China New Town Development Company Limited
中國新城鎮發展有限公司

Stock Code: 1278

2024
Annual Report

創新驅動
聚勢賦能

推進城鎮化投資建設

Corporate Profile

OVERVIEW

China New Town Development Company Limited (SEHK stock code: 1278) (the "Company" or "CNTD") has been listed by introduction on the main board of The Stock Exchange of Hong Kong Limited since 22 October 2010.

In March 2014, China Development Bank International Holdings Limited ("CDBIH"), a wholly-owned subsidiary of China Development Bank Capital Corporation Limited ("CDBC" or "CDB Capital") completed its subscription for CNTD's 5,347,921,071 issued shares, and became CNTD's controlling shareholder. CDB Capital is a wholly-owned subsidiary of China Development Bank Corporation ("CDB") and based on CDB's resources and brand advantage, CDB Capital has a national network layout in the business segment of new town development. On 11 June 2021, CDBIH signed a share transfer agreement in respect of approximately 29.99% shares of the Company with Wuxi Communications Industry Group Co., Ltd. ("Wuxi Communications") and Xitong International Holdings (HK) Limited ("Xitong International"), a wholly-owned subsidiary of Wuxi Communications. CDBIH agreed to transfer 29.99% shares of the Company held by it to Xitong International by agreement ("Share Transfer"). On 28 September 2021, upon the completion of this Share Transfer, Xitong International held approximately 29.99% shares of the Company and CDBIH held approximately 24.99% shares of the Company. Till then, the Company has held a composite shareholder structure of "local state-owned enterprise + central enterprise financial institution", combining the industrial advantages and financial advantages of the two substantial shareholders.

Since 2014, with the trend of new urbanization in China and the Company's advantage in resources, the Company has gradually shaped development concepts and specifying business strategies. Going on with the basis to continuously follow the guidelines of national policy and with the demand of regional economic development and city life, we have introduced brand products in the field of people's livelihood such as tourism, healthcare, medical care, etc., to improve the residents' living quality and experience. With the shareholders' support of Xitong International and CDBIH, through integrating the resources and advantages of substantial shareholders, the Company has gradually specified new development strategy for its business and initiated the business transformation plan. By actively increasing appropriate investments in industries that are in line with the development prospects of the new economy, such as integrated circuits, high-end manufacturing, new energy, new materials and artificial intelligence, we have cultivated new businesses and principal business goals.

Currently, in terms of fixed income investments, our projects locate in areas with good economic development nationwide and can provide stable revenue and cash flow for the Company. At the same time, the Optical Valley New Development International Center Property Project in Wuhan held by the Company can provide stable rental and management fee income. For new business expansion segment, after the past few years of market research, collaboration with cooperation agency and project inspection, we have explored the direction of principal business transformation through minority equity investment, and successfully completed the funding of certain minority equity projects in semi-conductors, new materials, artificial intelligence and other industries, accumulating experience in the industry and projects. Meanwhile, at the end of 2023, we cooperated with Wuxi Communications to initiate the establishment of a limited partnership fund, which will give priority to investing in emerging industries such as Internet of Things and integrated circuits, which is conducive to exploring further opportunities for business transformation.

Under the background of the national policy which supports new urbanization and the development of new quality productivity industries, we have confidence to realize the steady upgrade of the Company's scale of assets and operating results and gradually focus on the transformational direction of the new economy segments by fully leveraging the resource advantages of shareholders and the rich experience of project teams.

GOAL

China New Town is an urbanization investment and operation platform under the shareholder background of "local state-owned enterprise+ central enterprise financial institution". The Company is committed to becoming the leading comprehensive operation platform in the fields of urbanization investment in China, dedicates to providing urbanization and livelihood investment products that meet the demand for regional economic development and are in the interests of livelihood, and improves the regional urbanization level and residents' happiness experience. Leveraging on the quality shareholders' resources, the Company realizes the complementary advantages and synergetic development, and actively explores the direction of strategic business transformation in the new economy, and continuously creates values for shareholders, society, and community.

MISSION

Our mission is to provide urbanization and livelihood investment products which are consistent with the demand of regional economic development and city life, to enhance the region's urbanization level and citizens' living quality.

Contents

Our Business

OUR BUSINESS

Introduction

We started to enter the new town development industry in 2002. In the previous project development, we accumulated a complete operational experience in the industry chain of new town development, including preliminary planning, land consolidation and supporting construction of infrastructure facilities, resources introduction to the region, which has improved the region's urbanization level.

Upon becoming a subsidiary of CDB Capital, we have made good use of these operating experience, together with the national resources advantage of the CDB Capital, to actively make an optimization of project operation model. We have established the business model of "investment + production operation", rapidly expanded the business scale, and achieved a good scale effect and financial basis and brand advantages. On top of fixed income investment in urbanization projects, and with the opportunity and business network of in-depth cooperation with various regional governments, we introduce brands of urbanization to the region in the field of people's livelihood improvement at the same time, such as tourism, healthcare, medical care and etc.

In the sector of fixed income investments, the Company has participated in various kinds of investing urbanization projects through diversified investment. In these investments, the Company shall receive a stable investment gain based on the amount we have invested, according to the agreement. In the sector of livelihood improvement investments, we have chosen tourism, healthcare and medical care, etc. as our main downstream strategies, and fully leveraged the advantage of resources of shareholders to make successive investments in the Tourism and Wellness Comprehensive Project in Junzhuang Town, Mentougou District, Beijing and the Optical Valley New Development International Center Project in Wuhan respectively.

In 2021, CDB Capital transferred its 29.99% equity in the Company to Wuxi Communications, realizing the diversity of the Company's shareholding structure. Since 2022, we have been actively exploring new direction for business strategy transition through combining new shareholders' background and resource advantage and on the basis of stabilising the development of our existing principal business. We intend to cultivate new business for the segments of new materials, new energy, high-end manufacturing, artificial intelligence and semi-conductor that are in line with the development prospects of the new economy, so as to realise an external growth of the Company's business and generate sustained and stable revenue. Currently, we have already completed the investment in certain equity projects in the fields of high-end manufacturing, semi-conductors, new materials and new technologies, and reserved a number of premium project resources. As part of this process, the Company has been giving full play to the diversified shareholder advantages of "local state-owned enterprise platform + central enterprise financial institution" to combine the industrial and economic advantages of the Wuxi area with the industrial investment advantages of CDB Capital and actively explore ways to expand the depth and breadth of our reach in our targeted industry segments through sharing resources with our partners and initiating the establishment of funds for investments.

In the future, the Company will continue to intensively explore the investment opportunities in the fields of urbanization and livelihood improvement and focus on seeking new business segments for new economy. By leveraging shareholders resources advantage, the Company will promote business transformation and the realisation of new growth points. Combining with inbound and outbound financing channels, the Company will integrate a wide range of resources and optimize investments and structures to promote sustained growth in the Company's assets and results.

Our Major Projects

Shanghai Luodian New Town Project (72.63% — owned)

- Total site area of 6.80 square kilometres ("sq.km").
- Located at Baoshan District, connected to downtown Shanghai by metroline #7 (with two stops at Luodian), around 30 minutes drive to downtown Shanghai.
- At the end of 2018, the Group signed a new cooperation agreement with the Baoshan District Government of Shanghai in respect to a new follow-up cooperation model, with the follow-up cooperation mainly focusing on agent construction.
- In 2021, Plot H-06 in the eastern part of Luodian has successfully closed in February and we collected the collection of construction rebate in June. At present, we are promoting the agent construction of school in the eastern part.

Optical Valley New Development International Center Project in Wuhan (66.4% — owned)

- The total floor area of the project is 172,496 square metres ("sq.m."), of which 116,978 sq.m. are above-ground building area.
- Wuhan Optical Valley High-tech Development Zone is a nationwide renowned optoelectronic and semi-conductor industry base, which aligns with the strategic direction of the Company of developing integrated circuit industry property.
- The project company is running a robust operation with stable office and commercial occupancy rates.

Beijing Junzhuang Project in Mentougou District

- The Mentougou District is located in the western part of Beijing. The mountains in the district are connected to Xiangshan (香山), a renowned national tourism destination, comprising an integral part of the Western Beijing ecological conservation area. Located in the northeast of Mentougou and western part of Xiangshan Mountain, Junzhuang Town has formed the industrial pattern of "one town and four villages".
- The Group and Beijing Vanke Enterprises Co. Ltd. have jointly established a project company (we are entitled to a 50% equity interest), which was granted an exclusive right to develop and operate the Eastern Zone of the project. In addition, using a model known as the "Village-Corporate Collaboration" with the co-ops, the project company shall also develop and operate the construction land collectively owned (集體建設用地) by the relevant village community economic cooperatives.
- In March 2025, the territorial spatial planning of Junzhuang Town in Mentougou District and the detailed control planning of the centralised construction area were approved by the Beijing Municipal Government, and the Group is working on the ideas of project advancement together with the partners in conjunction with the approved planning.

Our Strategies and Values

STRATEGIES

The Company combines the shareholders' network and resources of "local state-owned enterprise platform + central enterprise financial institution", and takes various measures to build a leading national investment operation brand with the integration of financing, investment, development, and operation.

BUSINESS STRATEGY

- It's the right time for the Company to be ready to set sail and for its development. The Company will give full play to the industrial resources and business network advantages of substantial shareholders, and continue to improve the quality of the Company's assets and profitability.
- The Company strengthens the internal control risk management, controls the investment risks, and realizes stable income and cash flow.
- Only the braver can win in the market. The Company focuses on the new economy field, pays attention to the reserve for the layout of a new range, continues to explore and innovate in the new field, and cultivates the momentum for sustainable rapid growth in the future.

FINANCING STRATEGY

- The Company gives full play to the credit background advantages of the shareholders, and builds the domestic and foreign financing channels.
- The Company utilizes diversified and innovative financing at the project level to increase funds and explores the high potential for consolidation and growth. Through the rich capital market transaction of the listed company, we will overcome the difficulties and forge ahead, so as to improve the return and income for Shareholders.

VALUES

- Innovation
  Innovation is the soul of our continuous development. We keep abreast of the times, have adhered to the innovation spirit, adapt to changing circumstances, inspire the staff's innovative inspiration, realize the enterprise's continuous and quality development, and remain vital.

- Hard work
  Working hard is our normality. We work together, are committed to the struggle, adapt to changes, overcome the setback and difficulties, remain easy in trouble, leverage on our strengths in the market, consolidate in the industry, are progressive under the pressure, make a breakthrough in the adverse situation, and jointly build a promising future for new urbanization construction in China.

- Collaboration
  We attach greater importance to forming team spirit. The Company's culture is that we treat each other sincerely, coordinate with complementary advantages, and share weal or woe, complement and help each other with win-win cooperation.

