RMB13,865 million, such that they become due for immediate redemption once the relevant senior noteholder makes the request under the cross-default provision. If any of the senior note holders request immediate redemption of any of the senior notes and the Group cannot fulfill the request, the senior noteholders are entitled to take possession of the assets securing the senior notes.

In addition, as at 31 December 2023 and as of the date of approval of these consolidated financial statements, the Group had defaulted or cross-defaulted certain bank and other borrowings.

All these events or conditions indicate the existence of multiple material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern.

In view of these circumstances, the directors of the Company have given careful consideration to the future liquidity and performance of the Group and its available sources of finance in assessing whether the Group will have sufficient financial resources to continue as a going concern and pay its debts when they fall due. The directors are undertaking an offshore debt restructuring plan (the "Debt Restructuring Plan"), which includes the following plans and measures, to enable the Group to have sufficient financial resources to meet its financial commitments as and when they fall due:

- (i) On 20 July 2023, the Group announced to seek a holistic solution to the offshore debts situation (the "Holistic Solution") in order to ensure the sustainability of the operations. The Group has appointed BNP Paribas Securities (Asia) Limited and Haitong International Securities Company Limited as its financial advisors and Linklaters as its legal advisor. The Group is actively seeking communication with offshore creditors in order to provide a Holistic Solution to resolve its current liquidity issue;
- (ii) The Group continues to negotiate with existing lenders, including banks and other financial institutions, material shareholders of the Company and state-owned real-estate funds, on the renewal or extension of the Group's certain borrowings and seek for additional financing to settle its existing financial obligations and future operating expenditure;
- (iii) The Group continues to implement measures to accelerate the pre-sales and sales of its properties under development and completed properties held for sale, and to speed up the collection of sales proceeds and other receivables;
- (iv) The Group closely monitors the process of construction of its property development projects to ensure that construction and related payments are fulfilled, the relevant properties sold under pre-sale arrangement are completed and delivered to the customers on schedule, such that the Group is able to release restricted pre-sale proceeds as planned, while maintaining more stringent cost control measures;
- (v) The Group will not commit on significant capital expenditures or land acquisitions before securing the necessary funding;
- (vi) The Group will continue to control administrative costs and contain unnecessary expenditures to preserve liquidity. The Group will also continue to actively assess additional measures to further reduce discretionary spending; and

- (vii) The Group has been proactive in seeking ways to settle the outstanding litigations of the Group. The Group has made relevant provisions for litigations and claims and will seek to reach an amicable solution on the charges and payment terms to the claims and litigations which have not yet reached a definite outcome.

The directors of the Company have reviewed the Group's cash flow projections prepared by management which cover a period of not less than twelve months from 31 December 2023 and consider multiple material uncertainties exist as to whether the Group will be able to achieve the plans and measures as described above. Specifically, whether the Group will be able to continue as a going concern will depend on the following:

- (i) successfully progress and complete the debt management measures in relation to the Group's offshore senior notes, which will be subject to various external conditions that are beyond the Group's control, including but not limited to noteholders' acceptance of the amendments to be proposed, possible material adverse change in the market during the process and fulfilment of legal or regulatory requirements;
- (ii) successfully improve its liquidity position, generate sufficient cash flows to meet its obligations, recover from the volatility in the local real estate industry, expedite the sales of properties, and collect outstanding sales proceeds and other receivables, while maintaining more stringent cost control measures of containment of discretionary expenditures to address the Group's debt obligations within a reasonable timeframe;
- (iii) successfully negotiate with the existing lenders on the renewal or extension of the Group's certain borrowings and maintenance of the relationship with the Group's current finance providers so that they will continue to provide finance to the Group, which is subject to current and ongoing regulatory environments and how the relevant policies and measures might affect the Group and the relevant lenders;
- (iv) successfully obtain additional new sources of financing;
- (v) successfully implement the Group's business strategy plan and cost control measures so as to improve the Group's working capital and cash flow position; and
- (vi) successfully reach an amicable solution on the charges and payment terms in respect of the claims and litigations which have not yet reached a definite outcome.

The directors of the Company consider that, assuming the success of all the above-mentioned assumptions, plans and measures, the Group will have sufficient working capital to finance its operations and to meet its obligations as and when they fall due for at least twelve months from 31 December 2023. Accordingly, the directors are of the opinion that it is appropriate to prepare the consolidated financial statements on a going concern basis.

If the Group fail to achieve one or more of the above-mentioned plans and measures on a timely basis, it may not be able to continue to operate as a going concern, and adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might 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 these consolidated financial statements.

**(c) Changes in accounting policies**

The Group has applied the following new and amendments to HKFRSs issued by the HKICPA to these consolidated financial statements for the current accounting period. The application of the new and amendments to HKFRSs in the current year has had no material effect on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in these consolidated financial statements

- 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 assets and liabilities arising from a single transaction
- Amendments to HKAS 12 Income Taxes: International Tax Reform—Pillar Two Model Rules
- HKFRS 17 and related amendments, Insurance Contracts

The Group has not applied any amendments to HKFRSs that are not yet effective for the current accounting period. None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in the consolidated financial statements.

## 2 REVENUE AND SEGMENT REPORTING

### (a) Revenue

The principal activities of the Group are property development, property leasing and hotel operations. Revenue of the Group for the period is analysed as follows:

#### (i) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service lines is as follows:

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
<b>Revenue from contracts with customers within the scope of HKFRS15</b>		
Disaggregated by major products or service lines		
– Sales of properties	18,271,775	23,466,781
– Revenue from hotel operations	357,449	231,521
– Revenue from project management service	14,706	36,459
– Others	469,746	212,099
	<u>19,113,676</u>	<u>23,946,860</u>
<b>Revenue from other sources</b>		
Rental income from investment properties	126,387	113,090
Rental income from properties for sale	21,029	22,571
	<u>147,416</u>	<u>135,661</u>
	<u><u>19,261,092</u></u>	<u><u>24,082,521</u></u>

Disaggregation of revenue from contracts with customers by timing of revenue recognition is as follows:

	<b>2023</b>	2022
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
<b>Point in time</b>		
– Sales of properties	<b>16,724,045</b>	19,874,861
– Revenue from hotel operations	<b>357,449</b>	231,521
– Others	<b>469,746</b>	212,099
	<u><b>17,551,240</b></u>	<u>20,318,481</u>
<b>Over time</b>		
– Sales of properties	<b>1,547,730</b>	3,591,920
– Revenue from project management service	<b>14,706</b>	36,459
	<u><b>1,562,436</b></u>	<u>3,628,379</u>
	<u><b>19,113,676</b></u>	<u>23,946,860</u>

The Group's customer base is diversified and none of the customers of the Group with whom transactions have exceeded 10% of the Group's revenue.

### 3 OTHER REVENUE AND OTHER NET LOSSES

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
<b>Other revenue</b>		
Interest income	11,144	59,547
Dividend income from equity securities	–	3,313
Government grants	160,654	32,809
Others	18,405	25,786
	<u>190,203</u>	<u>121,455</u>
<b>Other net losses</b>		
Net realised and unrealised loss on trading securities	(1,993)	(7,508)
Penalty accruals	(119,078)	(329,702)
Net gain on deemed disposals and disposals of joint ventures	13,772	48,296
Net loss on deemed disposals and disposals of subsidiaries	(41,440)	(692,392)
Net gain on deemed disposals and disposals of associates	46,065	1,089
Net exchange gain/(loss)	7,396	(118,850)
Changes in fair value of biological assets less cost to sell	(35,970)	(33,386)
Net (loss)/gain on disposals of property, plant and equipment	(107)	20,286
Impairment losses of goodwill	(200,000)	–
Others	(22,008)	46,520
	<u>(353,363)</u>	<u>(1,065,647)</u>

#### 4 LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging/(crediting):

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
<b>(a) Finance costs</b>		
Interest on bank loans and other borrowings	2,130,403	2,476,491
Interest on lease liabilities	11,099	29,657
Interest accrued on advance payments from customers	<u>1,435,376</u>	<u>1,458,860</u>
Total interest expense on financial liabilities not at fair value through profit or loss	3,576,878	3,965,008
Less: Borrowing costs capitalised into properties under development*	<u>(2,609,986)</u>	<u>(2,929,345)</u>
	----- 966,892	----- 1,035,663
Net change in fair value of derivatives – call options	<u>4,540</u>	<u>14,809</u>
	<u><u>971,432</u></u>	<u><u>1,050,472</u></u>

	<b>2023</b>	2022
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
<b>(b) Staff costs</b>		
Contributions to defined contribution retirement plan	<b>52,811</b>	59,156
Equity settled share-based payment expenses	<b>10,692</b>	15,968
Salaries, wages and other benefits	<b>370,676</b>	534,629
Termination benefits	—	65,043
	<u>434,179</u>	<u>674,796</u>

Employees of the Group's subsidiaries in the PRC ("PRC subsidiaries") are required to participate in defined contribution retirement schemes, which are administered by the local municipal government. The PRC subsidiaries contribute to these funds at a rate determined by certain percentage of the average employee salary, as agreed by the local municipal government, to finance the retirement benefits of the employees.

In Hong Kong, the Group participates in a Mandatory Provident Fund Scheme ("the MPF Scheme") for all eligible employees. The Group's and employee's contributions to the MPF Scheme are based on 5% of the relevant income of the relevant employee (up to a cap of monthly relevant income of HK\$30,000) and in accordance with the requirements of the Mandatory Provident Fund Schemes Ordinance and related regulations.

The Group has no other material obligation for the payment of retirement benefits associated with these schemes beyond the annual contributions described above.

## 5 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Income tax in the consolidated statement of profit or loss represents:

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
<b>Current tax</b>		
PRC Corporate Income Tax	464,900	199,925
PRC Land Appreciation Tax	<u>778,738</u>	<u>810,705</u>
	<u>1,243,638</u>	<u>1,010,630</u>
<b>Deferred tax</b>		
PRC Corporate Income Tax	(284,324)	(246,761)
PRC Land Appreciation Tax	<u>8,401</u>	<u>12,320</u>
	<u>(275,923)</u>	<u>(234,441)</u>
	<u><u>967,715</u></u>	<u><u>776,189</u></u>

- (i) Pursuant to the rule and regulations of the Cayman Islands, the Company is not subject to any income tax in the Cayman Islands.
- (ii) No Hong Kong Profits Tax has been provided for as the Group has no estimated assessable profits in Hong Kong.
- (iii) ***PRC Corporate Income Tax (“CIT”)***

The provision for CIT is based on the respective applicable rates on the estimated assessable profits of the PRC subsidiaries as determined in accordance with the relevant income tax rules and regulations of the PRC.

The PRC subsidiaries were subject to the actual taxation method, were charged CIT at a rate of 25% (2022: 25%) on the estimated assessable profits for the year.

(iv) **Land Appreciation Tax (“LAT”)**

Pursuant to the requirements of the Provisional Regulations of the PRC on LAT (《中華人民共和國土地增值稅暫行條例》) effective on 1 January 1994, and the Detailed Implementation Rules on the Provisional Regulations of the PRC on LAT (《中華人民共和國土地增值稅暫行條例實施細則》) effective from 27 January 1995, all income from the sale or transfer of state-owned land use rights, buildings and their attached facilities in the PRC is subject to LAT at progressive rates ranging from 30% to 60% of the appreciation value, with an exemption provided for property sales of ordinary residential properties (普通標準住宅) if their appreciation values do not exceed 20% of the sum of the total deductible items.

(v) **Withholding tax**

Withholding taxes are levied on the Company’s subsidiaries in Hong Kong (“Hong Kong subsidiaries”) in respect of dividend distributions arising from profit of PRC subsidiaries earned after 1 January 2008 and interest on inter-company balance received by Hong Kong subsidiaries from PRC subsidiaries ranged from 5% to 10%.

## 6 LOSS PER SHARE

(a) **Basic loss per share**

The calculation of basic loss per share is based on the loss attributable to ordinary equity shareholders of the Company of RMB3,264,341,000 (2022: RMB7,561,017,000) and the weighted average of 2,950,066,090 ordinary shares (2022: 2,911,754,410 ordinary shares) in issue during the year, calculated as follows:

Weighted average number of ordinary shares:

	2023	2022
Issued ordinary shares at 1 January	2,950,066,090	2,856,116,120
Effect of shares vested and transferred under share award scheme	–	18,110,301
Effect of scrip dividend issued	–	39,989,553
Effect of shares repurchased	–	(2,461,564)
	<u>–</u>	<u>(2,461,564)</u>
Weighted average number of ordinary shares at 31 December	<u><u>2,950,066,090</u></u>	<u><u>2,911,754,410</u></u>

(b) **Diluted loss per share**

As the Group incurred losses for the year ended 31 December 2023 and 2022, the deemed issue of ordinary shares were not included in the calculation of diluted loss per share as their inclusion would be anti-dilutive. Accordingly, diluted loss per share are the same as basic loss per share.

## 7 TRADE AND OTHER RECEIVABLES

	<i>Note</i>	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Trade debtors and bills receivable, net of loss allowance	(a)	146,969	93,385
Other debtors		2,731,435	2,225,786
Amounts due from joint ventures		363,098	58,353
Amounts due from associates		553,216	32,890
Amounts due from entities controlled by the ultimate controlling shareholder		278,929	149,867
Amounts due from entities jointly controlled by a close family member of the ultimate controlling shareholder		–	11,478
Amounts due from non-controlling interests		<u>2,675,424</u>	<u>3,947,943</u>
		<u>6,749,071</u>	<u>6,519,702</u>
Derivative financial instruments:			
– redemption call options embedded in senior notes		<u>–</u>	<u>4,564</u>
		<u>6,749,071</u>	<u>6,524,266</u>

### (a) Aging analysis

The aging analysis of trade and bills receivables, based on the invoice date (or date of revenue recognition, if earlier) and net of loss allowance, is as follows:

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Within 3 months	51,297	28,371
3 to 6 months	18,562	15,570
6 to 12 months	19,751	15,866
Over 1 year	<u>57,359</u>	<u>33,578</u>
	<u>146,969</u>	<u>93,385</u>

Trade debtors and bills receivable are due upon the invoicing.

## 8 TRADE AND OTHER PAYABLES

		2023	2022
	<i>Note</i>	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Trade creditors and bills payable	(a)	<b>29,419,960</b>	37,164,043
Other creditors and accrued charges		<b>8,633,105</b>	7,158,281
Interest payables		<b>1,424,467</b>	276,801
Amounts due to joint ventures		<b>827,869</b>	1,616,946
Amounts due to associates		<b>54,135</b>	136,623
Amounts due to entities controlled by the ultimate controlling shareholder		<b>4,514,148</b>	3,844,741
Amounts due to non-controlling interests		<b>4,382,180</b>	4,678,842
Amounts due to the shareholder with significant influence over the Group		<b>774,955</b>	696,154
		<hr/>	<hr/>
Financial liabilities measured at amortised cost		<b>50,030,819</b>	55,572,431
		<hr/>	<hr/>
Other tax payables		<b>2,142,790</b>	1,766,699
		<hr/>	<hr/>
		<b>52,173,609</b>	57,339,130
		<hr/> <hr/>	<hr/> <hr/>

### (a) Aging analysis

As of the end of the reporting period, the aging analysis of trade creditors and bills payable based on the invoice date is as follows:

	2023	2022
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Within 3 months	<b>11,921,990</b>	19,455,702
3-6 months	<b>3,301,969</b>	3,017,924
6-12 months	<b>2,427,281</b>	4,498,417
Over 12 months	<b>11,768,720</b>	10,192,000
	<hr/>	<hr/>
	<b>29,419,960</b>	37,164,043
	<hr/> <hr/>	<hr/> <hr/>

## **9 DIVIDENDS**

### **(i) Dividends payable to equity shareholders of the Company attributable to the year**

During the years ended 31 December 2023 and 2022, no interim or final dividend was declared.

### **(ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year**

The 2021 final dividend of RMB2.21 cents per share totalling RMB66,301,000 (HK\$ equivalent of 80,031,000) was announced by the Company on 31 May 2022 and has been paid partly in new shares of the Company and partly in cash in July 2022. The number of ordinary shares settled and issued as scrip dividends was 86,367,970 and the total amount of dividend paid as scrip dividends was RMB52,286,000 (HK\$ equivalent of 60,803,000) while cash dividend amounted to RMB17,368,000 (HK\$ equivalent of 19,228,000).

## **10. COMPARATIVES**

Write-down of inventories was previously included under other net losses. To conform with the current year's presentation, the relevant comparative figure had been presented separately in the consolidated statement of profit or loss.

## FINANCIAL HIGHLIGHTS

### SUMMARY OF CONSOLIDATED STATEMENT OF PROFIT OR LOSS

*For the period ended 31 December*

	2023	2022	Changes
Revenue ( <i>RMB'000</i> )	<b>19,261,092</b>	24,082,521	-20.0%
Gross profit ( <i>RMB'000</i> )	<b>1,959,403</b>	1,901,402	3.1%
Gross profit margin	<b>10.2%</b>	7.9%	2.3%*
Gross profit from core businesses <sup>^</sup> ( <i>RMB'000</i> )	<b>1,415,807</b>	1,640,530	-13.7%
Gross profit margin from core businesses	<b>7.7%</b>	7.0%	0.7%*
Net loss ( <i>RMB'000</i> )	<b>(3,102,816)</b>	(7,818,510)	-60.3%
Loss attributable to equity shareholders ( <i>RMB'000</i> )	<b>(3,264,341)</b>	(7,561,017)	-56.8%
Basic loss per share ( <i>RMB cents</i> )	<b>(110.65)</b>	(259.67)	-57.4%
Diluted loss per share ( <i>RMB cents</i> )	<b>(110.65)</b>	(259.67)	-57.4%
Final dividends per share ( <i>HK\$</i> )	<b>N/A</b>	N/A	N/A

*Notes:*

\* *Change in percentage points*

<sup>^</sup> *Core business represents the sales of properties*

## SUMMARY OF CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December

	2023	2022	Changes
Total cash (including cash and cash equivalents and restricted bank deposits) (RMB'000)	<b>2,144,278</b>	4,352,483	-50.7%
Total assets (RMB'000)	<b>117,286,464</b>	138,956,968	-15.6%
Total liabilities (RMB'000)	<b>117,959,140</b>	135,628,918	-13.0%
Total (deficit)/equity (including non-controlling interests) (RMB'000)	<b>(672,676)</b>	3,328,050	N/A
Total borrowings (RMB'000)	<b>23,510,542</b>	23,661,353	-0.6%
Net borrowings (RMB'000)	<b>21,366,264</b>	19,308,870	10.7%
Current ratio <sup>(1)</sup>	<b>86.2%</b>	96.3%	-10.1%*
Liabilities to asset ratio (excluding receipts in advance) #	<b>100.9%</b>	96.2%	4.7%*
Net gearing ratio <sup>(2)#</sup>	<b>(3,176.3)%</b>	580.2%	N/A
Cash to short-term debt ratio#	<b>0.11</b>	0.34	-67.6%
Net (liabilities)/asset value per share (RMB) <sup>(3)</sup>	<b>(0.22)</b>	1.10	N/A
(Deficit)/equity attributable to equity shareholders (RMB) <sup>(3)</sup>	<b>(0.71)</b>	0.26	N/A

Notes: \* Change in percentage points

# Three Red Lines Indicators

- (1) Calculated based on the Group's total current assets divided by the Group's total current liabilities.
- (2) Calculated as set out on pages 31 to 32.
- (3) Calculated based on 3,039,126,090 shares issued and fully paid as at 31 December 2023. (31 December 2022: 3,039,126,090 shares.)

## **EXTRACT OF INDEPENDENT AUDITOR'S REPORT**

The following is the extract of the independent auditor's report from the independent auditor of the Company:

### **Disclaimer of Opinion**

We do not express an opinion on the consolidated financial statements of the Group. Because of the potential interaction of the multiple uncertainties and their possible cumulative effect on the consolidated financial statements as described in the Basis for Disclaimer of Opinion section of our report, it is not possible for us to form an opinion on the consolidated financial statements. In all other respects, in our opinion, the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### **Basis for disclaimer of opinion**

As described in note 1(b) to the consolidated financial statements, during the year ended 31 December 2023, the Group recorded a net loss of approximately RMB3,103 million and a net operating cash outflow. As at 31 December 2023, the Group's net current liabilities and net liabilities amounted to approximately RMB15,580 million and RMB673 million respectively, the Group's total bank and other loans and senior notes amounted to approximately RMB23,511 million, out of which bank and other loans of approximately RMB6,214 million and offshore senior notes of RMB13,865 million will be due for repayment within the next twelve months, while its cash and cash equivalents amounted to approximately RMB388 million.

In addition, as at 31 December 2023 and as of the date of approval of these consolidated financial statements, the Group had defaulted or cross-defaulted certain bank and other borrowings and senior notes. These events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

Notwithstanding the above mentioned, these consolidated financial statements have been prepared by the Directors on a going concern basis, the validity of which depends upon the successful outcome of the Group's various plans and measures to mitigate its liquidity pressure and to improve its financial performance, which are subject to multiple uncertainties.

As a result of the multiple uncertainties, their potential interaction and the possible cumulative effect thereof, we are unable to form an opinion as to whether the going concern basis of preparation as adopted by the Directors is appropriate. Should the Group fail to achieve the intended effects resulting from the various plans and measures, it might not be able to operate as a going concern, and adjustments would have to be made to reduce the carrying amounts of the Group's assets to their realisable 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 all these potential adjustments have not been reflected in these consolidated financial statements of the Group for the year ended 31 December 2023.

# MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL REVIEW

### Overall Performance

The total property contract sales amounted to RMB14,690 million in 2023 (2022: RMB24,049 million), representing a year-on-year decrease of approximately 38.9%. The cash and cash equivalents and restricted bank deposits of the Company in total amounted to approximately RMB2,144 million as at 31 December 2023 (31 December 2022: approximately RMB4,352 million).

As at 31 December 2023, net borrowings in total amounted to approximately RMB21,366 million (31 December 2022: approximately RMB19,309 million) with net gearing ratio of negative 3,176.3% (31 December 2022: 580.2%). The Company continued to adopt a prudent principle in financial management to maintain a reasonable proportion of cash and level of borrowings.

The Company continued to implement a prudent policy to acquire land and accelerated project construction, so as to shorten the development cycle. The Group recorded a loss attributable to equity shareholders of the Company for the year ended 31 December 2023 of approximately RMB3,264 million (2022: approximately RMB7,561 million). This is mainly due to the combined impact of the macroeconomic situation and the downturn in the property market, which resulted in 1) a decrease in the overall scale of revenue recognised and the inability of revenue to cover the Company's costs and expenses; 2) the impact of the provision for impairment of inventories and receivables, which was estimated based on the principle of prudence.

As of 31 December 2023, the contract sales of properties of the Company that were not recognised were approximately RMB38,972 million with a corresponding gross profit of approximately RMB3,430 million. The amount is expected to be recognised as revenue and gross profit in the next one to three years. In addition, the contract sales of the joint ventures and associates that were not recognised were approximately RMB4,797 million with corresponding gross profit of approximately negative RMB27 million.

In addition to property sales, the Company has been developing hotels, cultural tourism and green houses, so as to diversify our business, expand our revenue base and spread our operational risk. The management believes that the injection of part of the resources into these new businesses would improve the Group's industry value-chain and the integration of its businesses into interactive business segments such as properties, hotels, cultural tourism and green houses, which will enable it to offer "personalised" services to its customers.

**Revenue:** Our revenue decreased by 20.0% from approximately RMB24,083 million in 2022 to approximately RMB19,261 million in 2023, primarily due to the combined impact of the macroeconomic situation and the downturn in the property market, which led to the decline in delivery and decrease in revenue recognised during the year.

- **Income from sales of properties:** Revenue from property sales decreased by 22.1% from approximately RMB23,467 million in 2022 to approximately RMB18,272 million in 2023. The annual GFA recognised decreased by 29.9% from approximately 3,548,000 sq.m. in 2022 to approximately 2,486,000 sq.m. in 2023.
- **Rental income:** Revenue from property leasing increased by 8.7% from approximately RMB136 million in 2022 to approximately RMB147 million in 2023, which was mainly due to the lifting of domestic COVID-19 pandemic restrictions that there was a noticeable recovery in foot traffic in malls and the number of new tenancies.
- **Revenue from hotel operation:** Revenue from hotel operation increased by 54.4% from approximately RMB232 million in 2022 to approximately RMB357 million in 2023, which was primarily due to the lifting of domestic COVID-19 pandemic restrictions that tourism and travelling resumed, resulting in an increase in the demand for both accommodation and catering.

- **Revenue from project management service:** Revenue from project management service was derived from operation and management services provided by the Group for light-asset projects. Central China Management Company Limited (“CCMGT”) was spun off and listed separately on the Main Board of The Stock Exchange of Hong Kong Limited on 31 May 2021 (Stock Code: 9982. HK). After its spin-off and the Group only provided project management services under legacy contracts entered into by the Group prior to CCMGT’s spin-off for project management service income. During 2023, revenue from project management service recognised by the Group was approximately RMB15 million (2022: approximately RMB36 million).

**Cost of sales:** Our cost of sales decreased by 22.0% from approximately RMB22,181 million in 2022 to approximately RMB17,302 million in 2023. The decrease in cost of sales was due to the decrease in GFA recognised as mentioned above.

**Gross profit:** The Company’s gross profit increased by 3.1% from approximately RMB1,901 million in 2022 to approximately RMB1,959 million in 2023, together with gross profit margin increased by 2.3 percentage points from 7.9% in 2022 to 10.2% in 2023. It was primarily because 1) the proportion of recognised sales of properties with relatively high gross margins increased from approximately 89.9% in 2022 to approximately 92.5% in 2023; and 2) the lifting of COVID-19 pandemic restrictions restored public passion for consumption, which caused the proportion of recognised other incomes, such as property leasing and hotel operation, with relatively high gross margins to increase from approximately 2.6% in 2022 to approximately 5.1% in 2023.

**Other revenue:** Other revenue increased by 56.6% from approximately RMB121 million in 2022 to approximately RMB190 million in 2023. This was primarily due to the increase in government grants.

**Other net losses:** Other net losses decreased by 66.8% from approximately RMB1,066 million in 2022 to approximately RMB353 million in 2023. This was primarily due to the decrease in net loss on deemed disposals and disposals of subsidiaries by approximately RMB651 million, the decrease in penalty accruals by approximately RMB211 million and the newly incurred impairment losses of goodwill of approximately RMB200 million during the year.

**Selling and marketing expenses:** Selling and marketing expenses decreased by 41.4% from approximately RMB1,134 million in 2022 to RMB665 million in 2023, which was mainly due to the decrease in advertising expense by approximately RMB212 million, outbound labour costs by approximately RMB71 million and property management fee by approximately RMB33 million. The rate of selling and marketing expenses to revenue decreased by 1.2 percentage points from approximately 4.7% in 2022 to approximately 3.5% in 2023.

**General and administrative expenses:** General and administrative expenses decreased by 28.9% from approximately RMB1,251 million in 2022 to approximately RMB889 million in 2023. This was primarily due to the decrease in staff costs by approximately RMB145 million and professional service fees by approximately RMB64 million. The rate of general and administrative expenses to revenue decreased by 0.6 percentage points from approximately 5.2% in 2022 to approximately 4.6% in 2023.

**Impairment losses on trade and other receivables, and contract assets:** Impairment losses on trade and other receivables, and contract assets decreased by 67.0% from approximately RMB612 million in 2022 to approximately RMB202 million in 2023. This was mainly because the provision for expected credit losses of other receivables has been made last year, whereas the newly accrued expected credit losses were smaller during the year.

**Finance costs:** Finance costs decreased by 7.5% from approximately RMB1,050 million in 2022 to approximately RMB971 million in 2023, mainly due to the decrease of interest expense on borrowings by approximately RMB69 million.

**Share of profits less losses of associates:** Share of profits of associates amounted to approximately RMB40 million in 2023, representing an increase of approximately RMB24 million as compared with that of approximately RMB16 million in 2022.

**Share of profits less losses of joint ventures:** Share of profits of joint ventures for 2023 amounted to approximately RMB147 million, as compared to share of losses of joint ventures of approximately RMB185 million in 2022.

**Net valuation gain /(loss) on investment property:** A net valuation gain of approximately RMB223 million on investment properties for the year was recognised by the Group, as compared with a decrease in fair value of investment properties of approximately RMB1,414 million in 2022. This was mainly due to the lifting of the domestic COVID-19 pandemic restrictions in China, where the demand for commercial leasing increased and the fair value of investment properties increased.

**Income tax:** Income tax mainly comprises corporate income tax and land appreciation tax. The Company's income tax increased by 24.7% from approximately RMB776 million in 2022 to approximately RMB968 million in 2023. This was mainly due to the narrowing of the loss before taxation, which increased the overall corporate income tax.

**Loss for the year:** As a result of the foregoing, loss for the year amounted to approximately RMB3,103 million in 2023 (2022: approximately RMB7,819 million).

**Goodwill:** The balance was arising from the premium on additional acquisition of 10% equity interests of Henan Central China Fujin Investment Company Limited (河南建業富居投資有限公司), a former joint venture of the Company, and the Company obtained control of the acquiree thereafter. As at 31 December 2023, the Company has conducted an impairment review, and incurred an impairment loss of approximately RMB200 million.

**Financial resources and their utilisation:** As at 31 December 2023, the Company's cash and cash equivalents and restricted bank deposits amounted to approximately RMB2,144 million (31 December 2022: approximately RMB4,352 million). The Company did not propose to distribute any final dividend in respect of 2023 (2022: Nil).

## Structure of Borrowings and Deposits

The Company continued to adopt a prudent principle on financial management and centralise our funding and financial management in order to maintain a reasonable level of cash and borrowings. As at 31 December 2023, the repayment schedule of the Company's bank loans and other borrowings was as follows:

	As at <b>31 December</b> <b>2023</b> <i>RMB'000</i>	As at 31 December 2022 <i>RMB'000</i>
<b>Repayment Schedule</b>		
<b>Bank loans</b>		
Within one year or on demand	4,680,946	4,526,629
More than one year, but not exceeding two years	2,716,644	1,902,246
More than two years, but not exceeding five years	714,897	1,450,739
Exceeding five years	—	166,400
	<u>8,112,487</u>	<u>8,046,014</u>
<b>Other loans</b>		
Within one year	1,532,560	2,123,570
More than one year, but not exceeding two years	—	1,000
	<u>1,532,560</u>	<u>2,124,570</u>

<b>Repayment Schedule</b>	<b>As at 31 December 2023 RMB'000</b>	<b>As at 31 December 2022 RMB'000</b>
<b>Senior notes</b>		
Within one year	13,865,495	6,234,757
More than one year, but not exceeding two years	–	5,470,544
More than two years, but not exceeding five years	–	1,785,468
	<u>13,865,495</u>	<u>13,490,769</u>
<b>Total borrowings</b>	<u>23,510,542</u>	<u>23,661,353</u>
<b>Deduct:</b>		
Cash and cash equivalents	(388,174)	(1,890,077)
Restricted bank deposits	(1,756,104)	(2,462,406)
	<u>21,366,264</u>	<u>19,308,870</u>
<b>Net borrowings</b>	<u>21,366,264</u>	<u>19,308,870</u>
<b>Total (deficit)/equity</b>	<u>(672,676)</u>	<u>3,328,050</u>
<b>Net gearing ratio (%)</b>	<u>(3,176.3)%</u>	<u>580.2%</u>

**Pledge of assets:** As at 31 December 2023, we had pledged restricted bank deposits, completed properties, properties under development, properties available for future development, plants and equipment and equity interest in a joint venture with an aggregate carrying amount of approximately RMB17,372 million (31 December 2022: approximately RMB18,279 million) to secure general bank credit facilities and other loans granted to us. We also pledged properties for sale with an aggregate carrying amount of approximately RMB360 million (31 December 2022: approximately RMB652 million) to secure loans granted to joint ventures.