- Dedication
  Dedication to work represents our style of work. As time goes by, we uphold the practical work, are practical and realistic, make efforts step by step, and will make achievements thereafter. We treat the work in an objective and rational manner and deal with the problem with effectiveness. Although the journey may be long, one can achieve its goal by practice; the matter may be difficult, but one can deal with it by doing so.

Corporate Information

As at 16 April 2025

BOARD OF DIRECTORS

Executive Directors
Mr. Hu Zhiwei *(Vice Chairman)*
Ms. Yang Meiyu *(President)*
Mr. Shi Janson Bing

Non-executive Directors
Ms. Liu Yanhong *(Chairman)*
Mr. Wang Hongxu
Mr. Feng Xiaoliang

Independent Non-executive Directors
Mr. Lo Wai Hung
(Lead Independent Non-executive Director)
Mr. Ji Jiaming
Mr. Yuan Kejian

AUDIT COMMITTEE

Mr. Lo Wai Hung *(Chairman)*
Mr. Ji Jiaming
Mr. Yuan Kejian

NOMINATION COMMITTEE

Mr. Ji Jiaming *(Chairman)*
Mr. Lo Wai Hung
Mr. Yuan Kejian

REMUNERATION COMMITTEE

Mr. Yuan Kejian *(Chairman)*
Mr. Lo Wai Hung
Mr. Ji Jiaming

COMPANY SECRETARY

Ms. Mei Zhe

BUSINESS ADDRESS

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18 Harbour Road
Wanchai, Hong Kong
Telephone: (852) 3643 0200
Facsimile: (852) 3144 9663
Website: www.china-newtown.com

REGISTERED OFFICE

Vistra Corporate Services Centre
Wickhams Cay II
Road Town, Tortola
British Virgin Islands VG 1110

BVI PRINCIPAL SHARE REGISTRAR

Vistra (BVI) Limited
Vistra Corporate Services Centre
Wickhams Cay II
Road Town, Tortola
British Virgin Islands VG 1110

HONG KONG BRANCH SHARE REGISTRAR

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road, Hong Kong

LEGAL ADVISORS

HAIWEN & PARTNERS LLP
Bird & Bird LLP
Zhonglun W&D Law Firm
Zhong Lun Law Firm

INDEPENDENT AUDITOR

Ernst & Young
(Public Interest Entity Auditor registered in accordance with the Financial Reporting Council Ordinance)
27/F, One Taikoo Place, 979 King's Road
Quarry Bay, Hong Kong
Auditor's Date of Appointment: 20 November 2007
Partner-in-charge: Mr. Cheung Bing Yin Benny since 11 August 2020

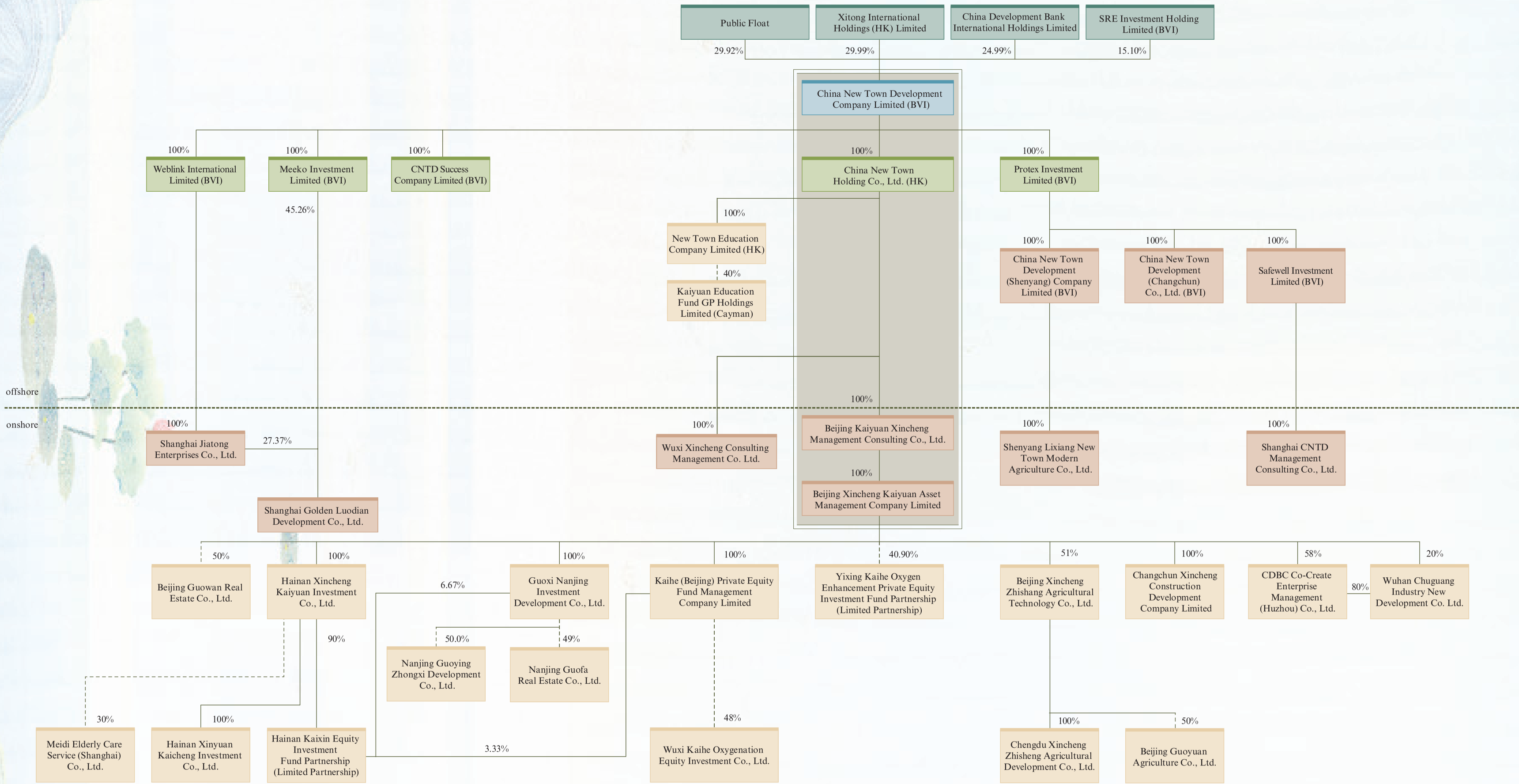
STOCK EXCHANGE LISTED

The Stock Exchange of Hong Kong Limited
Stock Name: ChinaNewTown
Stock Code: 1278
Board Lot: 2,500 shares

PRINCIPAL BANKERS

China CITIC Bank International Limited
Agricultural Bank of China Limited
China Minsheng Banking Corporation Limited
China Construction Bank (Asia) Corporation Limited
China Merchants Bank Co., Ltd.
Xiamen International Bank Co., Ltd.

Group Structure



Notes:
1. Hainan Xincheng Kaiyuan Investment Co., Ltd. made a capital contribution of 30% to Meidi Elderly Care Service (Shanghai) Co., Ltd. on 8 May 2024
2. Beijing Xincheng Kaiyuan Asset Management Company Limited made a capital contribution to Yixing Kaihe Oxygen Enhancement Private Equity Investment Fund Partnership (Limited Partnership) on 15 July 2024
3. Kaihe (Beijing) Private Equity Fund Management Company Limited made a capital contribution to establish Wuxi Kaihe Oxygen Enhancement Equity Investment Co., Ltd. on 15 July 2024
4. Hainan Xincheng Kaiyuan Investment Co., Ltd. made a capital contribution to establish Hainan Xinyuan Kaicheng Investment Co., Ltd. on 20 December 2024

Chairman's Statement

DEAR SHAREHOLDERS,

I hereby present the Chairman's Statement for 2024 on behalf of the board of directors (the "Board") of China New Town Development Company Limited (hereinafter referred to as the "Company" or "China New Town", together with its subsidiaries, the "Group").

WITH CHINESE ECONOMIC DEVELOPMENT ON TRACK SUPPORTED BY NEW QUALITY PRODUCTIVE FORCES, THE GROUP HAS MAINTAINED STEADY OPERATING PERFORMANCE

In 2024, China's economy achieved steady progress amid complex domestic and international environments. The annual gross domestic product ("GDP") grew year-on-year by 5.0%, reaching a total of RMB134.9 trillion, demonstrating strong resilience. In terms of economic growth drivers, the contribution of consumption, investment, and net exports was 44.5%, 25.2%, and 30.3%, respectively. Foreign trade performance in 2024 was outstanding, with total imports and exports reaching a historic high of RMB43.85 trillion. Trade with Belt and Road countries accounted for over 50%, with significant growth in exports of high-tech products.

On the industrial front, traditional industries advanced action plans to enhance the core competitiveness of manufacturing. New achievements were made in the high-end, intelligent, and green development of manufacturing, facilitating the transformation of technological creativity into societal productive forces. The steady development of new quality productive forces has injected continuous new momentum into high-quality economic growth. Progress was also made in integrated circuits, artificial intelligence, aerospace, and other fields in 2024, further expanding emerging industries and gradually forming new pillars of the industrial system. While driving economic growth, these developments have also provided new ideas and opportunities for corporate growth.

2024 was a pivotal year for the Company to accelerate the focus on its core business and strategic transformation, following the path of "clear principal business → integration and development → value enhancement". With the support of shareholders, namely Wuxi Communications Industry Group Co., Ltd. (hereinafter referred to as "Wuxi Communications") and China Development Bank Capital Corporation Limited (hereinafter referred to as "CDBC" or "CDB Capital"), the Company maintained stable operations amid domestic economic opportunities and challenges, particularly the positive developments in the new economy sectors. While ensuring stable income from fixed-income investments and the operation of Wuhan property projects, the Company explored and invested in new economy sectors such as integrated circuits, information technology, and new energy through fund investments and minority equity investments, achieving sound operational performance.

As of 31 December 2024, the Company recorded an operating income of RMB412 million and an operating profit of approximately RMB100 million, and proposed to distribute annual dividend of HK$0.0039 per share to reward shareholders.

POOLING OUR COLLECTIVE WISDOM AND EFFORTS TO ENSURE THE STABLE INCOME FROM THE GROUP'S CORE BUSINESS IN 2024

In recent years, fixed-income investment returns and rental and management fee income from Wuhan properties have been significant components of the Group's revenue. In 2024, despite unfavorable market conditions such as macroeconomic fluctuations and declining domestic investment yields, the Company, under the leadership of its management team, maintained stable income across its core business segments. The fixed-income investment business generated approximately RMB184 million in revenue, while the Wuhan property projects contributed about RMB133 million in rental and management fees, remaining largely stable compared to 2023. These segments truly served as the foundation and stabilizer for the Group.