**Contingent liabilities:** As at 31 December 2023, we had provided guarantees of approximately RMB39,569 million (31 December 2022: approximately RMB54,694 million) to banks in respect of the mortgage loans provided by the banks to customers who purchased the developed properties of the Company and our joint ventures. We also provided guarantees of approximately RMB1,313 million as at 31 December 2023 (31 December 2022: approximately RMB1,708 million) in respect of bank loans and other loans of joint ventures and associates.

**Capital commitment:** As at 31 December 2023, we had contractual commitments undertaken by subsidiaries of the Company, the performance of which was underway or ready, in respect of property development amounting to approximately RMB6,827 million (31 December 2022: approximately RMB1,182 million), and we had authorised, but not yet contracted for, a further approximately RMB50,608 million (31 December 2022: approximately RMB106,619 million) in other expenditures in respect of property development and capital investments.

**Foreign exchange risk:** Our businesses are principally conducted in RMB. The majority of our assets are denominated in RMB. As at 31 December 2023, our major non-RMB assets and liabilities are: (i) bank deposits denominated in H.K. dollar, and (ii) the senior notes denominated in U.S. dollar. We are subject to foreign exchange risk arising from future commercial transactions and recognised assets and liabilities denominated in currencies other than RMB. We do not have a foreign currency hedging policy in respect of its foreign currency assets and liabilities. We will closely monitor its foreign currency exposure and will consider using hedging instruments in respect of significant foreign currency exposure as and when appropriate. We currently do not use derivative instruments to hedge our interest rate risk.

**Interest rate risk:** The interest rate for a proportion of our loans was floating rate. The risk of upward fluctuation in interest rates will increase the interest cost of new and existing loans. We currently do not use derivatives to hedge the interest rate risk.

## **EMPLOYMENT AND REMUNERATION POLICY**

As at 31 December 2023, the Group had 2,690 (2022: 2,188) employees. The Group implements remuneration policy, bonus and share option scheme to ensure that pay scales of its employees are rewarded on a performance related basis within the general framework of the Group's remuneration.

## **REVIEW OF OPERATIONS**

### **(I) Market Review**

#### ***(1) The Macro Environment – Economic Landscape***

##### *1. Nationwide*

In 2023, the gross domestic product (GDP) of China exceeded RMB126 trillion, representing a year-on-year GDP growth of 5.2%. However, among the “Three Driving Forces”, the year-on-year growth rate of exports has slowed down continuously in recent months; while the year-on-year growth rate of fixed asset investment narrowed to 2.9% as compared with that of last year, and the investment in real estate development continued to decrease. In particular, the service industry recovered swiftly, which in turn boosted consumption to support a gradual recovery of the economy; however, property sales and development investment plummeted, decline in export demand also dampened residents' confidence in employment and income. There were clear trends of structural divergence among different fields, industries, and entities. The overall economic recovery remained weak.

##### *2. Henan*

Since 2023, the total GDP for 2023 has grown by 4.1% and the overall economic operation of Henan Province was still under the period of consolidation, showing a growing trend of development. Notwithstanding, the fundamentals for continued economic recovery remained fragile, residents' willingness to consume and enterprises' desire to invest still need to be improved. Meanwhile, the downward trends on the scale of real estate development and property sales were apparent when compared to that of last year. Nevertheless, it is undeniable that guided by current industry confidence, the proportion of existing property transactions has gradually increased.

## **(2) *The Property Market***

### *1. Nationwide*

In 2023, China's property market continued to consolidate and bottom out with the Central Government's policies focusing on stability at the beginning and followed by relaxation. After the politburo meeting held in July determining "a significant shift in supply-and-demand relationship in the industry" as a watershed, the property market has entered the "most relaxed" cycle in history. To ensure "guaranteed delivery, securing operations of entities and preventing risks", policy easing has also been accelerated across the board and the strength thereof was shifted from stability to further reinforce from a base level, which will bolster reasonable housing purchase needs. Relying on improving people's livelihood and promoting high-quality urban development, the pace of transformation of real estate industry into a new model will be accelerated.

On the demand side, policies on "lowering the required percentage of down payments, lowering interest rates and recognising houses not loans" reduced pressure on consumers to purchase properties; on the supply side, the target of "in excess of three indicators", "white list of stable delivery real estate enterprises" and the regulations of land auctions being relaxed were introduced in order to strengthen financial support for real estate companies. However, negative factors such as expectations of weak residents' income as well as continued decline in property prices would still put a drag on the pace of market recovery. The persistent trend of market consolidation has not been changed, and the sustainability of policy effects in core cities is insufficient. The scale of sales for the whole year of 2023 was low but stable. The properties sold in China amounted to 1,117.35 million sq.m., representing a year-on-year decrease of 11.2%; "guaranteed delivery" policy stimulated strong completion rates, with positive growth recorded for 11 consecutive months and the annual growth rate also climbed to a ten-year high. The newly commenced GFA fell over 20% year-on-year to hit its 10-year low before signs of stabilisation started to emerge in the third quarter. The scale of investment in property development returned to the level of 2018, and the annual growth rate declined on a monthly basis but closed at a slower pace.

## 2. *Henan*

In 2023, against the backdrop of a broad-based industry downturn, Henan Province pioneered in introducing policies and measures aimed to stabilising the healthy development of the property market, optimising systems such as centralised land supply so as to adapt to the current market environment, lowering required reserve requirements and interest rates at the financial level for economic stability. It is expected that both the supply and demand sides of the property market will benefit. Government policies also provide concrete support to residents' credit market and financing for real estate companies, although the effects may lag behind. Generally speaking, the whole market has been bottoming out and is gradually recovering with transactions mostly concentrated in core areas of core cities, yet confidence still needs to be boosted. Affected by factors such as bearish market environment, the supply and demand of commercial properties in Henan Province have yet to regain to the previous year's level. The cumulative supply GFA supplied of commercial properties throughout the year was 55.48 million sq. m., representing a year-on-year decrease of 14.3%; the cumulative GFA sold was 71.91 million sq. m., representing a year-on-year decrease of 7%; The average price of commercial properties throughout the year was RMB6,382 per sq.m., which was rebounded from 2022 but has not reached the pre-2021 level. On the supply and demand side, the volume and prices in the land market in Henan Province exhibited a rising trend as compared with previous period but a downward trend was recorded year-on-year. Since the fourth quarter, the support provided and the proportion of land acquisitions by platform companies continued to increase, accounting for more than 70% of the total. On the other hand, the proportion of land acquired by local private enterprises decreased, but the overall volume and prices throughout the year were relatively stable.

## (II) Project Development

### 1. Property Development

#### (a) Property Sales Performance

During the reporting period, the total property contracted sales amount of the Company was approximately RMB14,690 million, and the total contracted sales GFA was approximately 2,176,000 sq.m., representing a year-on-year decrease of 38.9% and 36.9% respectively.

City	Contracted sales amount (RMB million)			Contracted GFA (‘000 sq.m.)		
	2023	2022	Change	2023	2022	Change
Zhengzhou	2,204	3,050	-28%	249	227	10%
Kaifeng	230	333	-31%	19	39	-51%
Luoyang	1,124	2,149	-48%	123	224	-45%
Pingdingshan	232	593	-61%	36	97	-63%
Anyang	594	1,349	-56%	100	204	-51%
Hebi	508	732	-31%	75	118	-36%
Xinxiang	620	1,484	-58%	89	221	-60%
Jiaozuo	145	625	-77%	22	103	-79%
Puyang	544	1,347	-60%	67	199	-66%
Xuchang	399	1,041	-62%	65	187	-65%
Luohe	318	800	-60%	50	135	-63%
Sanmenxia	12	245	-95%	3	49	-94%
Shangqiu	2,959	4,192	-29%	477	659	-28%
Zhoukou	2,015	1,944	4%	361	337	7%
Zhumadian	964	1,448	-33%	137	233	-41%
Nanyang	657	923	-29%	99	136	-27%
Xinyang	899	1,089	-17%	169	196	-14%
Jiyuan	112	363	-69%	13	37	-65%
Hainan	154	342	-55%	22	48	-54%
Total	<u>14,690</u>	<u>24,049</u>	<u>-39%</u>	<u>2,176</u>	<u>3,449</u>	<u>-37%</u>

(b) *Newly Commenced Property Projects*

As of 31 December 2023, the Company commenced the construction of 14 projects in total with newly commenced GFA of 1,442,000 sq.m. The Company strengthened its efforts in market research and optimised product plans based on the geographical distribution of customers and estimated sales, which enabled the Group to further enhance the competitiveness and market performance of its products, and maintain a safe and reasonable inventory structure.

City	Project name	Principal use of property	GFA commenced during the year (sq.m.)
Zhengzhou	Junlin Grand Courtyard Bamboo Court	Residential	197,245
Zhengzhou	Jianye Times Harmony	Residential	159,362
Anyang	Anyang Guangming Mansion	Underground	98,709
Hebi	Hebi No.7 Courtyard	Residential	30,711
Xinxiang	Xinxiang Xinfei Jianye Mansion (Phase 1)	Residential	173,472
Xinxiang	Xinxiang Meidi Yunqi (Phase 2)	Residential	27,202
Sanmenxia	Sanmenxia Code Two City (Phase 1)	Residential	72,460
Shangqiu	Shangqiu Jiangshan Mansion	Residential	128,594
Shangqiu	Yucheng Songshan Mansion	Residential	69,148
Shangqiu	Minquan Jianye Long Palace (Phase 2)	Residential	103,525
Zhoukou	Huaiyang Hongyuan North Courtyard	Residential	102,399
Zhoukou	Huaiyang Hongyuan South Courtyard	Residential	48,704
Zhoukou	Huaiyang Mingren Villa	Residential	56,677
Zhoukou	Huaiyang Qingfeng Courtyard	Residential	174,026
Total			<u>1,442,234</u>

(c) *Property Projects under Development*

As of 31 December 2023, the Company had 173 projects under development with a total GFA of approximately 21,783,000 sq.m., including 24 projects under development in Zhengzhou, 147 projects under development in other cities of Henan Province and 2 projects under development in Hainan.

City	Project name	Principal use of property	GFA under development (sq.m.)
Zhengzhou	Dengfeng Songyue Mansion	Residential	95,837
Zhengzhou	Gongyi CCRE Mall	Residential	37,775
Zhengzhou	Gongyi Spring Time	Residential	122,046
Zhengzhou	Gongyi Chinoiserie Palace	Residential	160,870
Zhengzhou	Zhengzhou CCRE Tihome International City	Residential	1,204,319
Zhengzhou	Xinmi Spring Time	Residential	74,639
Zhengzhou	Xinmi Code One City	Residential	22,642
Zhengzhou	Xinzheng Blue Ocean Zhengfeng	Residential	176,441
Zhengzhou	Xinzheng Tianhui City	Residential	152,455
Zhengzhou	Xinyang Central Garden	Residential	178,264
Zhengzhou	Zhengxi U-Town	Residential	149,415
Zhengzhou	Zhengzhou J18	Commercial	594,289
Zhengzhou	Zhengzhou Chengyuan	Residential	227,175
Zhengzhou	Zhengzhou Spring Time	Residential	52,185
Zhengzhou	Zhengzhou Riverside Mansion	Residential	252,495
Zhengzhou	Zhengzhou Huayuankou resettlement area (Huihua New City)	Residential	192,300
Zhengzhou	Zhengzhou Blossom Garden	Residential	576,190
Zhengzhou	Zhengzhou Junlin Grand Courtyard	Residential	434,273
Zhengzhou	Zhengzhou Intelligent Square	Commercial	230,205
Zhengzhou	Zhengzhou Intelligent Palace	Residential	15,238
Zhengzhou	Zhengzhou Royal Mansion	Residential	11,995
Zhengzhou	Zhengzhou Art Mansion	Residential	193,776
Zhengzhou	Zhengzhou Wonderland	Residential	134,829
Zhengzhou	Jianye Times Harmony	Residential	159,362
Kaifeng	Lankao CCRE Mall	Residential	99,109
Kaifeng	Lankao Red World	Commercial	135,312
Kaifeng	Tongxu Code One City	Residential	168,761
Kaifeng	Kaifeng Taihe Mansion	Residential	67,896

City	Project name	Principal use of property	GFA under development (sq.m.)
Luoyang	Luanchuan Luanzhou Palace	Residential	78,651
Luoyang	Luoyang Dachengxiaoyuan	Residential	146,814
Luoyang	Luoyang Dingding Palace	Residential	573,711
Luoyang	Luoyang Fengdu	Residential	154,414
Luoyang	Luoyang Technology City	Residential	47,049
Luoyang	Luoyang Longcheng Dongwang	Residential	102,549
Luoyang	Luoyang Zhongzhou Mansion	Residential	124,279
Luoyang	Luoyang Honour Mansion	Residential	112,199
Luoyang	Yichuan Dragon Mansion	Residential	25,778
Luoyang	Luoyang Zhonghong City	Residential	319,208
Pingdingshan	Pingdingshan Spring Time	Residential	76,282
Pingdingshan	Pingdingshan Guangming Mansion	Residential	91,307
Pingdingshan	Pingdingshan Eighteen Cities	Residential	86,168
Pingdingshan	Pingdingshan Honour Mansion	Residential	64,518
Pingdingshan	Ruzhou Sweet-Scented Osmanthus Garden	Residential	23,245
Pingdingshan	Wugang CCRE Mall	Residential	42,250
Pingdingshan	Wugang Forest Peninsula	Residential	29,496
Anyang	Anyang Phoenix City North Bank	Residential	160,881
Anyang	Anyang Sweet-Scented Osmanthus Garden	Residential	65,108
Anyang	Anyang Jianye City	Residential	19,276
Anyang	Anyang Junlin Grand Courtyard	Residential	321,688
Anyang	Anyang Chinoiserie Palace North Garden	Residential	77,830
Anyang	Anyang Sky Mansion	Residential	303,541
Anyang	Anyang Tonghe Palace	Underground	44,484
Anyang	Anyang Code One City	Residential	9,707
Anyang	Linzhou Jianye City	Residential	24,642
Anyang	Tangyin Central Garden	Residential	178,176
Anyang	Anyang Guangming Mansion	Residential	18,375
Hebi	Hebi Chinoiserie Palace	Residential	98,709
Hebi	Hebi Code One City	Residential	67,994
Hebi	Hebi Zhenyuehui	Commercial	92,187
Hebi	Hebi Longmen No.7 Courtyard	Residential	36,008
Hebi	Hebi Flower Creek Town	Residential	126,138
Hebi	Qi County Jianye City	Residential	137,118
Hebi	Hebi Taihe Palace	Residential	73,168

<b>City</b>	<b>Project name</b>	<b>Principal use of property</b>	<b>GFA under development (sq.m.)</b>
Xinxiang	Beverly Manor	Residential	10,856
Xinxiang	Fengqiu Central Garden	Residential	94,190
Xinxiang	Hui County Gongcheng Dongwang	Residential	89,278
Xinxiang	Hui County Code One City	Residential	215,000
Xinxiang	Weihui Spring Time	Residential	142,762
Xinxiang	Xinxiang Blossom Garden	Residential	206,449
Xinxiang	Xinxiang Chinoiserie Palace	Residential	66,678
Xinxiang	Changyuan Forest Peninsula Courtyard	Residential	496,565
Xinxiang	Xinxiang Jianye Mansion	Residential	40,026
Xinxiang	Xinxiang Honour Mansion	Residential	375,491
Xinxiang	Xinxiang Dongjing Mansion	Residential	54,577
Xinxiang	Xinxiang Meidi Yunqi	Residential	16,935
Jiaozuo	Bo'ai Spring Time	Residential	25,099
Jiaozuo	Jiaozuo Spring Time	Residential	145,584
Jiaozuo	Jiaozuo Chinoiserie Palace	Residential	20,512
Jiaozuo	Jiaozuo Jianye Mansion	Residential	45,772
Jiaozuo	Mengzhou Jianye Mansion	Residential	136,618
Jiaozuo	Wuzhi Majestic Mansion	Residential	110,791
Jiaozuo	Wuzhi Star Mall	Residential	177,787
Jiaozuo	Jiaozuo Shuxiang Yard	Residential	15,320
Puyang	Puyang Jianye New City	Residential	110,000
Puyang	Puyang Longcheng	Residential	13,013
Puyang	Puyang Puyuan	Residential	264,415
Puyang	Puyang Chinoiserie Palace	Residential	66,939
Puyang	Puyang Tonghe Palace	Residential	139,618
Puyang	Puyang Code One City	Residential	40,328
Puyang	Puyang Zhenyuehui	Residential	141,559
Puyang	Taiqian Jianrun Mansion	Residential	62,572
Puyang	Puyang Sky Mansion	Residential	83,441
Xuchang	Xiangcheng CCRE Mall	Residential	407,457
Xuchang	Xuchang Pleasure Garden	Residential	190,958
Xuchang	Xuchang Zhenyuehui	Residential	70,240
Xuchang	Yanling Eco-City	Residential	36,428
Xuchang	Yuzhou Spring Time	Residential	132,885
Xuchang	Yuzhou Dachengxiaoyuan	Residential	7,993
Xuchang	Changge Sweet-Scented Osmanthus Garden New City	Residential	41,055
Xuchang	Changge Forest Eco-City	Residential	104,771

City	Project name	Principal use of property	GFA under development (sq.m.)
Luohe	Linying Forest Peninsula	Residential	26,215
Luohe	Luohe Danjiang Mansion	Residential	65,683
Luohe	Luohe Sweet-Scented Osmanthus Garden	Residential	30,781
Luohe	Luohe Blossom Garden	Residential	52,398
Luohe	Luohe Xicheng Forest Peninsula	Residential	108,349
Luohe	Luohe Scholarly Mansion	Residential	126,913
Luohe	Luohe Art Mansion	Residential	260,995
Luohe	Luohe Ideal City	Residential	229,101
Sanmenxia	Sanmenxia New District Forest Peninsula	Residential	134,846
Sanmenxia	Sanmenxia Honour Mansion	Residential	78,748
Sanmenxia	Sanmenxia Code 2 City (Phase 1)	Residential	70,564
Shangqiu	Shangqiu Future City	Residential	72,460
Shangqiu	Shangqiu Art Mansion	Residential	10,832
Shangqiu	Zhecheng Lianmeng Dongwang	Residential	198,420
Shangqiu	Shangqiu Chinoiserie Palace	Residential	82,736
Shangqiu	Minquan Long Palace	Residential	84,813
Shangqiu	Shangqiu Jiangshan Mansion	Residential	180,686
Shangqiu	Shangqiu Shangheyuan	Residential	231,549
Shangqiu	Shangqiu Yuelong Mansion	Residential	70,982
Shangqiu	Yongcheng Lianmeng Dongwang	Residential	149,515
Shangqiu	Yongcheng Art Mansion	Residential	144,763
Zhoukou	Fugou Jianye New City	Residential	121,657
Zhoukou	Huaiyang CCRE Mall	Residential	34,789
Zhoukou	Luyi Mingdao City	Residential	31,657
Zhoukou	Shangshui Yangcheng Courtyard	Residential	7,234
Zhoukou	Taikang Eco-City	Residential	15,311
Zhoukou	Xihua Central Garden	Residential	31,152
Zhoukou	Xihua Jicheng Courtyard	Residential	15,206
Zhoukou	Xiangcheng Jianye City	Residential	30,103
Zhoukou	Huaiyang Binhe North Courtyard	Residential	30,298
Zhoukou	Zhoukou Jianye City	Residential	158,044
Zhoukou	Zhoukou Hill Water Lake City	Residential	309,587
Zhoukou	Zhoukou Chinoiserie Palace	Residential	307,303
Zhoukou	Zhoukou Shiyue Mansion	Residential	214,172
Zhoukou	Zhoukou Canal Courtyard	Residential	35,319
Zhoukou	Taikang Jianye Mansion	Residential	79,342
Zhoukou	Huaiyang Mingren Villa	Residential	304,360
Zhoukou	Huaiyang Qingfeng Courtyard	Residential	56,677

<b>City</b>	<b>Project name</b>	<b>Principal use of property</b>	<b>GFA under development (sq.m.)</b>
Zhumadian	Suiping Jianye City	Residential	174,026
Zhumadian	Suiping Forest Peninsula	Residential	9,692
Zhumadian	Xincai CCRE Mall	Residential	40,386
Zhumadian	Xincai Sweet-Scented Osmanthus Garden	Residential	7,075
Zhumadian	Zhengyang Jianye City	Parking space	60,148
Zhumadian	Zhumadian Binhelong Palace	Parking space	38,433
Zhumadian	Zhumadian Chinoiserie Palace	Residential	39,200
Zhumadian	Zhumadian West Lake Villa	Residential	284,869
Zhumadian	Zhumadian Honour Mansion	Residential	34,312
Zhumadian	Shangcai Jianye Mansion	Residential	151,330
Zhumadian	Zhumadian Boshan Mansion	Residential	54,055
Zhumadian	Suiping Jianye Mansion	Residential	131,407
Zhumadian	Pingyu Jiangshan Mansion	Residential	162,998
Zhumadian	Zhumadian Tianzhong Mansion	Residential	96,232
Nanyang	Nanyang Longyue City	Residential	25,971
Nanyang	Nanyang Art Mansion	Residential	40,984
Nanyang	Xixia Central Garden	Residential	101,098
Nanyang	Dengzhou Qingyunli	Residential	13,738
Nanyang	Nanyang Shilihushan	Residential	124,448
Xinyang	Gushi Future City	Residential	54,562
Xinyang	Huaibin County Sweet-Scented Osmanthus Garden	Residential	53,534
Xinyang	Huangchuan Huangguo Palace	Residential	22,660
Xinyang	Xi County Jianye New City	Residential	173,542
Xinyang	Xinyang Mansion	Residential	48,108
Xinyang	Xinyang Jianye City	Residential	213,644
Xinyang	Luoshan Jianye Mansion	Residential	64,487
Xinyang	Xinyang Sky Mansion	Residential	130,480
Xinyang	Huangchuan Dingcheng Mansion	Residential	79,615

<b>City</b>	<b>Project name</b>	<b>Principal use of property</b>	<b>GFA under development (sq.m.)</b>
Jiyuan	Jiyuan Spring Time	Residential	156,543
Jiyuan	Jiyuan Blossom Garden	Residential	15,303
Jiyuan	Jiyuan Jianye City	Residential	127,011
Jiyuan	Jiyuan Code One City Majestic Mansion	Commercial	297,818
Hainan	Chengmai Zhonghe Jiayuan	Residential	4,409
Hainan	Dongfang Jiayuan	Residential	59,072
			<hr/>
			225,538
			<hr/>
Total			<u><u>21,783,291</u></u>

(d) *Property Projects Delivered*

For the year ended 31 December 2023, the Company had 72 projects delivered with a GFA of approximately 5,840,000 sq.m.

City	Project name	Principal use of property	GFA delivered during the year (sq.m.)
Zhengzhou	Xinmi Code One City (Phase 2)	Residential	58,517
Zhengzhou	Dengfeng Songyue Mansion (Phase 2)	Residential	98,717
Zhengzhou	Zhengzhou Intelligent Palace	Residential	215,854
Zhengzhou	Zhengzhou Art Mansion (Phase 1)	Residential	158,527
Zhengzhou	Gongyi Spring Time (Phase 5)	Residential	109,826
Luoyang	Luoyang Dingding Palace (Phase 5)	Residential	95,756
Luoyang	Luoyang Longcheng Dongwang (Phase 2)	Residential	15,213
Luoyang	Yichuan Dragon Mansion	Residential	91,817
Luoyang	Luoyang Jianye Mansion	Residential	24,358
Pingdingshan	Pingdingshan Spring Time (Phase 3)	Residential	149,194
Pingdingshan	Pingdingshan Guangming Mansion	Residential	52,206
Pingdingshan	Pingdingshan Pingxi Honour Mansion	Residential	82,568
Anyang	Tangyin Central Garden Project (Phase 1)	Residential	144,581
Anyang	Anyang Sky Mansion	Residential	102,593
Anyang	Anyang Jianye City (Phase 3)	Residential	187,917
Anyang	Anyang Phoenix City North Bank	Residential	192,245
Anyang	Anyang Sweet-Scented Osmanthus Garden (East Mansion)	Residential	41,220
Hebi	Hebi Chinoiserie Palace (Phase 1)	Residential	156,551
Hebi	Hebi No.7 Courtyard	Residential	105,876
Hebi	Qi County Jianye City (Phase 1)	Residential	65,972
Hebi	Hebi Taihe Mansion	Residential	121,228
Xinxiang	Xinxiang Chinoiserie Palace (Phase 1)	Residential	9,676
Xinxiang	Xinxiang Blossom Garden (Phase 1)	Residential	42,096
Xinxiang	Hui County Code One City (Phase 1)	Residential	45,038
Xinxiang	Xinxiang Meidi Yunqi (Phase 1)	Residential	70,430
Xinxiang	Xinxiang Dongjing Mansion (Phase 1)	Residential	104,004
Jiaozuo	Wuzhi Star Mall (Phase 1)	Residential	105,161

City	Project name	Principal use of property	GFA delivered during the year (sq.m.)
Puyang	Puyang Chinoiserie Palace (Phase 3)	Residential	97,953
Puyang	Puyang Puyuan (Phase 1)	Residential	25,092
Puyang	Puyang Jianye Longcheng (Phase 1)	Residential	101,040
Puyang	Taiqian Jianye Jianrun House	Residential	159,455
Xuchang	Yuzhou Dachengxiaoyuan (Phase 1)	Residential	17,085
Xuchang	Yuzhou Spring Time (Phase 1)	Residential	32,921
Xuchang	Xuchang Zhenyuehui (Phase 1)	Residential	37,019
Xuchang	Xuchang Pleasure Garden (Phase 1)	Residential	155,430
Xuchang	Xiangcheng CCRE Mall (Phase 1)	Residential	56,042
Luohe	Linying Forest Peninsula (Phase 1)	Residential	47,898
Luohe	Luohe Sweet-Scented Osmanthus Garden West District (Phase 1)	Residential	46,267
Luohe	Luohe Blossom Garden (Phase 1)	Residential	115,119
Luohe	Luohe Jianye Danjiang Mansion (Phase 1)	Residential	49,300
Luohe	Luohe Jianye Xicheng Forest Peninsula (Phase 3)	Residential	58,792
Sanmenxia	Yima Chinoiserie Palace (Phase 1)	Residential	94,720
Shangqiu	Shangqiu Yuelong Mansion	Residential	61,544
Shangqiu	Shangqiu Chengyuan	Residential	86,893
Shangqiu	Minquan Long Palace (Phase 1)	Residential	71,273
Shangqiu	Shangqiu Future City	Residential	20,515
Shangqiu	Shangqiu Art Mansion	Residential	102,253
Shangqiu	Zhecheng Lianmeng Dongwang (Phase 1)	Residential	98,959
Shangqiu	Shangqiu Jianye Chinoiserie Palace	Residential x	189,720
Zhoukou	Taikang Jianye Eco-City	Residential	28,313
Zhoukou	Huaiyang Jianye CCRE Mall	Commercial	26,502
Zhoukou	Luyi Jianye City (Phase 9 & 10)	Residential	60,160
Zhoukou	Huaiyang Jianye Binhe Courtyard (Phase 1)	Residential	81,221
Zhoukou	Huaiyang Jianye Binhe Courtyard (South Courtyard)	Residential	109,562
Zhoukou	Fugou Jianye Mansion	Residential	42,069
Zhoukou	Zhoukou Jianye Canal Ancient Town (Phase 1)	Commercial	49,046
Zhoukou	Zhoukou Jianye Guandi Old Street	Commercial	14,896
Zhoukou	Huaiyang Xingui	Residential	39,317

City	Project name	Principal use of property	GFA delivered during the year (sq.m.)
Zhumadian	Xiping Spring Time	Residential	14,014
Zhumadian	Zhumadian Tianzhong Mansion (Phase 1)	Residential	153,308
Zhumadian	Shangcai Jianye Mansion	Residential	56,948
Zhumadian	Lijing Huating	Residential	50,813
Zhumadian	Suiping Jianye City	Residential	25,801
Nanyang	Nanyang Longyue City	Residential	122,297
Xinyang	Xinyang Jianye City (Phase 2)	Residential	49,147
Xinyang	Xi County Honour Mansion (Phase 1)	Residential	63,717
Xinyang	Xinyang Mansion (Phase 1)	Residential	151,466
Xinyang	Xinyang Gushi Future City (Phase 1)	Residential	88,612
Jiyuan	Jiyuan Code One City Majestic Mansion (Phase 2)	Residential	68,503
Jiyuan	Jiyuan Spring Time (Phase 1)	Residential	3,985
Jiyuan	Jiyuan Jianye City (East) (Phase 1)	Residential	17,140
Hainan	Dongfang Jiayuan (Phase 2)	Residential	151,099
Total			<u><u>5,840,367</u></u>

## 2. *Hotel*

### *Hotel profile*

Henan Jianye Zhizun Hotel Investment Co., Ltd. (河南建業至尊酒店管理有限公司), a wholly-owned subsidiary of Central China Real Estate Group (China) Company Limited, is mainly responsible for brand management, design management, engineering management, opening preparation and operation management for all hotel projects of the Group. Currently, the Group has established strategic cooperation with various international well-known groups of hotel management, such as Marriott, InterContinental and Accor, under which five high-end hotel projects are in operation. The five high-end hotel projects, namely Le Méridien Zhengzhou, Pullman Kaifeng Jianye, Holiday Inn Nanyang, Four Points by Sheraton Luohe and Aloft Zhengzhou Shangjie commenced operations successively from 2011 to 2015. In addition, our own brand hotels, namely Yanling Jianye The Mist Hot Spring Hotel, Zhengzhou Jianye Sky Mansion, Unique Theatre Hotel, Xuchang Shenhou Town • Jianye Starry Hills, Xinyang Jigongshan • Jianye Starry Hills and Xijian Inn (喜見客棧) opened successively from 2018 to 2021. In addition, another four hotels in our own brand, namely, Pingdingshan Jianye Triumph Hotel, Zhumadian Jianye Triumph Hotel, Yunxiu Hotel, Linqi Hotel and Wugang Jianye Starry Hotel are all under construction. Our total investment in hotels has reached RMB4.93 billion up to now, and the number of hotels invested in Henan has reached 16.

### *Le Méridien Zhengzhou*

Le Méridien Zhengzhou opened on 30 November 2013. It is the first international brand hotel focusing on art, design and culture in central China. Adjacent to Zhengdong New District and Zhengzhou East Railway Station, the largest railway station in Asia, and it is located at the intersection site of Zhengzhou Metro, Line 3 and Line 4. It is a brief 10-minute and 28-minute drive to Zhengzhou International Convention and Exhibition Centre and Xinzheng International Airport, respectively.

Located at No. 1188, Zhongzhou Avenue, Zhengzhou City, the hotel is composed of a completely integrated business district with surrounding shopping malls, restaurants and commercial office buildings. Modern art elements and local features are integrated into the design of the restaurant, guest rooms and lobby in the hotel. The unique design and brand concept distinguish the distinctive Le Méridien Zhengzhou.

The hotel has a total of 337 deluxe rooms and suites, equipped with world-class facilities and a mix of classic design and fashion elements. The feature restaurants and bars will further enrich the stay experience and provide splendid Chinese and international cuisines. The fitness centre combining fitness, spa, swimming pool, yoga and jogging track, the sizeable pillarless banquet covering an area of 800 sq.m., and 8 multi-function halls in the hotel, are all ideal places for relaxing and hosting events.

Address: No. 1188, Zhongzhou Avenue (northwest corner of the junction of Zhengbian Road and Zhongzhou Avenue), Zhengzhou City

Tel: 0371-55998888

### *Aloft Zhengzhou Shangjie*

Aloft Zhengzhou Shangjie opened on 6 August 2011. Located opposite the District Government of Shangjie District, Zhengzhou City, Henan Province, the hotel offers easy access to transportation, being just a 50-minute drive to Zhengzhou Railway Station and an hour away from Zhengzhou Xinzheng International Airport.