While ensuring stable investment returns, the Group proactively shifted its investment portfolio toward economically developed regions in 2024, considering the different situations of regional economic development in China and the matching degree of returns and risks of fixed income investment regions. For the first time, the Group implemented investment projects in Zhejiang Province. Additionally, the Company strengthened post-investment management by conducting proactive research and communication with investee regions and entities during pre-investment and investment periods, fostering strong cooperation and mutual trust. In 2024, all fixed-income projects received investment returns on schedule, and invested amounts were safely recovered upon exit.

The Wuhan Optical Valley property project company focused on improving office building management and enhancing the quality of the commercial district in 2024 to increase tenant retention. Simultaneously, it employed diverse promotional and creative activities to attract potential clients and expand its customer base, aiming to stabilize rental and management fee income for the entire property.

CONDUCTING IN-DEPTH RESEARCH TO ENHANCE RESOURCE SYNERGY AND COLLABORATION WITH SHAREHOLDERS IN EXPANDING INTO NEW ECONOMIC SECTORS

In 2024, the Group continued to explore business transformation direction towards new economic sectors, while fully leveraging shareholders' resource advantages to enhance collaborative synergies.

First, the Group has fully utilised the advantages of industrial resources endowment in Wuxi region. In 2024, the number of industrial clusters in Wuxi with revenue exceeding RMB200 billion has increased to seven, with the estimated future industry scale exceeding RMB100 billion, forming a solid foundation and advantage in new economy industries, which provided significant impetus for the Group to identify new economy investment sectors. In 2024, the Group jointly established Xinsheng Investment Partnership (Limited Partnership)* (新晟投資合夥企業(有限合夥)) with a subsidiary of Wuxi Communications. The Limited Partnership would prioritize investments in internet of things, integrated circuits, biopharmaceuticals, high-end manufacturing, energy conservation and environmental protection, new materials and semi-conductors and other industries. Wuxi Tonghui Capital Company Limited* (無錫通匯資本有限公司) and Wuxi Guosheng Asset Management Company Limited* (無錫國晟資產管理有限公司) served as Junior-Tranche Limited Partner and General Partner respectively. The target industries in which the Limited Partnership proposed to invest align closely with the Group's target new economy sectors and the advantages of industrial resources endowment in Wuxi region. Both Wuxi Tonghui and Guosheng Asset possess substantial experience and expertise in these target sectors, with prior investments mainly concentrated in new energy, high-end manufacturing, aerospace and other industries. We therefore believe the establishment of the Limited Partnership will effectively integrate regional advantages of shareholders and collaborative strengths of outstanding partners, enhancing the Group's capability in targeted investment identification and project screening.

In addition, the Group empowered minority equity-invested enterprises, assisting companies in industries such as smart driving and low-altitude economy to establish operations in Wuxi. This not only expanded the strength of regional industrial clusters but also promoted the business growth of related enterprises, achieving win-win outcomes.

Second, as a renowned domestic industrial investment institution, CDB Capital also possesses extensive industrial investment experience and resources. In 2024, the Group has continued to maintain close communication with CDB Capital, and combined with the industrial investment funds managed by CDB Capital to share resources in terms of project channel resources, industry background knowledge and communication with invested enterprises, so as to enhance the breadth and depth of project access.

By leveraging the industrial development advantages of shareholders and the industry resources accumulated and accessed through minority equity investments, we believe effective synergies can be formed to help the Group clarify its transformation direction in new economy sectors as soon as possible.

STRENGTHENING INTERNAL CONTROLS AND ENHANCING CORPORATE MANAGEMENT

In 2024, the Group continued to adhere to the management philosophy of "addressing daily tasks rigorously and maintaining strict standards", reinforcing internal management to build a listed company that meets the requirements of modern corporate and state-owned enterprise governance.

First, in terms of project investment management, the Group upheld the investment principle of "prioritizing safety and stability", strengthening pre-investment due diligence, mid-investment reviews, and post-investment management. The project team actively formed a good foundation of mutual trust with invested enterprises through various means such as market analyses, research and study, and visits. On the basis of establishing long-term good cooperative relationships, the Group ensured that there were no new risky projects emerged during the year.

Second, in terms of internal risk control management, the Group insisted on a rule-oriented approach, focusing on the sorting out and implementation of systems. In conjunction with the development of the Group's business, the Group has sorted out various management systems and updated and revised them in a timely manner in accordance with the needs of business development, so as to ensure that the systems management framework can support and adapt to the needs of the business. In accordance with the provisions of the relevant state-owned enterprise control system and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Group regularly reviews and evaluates the effectiveness of the Group's risk management and internal control, with a view to enhancing risk identification and early warning capabilities and strengthening the foundation of internal control management. Any identified issues will be immediately rectified to ensure the effectiveness of internal control measures.

OUTLOOK FOR 2025

2025 marks the final year of China's 14th Five-Year Plan. The central government will adhere to the principles of seeking progress while maintaining stability, promoting stability through progress, upholding fundamental principles while breaking new ground, and ensuring systematic integration and coordinated efforts. More proactive and impactful macroeconomic policies will be implemented to accelerate the construction of a new development paradigm and advance high-quality development. For the Group's business development, 2025 will be a critical year for defining its core business direction and formulating its 15th Five-Year development strategy. The management team will lead all employees to work diligently and proactively to achieve the Group's operational goals for 2025.

ADHERING TO GOAL ORIENTATION AND FOCUSING ON STRATEGIC DEVELOPMENT TO ESTABLISH CORE BUSINESS

After two years of exploration and minority equity investments, the Group has accumulated certain resources and insights into the new economy sectors and made certain progress. In 2025, the Group will make use of this accumulation to clarify the direction of its target business transformation as soon as possible to establish a new core business focus. At this critical juncture, the Group will, on the premise of giving priority to stability, proactively pursue progress, and strive to complete the selection of industries and targets for mergers and acquisitions ("M&A") as well as identify the direction of M&A as early as possible in 2025.

During the process, the Group will fully grasp the direction of national industrial policies and leverage the resource endowments and industrial advantages of its shareholders to act with precision. Wuxi Communications, as a substantial shareholder, will continue to actively support the Group's business development, facilitating resource sharing and collaboration to achieve synergistic effects where 1+1＞2.

ADHERING TO STEADY AND SOLID PROGRESS TO MAINTAIN STABLE INCOME FROM EXISTING CORE BUSINESS

While actively exploring and defining new economy sector directions, the Group will also focus on its two core business segments — fixed-income investments and the Wuhan Optical Valley property projects — in 2025 to solidify its income foundation.

Amid domestic interest rate cuts and reserve requirement reductions, market liquidity remains abundant, exerting further downward pressure on investment yields in high-quality regions and increasing the difficulty of securing and maintaining project investments. Facing these challenges, the Group will intensify efforts to develop high-quality regions in 2025, leveraging existing client relationships to identify new investment opportunities. Additionally, aligning with the policy direction of economically developed regions to develop new quality productive forces, the Group will integrate fixed-income project development with equity investments in new economy sectors, fostering comprehensive cooperation with investee regions and entities. This approach will not only expand fixed-income projects and partnerships but also diversify income streams.

In 2025, the Wuhan property market will continue to face risks such as intense competition and price wars. To counter this, the project company will enhance client acquisition efforts, improve overall competitiveness through high-quality property management, and fully explore the relocation needs of target clients and expansion needs of existing tenants. It will maintain strong collaborations with existing marketing channels while exploring new partnerships and incentivizing channel cooperation. The Group will also actively participate in corporate events organised by enterprise groups, industry associations, and government activities to expand channel and information resources and maximize client acquisition.

For commercial operations, the Group will collaborate with tenants to organize diverse and interactive events to boost the commercial district's appeal. Creative and attractive multimedia campaigns will be launched, leveraging new media resources to establish the property as a landmark for offices and dining, aiding leasing efforts. The overarching goal is to maintain stable occupancy rates and rental income for office and commercial spaces in 2025.

PERSISTING IN MODEL INNOVATION AND CONDUCTING VARIOUS FINANCING ACTIVITIES IN 2025

To better support the Group's subsequent strategic transformation and business development activities, in 2025, the Group will make better use of the domestic and international financing markets, maintain close communication with market institutions, insist on model innovation and exploration, and launch diversified financing activities, including bonds and bank loans. Wuxi Communications, as a substantial shareholder, will provide necessary credit enhancement measures to help the Group secure favorable financing terms and scale.

Diligence leads to mastery, pursuit leads to attainment, and persistence leads to fulfillment; success stems from thoughtful planning, decisive action, and steadfast execution. The Company has now entered a phase of active development, with a path ahead filled with glory and dreams. Under the correct leadership of the Board, let us unify our thoughts, build consensus, strengthen confidence, and work diligently to seize the new trends and opportunities in China's economic development. Together, we will overcome challenges and achieve new milestones in the Group's business development, delivering sustained returns to all shareholders.

Finally, on behalf of the Board, I express my sincere gratitude to all shareholders, investors and partners for their unremitting support to the Company in the past year. I also express heartfelt respects to the directors, management team and all staff for their hard work. We will continue striving to create long-term value and benefits for all shareholders.

* *For identification purposes only*

President's Statement

DEAR SHAREHOLDERS,

The year 2024 was a pivotal year for China New Town Development Co., Ltd. (hereinafter referred to as the "Company", together with its subsidiaries, the "Group") as we solidified our business structure and actively explored directions for business transformation and adjustment. It was a year marked by both pressure and momentum, challenges and opportunities. Under the correct leadership and strong support of our substantial shareholders, Wuxi Communications Industry Group Co., Ltd. (hereinafter referred to as "Wuxi Communications"), China Development Bank Capital Corporation Limited (hereinafter referred to as "CDBC" or "CDB Capital"), and the Board, and through the collective efforts of all employees, the Group comprehensively implemented the development strategy of "full industrial chain layout, deepening industrial sectors, and industrial-financial interaction". Despite the external pressures of a macroeconomic downturn, we remained steadfast in our strategic direction and annual operational goals, advancing our work steadily and making progress while ensuring stability.

The Group worked collaboratively, closely aligning with our annual operational objectives and achieving remarkable results. In terms of business layout, the fixed-income investment sector and the Wuhan Optical Valley property project performed steadily, becoming the primary sources of the Company's operating income and foundational profits, serving as the cornerstone and stabilizer of our business. In business transformation, through minority equity investments and multi-channel project outreach, we gradually focused on the mergers and acquisitions ("M&A") track. We continued to mitigate risks associated with existing projects, ensuring safe operations.

In 2024, the Group achieved an annual operating revenue of RMB412 million and a net profit of approximately RMB56 million.

PROACTIVE PLANNING, OPTIMIZING INVESTMENT STRUCTURE, AND ENSURING THE SAFETY OF FIXED-INCOME BUSINESS

Following the shift of our fixed-income investment portfolio to economically developed regions in 2023, the Company continued to make steady progress in 2024. We completed investments in 9 projects, with a cumulative investment amount of RMB2.5 billion, contributing RMB184 million in after-tax investment returns. Our first investment project in Zhejiang was successfully implemented. As of 31 December 2024, after deducting risk provisions, the balance of the Group's fixed-income investment portfolio stood at RMB3.14 billion, with an average pre-tax annualized return of approximately 7.0%. All normal project investment returns and principal repayments were collected on time and in full, ensuring zero risk for new investment projects.

MAINTAINING STABLE OPERATIONS OF THE WUHAN OPTICAL VALLEY PROPERTY PROJECT

The overall economic environment in 2024 was complex and volatile, posing significant challenges to the property management industry. Despite fierce competition and high vacancy rates in the surrounding office market, the Wuhan Optical Valley property project further enhanced the business environment, improved its image, and elevated management service quality. By stabilizing existing tenants and implementing innovative marketing activities, we successfully attracted new office tenants, maintaining an average occupancy rate of 90% throughout the year.

In addition to its own operations, the Wuhan project company also provided property management services externally, exploring asset-light operation models. Annual rental and property management fee income reached approximately RMB133 million.

CONTINUOUSLY OPTIMIZING INVESTMENT STRATEGIES AND PROJECT SELECTION CRITERIA, ACCELERATING INDUSTRIAL M&A EXPLORATION, AND DEFINING CORE BUSINESS DIRECTION

In 2024, the Group established screening criteria and advancement strategies for M&A projects, aligning with national strategic directions and capitalizing on long-term policy opportunities such as import substitution and self-sufficiency. We focused on sectors like integrated circuits, new energy, high-end equipment manufacturing, big data, and artificial intelligence — areas representing new productive forces. By closely monitoring developments in primary and secondary markets, we refined our investment strategies and project selection criteria, identifying high-quality projects with stable growth and clear exit channels for in-depth research. Currently, the Company has conducted in-depth research on over 10 mature reserve projects, laying a solid foundation for establishing new investment tracks in 2025.

LAUNCHING INDUSTRIAL INVESTMENT FUNDS TO EXPLORE NEW ECONOMIC SECTORS

Building on our minority equity investments in new materials, high-end manufacturing, healthcare, and information technology innovation industries in 2023, the Group participated in the establishment of two industrial investment funds in 2024. These funds aim to leverage the experience and capital advantages of shareholders and market partners to expand the depth and breadth of investments in new economic sectors.

First, as a priority limited partner, the Group, together with Wuxi Communications' subsidiaries Wuxi Tonghui Capital Company Limited* (無錫通匯資本有限公司) and Wuxi Guosheng Asset Management Company Limited* (無錫國晟資產管理有限公司), established the Wuxi Xinsheng Investment Partnership. With a committed capital of RMB450 million, the partnership will prioritize investments in emerging technology industries such as the Internet of Things (IoT) and integrated circuits. Wuxi is a region with a strong cluster of emerging technology industries. As a priority partner, the Group not only enjoys stable investment returns but also gains better access to enterprises in sectors like integrated circuits and software and information technology services, facilitating project and industrial resource expansion during the business transformation.

Second, as a limited partner, the Group, together with Yixing New Momentum Industrial Fund Partnership* (宜興新動能產業基金合夥企業), Hainan Yunhu Enterprise Management Partnership* (海南雲虎企業管理合夥企業), and Wuxi Kaihe Oxygenation Equity Investment Co., Ltd.* (無錫開禾增氧股權投資有限公司) ("Wuxi Kaihe"), co-established the Yixing Kaihe Oxygen Enhancement Private Equity Investment Fund Partnership (Limited Partnership)* (宜興市開禾增氧私募股權投資基金合夥企業(有限合夥)). This fund primarily invests in enterprises related to next-generation information technology and new energy industries, with an initial size of RMB1 billion. The Group, as a limited partner, committed RMB409 million and holds a 48% equity stake in the general partner, Wuxi Kaihe. The fund completed the registration of related products by the end of 2024 and will begin capital contributions and formal investment operations in 2025 based on investment progress.

ENSURING SAFE AND STABLE OPERATIONS OF EXISTING PROJECTS AND CONTROLLING RISKS

For existing projects, the Group adopted tailored operational strategies to maintain stable operations of high-quality projects, reduce investments in low-efficiency assets, and control risks.

The operation of the Nanjing Jiangning International School remained stable, achieving breakthroughs in student recruitment, product line expansion, and obtaining a high school operating license. The school successfully opened, improved its management mechanisms, and advanced academic promotion and new educational product development. Currently, the school has over 500 enrolled students.

On the asset side, in response to the loan default risk of the joint venture Nanjing Guoying Zhongxi Development Co., Ltd. ("Nanjing Guoying"), the Group actively researched countermeasures. In August 2024, the Group agreed to provide Nanjing Guoying with financial assistance of up to RMB35 million to help repay bank principal and interest by the end of 2024, buying time to negotiate loan restructuring with the bank. Nanjing Guoying has now reached a preliminary agreement with the bank on loan extension, with optimized loan terms expected to take effect in 2025, benefiting its future operations.

For the Mentougou Junzhuang project, to reduce maintenance costs, the Group reassessed the overall situation of the region. While retaining necessary areas for future development, we communicated with Beijing Vanke Enterprises Co. Ltd. ("Vanke") and the local government regarding the partial return of land, aiming to complete the process in 2025.

2025 BUSINESS OUTLOOK

Looking ahead to 2025, the Group will face more opportunities and challenges. The path to becoming bigger, better, and stronger remains a long and arduous one.

Externally, against the backdrop of likely weaker external demand, the Central Economic Work Conference identified the expansion of domestic demand as the core focus of policy efforts in 2025. With "extraordinary counter-cyclical adjustments", policies will be rolled out intensively, supported by more proactive fiscal policies and moderately loose monetary policies to stabilize and improve the economy. However, the recovery of confidence among enterprises and consumers will take time, and economic stabilization may follow a wave-like trajectory.

Internally, based on the three-year strategic plan, the Group will shift from a focus on stability to a phase of active development. In 2025, while ensuring steady growth in foundational profits and strictly controlling risks in existing projects, the Group will accelerate its transformation into a core business through industrial M&A strategies, striving to achieve the annual operational goals.

UPHOLDING FIXED-INCOME BUSINESS AND WUHAN PROPERTY PROJECT AS INCOME CORNERSTONES

For the fixed-income business, we will coordinate domestic and international funds to explore higher investment returns while ensuring safety. Leveraging the resource advantages of substantial shareholders, we will strengthen business synergies, including exploring investment opportunities in Wuxi and other economically developed regions along the southeastern coast, as well as enhancing collaboration with China Development Bank branches. We will improve post-investment management and control investment risks. While maintaining the current investment model, we will explore fixed-income-like holding asset investments to contribute stable cash flow.

For the Wuhan Optical Valley property project, while ensuring reasonable revenue and profit levels, we will adopt flexible leasing strategies, including pricing, channel commissions, lease renewal measures, and commercial incentives, to improve occupancy rates through comprehensive solutions. We will leverage shareholder resources and networks to explore potential new corporate tenants and encourage existing clients to expand or refer new clients. In commercial operations, we will collaborate with merchants to organize diverse and interactive activities, boosting foot traffic and ensuring stable rental and management fee income in 2025.

STRENGTHENING STRATEGIC RESOLVE, FOCUSING ON M&A DIRECTION, AND STRIVING FOR BREAKTHROUGHS

In 2025, the Group will systematically explore opportunities in new economic sectors, focusing on M&A directions that align with the criteria of "promising prospects, mature industries, and scalability". We will explore M&A opportunities in sectors such as the new energy vehicle supply chain, high-end equipment manufacturing, and smart industries. Emphasizing synergies, we will maintain the scale and activity of minority equity investments to broaden project outreach. By leveraging the resources and networks of shareholders like Wuxi Communications and CDBC, we will employ co-investment, equity investment funds, and other joint investment methods to achieve optimal investment selection and post-investment empowerment.

PRUDENTLY ADVANCING THE REVITALISATION AND DISPOSAL OF HISTORICAL ASSETS AND CONTROLLING NEW RISKS

For low-efficiency historical projects, we will reduce investments and expenses while actively coordinating with policy tools like special bonds to seek comprehensive solutions. For the Beijing Junzhuang project, based on the approved 2025 plan, we will complete the land return process and advance the resolution plan with partner Vanke. We will also facilitate the loan extension and restructuring for Nanjing Guoying to restore its normal operations.

EXPANDING DIVERSIFIED FINANCING CHANNELS DOMESTICALLY AND INTERNATIONALLY

To support business expansion, the Group will fully utilize various financing channels in domestic and international capital markets in 2025. We will actively explore the feasibility of bank loans, bond issuances, and other financing activities to enhance our fundraising capabilities and ensure sufficient capital reserves for operations.

The road ahead may be long, but perseverance will lead us to the destination; the task may be difficult, but determination will ensure success. In 2025, with new aspirations and challenges, I will lead the management team under the guidance of the Board, uniting our efforts to advance all business initiatives according to the operational plan, striving for a brighter future for the Group and delivering long-term, stable returns to our shareholders.

* *For identification purposes only*

Profiles of Directors and Senior Management

DIRECTORS

Ms. Liu Yanhong,

aged 50, was appointed as a Non-executive Director and the chairman of the Board (the "Chairman") on 28 October 2024. She graduated from the department of law of Hohai University in 1999 with a bachelor's degree in law, majoring in Economic Law, and then obtained a master's degree in business administration, majoring in Business Administration, from Southeast University in 2011. From August 1999 to December 2002, Ms. Liu worked in the Policy and Regulations Department and the Bureau Office of Wuxi Transportation Bureau. From December 2002 to July 2003, she served as the deputy secretary of the Youth League Committee at Wuxi Transportation Asset Management Co., Ltd. From July 2003 to March 2008, she successively held various positions at Wuxi Communications Industry Group Co., Ltd.* (無錫市交通產業集團有限公司) ("Wuxi Communications", a substantial shareholder of the Company), including the deputy manager of the human resources department and the deputy director of the party and mass work department, as well as the deputy secretary of the Youth League Committee and a member of the Commission for Discipline Inspection. From March 2008 to March 2020, she worked at Wuxi Passenger Transport Group Co., Ltd., successively serving as the deputy secretary of the Party Committee, the secretary of the Commission for Discipline Inspection, the chairman of the labour union and the secretary of the Party Committee. Since December 2019, she has been a director at Xitong International Holdings (HK) Limited ("Xitong International", a substantial shareholder of the Company), and from March 2020, she has served as the deputy secretary of the Party Committee and the chairman of the labour union at Wuxi Communications. Ms. Liu has extensive experience in corporate governance and human resources.