The 16-floor hotel has 172 stylish, fresh and fun Aloft Cheerful Rooms (樂窩客房), including 8 deluxe Cheerful Suites (樂窩套房) and 2 accessible Cheerful Rooms. Besides, all rooms are inspired by the 9-foot ceiling, velvety dreaming beds, Wi-Fi Internet service, 42-inch LCD TVs, oversized shower space with rain showers, and fragrant specialty coffee, the 3,698 sq.m. cool conference room and the sizeable banquet space, countless whimsies would spark within.

Address: No. 101, Zhongxin Road, Shangjie District, Zhengzhou (opposite the District Government of Shangjie District)

Tel: 0371-68136666

### *Holiday Inn Nanyang*

Holiday Inn Nanyang opened on 8 August 2012. It is located in Nanyang, the ancient capital of China, which is famous for its natural fresh air and jade culture. Holiday Inn Nanyang is the first internationally renowned five-star hotel in Nanyang. Covering an area of 66,700 sq.m., the hotel has a favorable geographical location with a pleasant garden landscape and a rippling lake.

The 353 guestrooms and suites are tailor-made for occupants' luxury and comfort experiences. The 1,000 sq.m. sizeable banquet hall offers banquet services to both local and international companies, with wireless internet access to all areas of the hotel, including the fitness centre and the swimming pool. Whether on vacation, planning a wedding or holding a meeting, Holiday Inn Nanyang is the perfect choice for occupants.

Address: No. 2000, Xincheng Road East, Wancheng District, Nanyang City

Tel: 0377-60218888

### *Four Points by Sheraton Luohe*

Four Points by Sheraton Luohe opened on 29 November 2012. It is located by the west branch of Songshan Road, Yancheng District, Luohe City, adjacent to Luohe International Convention and Exhibition Centre. It is about a 10-minute drive to the downtown and Luohe Railway Station, and only 90-minute drive to Zhengzhou Xinzheng International Airport.

The hotel has 244 warmly designed rooms, with the only international buffet restaurant in the city, namely The Eatery (宜客樂), a Chinese restaurant integrated with traditional and new Cantonese cuisine, namely Juweixuan (聚味軒), an indoor heated swimming pool, sauna equipment, a fitness centre, chess rooms and a pillarless banquet hall, which can bring occupants infinite surprises of accommodation, catering and leisure.

Address: No. 6, the west branch of Songshan Road, Yancheng District, Luohe City

Tel: 0395-2566999

### *Pullman Kaifeng Jianye*

Pullman Kaifeng Jianye opened on 1 November 2015. Embraced by the rippling surface of a lake, Pullman Kaifeng Jianye is located on the northwest side of the ancient city walls in downtown Kaifeng. It is just a 10-minute drive from Kaifeng Railway Station and a mere 50-minute drive from Xinzheng International Airport. The hotel covers a total GFA of 43,536 sq.m. and a site area of approximately 58,300 sq.m., with the vegetation within the city wall area having been preserved.

Pullman Kaifeng Jianye offers 186 guest rooms and is a five-star resort hotel comprising business conferences, food & beverage, accommodation, leisure and entertainment. The hotel is equipped with a conference centre, banquet centre, all-day dining restaurant, Chinese restaurant, featured bar, lobby bar, executive lounge, gym, swimming pool, SPA, yoga room, indoor golf and other facilities to provide occupants with “convenience and sense of superiority”. The building is a post-modern architecture in the Northern Song Dynasty style, adopting wood-like exterior finishing material to cast beautiful reflections in the blue lakes.

Address: No. 16, Longting North Road, Longting District, Kaifeng City

Tel: 0371-23589999

### *Zhengzhou Jianye Sky Mansion*

Zhengzhou Jianye Sky Mansion opened on 1 October 2018. It is located at the northwest corner of the intersection of Dongfeng East Road and Kangning Street in Zhengzhou City. It gathers three city centres within 3 kilometers, namely the CBD Central Business District, the new provincial government and Zhengzhou East High Speed Railway Station. The hotel covers a total GFA of 34,251.8 sq.m.

The project is featured as a high-end service apartment of CCRE with a total of 302 sets of rooms, ranging from bachelor apartments to four-bedroom apartments. The apartment is equipped with an all-day dining restaurant, Japanese Izakaya, gym centre, children’s playroom and other facilities providing occupants with safe, convenient, warm and comfortable living space.

Address: Block 9, 58 Kangning Street, Zhengzhou City

Tel: 0371-65686888

### *Yanling Jianye The Mist Hot Spring Hotel*

Yanling Jianye The Mist Hot Spring Hotel opened on 1 February 2018. It is located at Chenhuadian Town, Yanling County, Xuchang, Henan Province, covering an area of 50,264 sq.m..

The hotel is a joint masterpiece of Amata Luphaiboon and Twitee Vajrabhaya Teparkum who are both internationally renowned architects. The hotel offers 51 guest rooms and is equipped with an all-day dining restaurant, Chinese restaurant, outdoor hot spring and pool, indoor swimming pool and pool, SPA, gym centre, lobby bar, tea room, banquet hall and other facilities.

Address: North side of Huadu Avenue, Chenhuadian Town, Yanling County,  
Xuchang City, Henan Province

Tel: 0374-7968888

### *Xuchang Shenhou Town • Jianye Starry Hills*

Xuchang Shenhou Town, “Capital of Jun Porcelain in China”, is one of the first batches of characteristic towns in China, and Jun Porcelain produced during the reign of Emperor Huizong of the Northern Song Dynasty was designated as “Treasures of the Royal Court”. Xuchang Shenhou Town • Jianye Starry Hills is our first Starry Hills brand theme characteristic hotel, which opened on 1 October 2019.

Relying on the Jun porcelain culture and historical heritage of Shenhou Town, Xuchang Shenhou Town • Jianye Starry Hills is committed to creating an immersive stay experience of Jun porcelain art. While integrating into the local area, residents have the opportunity to personally touch the developing sequence of Jun porcelain by learning and making porcelain. In addition to 30 comfortable guest rooms, the hotel is equipped with restaurants, book bars, tea rooms and living rooms, providing customers with a comfortable space to empty their minds and have a dialogue with history.

Address: Beside Dongda Primary School, Jianshe Road, Shenhou Town, Yuzhou  
City, Henan Province

Tel: 0374-8616999/0374-8618999

*Xinyang Jigongshan • Jianye Starry Hills*

Jigongshan Mountain, Xinyang, one of the four summer resorts in China, is located on the north-south boundary of China, and is known as “Greenness Dividing Chu (Hubei Province) and Yu (Henan Province)”. It is grand and magnificent while beautiful, making it an excellent choice for sightseeing and vacation.

Xinyang Jigongshan • Jianye Starry Hills opened on 1 July 2020. It is located at the mountainside of Jigongshan Mountain of Xinyang, adjacent to the “villa-clusters of multi countries” built from the late Qing Dynasty to the early Republic of China. The hotel has a panoramic view of the beautiful mountains, and provides a space for guests to rest and imagination while viewing different architectural styles and exploring history, thus interpreting the brand idea of “living next to the stars and doing what you want”.

The 89 guest rooms, together with restaurants, conference rooms, shared spaces and mahjong rooms, can meet various holiday needs of individuals, groups, parents and children, and provide the experience of the comfortable life of viewing mountains, knowing mountains and enjoying mountains.

Address: Beside Zhongzheng Plaza, Jigongshan Scenic Area, Shihe District,  
Xinyang City, Henan Province

Tel: 0376-8658888

### *Unique Theatre Hotel*

Zhengzhou Jianye Unique Theatre Hotel opened on 5 June 2021. The hotel has a total of 400 cozy and tasteful guest rooms, including comfortable rooms, exquisite rooms, family rooms and suites, 2 full-day restaurants, 1 Chinese restaurant, gyms, Treasure Park and foot health centre.

The hotel is located in Zhongmu County, Zhengzhou, adjacent to Unique Henan Land of Dramas. It takes only 10-minute drive from Jianye Huayi Brothers Movie Town and International Cultural and Creative Industry Park in Zhengzhou, and about 40-minute drive from Zhengzhou East High Speed Railway Station and Xinzheng International Airport. It is the first theme hotel in Jianye's cultural tourism sector. Unique Henan Land of Dramas is the first panoramic and fully immersive drama theme park in China, which was co-developed by CCRE and director Wang Chaoge. Therefore, the customers will experience "living in the drama" and the opportunity to get a closer look at the splendid Central China in Unique Theatre Hotel.

Address: The northeast corner of Unique Theatre Hotel at the intersection of Wenxin Road and Ping'an Avenue, Zhongmu County, Zhengzhou, Henan Province

Tel: 0371-86568888

### *Xijian Inn*

Xijian Inn opened on 21 September 2019. The inn is located in Taiji Street, Jianye • Huayi Brothers Film Town Park, and belongs to the "Xijian" brand operated by Jianye. "Xijian" comes from the Tang Dynasty poet Liu Yuxi's work: "Suddenly hearing the arrival of a horse, I am happy to see an old friend coming", meaning that when guests come here, there will be a kind of joy like meeting an old friend, which is also in line with the theme of "living in a movie". The inn is divided into four different types, namely the Jianghu style "One Night in Jianghu", the mountain style "Qingshan Hou", the Republic of China style "Crescent Moon House", and the opera style "West Wing". The area of One Night in Jianghu is 760 sq.m.; the area of Qingshan Hou is 615 sq.m.; the area of Crescent Moon House is 1,537 sq.m.; the area of the West Wing is 1,840 sq.m., with a total construction area of 4,752 sq.m. There are 67 guest rooms and 76 beds, which can accommodate 136 people.

During daytime, customers can eat, watch operas and visit folk customs, leaving an unforgettable movie memory; at night, customers can stay at the four themed inns and experience scene-based accommodation. The 24-hour butler service brings a unique sense of customisation to customers. The superb hardware facilities provide home-like comfort.

Address: Jianye • Huayi Brothers Movie Town at the intersection of Wenchuang Road and Baihua Street, Zhongmu County, Zhengzhou City, Henan Province

Tel: 0371-62168000

*Pingdingshan Jianye Triumph Hotel and Zhumadian Jianye Triumph Hotel (Under Construction)*

Pingdingshan Jianye Triumph Hotel and Zhumadian Jianye Triumph Hotel are CCRE's own brand hotels, both of which are standard hotels built by Henan Jianye Zhizun Hotel Investment Co., Ltd. Pingdingshan Hotel is also the representative of our standard hotel construction of Jianye. There are 161 guest rooms in each of Pingdingshan and Zhumadian hotels, which are equipped with banquet halls, all-day restaurants, conference rooms, gyms and other service facilities to meet the needs of business travelers.

*Wugang Jianye Starry Hills Hotel (Under Construction)*

Wugang Jianye Starry Hills Hotel is located at the southwest corner of Tieshan Avenue and Wenzhou Road. The main body of the hotel is integrated with Baicheng Tiandi business. It has 9 floors and 87 guest rooms. The first to second floors are the hotel lobby, and the third to ninth floors are guest rooms. It abandons the traditional monotonous hotel space and creates a stylish hotel public area and private space. After going downstairs, it is Baicheng Tiandi Commercial Street, which meets the needs of hotel guests for food, accommodation and transportation.

### *Linqi Hotel (Under Construction)*

Zhengzhou Jianye Linqi Hotel is located beside Zhengzhou Navigation Stadium, adjacent to the super high-rise Jianye headquarters office building and Jianye Exhibition Hall under construction. The hotel is designed by Amata Luphaiboon, a well known architect and designer of Six Senses Samui on Samui Island. The hotel draws inspiration from nature, weaving the essence of trees and dappled shade into its architectural design. It promotes an experience where guests can unwind in an environment that mirrors the calm of a forest retreat, inviting a connection with the growth and restorative qualities of life, fostering a sanctuary that resonates with the natural world within.

The main body of the hotel is an ultra-modern low density building with 5 floors above the ground, with 177 guest rooms, equipped with full-time restaurants, lobby bars, outdoor bars, conference rooms, gyms and swimming pools, etc. The hotel is committed to interpreting the aesthetic impression and living experience of Henan with the world-class design and pure courtesy of Central China.

### *Yunxiu Hotel (Under Construction)*

Zhengzhou Jianye Yunxiu Hotel is located in Zhengzhou International Cultural and Creative Industry Park. Designed by Oki Sato, founder of Nendo, it is the world premiere hotel work of Nendo.

Nendo draws inspiration from Henan's characteristic geographical and cultural elements, such as caves and Longmen Grottoes. With the creative use of stacking forms reminiscent of caves, interplay of light and shadow, voids and layering, Nendo creates a tactile architectural texture throughout the hotel with a pronounced sense of sculpture, interplays of light and shadow and robust dimensionality. Staying at the hotel offers guests a sense of communion with the elements-wind, light and mist-as they are enveloped in the abundant offerings of the natural world, setting off on an extraordinary exploration of artistic design.

The hotel has 231 guest rooms, which are equipped with Xiu cafe, Qingfeng Chinese Restaurant, Xiuju Japanese Restaurant, Ciao Bella Italian Restaurant, Sky Terrace Hotel, Yunshang Swimming Fitness Centre and other sound facilities. It is a luxury art design hotel integrating business conference, food & beverage, accommodation, leisure and entertainment.

### **3. Cultural Tourism**

Cultural tourism sector of Jianye is engaged in development and operation of property projects for cultural tourism principally located in historic core cities in Henan Province, such as Zhengzhou, Kaifeng and Luoyang. With the rich historical, cultural and natural resources, it tells the “Jianye story of cultural tourism” in different styles, forms and substance through theme park, tourist district and real scenery performance. As of 31 December 2023, the Company had the following projects for cultural tourism, namely Jianye Huayi Brothers Movie Town, Unique Henan Land of Dramas (只有河南·戲劇幻城) and Qishengjiao in Kaifeng.

With the good performance of the cultural tourism sector in recent years, the Company has attracted enormous attention in China’s cultural tourism industry and gained industrial influence greatly.

On 3 August 2023, Unique Henan Land of Dramas was selected as the first “National Smart Tourism Immersive Experience New Space” cultivation pilot list released by the Ministry of Culture and Tourism. On 23 August 2023, Unique Henan Land of Dramas and Jianye Huayi Brothers Movie Town were both selected as the “Catalogue of Quality National Tourism and Performing Arts” released by the Ministry of Culture and Tourism. On 23 November 2023, Unique Henan Land of Dramas was also accredited as the first batch of “5G + Smart Tourism” application pilot projects in China, which was the sole project being awarded in Henan Province. On 21 December 2023, Unique Henan Land of Dramas was awarded as the “Demonstration Case on Tourism and Entrepreneurship Innovative Government-Enterprise Cooperation” released by the China Tourism Academy.

Jianye Culture Tourism was reported by CCTV more than 30 times during the year. Especially during the summer, Jianye Culture Tourism was featured in CCTV’s column “Focus Interview” (《焦點訪談》) as a role model under the theme of promoting cultural consumption through cultural tourism innovation in a nearly 4-minute special report.

Jianye Huayi Brothers Movie Town project is located in International Cultural and Creative Industry Park in Zhengzhou with a total land use scale of approximately 600 Chinese-mu. In the form of film sets and with an essence of historical culture and memory of the city, the project provides an experiential site for experiencing film culture incorporating tour of film sets, exhibition of film culture, film interactive games, folk and intangible cultural heritage experience, a series of large-scale performance, unique cuisine and themed inns.

The first two blocks of the project covering an area of 163.2 Chinese-mu were grandly premiered on 21 September 2019 and put into operation, receiving an enthusiastic market response. The project has become the most famous site for taking photos in Central China. Successively mentioned in special reports of national media like People's Daily, Xinhua News Agency, China Central Television, Xuexi Qiangguo (xuexi.cn), the project has received favorable comments from all walks of life. In 2020, it was rated as an AAAA National Tourist Attraction.

In 2023, the movie town continued to hold activities starting from the New Year's Eve event, with the tourist visits reaching approximately 2.28 million. It gained a good market reputation and succeeded in both economic benefits and brand effects.

Unique Henan Land of Dramas is a large-scale acting and performance project co-developed with Wang Chao (王潮歌), a famous director of real scenery performance. With 21 theatres, the project boasts the largest theater cluster in China. The project is located in International Cultural and Creative Industrial Park in Zhengzhou with a total site area of approximately 622 Chinese-mu and is also one of the Type-A Key Construction Projects in Henan Province. Inspired by the long-standing and rich history and culture of Henan with innovative forms of performance, the project aims to reveal the rich Central China culture and the glorious Chinese culture through the combination of several dramas with outdoor scenes as well as functional spaces by making use of its unique architectural space, helping people understand the history and culture in a multi-sensory approach. The project is of great significance for highlighting the characteristics, reshaping the style, manifesting the spirit and contributing to cultural confidence of Henan. In its 21 theaters of the project, more than 30 plays have been presented by nearly 1,000 performers. All theaters in the project can host 10,000 audience simultaneously, with the three main theaters accommodating nearly 5,000 audience on their own. A single round of performances can last almost 700 minutes, and during peak seasons, the venue can churn out nearly 200 shows a day, totaling around 5,000 minutes of performance time.

After four years of construction, Unique Henan Land of Dramas held a grand opening ceremony on 5 June 2021, the day of Chinese lunar Grain in Ear. This attracted attention nationwide. More than 2,000 entrepreneurs, cultural celebrities, partners of Central China and media guests from all over the country witnessed the premiere.

After the project was officially opened for operation on 6 June 2021, it went viral in the market with a good reputation. In 2023, Unique Henan Land of Dramas is based on the national market, with 70% of the tourists from outside the province. The number of theatergoers exceeded 12 million during the year.

Located at Kaifeng City (which used to be an Ancient Capital of Eight Dynasties), Henan Province, Kaifeng Qishengjiao project is a culture, tourism and leisure street which imitates the style of Song Dynasty, featuring shopping, unique cuisine, guest houses, entertainment, leisure, and cultural experience. In 2021, it was selected as a “Provincial Tourism and Leisure Block in Henan Province”. With rich tourism resources nearby, the project enjoys obvious advantages. Adjacent to the 2-km-long Yuhe River constructed with our investment, the project has highlighted the characteristics of a northern waterside city and has successfully connected tourism resources. Since its opening in 2014, Qishengjiao has attracted attention from all walks of life, becoming a new spot popular with tourists. The project is facing adjustment and exploration to keep up with the increasingly mature tourist market. The project is currently speeding up to upgrade. In October 2020, the project completed the rejuvenation and upgrading. Through the collection of 17 designer concept stores, the original Baogong culture IP, the container Internet-famous site, the rail steam train, the ice and snow world theme park and other highlights, as well as the new building light show, graffiti show and other light cultural travel performing arts products, it realised the combination of youth, trend and classicality, and created a new image of the commercial street combining “art + trend + culture + architecture + space + creativity + aesthetics”.

#### **4. *Green House***

CCRE's green houses are main body of the establishment and operation of CCRE's modern agricultural projects. As of the end of the reporting period, the Company had five green houses completed and in operation, namely Yanling Jianye Green House, Hebi Jianye Green House, Yichuan Jianye Green House, Zhoukou Jianye Green House and Nanyang Jianye Green House.

##### *Yanling Jianye Green House*

Yanling Jianye Green House is located in Yanling County, Xuchang City, less than 100 km from Zhengzhou City, with a site area of over 5,000 Chinese-mu. The project is equipped with intelligent gutter-connected greenhouse, multi-functional exhibition hall, technology research centre and culture room for cut flowers as well as 3,000 Chinese-mu eco-tree seedlings, endeavouring to build a modern agricultural countryside complex zone concerning six highlights of "efficient agriculture, agritourism, cultural creativity agriculture, demonstration and experience agriculture, science popularisation agriculture, and healthcare and wellbeing improvement agriculture".

In 2023, the agricultural projects have already been implemented by Yanling Jianye, which are equipped with various functions such as intelligent gutter-connected greenhouses, Foodcourt, Hatton Planet, Magic Forest and Butterfly Museum, etc. In 2023, over 340,000 visitors were received, including provincial and municipal leaders, domestic and foreign experts, scholars, construction owners, members of the "Jianye Junlin Club", and tourists from within and outside the province.

In recent years, Yanling Jianye Green House has been awarded the National 4A Grade Tourist Attractions; the "Provincial Key Leading Enterprise of Agricultural Industrialisation" and the "Model Enterprise of Urban Eco-agriculture"; and also the plaque of "Natural Ecological Plate" by Xuchang Education Bureau; it participated in the "Facility Flower and Tree Industry Technology Innovation Strategic Alliance in Henan Province" by Henan Provincial Department of Science and Technology; and the Magnolia Tent Campground was awarded the "Recommended Campground in Henan Province".

### *Hebi Jianye Green House*

Hebi Jianye Green House is located at the urban-rural integration demonstration zone in Hebi City with a total site area of approximately 4,450 Chinese-mu. It is a countryside complex zone covering modern agriculture, leisure and tourism, and rural community. At present, Hebi Jianye Green House is equipped with various functions such as intelligent gutter-connected greenhouses, Food Court, Chenzhai Flower Group, leisure and entertainment, agriculture, colourful flower field and wedding lawn. Such Green House has completed various spots, such as off-road kart, mini-train zone, zoo and horse racetrack, all of these have been open to the public.

In 2023, Hebi Jianye Green House welcomed more than 450,000 visitors, including government leaders, leaders of the Group, Jianye property owners, social organisations and students. In recent years, Hebi Jianye Green House has been awarded the “China Agricultural Park”, the “Henan Province Leisure and Sightseeing Park”, and the “Provincial Key Leading Enterprise of Agricultural Industrialisation” and was successively rated as the “Advanced Unit for Building Harmonious Labor Relations in Hebi City”, “Advanced Unit for Employment Absorption in Hebi City”, “Urban-Rural Integration Demonstration Zone Party Construction Advanced Unit in Hebi City” and other honorary titles by the “Hebi Municipal Government and the Hebi Urban-Rural Integration Demonstration Zone.

### *Yichuan Jianye Green House*

Yichuan Jianye Green House is located at North of Zhangyao Village, Jiangzuo Town, Yichuan County, Luoyang City, with approximately 6,725 Chinese-mu and total investment amount of approximately RMB2 billion. The overall positioning strategy of the project is a countryside complex concerning six highlights of “modern agriculture, ecological leisure, cultural creativity, experience centre, science popularisation and healthcare”, with maintaining sustainable development for protecting ecological environment as its basis and with development strategy focusing on “agricultural + cultural tourism + healthy”, and with local characteristics of “demonstration zone of modern agricultural complex + ecological culture protection + picturesque village + Jianye foodcourt”.

The construction of a 16.3 km-long park road, a 200 Chinese-mu dropper field, a 70,000 sq.m. high quality overflow dam for irrigation and water storage, etc had been completed. Moreover, approximately 1,200 Chinese-mu of mountainous forests were being transformed and a total of 99 road lamps were built, which use clean energy, i.e., wind power and solar energy, to illuminate the road of 1.8km, thus saving the power of approximately 50,000 kWh per year. In addition, a number of service and ancillary facilities have been completed and put into use, including 11,000 square meters of high-standard intelligent greenhouses, plant factories, cave dwellings for fungus growing, Yaji Lakeside Restaurant, natural ecology museum, cave experience dwellings, RV/tent camping, tree house/log house experience area, fruit and vegetable picking experience garden, sports development area as well as ecological conservation area.

In addition, a number of leisure and entertainment facilities had been completed and put into use, including Yaji Lakeside Restaurant, cave dwelling experience, Forest Valley Natural Restaurant and Bar, Meng Chong Paradise, children's playground, Fruit and Vegetable Picking Experience Garden, Forest Leisure Area, Xingkongli-Caravans Camp, Guanshanxu-Weijing Restaurant, Pastoral Hot Pot Restaurant as well as Research and Learning Space.

In 2023, Yichuan Jianye Green House launched investment formats such as physical fitness park, glass water slide, UTV all-terrain off-road vehicle, and small store in the starry sky, and received more than 120,000 visitors in total. In 2023, Yichuan Jianye Green House was awarded honorary titles such as “Henan Province Forest Health Care Base at Provincial Level”, “Yichuan County Safety Consumption Demonstration Unit” and “Yichuan County Research and Learning Base Advanced Unit”

### *Zhoukou Jianye Green House*

Zhoukou Jianye Green House is located on the banks of the old canal in the urban-rural integration demonstration zone in Xuwan Village, Xuwan Township, Zhoukou City with a site area of more than 5,000 Chinese-mu. The project covers modern ecoagriculture, old canal reconstruction and urban wetland restoration, leisure experience, cultural tourism, health and elderly care, etc. and integrates high-end flower, fruit and vegetable production, fine seedling and flower cultivation, culture mining of old canal six centuries-old shipping ferry, experience of special diet in Central Plains, urban wetland and riverside landscape belt along the old canal, Research and Learning Space, folk wedding celebration photography base, etc. with a view to forming a 4A Ecological Tourism and Vacation Zone with an international leading and domestic first-class modern agricultural industry chain integrating “research and development, production, demonstration and experience”. Relying on the construction of the time-honoured old canal, the House aims at resuming the prosperity of the old canal as the artery of water transport in the Ming and Qing Dynasties, so that tourists can experience the profound history and culture of the ancient Zhoukou there, reminding their memories for the canal, filling the market gaps in tourism, vacation and recreation in Zhoukou and meeting the recreational tourism demands of residents during weekends and nighttime.

Projects completed and put into operation as at the end of the reporting period: 1) the office and accommodation area of 6,000 sq.m.; 2) the intelligent gutter-connected greenhouse of 36,000 sq.m.; 3) the core landscape demonstration area of 200,000 sq.m.; 4) the Tongle Valley Parent Child Paradise of 20,000 sq.m.; 5) the experience agriculture demonstration park of 60 Chinese-mu; 6) Jianye foodcourt of 5,000 sq.m.; 7) modern and technical agriculture exhibition hall of 5,000 sq.m.; 8) comprehensive service centre of 7,500 sq.m.; 9) Kart Club of 5,000 square meters; 10) Research and Learning Space of 6,600 sq.m.

### *Nanyang Jianye Green House*

Nanyang Jianye Green House is located at the north of Wolong District, Nanyang City, leaning on Dushan Mountain to the west and facing Yong River to the east, with a total planned area of 4,800 Chinese-mu, and it is the fifth green house project of our Group. The project combines the cultural characteristics of Nanyang leveraging on the innovative models of “agriculture + cultural tourism”, “agriculture + education” and “agriculture + health and wellness”, and is committed to creating an agricultural field complex project integrating agricultural demonstration, village revitalisation, ecological leisure, suburban tourism, health and wellness, science and education, and cultural creativity, etc.

The construction of multiple themed functional zones has already been completed, including the Jianye Pastoral Home Comprehensive Exhibition Hall, Jianye Foodcourt, plant factories, Tropical Botanical Garden, Germination Plantation Garden, Luoke Pengpai Trendy Play, Longxiang Equestrian, Leide Ranch LDMC and Golden Pastoral Research and Study, which can meet the needs for comprehensive leisure experience on “food, accommodation, travel, shopping, entertainment, sports, learning and research” from tourists.

After its official opening on 28 September 2023, Nanyang Jianye Green House received more than 230,000 tourists in only 3 months, and has played a critical role in promoting the vigorous development of Nanyang’s modern technology, agriculture and cultural tourism industries. In the future, it will develop into a special agricultural industrial park in southwest Henan and a demonstration area of rural revitalisation in southwest Henan, and strive to build a provincial or even national-level demonstration project of idyllic complex. Nanyang Jianye Green House will also become an attractive highlight of ecological agriculture, rural revitalisation, and leisure tourism in Nanyang.

### (III) Land Reserves

During the reporting period, the Group acquired land with a site area of approximately 0.332 million sq.m. through equity cooperation. It had newly added land reserves with a GFA of approximately 0.886 million sq.m.. As of 31 December 2023, the Company had land reserves with a GFA of approximately 37.69 million sq.m., including attributable GFA of approximately 28.65 million sq.m.

#### 1. *Equity Cooperation Land*

As of 31 December 2023, the Group acquired an aggregate of 7 land parcels with a total site area of 332,136 sq.m. in Zhengzhou City, Zhoukou City and Shangqiu City by way of equity cooperation.

#### 2. *Distribution of Land Reserves*

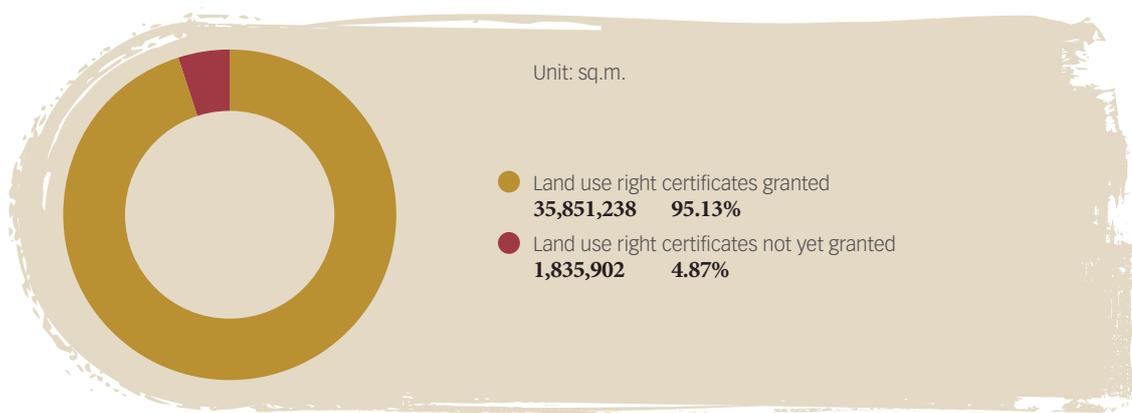
##### (1) *Distribution of the Company's land reserves by development status*

As of 31 December 2023, the distribution of the Company's land reserves by development status is set out in the table below:



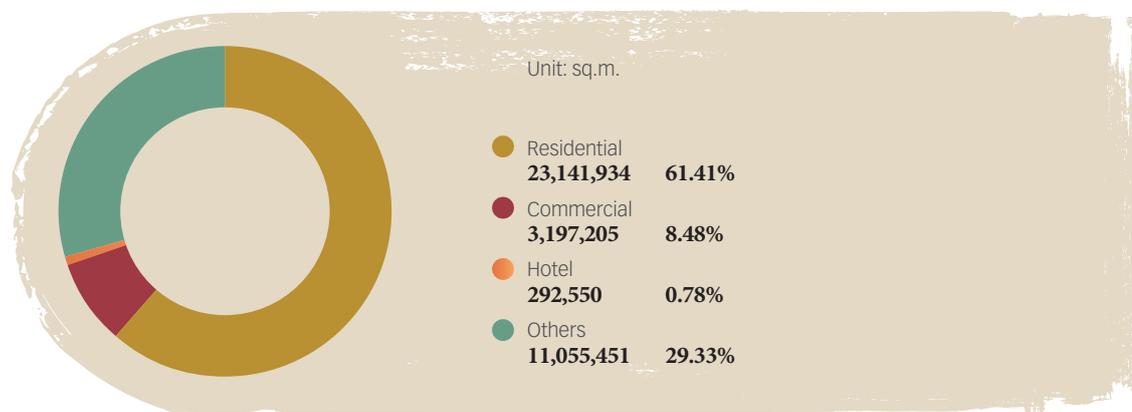
(2) *Distribution of the Company's land reserves by land use right certificates application status*

As of 31 December 2023, the distribution of the Company's land reserves by land use right certificates application status is set out in the table below:



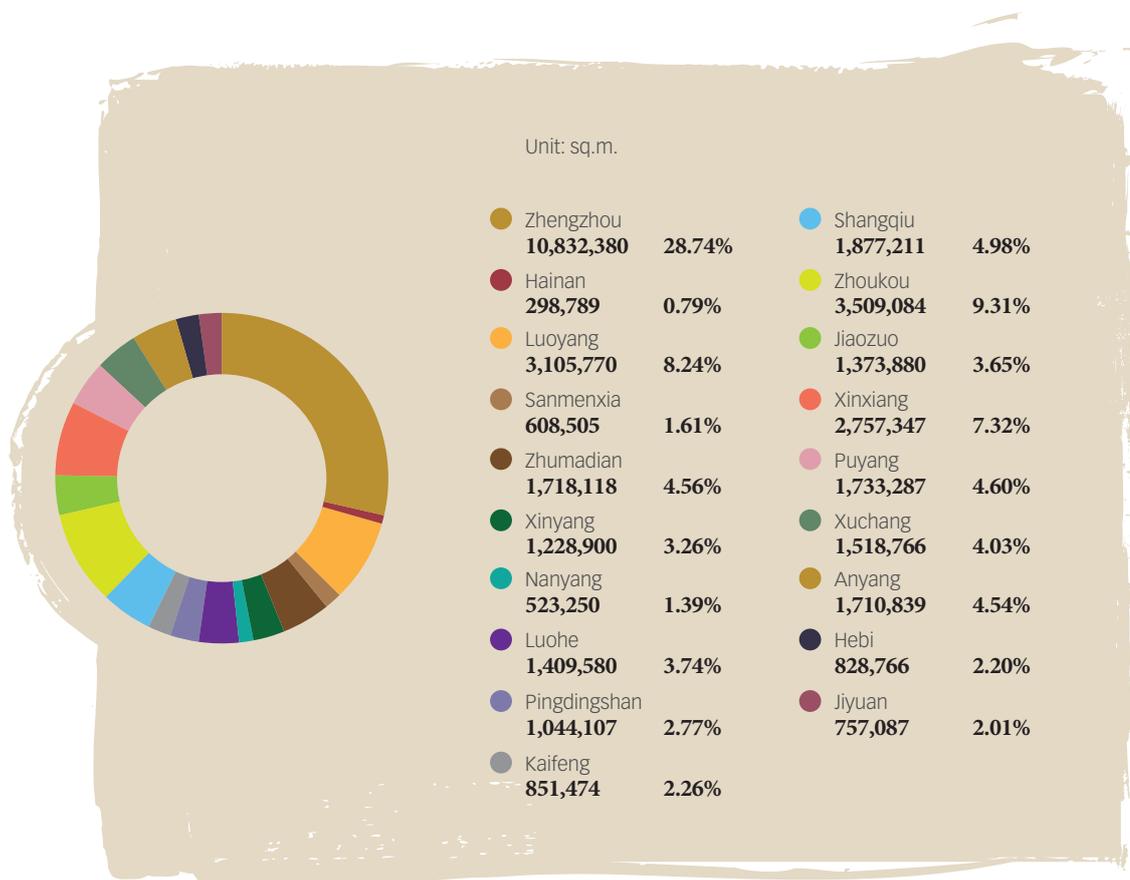
(3) *Land use right Distribution of the Company's land reserves by property types*

As of 31 December 2023, the distribution of the Company's land reserves by property types is set out in the table below:



(4) *Distribution of the Company's land reserves by cities*

As of 31 December 2023, the distribution of the Company's land reserves by cities is set out in the table below:



## **(IV) Product Research and Development**

### **1. *Product Development and Serialisation, and Standardisation***

Through the research on the urbanisation process, market trend and cultural trend and considering the development characteristics of the Group, the Company has put forward the product concept of “creating products that best understand the people in Central China”, adhering to the overall direction of “doing less, doing small and doing better”, and continuously streamlined the product line. Based on its product line system, the Company constantly refined the serialisation and standardisation construction of architecture, landscape, decoration, structure, and equipment centring on product line and product adaptation.

During the reporting period, the Company continued to facilitate product line optimisation and iteration leveraged on the product lines, while the guidance manual for residential public area building modules and public area decoration design, the guidance manual for landscape standardisation as well as special manual on intelligent design are completed, which enhanced product competitiveness and brand premium, and helped the Group’s product launch in various cities. Moreover, the structural practices and railing and shutter standards of residential projects have been updated to enhance the standards and also facilitate the application and implementation of various projects of the Group.

Adhering to the development concept of “Green, Health, Technology, and Energy-saving”, the Company incorporated the elements of green, health, technology and intelligence into product design to further show its meticulous care to customers.

### **2. *Residential Industrialisation***

Residential industrialisation is conducive to improving the quality of residential projects, realizing energy conservation and emission reduction, and improving the living environment, which is an inevitable trend of residential construction and development. The Group actively promoted residential industrialisation, applied prefabricated BIM technologies to Plum Garden (梅苑) in Beilong Lake Junlin Grand Courtyard Project, and helped with the implementation of prefabricated construction for the projects to secure product quality.

### **3. *Customised Design***

With the increasing demand for residential quality, the traditional product design model cannot fully satisfy the new demand for upgraded consumption.

Insisting on the core concept of “providing quality living standards for the people in Central China”, the Company launched the Junlin Grand Courtyard project based on customised design. The project took the customer needs as the starting point and achieved customisation in ten aspects including the house type, building style, landscape design, supporting facilities, elevator configuration, decorative style, standard of house decoration, kitchenware, bathroom articles, and property services, so as to satisfy the needs of the people in the new era for better house, break the original development and design mode of property, and lead the residence product into the era of customisation and personalisation.

### **4. *Environmental Protection and Energy Conservation***

To facilitate the development of green architecture business and promote low carbon life culture, the Company has formulated the Green Architecture Projects Implementation and Management Measures of CCRE, the Green Architecture One Star Technology Application Guidelines of CCRE, and the Green Architecture Two Star Technology Application Guidelines of CCRE in accordance with the Evaluation Standards for Green Buildings and the Evaluation Standards for Green Buildings of Henan Province issued by the Ministry of Housing and Urban-Rural Development of PRC. The Company issued the Green Manifesto of CCRE in 2010 to better implement the national regulations and policies on energy conservation and environmental protection, to implement the relevant requirements of the Energy Saving Design Standards for Residential Buildings in Henan Province, to enhance building energy efficiency, and to improve building energy-saving standards, thereby comprehensively improving the effectiveness of environmental protection and energy conservation for our corporate property projects.

### *Waste and Emission Reduction*

The waste generated in the course of the Company's daily operation mainly includes construction waste, household trash and wastewater, and the emission of such waste always abides by national standards. For the disposal of waste, the Company always, pursuant to the requirements of relevant local authorities, conducts concentrated collection of construction and household waste and takes appropriate measures for recycling or disposal according to the waste category while household wastewater will undergo a precipitation process before discharged into municipal sewage network and the underground wastewater will be used for irrigation or be discharged into the municipal rainwater pipe network.

The Company fully understands that preventing waste from the source is essential for alleviating environmental pollution in the long run. To this end, the Company vigorously advances the industrialisation of property development and fully decorated houses in Henan Province by setting up exemplary construction sites in various projects concerning industrialisation of property development and fully decorated houses. The originally complex construction procedures are streamlined, changing the production processes by switching from distributive to concentrated interior design and centralising the procurements and construction works performed, thereby reducing material consumption, waste emission, waste air and greenhouse gas emission and noise pollution, mitigating social total costs. Meanwhile, the Company has established an environmental impact assessment mechanism in accordance with state regulations to assess the environmental impacts regularly at all construction phases, and formulated the Emergency Response Measures to minimise the negative impact of construction projects on the surrounding environment. Next year, the Company will continue to step up its emission reduction initiatives and amend the waste management policy where needed in a bid to improve the effectiveness of waste reduction.

### *Product Responsibilities*

Thanks to our rigorous product research and development and product safety supervision procedures, the Company's construction projects have reached the industry's highest standards in terms of applicability, safety and weight resistance. The Company has formulated its product research and development system and product management policy pursuant to state regulations and industry standards, providing detailed guidelines on product design, repair, maintenance, testing and inspection with a focus on planning and design, house configuration, product landing, material check and equipment testing in order to exercise all round supervision on the design, production and construction processes.

1. Design Stage

According to regulatory conditions, and taking into consideration the market condition and its product lines, the Company designs projects in a scientific, reasonable and user-friendly way.

2. Approval Stage

Project materials are improved and submitted to meet all the requirements under the regulations and policies of relevant government authorities in relation to project construction.

3. Before Construction

Construction drawings are reviewed by a professional third-party cooperative institution to ensure compliance with national and industry standards.

4. Material Examination

Suppliers of building materials are carefully chosen, and their certification files are strictly examined and are subject to a review by a professional third party manufacturer.

5. During Construction

An external consultant is engaged to closely monitor project construction and progress.

6. Project Acceptance

Before completion, relevant projects will be checked by and filed with relevant government authorities.

To meet the expectations and needs of our customers, the Company will contact relevant customers to conduct opinion survey, making sure that the product issues are completely solved. Meanwhile, the Company will also collect relevant cases to study and summarise, aiming to prevent similar issues from happening again and further improve the quality of our products and services.

## **(V) Customer Service and Customer Relations**

In the face of the complex and adverse industry situation in 2023, the Company has always adhered to its founding mission and will further strengthen its efforts on humanistic care for customers through improvement and enhancement, customer activities, one-on-one visits, etc, to gradually resolve customers' dissatisfaction, while at the same time actively respond to the government's requirements on "guaranteed delivery, protecting people's livelihood, and maintaining stability". To this end, the Company strives to ensure guaranteed delivery and live up to the expectations of every choice and trust from the property owners.

During the reporting period, the Company continued to invest in improvement and enhancement so as to improve the living environment of old communities and enhance the quality of community living; and promote normalisation of the "No delay (客不容緩)" policy. By maintaining good customer relationships, mapping out key customers, holding regular property owners' meetings, facilitating positive intervention of the government, strengthening online public opinion monitoring, as well as publicising project delivery highlights and other measures, the Company strives to stabilise customer sentiments as much as possible and promote fast response and efficient handling of customer complaints.

Against the backdrop of the severe industry situation, the Company has been coordinating with all business segments and working closely together for innovate measures to ensure guaranteed delivery. By implementing various approaches such as annual delivery planning, maintaining good inventory of project resources, specialised management of key and difficult projects, creation of detailed issue lists for projects, concentrated efforts to handle most difficult projects, providing guidance and carrying out follow-up actions on procedure enhancement, enhancing delivery quality, setting delivery goals and other measures, the Company firmly adheres to the bottom line of "guaranteed delivery". During the reporting period, the Company delivered 42,984 housing units across 98 batches within 72 projects in aggregate. Remarkably, in defiance of downward trends, we managed high-quality, early deliveries for 24 batches comprising 12,603 units, and 9 batches were issued with property certificates upon delivery, which not only enhanced customer experience and won the recognition of property owners but also consolidated market reputation and boosted market confidence significantly.

## **BUSINESS OUTLOOK**

### **(1) The Macro-economic Landscape**

#### ***1. Nationwide***

In 2024, China's economy will adhere to the guiding ideology of "coordinated development and security", insisting on seeking progress while maintaining stability, promoting stability through advancement based on the principle of building the new before discarding the old. With policy support, the economy will continue to rebound and improve. As the global inventory cycle gradually comes to an end, the manufacturing market is expected to bottom out and recover, which will help bolster China's export. As such, manufacturing investment and exports will become the main driving force for economic growth. With the implementation of the "three major projects" construction, investment in fixed assets will also be increased with growing significance in stimulating economic growth. Impacts of declined income suggest that there is limited room for consumption growth this year, and hence its effects on stimulating economic growth are expected to decrease. The decline in real estate investment will be narrowed with a drag on economic growth to decrease further.

#### ***2. Henan***

In 2024, Henan Province will continue to thoroughly implement the central government's decisions and deployment, and go all out for the economy in order to achieve the economic growth target of 5.5%. With the introduction of a series of favorable macro policies by the State Council and the Central Bank, the environment for domestic economic development will be greatly improved. Henan Province will continue to exert efforts in improving innovation and capabilities level, promoting new urbanisation and facilitating new industrialisation to stimulate potential consumption, expand effective investment, promote in-depth reforms, and implement systematic opening-up. Henan's economy is anticipated to gather stronger momentum in its recovery in 2024, with the economy expected to maintain a steady and positive trajectory.

## **(2) Real Estate Market**

### **1. Nationwide**

Against the backdrop of sluggish demand and persistent financial risks in 2024, China's fiscal and monetary policies will have greater room for development with various policies to be relaxed as a whole to drive the economy to "recover for the better". In 2024, it will implement financial support measures to stabilise supply-side entities, gradually and steadily resolve risks of real estate market; lower taxes and fees related to housing transactions to bolster demand for home purchases so as to stabilise the real estate market. Optimisations for control policies on local real estate market are expected to be further enhanced with home purchase restrictions in second-tier cities to be lifted completely while Optimisations for control policies in first-tier cities will also be strengthened. Focusing on the construction of the "three major projects", we will help to foster a new model of real estate development. Overall, there is still pressure on new home sales market adjustment in 2024. If the economy continues to recover, the willingness to buy homes improves, coupled with the renovation of urban villages proceeding as scheduled, the scale of sales may increase slightly. Due to the slow recovery of the sales market, the prevailing downward trend of new construction starts and investment across the country may continue to exist.

### **2. Henan**

In 2024, Henan Province will further implement the spirit of central policies, carry out financial support measures, stabilise supply-side entities, gradually and steadily resolve risks of real estate market. With further easing of restrictive policies on the demand side, it is expected China will reduce taxes and fees related to housing transactions in order to stabilise housing demand; on the supply side, the construction of "three major projects" will be implemented successively, which will facilitate the establishment of a new model for real estate development. In the future, with real estate market adjustment and effective implementation of optimised policies and measures under the support of economic recovery, real estate investment, sales and market operations will gradually improve accordingly.

## 1. Commencement Plan

In 2024, the Company plans to commence construction of 12 projects with a GFA of approximately 738,127 sq.m.

City	Project name	Principal use of property	GFA (sq.m.)
Zhengzhou	Jianye Times Harmony	Residential	185,869
Pingdingshan	Wugang Forest Peninsula (Phase 6)	Residential	18,351
Xinxiang	Xinxiang Dongjing Mansion (Phase 2)	Residential	92,386
Jiaozuo	Jiaozuo Xinrui Mansion	Commercial	30,000
Jiaozuo	Jiaozuo Shuxiang Yard (Phase 1)	Residential	35,087
Zhoukou	Chinoiserie Palace (Phase 3)	Residential	62,865
Zhoukou	Zhoukou Jianye City (Phase 4)	Residential	107,934
Zhoukou	Fugou Binhe Courtyard	Residential	92,563
Zhumadian	Zhumadian Binhelong Palace	Residential	12,299
Nanyang	Nanyang Shilihushan	Residential	39,459
Nanyang	Nanyang Longyue City (Phase 6)	Residential	34,428
Xinyang	Xinyang Sky Mansion (Phase 1)	Residential	26,886
Total			<u>738,127</u>

## 2. *Delivery Plan*

In 2024, the Company plans to deliver 112 projects in total with GFA of approximately 10,078,305 sq.m..