Profiles of Directors and Senior Management

Mr. Hu Zhiwei,

aged 53, was appointed as an Executive Director on 18 October 2021 and the Vice Chairman on 28 October 2024. He was the President from 31 March 2023 to 28 October 2024 and a vice president of the Company from 30 December 2021 to 31 March 2023. Mr. Hu is currently an executive director of China New Town Holding Company Limited ("CNT Holding"), the general manager of Beijing Kaiyuan Xincheng Management Consulting Co., Ltd., and the general manager of Beijing Xincheng Kaiyuan Asset Management Co., Ltd., all of which are wholly-owned subsidiaries of the Company and a director of various subsidiaries of the Company's project companies. Mr. Hu studied in the economic management department of Jiangnan University from 1991 to 1994 and studied business administration at the School of Economics and Management in Northwest University from 2003 to 2006 and obtained a master's degree in business administration in 2006. Mr. Hu joined Xitong International as the general manager from October 2021.

Before joining Xitong International, Mr. Hu served as the manager of the Investment Department and Asset Management Department of Guolian Securities Co., Ltd. from July 1994 to September 2003; the chairman and general manager of Wuxi Guolian Equity Exchange* (無錫市國聯產權交易所) from September 2004 to February 2010; the Party Branch Secretary, the chairman and general manager of Wuxi Public Resources Trading Service Center* (無錫市公共資源交易服務中心) from February 2010 to June 2018, during which he served as the chairman of Wuxi Equity Registration and Trusteeship Center* (無錫市股權登記託管中心) from September 2007 to June 2018; the secretary to the board of Wuxi Guolian Development (Group) Co., Ltd. from August 2008 to December 2013; the Party Branch Secretary, the chairman and general manager of Wuxi Equity Exchange* (無錫產權交易所) from January 2014 to June 2018; the Party Branch Secretary, the chairman and general manager of Wuxi Financial Asset Trading Center* (無錫市金融資產交易中心) from June 2018 to January 2021; and the Party Branch Secretary and the chairman of Wuxi Smart City Construction and Development Co., Ltd. from January 2021 to October 2021. Mr. Hu has extensive experience in investment management and held the title of senior economist.

Ms. Yang Meiyu,

aged 42, was appointed as an Executive Director on 28 March 2014 and the President on 28 October 2024. She served as a vice president of the Company from 28 March 2014 to 31 March 2023 and was appointed as the Chief Executive Officer from 31 March 2023 to 28 October 2024, with responsibilities in various aspects of business activities, including capital market, operation management, as well as strategic emerging industries equity investment and fund management. Ms. Yang graduated from Peking University with a master's degree in finance and obtained Chartered Financial Analyst certification. Ms. Yang joined China Development Bank Capital Corporation Limited ("CDB Capital") in December 2009, where she was responsible for equity investment as she served as the manager, senior manager and assistant to general manager of the Direct Investment Division II of CDB Capital, respectively, and the vice general manager of the Management Department of a subsidiary from April 2015 to August 2016. Prior to joining CDB Capital, Ms. Yang worked as an investment manager at China Reits Investment, where she was involved in various fund raising and development projects. Ms. Yang also serves as director for several subsidiaries of the Company, such as CNT Holding, Weblink International Limited, Meeko Investment Limited and Protex Investment Limited.

Mr. Shi Janson Bing,

aged 42, graduated from the University of Southern California and obtained a bachelor's degree in accounting in May 2007, joined the Group in December 2007 and was an Executive Director from 12 December 2007 to 28 March 2014. Mr. Shi was appointed as an Executive Director on 12 August 2016 and is responsible for strategic cooperation of the Group. He was an executive director of SRE Group Limited (delisted on 20 February 2025, previous stock code: 1207) from 17 July 2015 to 12 July 2018.

Mr. Wang Hongxu,

aged 52, was appointed as a Non-executive Director on 18 October 2021. Mr. Wang graduated from the Department of Finance of Capital University of Economics and Business with a bachelor degree in July 1995, and thereafter obtained a master's degree in economics, from the School of Finance of Renmin University of China in January 2014. Mr. Wang has extensive experience in investment management. Mr. Wang is currently the general manager of the Investment Department II of CDB Capital. From December 2009 to 2018, he successively served as the deputy general manager of Risk Management Department and the general manager of Equity Department I of CDB Capital. Mr. Wang joined China Development Bank ("CDB") in 1998. From December 1998 to September 2009, he served at key functional departments such as the Fourth Division and General Division of the North China Credit Bureau of CDB, the Debt Management Division of the Asset Restructuring and Preservation Bureau, and the No. 2 Audit Appraisal Bureau. Prior to joining CDB, he served at China Investment Bank.

Profiles of Directors and Senior Management

Mr. Feng Xiaoliang,

aged 45, was appointed as a Non-executive Director on 31 March 2023. He graduated from Russian Language College of Beijing Foreign Studies University (北京外國語大學俄語學院) with a bachelor's degree in Russian Language and Literature and obtained a master's degree in Finance from School of Economics of Peking University. Mr. Feng has extensive work experience in area of financial investment and risk management. Mr. Feng currently serves as the general manager of the risk and legal compliance department of CDB Capital, a substantial shareholder of the Company; and from September 2009 to December 2021, he served as the general manager of financial fund management department of CDB Capital. From April 2007 to August 2009, he worked at the fund department, science and technology department and investment business department of the investment business bureau of CDB. From July 2005 to March 2007, he also worked at the client office of Shanxi Branch of CDB.

Mr. Feng was (i) a director of Guangzhou Kingmed Diagnostics Group Co., Ltd. (stock code: 603882) from 13 June 2018 to 27 October 2020; (ii) a director of Hillstone Network Communications Technology Co., Ltd. (山石網科通信技術股份有限公司) (stock code: 688030) from 23 December 2018 to 23 December 2021, both companies are listed on the Shanghai Stock Exchange; and (iii) a non-executive director of New Century Healthcare Holding Co. Limited (a company listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), stock code: 1518) from 21 November 2018 to 31 December 2020.

Mr. Lo Wai Hung,

aged 65, was appointed as the Lead Independent Non-executive Director and the Chairman of the Audit Committee on 28 October 2024. He was appointed as an Independent Non-executive Director and a member of the Nomination Committee and a member of each of the Audit Committee and Remuneration Committee on 30 December 2021. Mr. Lo was the Chairman of the Nomination Committee from 30 December 2021 to 28 October 2024. He obtained a bachelor degree in Commerce from James Cook University of North Queensland, Australia in 1985. Mr. Lo is an associate member of Chartered Accountants in Australia and New Zealand and a fellow member of Hong Kong Institute of Certified Public Accountants. Mr. Lo has over 25 years of experience in auditing, finance and management.

Mr. Lo is an independent non-executive director of Talent Property Group Limited (stock code: 760), Tibet Water Resources Ltd. (stock code: 1115), and is a non-executive director of SY Holdings Group Limited (formerly known as Sheng Ye Capital Limited) (stock code: 6069). Mr. Lo was an independent non-executive director of Shandong Weigao Group Medical Polymer Company Limited (stock code: 1066) during August 2009 to June 2022 and C Cheng Holdings Limited (stock code: 1486) during December 2013 to April 2023. All the aforementioned companies are listed on the Main Board of the Stock Exchange.

Mr. Ji Jiaming,

aged 64, was appointed as an Independent Non-executive Director and the Chairman of the Nomination Committee and a member of each of the Audit Committee and the Remuneration Committee on 28 October 2024. He holds a master's degree in business administration from Capital University of Economics and Business and is a senior economist. Mr. Ji has worked in construction, property and infrastructure construction industries for many years and has extensive experience in enterprise management, strategy formulation and engineering management. Mr. Ji served as the board chairman of China Construction First Building Development Corporation* (中建一局建設發展公司), the general manager of China Architecture First Building (Group) Corporation Limited* (中國建築一局(集團)有限公司), the board chairman of China Construction Municipal Construction Corporation Limited* (中建市政工程有限公司) before May 2012. From June 2012 until December 2014, Mr. Ji was an executive director and vice-chairman of Kaisa Group Holdings Ltd. (佳兆業集團控股有限公司) (stock code: 1638), the issued shares of which are listed on the Stock Exchange. Since 21 July 2017, Mr. Ji has been appointed as an executive director of China City Infrastructure Group Limited (中國城市基礎設施集團有限公司) (stock code: 2349), the issued shares of which are listed on the Stock Exchange.

Mr. Yuan Kejian,

aged 72, was appointed as an Independent Non-executive Director and the Chairman of the Remuneration Committee and a member of each of the Audit Committee and the Nomination Committee on 28 October 2024. He graduated from the medical department of Shanghai Second Medical University in 1976, and joined the burn department of Ruijin Hospital affiliated with Shanghai Second Medical University in the same year. He graduated from the Shanghai postgraduate pilot program in 1978, specializing in burn surgery. He served successively as resident physician, chief physician, deputy chief physician in the burn department of Ruijin Hospital affiliated with Shanghai Second Medical University. He was promoted to chief physician, professor III, and master tutor in 2000. He served as the deputy director and director of medical services department of Ruijin Hospital affiliated with Shanghai Jiaotong University School of Medicine from 1996 to 2001, the director of the hospital management department of Shanghai Jiaotong University School of Medicine from 2001 to 2003, and the vice president of the medical department of Ruijin Hospital affiliated with Shanghai Jiaotong University School of Medicine from 2003 to 2013. He has published more than 50 papers, participated in the editing of eight books, and was the chief editor and deputy editor of five books. Mr. Yuan has been engaged in clinical work of burns for a long term and has extensive experience in research and hospital management of burns. Currently, he serves as a member of technical appraisal expert team of medical related matters of the Chinese Medical Association, a member of technical appraisal expert team of medical accident of the Shanghai Medical Association, a member of expert team of Shanghai Judicial Authentication Center and the first, second and third chairman of Shanghai Huangpu District Clinical Pharmacists Association, etc.

SENIOR MANAGEMENT

Mr. Wang Kang,
aged 44, was appointed as a vice president of the Company on 31 March 2023. He graduated from Loughborough University in the United Kingdom with a master's degree in construction management in December 2004. Mr. Wang has extensive working experience in the fields of real estate investment, equity investment and fund investment, and is qualified to practice in private equity funds. Currently, Mr. Wang is mainly responsible for the Group's equity and fund investment and business in the fields of retirement and healthcare, and is responsible for the management of several subsidiaries of the Company, whilst serving as chairman/executive director of Beijing Guowan Real Estate Co., Ltd., Shenyang Lixiang New Town Modern Agriculture Company Limited* (瀋陽李相新城現代農業有限公司), and as director of various subsidiaries of the Company.