City	Project name	Principal use of property	GFA (sq.m.)
Zhengzhou	Zhengzhou Bamboo Garden	Residential	112,866
Zhengzhou	Dengfeng Songyue Mansion (Phase 2) East Land Lot	Underground	45,551
Zhengzhou	Zhengxi U-Town (Phase 6)	Residential	146,205
Zhengzhou	Art Mansion (Phase 1)	Underground	87,830
Zhengzhou	Xinmi Spring Time	Residential	67,308
Zhengzhou	Zhengzhou Wonderland	Residential	134,829
Zhengzhou	Zhengzhou Plum Garden	Residential	99,188
Zhengzhou	Gongyi Spring Time (Phase 4)	Residential	85,223
Zhengzhou	Dengfeng Songyue Mansion (Phase 2) West Land Lot	Residential	18,949
Zhengzhou	Zhengzhou Chengyuan (Phase 2)	Residential	133,952
Kaifeng	Lankao Jianye CCRE Mall	Residential	125,862
Kaifeng	Lankao Red World (Phase 2)	Commercial	7,622
Kaifeng	Taihe Mansion (Phase 1)	Residential	17,607
Luoyang	Longcheng Dongwang (Phase 2)	Residential	66,533
Luoyang	Huayang Fengdu (Phase 2)	Residential	88,640
Luoyang	Luoyang Zhongzhou Mansion (Phase 1)	Residential	48,000
Luoyang	Zhonghong City Zone	Residential	140,626
Luoyang	Luoyang Dachengxiaoyuan (Phase 2)	Residential	71,601
Luoyang	Luanzhou Palace (Phase 1)	Residential	19,767
Luoyang	Zhonghong City Zone	Residential	178,582
Luoyang	Luoyang Dingding Palace (Phase 6)	Residential	274,665
Luoyang	Yichuan Dragon Mansion (Phase 2)	Residential	52,100
Luoyang	Xuhui Honour Mansion (Phase 1)	Residential	143,832
Pingdingshan	Pingxi Honour Mansion (Phase 1)	Residential	104,477
Pingdingshan	Pingdingshan Spring Time (Phase 3)	Residential	149,194
Pingdingshan	Pingdingshan Eighteen Cities (Phase 4)	Commercial	23,471
Pingdingshan	Ruzhou Sweet-Scented Osmanthus Garden (Phase 3)	Residential	44,668
Pingdingshan	Pingdingshan Guangming Mansion (Phase 1)	Residential	90,490
Pingdingshan	Wugang Forest Peninsula (Phase 7)	Residential	86,177

City	Project name	Principal use of property	GFA (sq.m.)
Anyang	Anyang Junlin Grand Courtyard	Residential	58,192
Anyang	Sky Mansion	Residential	44,484
Anyang	Linzhou Jianye City	Residential	178,176
Anyang	Jianye City (Phase 3)	Commercial	105,203
Anyang	Anyang Chinoiserie Palace North Garden	Residential	303,524
Xinxiang	Xinxiang Blossom Garden (Phase 1)	Residential	66,887
Xinxiang	Hui County Code One City (Phase 1)	Residential	77,625
Xinxiang	Xinfei Jianye Mansion (Phase 1)	Residential	141,353
Xinxiang	Changyuan Forest Peninsula Courtyard (Phase 1)	Commercial	9,342
Xinxiang	Fengqiu Central Garden	Residential	74,140
Xinxiang	Xinxiang Dongjing Mansion (Phase 2)	Parking spaces	18,468
Xinxiang	Weihui Jiangye Spring Time	Residential	206,449
Xinxiang	Hui County Gongcheng Dongwang (Phase 1)	Residential	164,409
Xinxiang	Beverly (Phase 4)	Residential	56,525
Hebi	Hebi No.7 Courtyard	Residential	67,705
Hebi	Hebi Zhenyuehui (Phase 1)	Residential	36,008
Hebi	Qi County Jianye City (Phase 1)	Residential	47,368
Hebi	Hebi Chinoiserie Palace (Phase 1)	Commercial	3,892
Hebi	Hebi Flower Creek Town (Phase 1)	Residential	58,123
Jiaozuo	Bo'ai Spring Time (Phase 2)	Residential	153,408
Jiaozuo	Jiaozuo Jianye Mansion	Residential	136,600
Jiaozuo	Wuzhi Jianye Majestic Mansion (Phase 1)	Residential	178,094
Jiaozuo	Mengzhou Jianye Mansion	Residential	79,120
Jiaozuo	Wuzhi Star Mall (Phase 2)	Commercial	39,869
Puyang	Puyang Code One City (Phase 6)	Commercial and Residential	40,824
Puyang	Puyang Sky Mansion (Phase 1)	Residential	223,300
Puyang	Puyang Chinoiserie Palace (Phase 3)	Residential	182,556
Puyang	Puyang Longcheng (Phase 2)	Residential	104,089
Puyang	Taiqian Jianrun Mansion (Phase 2)	Residential	83,441
Puyang	Puyang Puyuan (Phase 1)	Residential	29,227

City	Project name	Principal use of property	GFA (sq.m.)
Xuchang	Xiangcheng CCRE Mall (Phase 1)	Residential	56,042
Xuchang	Change Sweet-Scented Osmanthus Garden New City (Phase 2)	Residential	15,016
Xuchang	Xuchang Pleasure Garden (Phase 1)	Commercial	28,728
Xuchang	Yuzhou Spring Time (Phase 1)	Residential	55,785
Luohe	Luohe Blossom Garden (Phase 1)	Residential	34,822
Luohe	Luohe Xicheng Forest Peninsula (Phase 3)	Residential	50,451
Luohe	Linying Forest Peninsula (Phase 1)	Residential	59,367
Luohe	Luohe Danjiang Mansion (Phase 1)	Residential	45,916
Luohe	Luohe Sweet-Scented Osmanthus Garden (Phase 1)	Commercial	41,558
Luohe	Luohe Scholarly Mansion (Phase 1)	Residential	83,404
Luohe	Changjian Ideal City (Phase 1)	Residential	104,249
Luohe	Art Mansion	Residential	104,584
Sanmenxia	Sanmenxia New District Forest Peninsula (Phase 3)	Residential	64,198
Sanmenxia	Sanmenxia Honour Mansion (Phase 2)	Residential	62,007
Shangqiu	Shangqiu Art Mansion	Residential	195,192
Shangqiu	Shangqiu Shangheyuan (Phase 1)	Residential	70,986
Shangqiu	Shangqiu Chinoiserie Palace	Residential	88,503
Shangqiu	Minquan Jiangye Long Palace	Residential	35,653
Shangqiu	Yongcheng Art Mansion	Residential	123,282
Shangqiu	Shangqiu Jiangshan Mansion (Phase 1)	Residential	99,000
Shangqiu	Future City	Residential	43,709
Shangqiu	Zhecheng Lianmeng Dongwang	Residential	72,334
Zhoukou	Taikang Jianye Mansion	Residential	72,052
Zhoukou	Zhoukou Chinoiserie Palace	Residential	212,511
Zhoukou	Huaiyang Binhe North Courtyard	Residential	106,987
Zhoukou	Taikang Eco-City	Residential	63,292
Zhoukou	Zhoukou Hill Water Lake City (Phase 1)	Residential	183,034
Zhoukou	Zhoukou Jianye City	Residential	270,141
Zhoukou	Huaiyang CCRE Mall East Land Lot	Commercial	32,384
Zhoukou	Canal Yard (Phase 1)	Residential	86,148

City	Project name	Principal use of property	GFA (sq.m.)
Zhumadian	Zhumadian Chinoiserie Palace	Residential	160,847
Zhumadian	Zhumadian Boshan Mansion	Residential	78,276
Zhumadian	Pingyu Jiangshan Mansion	Residential	36,831
Zhumadian	Suiping Jianye Mansion	Residential	36,978
Zhumadian	Shangcai Jianye Mansion	Residential	16,894
Nanyang	Nanyang Shilihushan (Phase 3)	Residential	15,037
Nanyang	Nanyang Art Mansion (Phase 2)	Residential	38,311
Nanyang	Nanyang Longyue City (Phase 5)	Residential	54,347
Nanyang	Dengzhou Qingyunli	Residential	101,716
Xinyang	Huaihe Courtyard (Phase 1)	Residential	48,273
Xinyang	Xi County Honour Mansion (Phase 1)	Residential	112,120
Xinyang	Gushi Future City (Phase 1)	Residential	18,935
Xinyang	Luoshan Jianye Mansion (Phase 1)	Residential	72,489
Xinyang	Xinyang Jianye City (Phase 2)	Residential	123,918
Xinyang	Xinyang Mansion	Residential	218,012
Xinyang	Huangchuan Huangguo Palace	Residential	107,146
Xinyang	Huangchuan Dingchengfu	Residential	34,677
Jiyuan	Jiyuan Jianye City (East) (Phase 1)	Commercial	512
Jiyuan	Jiyuan Code One City Majestic Mansion	Commercial	4,409
Jiyuan	Jiyuan Chinoiserie Palace	Residential	123,005
Jiyuan	Jiyuan Jianye City West	Residential	218,808
Hainan	Dongfang Jiayuan	Residential	183,067
Hainan	Zhonghe Jiayuan (Phase 1)	Residential	78,146
Total			<u>10,078,305</u>

## **RISK MANAGEMENT AND INTERNAL MONITORING**

The Company clearly defines the authorisations and responsibilities of the Board, the Audit Committee, the management, the internal audit function and other units to ensure the establishment, implementation and effective assessment of risk management and internal control systems. The Board has the responsibility to evaluate and determine the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and to ensure the Company establishes and maintains appropriate and effective risk management and internal control systems on an ongoing basis. The Board also monitors the management regarding the construction, implementation and assessment of the risk management and internal control systems. The Company's risk management and internal control systems aim to manage, but not eliminate, risks of failing to achieve business objectives, and make reasonable, but not absolute, guarantee that there is no material misstatement or loss only.

A three-line system for risk management and internal control has been put in place, namely, business control, human resource management, financial management and other functions constitute the "first line", the functional centre of internal control and supervision constitutes the "second line" and the internal audit and supervision department constitutes the "third line". In order to enhance our risk management and internal control, each business management department is accountable for its daily management, and regularly conducts compliance self-assessment according to the compliance assessment template. The internal control department organises regular cross inspections and random inspections, effectively implements internal control activities and issues internal control reports and continuously improves on the internal control guidelines as well as organises and formulates remedies in a timely manner for management inadequacies and loopholes identified. The internal audit and supervision department of the Company also regularly inspects, evaluates and follows up on the operation and implementation effect of the internal control mechanism in order to ensure that relevant remedial actions are performed in a timely and smooth manner. Review findings have been reported to the Audit Committee for further follow-up actions.

As part of the risk management system, the management will continuously identify, review and monitor major risks, formulate risk response measures and implement them. The management has established risk identification and management procedures. The risk assessment report is reported to the Audit Committee and the Board on a regular basis to highlight changes in the risk assessment, quantitative and qualitative factors affecting the inherent risks and effectiveness of mitigation measures on other risks. The Company has established an internal policy to provide the Company's directors, officers, senior management and relevant employees with general guidelines for handling confidential information, monitoring disclosure of information and responding to enquiries. The Company regulates the handling and dissemination of inside information according to internal procedures and policy so as to ensure inside information remains confidential until the disclosure and publication of such information is appropriately approved, and the dissemination of such information is efficiently and consistently made. The Board is responsible for approving the policy on disclosure of inside information which aims at providing guiding principles, practices and procedures to assist employees and officers of the Group in (i) delaying inside information to the Board to enable it to make timely decisions on disclosure, if necessary; and (ii) communicating with the Group's stakeholders, in ways which are in compliance with the SFO and the Listing Rules. The Company has implemented control procedures to prevent unauthorised access and use of internal information. The risk management systems of the Company are continually being monitored and refined by the Audit Committee and the Board. The Board has received assurance from the CEO and the management of the Company regarding the effectiveness of the risk management systems of the Company.

The Board performs the duty of reviewing the interim and annual results with the Audit Committee, the management of the Company, the internal audit and external independent auditors in accordance with the procedures, and conducts a review and assessment on the effectiveness of the Company's risk management and internal control systems as well as procedures and system to address significant internal control deficiencies at least annually. The Board and the Audit Committee act pursuant to opinions from the internal audit and external auditors. They also reviewed the resources, qualifications and experience of staff of the Company's accounting, internal audit, financial reporting, Environmental, Social and Corporate governance performance and reporting, and their training programs and budget and were satisfied with their adequacy. The Board believes that the existing risk management and internal control systems are adequate and effective for the year ended 31 December 2023.

The Company has adopted an anti-corruption policy which outlines the Company's culture, expectations and requirements relating to the prevention, detection, reporting and investigation of any suspected or actual fraud, corruption and other irregularities. The Group has also adopted a whistleblowing policy for reporting suspected fraud, corruption and irregularities via specified channels for employees and the relevant third parties. All reported matters will be investigated independently and, in the meantime, all information received from a whistleblower and its identity will be kept confidential.

## **EVENTS AFTER THE REPORTING PERIOD**

There are no significant events subsequent to 31 December 2023 which would materially affect the Company's operating and financial performance as of the date of this announcement.

## **FINAL DIVIDEND**

The Board resolved not to recommend a final dividend for the year ended 31 December 2023 (for the year ended 31 December 2022: Nil).

No interim dividend was distributed for the six months ended 30 June 2023 (for the six months ended 30 June 2022: Nil).

## **ANNUAL GENERAL MEETING**

The 2024 AGM will be held on 30 May 2024 and the notice thereof will be published and despatched to the shareholders of the Company in a manner as required by the Listing Rules (the "Listing Rules") Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Stock Exchange").

## **CLOSURE OF REGISTER OF MEMBERS**

For the purposes of determining shareholders' eligibility to attend and vote at the 2024 AGM, the register of members of the Company will be closed from 27 May 2024 to 30 May 2024 (both days inclusive), during which period no transfer of shares will be registered. All properly completed share transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on 23 May 2024, for registration.

## **CORPORATE GOVERNANCE PRACTICES**

The Company has always valued the superiority, steadiness and rationality of having a sound system of corporate governance and is committed to continuously improving its corporate governance and disclosure practices. For the year ended 31 December 2023, the Company complied with all code provisions and, where appropriate, adopted the recommended best practices set out in the Corporate Governance Code (the "Corporate Governance Code") in Appendix C1 to the Listing Rules with the exception of Code Provision C.1.6 as addressed below.

Code provision C.1.6 provides that non-executive Directors should attend general meetings to gain and develop a balanced understanding of the views of shareholders. Due to his respective business engagements, Dr. Sun Yuyang was unable to attend the extraordinary general meeting and the annual general meeting of the Company held on 13 February 2023 and 25 May 2023 respectively.

## **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 to the Listing Rules as the code of conduct for the Directors in their dealings in the Company's securities. Having made specific enquires with each Director, the Company confirmed that all Directors had complied with the required standard as set out in the Model Code throughout the year ended 31 December 2023.

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

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

## **SENIOR NOTES**

In light of the significant pressure on its short-term liquidity, in April 2023, the Company completed an exchange offer and consent solicitation transaction in respect of certain USD denominated offshore senior notes to extend its debt maturity profile, alleviate its cashflow pressure and manage its default risk. Details of this transaction are set out in the announcement of the Company dated 28 April 2023.

As the market continues to deteriorate, to further address its liquidity issues, the Company decided to suspend payments under its offshore debt and has been working with its financial advisors and legal advisors to explore all feasible options for a holistic solution to its current liquidity issue, details of which are set out in the announcements of the Company dated 23 June 2023 and 20 July 2023.

## **AUDIT COMMITTEE**

The audit committee of the Company has reviewed the Annual Results, including the accounting principles and practices adopted by the Group, and discussed auditing, risk management and internal control systems and financial reporting matters with the management as well as reviewed the audited consolidated financial statements for the year ended 31 December 2023.

## **AUDITORS**

SHINEWING (HK) CPA Limited was appointed as the auditor of the Company in place of KPMG on 15 January 2024 and to hold office until the conclusion of next AGM.

A resolution for the reappointment of SHINEWING (HK) CPA Limited as the auditor of the Company is to be proposed at the 2024 AGM.

## **SCOPE OF WORK OF SHINEWING (HK) CPA LIMITED**

The financial figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, and the related notes thereto for the year ended 31 December 2023 as set out in the preliminary announcement have been agreed by the Group's auditor, SHINEWING (HK) CPA Limited to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by SHINEWING (HK) CPA Limited in this respect did not constitute an audit, review or other assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the auditor on this announcement.

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

This Annual Results announcement is published on the "HKExnews" website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company's website at [www.jianye.com.cn](http://www.jianye.com.cn). The Company's annual report for the year ended 31 December 2023 will be published on both websites and despatched to the shareholders of the Company in due course.

By Order of the Board  
**Central China Real Estate Limited**  
**Wu Po Sum**  
*Chairman*

Hong Kong, 29 March 2024

*For the purpose of this announcement, unless otherwise indicated, the conversion of RMB into HK\$ is based on the exchange rate of RMB0.9062 = HK\$1. Such rate is for the purpose of illustration only and does not constitute a representation that any amount in RMB or HK\$ has been or could have been or may be converted at such or another rate or at all.*

*As at the date of this announcement, the Board comprises seven Directors, of which Mr. Wu Po Sum is executive Director, Ms. Wu Wallis (alias Li Hua), Mr. Deng Gaoqiang and Mr. Shi Song are non-executive Directors, Mr. Cheung Shek Lun, Mr. Xin Luo Lin and Dr. Sun Yuyang are independent non-executive Directors.*

\* *For identification purposes only*