Mr. Wang joined the Group in April 2014 and currently serves as a vice president of the Group. He joined CDB Capital in May 2010 and served, successively, as manager and senior manager of its Direct Investment Division III. Prior to joining CDB Capital, he held the position of valuer in Cushman & Wakefield's evaluation and advisory department from 2005 to 2010.

Mr. Hui Yipeng,
aged 47, was appointed as a vice president of the Company on 28 October 2024. He graduated from the School of Economics and Management, Tsinghua University in 2004 with a master's degree in business administration. Mr. Hui has extensive working experience in real estate investment, equity investment, fund investment, risk management and business operation management, and is qualified to practice in private equity funds. Currently, Mr. Hui is mainly responsible for the Company's compliance, legal and risk management work, and serves as the chairman of Guoxi Nanjing Investment Development Co., Ltd.* (國錫南京投資發展有限公司) and the director and supervisor of the several subsidiaries of the Company.

* *For identification purposes only*

Five-Year Financial Summary

A summary of the consolidated results and assets and liabilities of the Company and its subsidiaries (the "Group") of the last five financial years, as extracted from the published audited financial statements and reclassifies as appropriate, is set out below.

	For the year ended 31 December				
RMB'000	**2024**	2023	2022	2021	2020
Operating income	**412,194**	427,389	405,668	367,776	475,966
Revenue	**337,369**	337,482	305,029	273,038	391,639
Other income	**74,825**	89,907	100,639	94,738	84,327
Operating expenses	**(311,780)**	(213,955)	(339,888)	(218,562)	(676,575)
Cost of sales	**(56,249)**	(38,441)	(43,267)	(63,399)	(40,865)
Selling and administrative expenses	**(112,713)**	(113,393)	(116,673)	(115,755)	(124,046)
Finance costs	**(94,401)**	(91,192)	(44,615)	(50,961)	(112,665)
Other expenses	**(49,570)**	(15,483)	(110,219)	(24,425)	(12,553)
Reversal of impairment/(impairment losses) on financial assets	**1,153**	44,554	(25,114)	35,978	(386,446)
Operating profit/(loss)	**100,414**	213,434	65,780	149,214	(200,609)
Share of losses of joint ventures and associates	**(31,772)**	(12,351)	(9,292)	(7,764)	(6,458)
Profit/(loss) before tax	**68,642**	201,083	56,488	141,450	(207,067)
Income tax	**(12,768)**	(49,827)	(49,018)	(10,500)	(41,098)
Profit/(loss) for the year	**55,874**	151,256	7,470	130,950	(248,165)
Non-controlling interests	**11,557**	10,398	4,752	22,367	2,760
Profit/(loss) attributable to equity owners of the parent	**44,317**	140,858	2,718	108,583	(250,925)
Assets and liabilities					
Total assets	**7,895,754**	7,879,365	6,583,552	6,678,036	7,411,263
Total liabilities	**3,197,344**	3,209,241	2,047,615	2,163,517	3,023,871
Total equity	**4,698,410**	4,670,124	4,535,937	4,514,519	4,387,392
Equity attributable to equity owners of the parent	**4,206,224**	4,189,495	4,065,706	4,049,040	3,944,280
Non-controlling interests	**492,186**	480,629	470,231	465,479	443,112
Total equity	**4,698,410**	4,670,124	4,535,937	4,514,519	4,387,392

Management Discussion and Analysis

a) Fair review of development of business of the Group during the financial year and of their financial position at the end of the year:

Operating Results

Revenue

Our results from operation primarily refers to our performance in land development, urbanization development and property leases. During the year ended 31 December 2024 (the "Year 2024"), the Group recorded revenue of RMB337 million, basically the same as that in the same period of last year. In Year 2024, the Group recorded revenue of RMB18.919 million from land development, representing an increase of 41% over that in the same period of the year ended 31 December 2023 (the "Year 2023"), mainly due to the commencement of the construction of two school projects in the eastern part of Shanghai Golden Luodian Development Co., Ltd. ("SGLD"), thus the land development revenue carried forward increased. Urbanization development revenue and other income increased by 3% on a combined basis to RMB185 million, mainly attributable to the increase of the balance of investment in urbanization projects compared to the same period of last year, resulting an increase in the revenue of investment projects. For Year 2024, it recorded revenue from investment properties of RMB133 million, including income from property leases of RMB101 million and income from property management fee of RMB32 million, representing a decrease of RMB11 million over that in the same period of last year, mainly due to the decrease of rental rate.

Other income

For Year 2024, other income amounted to RMB74,825 thousand, representing a decrease of 16.8% over that in the same period of Year 2023. It was mainly because the interest income from bank deposits decreased by RMB576 thousand over that in the same period of Year 2023; net fair value gain on financial instruments at fair value through profit or loss decreased by RMB24,133 thousand over that in the same period of Year 2023; and investment income from financial instruments at fair value through profit or loss increased by RMB5,191 thousand over that in the same period of Year 2023. Besides, foreign exchange gain of RMB823 thousand was recognized in Year 2024.

Cost of sales, selling and administrative expense

For Year 2024, cost of sales amounted to RMB56,249 thousand, including primarily land development cost of RMB18,979 thousand and cost of property management service of RMB37,270 thousand. The cost of sales was increased by 46.3% over that in the same period of Year 2023, mainly due to the land development cost carried forward of two school projects in the eastern part of SGLD with an increase of RMB14,948 thousand. Cost of property management service and other property operations increased by 11.2%, which was due to an increase in asset operation management services expenditure. Selling and administrative expenses of RMB113 million were recorded in 2024, which remained unchanged as compared to the same period of Year 2023.

Other expenses

For Year 2024, other expenses amounted to RMB49,570 thousand, representing an increase of 220% over that in the same period of Year 2023, mainly due to the transfer of RMB19,334 thousand of the fair value changes recognised in previous years in respect of the Giant Biogene Project to other expenses as a result of the disposal of Giant Biogene Project, the loss of RMB19,631 thousand from the fair value changes of the investment properties of Year 2024 and the loss of RMB5,847 thousand from fair value changes of WeRide Project, the financial assets for trading recognised in Year 2024.

Reversal of impairment losses on financial assets

Reversal of impairment losses on financial assets of RMB1,153 thousand were recorded for Year 2024, which was mainly due to the reversal of impairment losses on the receivables of SGLD of RMB15,000 thousand. In addition, the impairment provision for the borrowings made by the shareholders of Guowan amounted to RMB8,716 thousand and the provision for impairment losses on debt instruments amounted to RMB5,290 thousand. Reversal of impairment losses on financial assets of RMB44,554 thousand were recorded for Year 2023.

Finance costs

For Year 2024, total net finance costs amounted to RMB94,401 thousand, representing an increase of RMB3,209 thousand over that in the same period of Year 2023, mainly due to interest expenses of RMB19,819 thousand for the new guaranteed bonds and the decrease of RMB11,357 thousand of interests of bank loans. No interest capitalization was accrued for years 2024 and 2023.

Share of losses from joint ventures and associates

For the Year 2024, the Group's share of losses from joint ventures and associates was RMB31,772 thousand, including shares of loss of RMB17,986 thousand from Beijing Guowan Real Estate Co., Ltd, loss of RMB9,668 thousand from Nanjing Guoying Zhongxi Development Company Limited ("Nanjing Guoying"), loss of RMB2,985 thousand from Meidi Elderly Care Service (Shanghai) Co., Ltd.* (美邸養老服務（上海）有限公司) ("Meidi Elderly Care") and loss of RMB694 thousand from Kaiyuan Education Fund LP. As most of the other joint ventures and associates were under construction, no stable income was derived at this stage.

Taxation

For the Year 2024, the Group recorded current income tax expense of RMB12,768 thousand, such income tax was mainly attributable to (i) current income tax credit of RMB4,402 thousand; (ii) deferred income tax expense of RMB1,892 thousand; and (iii) withholding tax of RMB15,278 thousand.

Financial Position

Investment in joint ventures

The balance as at 31 December 2024 decreased by RMB27,769 thousand over that at the end of Year 2023, mainly due to share of losses of RMB28,249 thousand from joint ventures.

Investment in associates

The balance as at 31 December 2024 increased by RMB53,149 thousand over that at the end of Year 2023, mainly due to the new capital contribution of RMB50 million to Meidi Elderly Care, the new capital contribution of RMB4,090 thousand to Yixing Kaihe Oxygen Enhancement Private Equity Investment Fund Partnership (Limited Partnership)* (宜興市開禾增氧私募股權投資基金合夥企業(有限合夥)), the increase in the share of loss of RMB3,523 thousand from associates and the increase in share of other comprehensive income arising from associates of RMB2,582 thousand due to foreign currency translation.

Debt instruments at amortised cost (non-current assets)

The balance of debt instruments at amortised cost (non-current assets) for Year 2024 amounted to RMB1,436 million, representing an increase of RMB494 million over that at the end of Year 2023. Such increase was mainly due to (i) the reclassification of Jiangyin Changjing Industrial Park Sewage-treatment Plant Project of RMB150 million from non-current assets to current assets; and (ii) the additions of Wuxi Liangxi District Pharmaceutical Distribution Supply Chain Industry Project of RMB351 million, and Liyang High-tech District Intelligent Internet Vehicle Test Center Project of RMB400 million.

Financial assets at fair value through profit or loss (non-current assets)

The balance as at 31 December 2024 amounted to RMB120 million, representing a decrease of RMB96,598 thousand over that at the end of Year 2023. It was mainly due to the decrease of RMB51,197 thousand in the disposal of the Giant Biogene Project in Year 2024 and the reclassification of the WeRide Project to current assets of RMB38,026 thousand.

Right-of-use assets

The balance as at 31 December 2024 decreased by RMB11,017 thousand over that at the end of Year 2023, which was mainly due to the depreciation in right-of-use assets of RMB11,629 thousand in Year 2024.

Other receivables

The balance as at 31 December 2024 decreased by RMB30,193 thousand over that at the end of Year 2023. This was mainly due to the refund of tax reserve certificates of RMB21,927 thousand in Year 2024 by the Hong Kong Inland Revenue Department.

Trade receivables

The balance as at 31 December 2024 increased by RMB2,716 thousand over that at the end of Year 2023, which was mainly due to the increase of rental receivables of Wuhan Chuguang Industry New Development Co. Ltd. ("Wuhan Company").

Debt instruments at amortised cost (current assets)

The balance as at 31 December 2024 amounted to RMB1,879 million, representing an increase of RMB30 million as compared to the balance as at the end the Year 2023. This was mainly due to the collection of the debt instruments on expiration of RMB1,819 million, with the reversal of allowance for expected credit losses ("ECLs") of RMB18,192 thousand; the additions of Yangzhou Hanjiang Industrial Park Sewage Treatment Project of RMB500 million, Zhuji Pingfengwu Ecological Cemetery Project of RMB401 million, Jiangsu Taizhou Jiangyan District New Infrastructure Industrial Park Project of RMB280 million, Taizhou Xinghua Urban Regeneration Project of RMB200 million, Yangzhou Guangling Science and Technology Entrepreneurship Park Project of RMB100 million, Jingjiang Furuite Aluminum New Material Project of RMB70 million, and the reclassification of Jiangyin Changjing Industrial Park Sewage-treatment Plant Project of RMB150 million from non-current assets to current assets.

Financial assets at fair value through profit or loss (current assets)

The balance as at 31 December 2024 amounted to RMB51,097 thousand, which was due to the Group's major purchases of the wealth management products issued by China Merchants Bank Co., Ltd. ("China Merchants Bank") and Ping An Bank of RMB13,071 thousand and the reclassification of WeRide Project to current assets of RMB38,026 thousand.

Other current assets

The balance as at 31 December 2024 of RMB6,369 thousand mainly comprises the value-added tax to be deducted in Mainland China.

Interest-bearing bank borrowings

The balance as at 31 December 2024 decreased by RMB17,802 thousand as compared with the balance as at the end of 2023. This was mainly due to the drawdown of RMB642 million of the borrowings from China Merchants Bank by Wuhan Company, as well as the repayment of the borrowings of RMB604 million to Bank of China, and the long-term borrowings of RMB37.21 million and the short-term borrowings of RMB15 million to China Merchants Bank, a decrease of RMB11,057 thousand in lease liabilities and an increase of RMB6,904 thousand in the accrued interest of other borrowings due to shareholder loans obtained from Huzhou Tongchuang Jintai Huizhong Enterprise Management Partnership (Limited Partnership)* (湖州同創金泰匯眾企業管理合夥企業(有限合夥)). The borrowings were denominated in RMB. Details of the bank borrowings are set out in Note 24 to the financial statements.

Guaranteed bonds

Please refer to Note 24 for the details of the guaranteed bonds.

Trade payables

The balance as at 31 December 2024 decreased by RMB23,688 thousand as compared with the balance as at the end of Year 2023, which was mainly due to the payment of SGLD of the construction expenditure of Plot D1–3 kindergarten project.

Other payables and accruals

The balance as at 31 December 2024 increased by RMB95,284 thousand as compared with the balance as at the end of Year 2023, which was mainly due to the increase of RMB70,000 thousand in the amount payable to Jingjiang Furuite Aluminum New Material Project for guarantee deposit and RMB20,000 thousand in the amount payable to Meidi Elderly Care for investment in Year 2024.

Contract liabilities

The balance as at 31 December 2024 decreased by RMB41,438 thousand as compared with the balance as at the end of Year 2023, which was mainly due to the recognition of revenue from the two schools projects in the eastern part of SGLD carried out by SGLD, which resulted in a carry forward of contract liabilities of RMB18,919 thousand. SGLD received RMB20,000 thousand of contract liabilities carried forward from the management fee for the construction of schools in the eastern part of SGLD.

Cash and bank balances

Overall, cash and cash equivalents for the Year 2024 decreased by RMB409 million as compared with the balance as at the end of Year 2023, with a balance of RMB1,045 million as at 31 December 2024, which were mainly due to net cash inflow from operating activities of RMB30 million, net cash outflow from investing activities of RMB297 million, and net cash outflow from financing activities of RMB143 million during the Year 2024. Cash and bank balances were denominated in RMB, Hong Kong dollar, Euro and United States dollar.

Gearing ratio (defined as net debt/the sum of shareholders equity and net debt) as at 31 December 2024 was 21%, which increased as compared with 16% as at 31 December 2023. This was mainly due to the increase in net debt as a result of the decrease in bank balance at the end of the year.

Market Overview

In 2024, Chinese economy achieved steady progress amidst a complex internal and external environment. The annual GDP grew by 5.0% year-on-year, reaching a total of RMB134.9 trillion, demonstrating strong resilience. In terms of economic growth momentum, the consumption, investment, and net exports contributed 44.5%, 25.2%, and 30.3%, respectively. With a moderate recovery in consumption, the total retail sales of consumer goods increased by 3.5% for the year, while service consumption grew by 6.2%. However, low price levels and a slowdown in residents' income growth restricted the release of consumption potential. China's foreign trade performance in 2024 was remarkable, with the total import and export volume reaching a historic high of RMB43.85 trillion. Trade with countries along the "Belt and Road" accounted for over 50% of the total, and exports of high-tech products achieved significant growth. The accelerated formation of new quality productivity highlighted industrial institutionalisation. At the national policy level, the macroeconomic keynote shifted to a "more proactive fiscal policy + moderately loose monetary policy," with measures such as reserve requirement ratio cuts, interest rate reductions, and expanded special bond issuance to boost domestic demand. A series of real estate policies helped turn sales growth positive year-on-year in the fourth quarter, showing initial signs of market stabilization. In 2024, the global economy exhibited a divergent trend, and China strengthened its trade resilience amid external uncertainties by deepening regional cooperation and promoting the "dual circulation" strategy. Overall, Chinese economy in 2024 laid a solid foundation by balancing stable growth with structural adjustments, creating room for policy efforts in 2025.

Business Review

In 2024, the Group continued to deepen its reform and transformation path. In light of the complex domestic and international economic conditions, the Group consistently adjusted its business development direction leveraging the resource advantages of its shareholders, Wuxi Communications and CDB Capital. Starting with investments in urbanization projects, and relying on the business network and resource strengths of "local state-owned assets + central enterprise financial institutions," the Group actively explored strategic business transformation directions. It cultivated new business opportunities in areas aligned with the prospects of China's new economic development, such as the healthcare industries, strategic emerging industries and information technology innovation. The Group has already completed investments in several equity projects and accumulated a portfolio of high-quality projects. Additionally, capitalizing on Wuxi's strong industrial resource advantages as a key economic region in Jiangsu, the Group identified strategic emerging industries such as integrated circuits, biopharmaceuticals, high-end manufacturing and artificial intelligence as its business tracks and new primary business goals.

In 2024, in addition to accelerating project reserves and expansion, the Group continued to maintain the stable operation of high-quality assets. The occupancy rate of Wuhan Optical Valley property project remained stable, with office building occupancy maintained at 90% and commercial shop occupancy above 78% throughout the year. In terms of fixed-income project investments, leveraging its extensive customer resources accumulated over the years, the Group continued to expand project development and investment. By the end of 2024, the total fixed-income investment portfolio reached RMB3.14 billion, consistently contributing stable cash flow.

Meanwhile, the Group intensified efforts to resolve and revitalize its current stock of low-efficiency assets, achieving a significant breakthrough in addressing the debt issues of Nanjing Guoying project. By comprehensively reviewing stock projects such as Beijing Guowan, the Group formulated tailored solutions based on the specific conditions of each project. Leveraging its resource advantages, it promoted the implementation and advancement of solutions for stock of low-efficiency assets from multiple aspects. Moving forward, the Group will enhance communication with partners involved in these stock projects to ensure proper and steady resolution of subsequent issues.

Others

Material acquisitions and disposals of subsidiaries, associates and joint ventures

Formation of Wuxi Xinsheng Investment Partnership (Limited Partnership) Partnership) (無錫新晟投資合夥企業(有限合夥)) (the "Wuxi Xinsheng Partnership")*

On 15 December 2023, Xincheng Kaiyuan and Shanghai Jiatong Enterprises Co., Ltd.* (上海嘉通實業有限公司) ("Shanghai Jiatong") (both are wholly-owned subsidiaries of the Company) entered into a limited partnership agreement with Wuxi Guosheng Asset Management Company Limited* (無錫國晟資產管理有限公司) (a wholly-owned subsidiary of Wuxi Tonghui Capital Company Limited* (無錫通匯資本有限公司) ("Wuxi Tonghui")) and Wuxi Tonghui (a wholly-owned subsidiary of Wuxi Communications) to jointly set up Wuxi Xinsheng Partnership (the "Limited Partnership Agreement"). In connection with the Limited Partnership Agreement, on 15 December 2023, (1) the partners entered into the rights and obligations arrangement agreement, pursuant to which Wuxi Tonghui agreed to make up the shortfall for Xincheng Kaiyuan and Shanghai Jiatong, respectively, and to acquire the respective interests held by Xincheng Kaiyuan and Shanghai Jiatong in Wuxi Xinsheng (the "Rights and Obligations Arrangement Agreement"); and (2) Wuxi Communications entered into the guarantee agreement with each of Xincheng Kaiyuan and Shanghai Jiatong, respectively, pursuant to which Wuxi Communications agreed to provide a general guarantee to Xincheng Kaiyuan and Shanghai Jiatong (as the case may be) on the performance of the shortfall makeup and acquisition obligations of Wuxi Tonghui under the rights and obligations arrangement agreement (the "Guarantee

Agreements"). Accordingly, the transactions contemplated under the Limited Partnership Agreement, the Rights and Obligations Arrangement Agreement and the Guarantee Agreements constitute a major and connected transaction under the Rules Governing the Listing of Securities on the HKEx (the "Listing Rules") and was approved by the independent shareholders of the Company at an extraordinary general meeting of the Company held on 22 March 2024. For details, please refer to the Company's (i) announcements dated 15 December 2023, 8 January 2024, 28 February 2024 and 22 March 2024 respectively; and (ii) circular dated 6 March 2024.

Acquisition of 30% equity interest in Meidi Elderly Care

On 24 April 2024, Hainan Xincheng Kaiyuan Investment Co., Ltd* (海南新成開元投資有限責任公司) ("Hainan Xincheng"), an indirect wholly-owned subsidiary of the Company, entered into a capital increase agreement and a shareholders' agreement with the existing shareholders of Meidi Elderly Care, prior to entering of the capital increase agreement, each of which are third parties independent of and not connected with the Company and its connected persons and Meidi Elderly Care (the "Capital Increase Agreement"), pursuant to which Hainan Xincheng has conditionally agreed to acquire approximately 30% equity interest in the Meidi Elderly Care by way of capital contribution of RMB50,000,000 (equivalent to approximately HK$54,945,055) to Meidi Elderly Care, of which RMB17,543,858.57 will be accounted for the registered capital of Meidi Elderly Care and RMB32,456,141.43 will be accounted for the capital reserve of Meidi Elderly Care. Upon completion of the capital increase, the Company, through Hainan Xincheng, will hold approximately 30% equity interest of Meidi Elderly Care. As such, Meidi Elderly Care will become an associate of the Company, and its financial results will not be consolidated into the Group's consolidated financial statements. The entering into of the Capital Increase Agreement constitutes a discloseable transaction and is subject to the reporting and announcement requirements under the Listing Rules. For details, please refer to the Company's announcements dated 25 April 2024 and 16 May 2024 respectively. During the Year 2024, the Group has made a capital contribution of RMB30 million and the outstanding capital contribution of RMB20 million is included in other payables and accruals.

Formation of Yixing Kaihe Oxygen Enhancement Private Equity Investment Fund Partnership (Limited Partnership) (宜興市開禾增氧私募股權投資基金合夥企業(有限合夥)) (the "Yixing Kaihe Oxygen Partnership")*

On 23 May 2024, Xincheng Kaiyuan, an indirect wholly-owned subsidiary of the Company, entered into a limited partnership agreement with Wuxi Kaihe Oxygenation Equity Investment Co., Ltd.* (無錫開禾增氧股權投資有限公司) ("Wuxi Kaihe"), Hainan Yunhu Enterprise Management Partnership (Limited Partnership)* (海南雲虎企業管理合夥企業(有限合夥)) ("Hainan Yunhu") and Yixing New Kinetic Energy Industry Fund Partnership (Limited Partnership)* (宜興新動能產業基金合夥企業(有限合夥)) ("Yixing New"), in relation to the establishment of the Yixing Kaihe Oxygen Partnership for the purpose of investment (the "Yixing Kaihe Oxygen Limited Partnership Agreement"). The total capital contribution committed to be subscribed by all partners to the Yixing Kaihe Oxygen Partnership is RMB1,000,000,000 on the initial closing date, which will be settled by the partners by instalments by way of cash per the payment notice of the fund manager. The capital contribution to be subscribed by each of Xincheng Kaiyuan, Wuxi Kaihe, Hainan Yunhu and Yixing New will be RMB409,000,000, RMB1,000,000, RMB400,000,000 and RMB190,000,000, respectively. The transaction contemplated under the Yixing Kaihe Oxygen Limited Partnership Agreement constitutes a major transaction under the Listing Rules. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no shareholder of the Company or any of their respective associates has any material interest in the Yixing Kaihe Oxygen Limited Partnership Agreement and the transaction contemplated thereunder. As such, none of the shareholders of the Company is required to abstain from voting if the Company were to convene a general meeting for the approval of the Yixing Kaihe Oxygen Limited Partnership Agreement and the transaction contemplated thereunder. The Company has obtained a written approval from Xitong International and CDBIH, being a closely allied group of shareholders of the Company, which, as at 23 May 2024, held 2,917,000,000 shares and 2,430,921,071 shares, respectively, representing approximately 29.99% and 24.99% of the issued share capital of the Company, respectively, for the Yixing Kaihe Oxygen Limited Partnership Agreement and the transaction contemplated thereunder in lieu of a resolution to be passed at a general meeting of the Company pursuant to Rule 14.44 of the Listing Rules. As such, no extraordinary general meeting was convened by the Company to approve the Yixing Kaihe Oxygen Limited Partnership Agreement and the transaction contemplated thereunder. For details, please refer to the Company's (i) announcements dated 23 May 2024 and 13 June 2024 respectively; and (ii) circular dated 10 July 2024.

Save as disclosed above, the Group did not have any material acquisitions and disposals of subsidiaries, associates and joint ventures during the Year 2024.

Significant investments

Save as disclosed in the financial position section of the financial review/abstracts, the Group did not hold any significant investments or capital assets during the Year 2024.

Employee and remuneration policy

As at 31 December 2024, there were 92 (2023: 89) employees in the Group. During the Year 2024, the total staff cost including Directors' remuneration amounted to approximately RMB55.64 million (2023: RMB53.84 million). Staff remuneration packages are determined in consideration of market conditions and the performance of the individuals concerned, and are subject to review from time to time. The Group also provides other staff benefits including medical insurance, and grants discretionary incentive bonuses to eligible staffs based on their performance and contributions to the Group. The Group also provides and arranges on-the-job training for its employees.

Foreign exchange exposure

The Group's exposure to the risk of changes in foreign exchange rates relates primarily to its foreign currency cash and bank balances, debt investments at amortised cost, financial instruments at fair value through profit or loss and interest-bearing bank borrowings. The Group will continue to monitor closely the foreign exchange exposure and will implement the necessary hedging arrangement to mitigate any significant foreign exchange risk when and if appropriate

Treasury policies

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the Year 2024. The Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time. Surplus cash will be invested appropriately so that the Group's cash requirements for the Group's strategy or direction from time to time can be met.

Pledge of assets

During the Year 2024, the Group pledged its investment property to secure the bank borrowings.

Contingent liabilities

As at 31 December 2024, the Group did not have any significant contingent liabilities.

b) Details of important events affecting the Group which have occurred since the end of financial year:

Nil

c) Potential business development of the Group in future:

Looking forward to the year 2025, the Group will continue to seek investment opportunities steadily amidst challenges. By sticking to business transformation, in response to national policies and being market-oriented, the Group will focus on expanding fixed-income investment business in new economic sectors such as strategic emerging industries and information technology application innovation industry. It will ensure the stable operation of high-quality operating assets, resolve stock of low-efficiency assets, actively seek out premium projects, and consistently create core value for shareholders in the long term.

Corporate Governance Report

The board of directors and management of China New Town Development Company Limited (the "Company" and the "Board", respectively) are committed to maintaining a high standard of corporate governance principles and practices so as to promote corporate transparency and accountability. Good corporate governance is an integral element of a sound corporation to protect and enhance shareholders' value.

The Board has reviewed its corporate governance practices and confirmed that the Company had complied with all the principles and code provisions set out in the Corporate Governance Code (the "CG Code") contained in Part 2 of Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange" and the "Listing Rules", respectively) throughout the financial year ended 31 December 2024 (the "Financial Year"), except for code provision F.2.2 of the CG Code that the chairman of the Board (the "Chairman") should attend the annual general meeting. Mr. Liu Yuhai, the Chairman who resigned on 28 October 2024, was unable to attend the annual general meeting of the Company held on 21 June 2024 (the "2024 AGM") due to other business engagements. In the absence of the Chairman, Mr. Hu Zhiwei, an executive Director and the then president of the Company (who was appointed as the Vice Chairman on 28 October 2024), took the chair of the 2024 AGM in accordance with the articles of association of the Company to ensure effective communication with its shareholders.

CORPORATE STRATEGY

Under code provision A.1.1 of the CG Code, the Board is required to establish the Company's purpose, values and strategy, and ensure that these and the Company's culture are aligned. The Group has adopted the following principle statement as the mission of the Group (the "Mission"):

The Company is an urbanization investment and operation platform with shareholders' background of "local state-owned enterprise + central financial institution". The Company's mission is to provide urbanization and livelihood investment products which are consistent with the demand of regional economic development and city life, to enhance the region's urbanization level and citizens' living quality. The Company's goal is to become leading urbanization investor and livelihood investment and operation platform in China achieving long-term sustainable growth whilst we continue to strive for short to medium term profitability in order to deliver the greatest value to the shareholders of the Company (the "Shareholders").

From strategic decision-making to daily operations, the values of the Company run through, providing guidance for the Company and achieving the Mission. These values include:

— Innovation;

— Hard work;

— Collaboration; and

— Dedication.

Since 2014, with the trend of new urbanization in China and the Company's advantage in resources, the Company is gradually shaping development concepts and specifying business strategies. By leveraging shareholders resources advantage of "local state-owned enterprise + central financial institution", the Company shall take various measures to build a leading national investment and operation brand by integrating financing, investment, development and operation.

The directors of the Company (the "Directors"), management and staff are required to act lawfully, ethically and responsibly. The daily operations are delegated to the executive management and carried out under the supervision of the chief executives. All management and staff have defined roles and responsibilities and are subject to the Code of Conduct as set out in the Employee Manual which imposes on them specific obligations to our business, the anti-fraud and anti-corruption policy and the whistleblowing policy of the Group.

BOARD MATTERS

The Board

The Board has the overall responsibility for the proper conduct of the Company's businesses. The Board's primary role is to provide entrepreneurial leadership, set strategic goal and ensure that the necessary financial and human resources are in place for the Company and its subsidiaries (collectively the "Group") to meet its objectives as well as to protect and enhance long-term values for the Shareholders. It sets the overall strategy for the Group and reviews management performance. To fulfill this role, the Board is responsible for the overall corporate governance of the Group including establishing a framework of prudent and effective controls, setting its strategic direction, establishing goals for management and monitoring the achievement of these goals.

Three (3) board committees established by the Board include the audit committee (the "AC"), the nomination committee (the "NC") and the remuneration committee (the "RC") (collectively the "Board Committees") and they assist the Board in discharging its duties. The effectiveness of each Board Committee is also constantly monitored.

The Board meets at least four times a year at approximately quarterly intervals for review of the financial performance and results of each period, material investments and other significant matters of the Group. The articles of association of the Company (the "AoA") provides for the convening of the Board or Board Committee meetings by way of telephonic or similar communications.

The attendance records of the Directors at the meetings of the Board, the Board Committees, annual general meeting (the "AGM") and extraordinary general meeting (the "EGM") during the Financial Year are set out below:

	Attendance/Number of Meetings (during Director's tenure)					
Name of Directors	**Board Meeting**	**AC Meeting**	**NC Meeting**	**RC Meeting**	**AGM**	**EGM**
Executive Directors (the "EDs")						
Hu Zhiwei (Vice Chairman)[1]	6/6	—	—	—	1/1	1/1
Yang Meiyu (President)[2]	6/6	—	—	—	1/1	1/1
Shi Janson Bing	5/6	—	—	—	1/1	1/1
Liu Fangqing[3]	5/5	—	—	—	1/1	0/1
Non-executive Directors (the "NEDs")						
Liu Yuhai (Chairman)[3]	3/5	—	—	—	0/1	1/1
Liu Yanhong (Chairman)[4]	0/1	—	—	—	—	—
Li Yao Min (Vice Chairman)[3]	3/5	—	—	—	1/1	1/1
Wang Hongxu	3/6	—	—	—	1/1	1/1
Feng Xiaoliang	5/6	—	—	—	1/1	1/1
Independent Non-executive Directors (the "INEDs")						
Henry Tan Song Kok (Lead)[3 & 5]	5/5	2/3	2/2	2/2	1/1	1/1
Kong Siu Chee[3]	5/5	—	2/2	2/2	1/1	1/1
Zhang Hao[3]	3/5	2/3	—	—	1/1	1/1
Lo Wai Hung (Lead)[5]	6/6	3/3	2/2	2/2	1/1	1/1
Ji Jiaming[4]	1/1	1/1	—	—	—	—
Yuan Kejian[4]	1/1	1/1	—	—	—	—

Notes:

All of the meetings of the Board and respective Board Committees were held via teleconferencing.

1 Appointed as the Vice Chairman and ceased to be the President with effect from the conclusion of the Board meeting held on 28 October 2024.

2 Appointed as the President and ceased to be the chief executive officer (the "CEO") with effect from the conclusion of the Board meeting held on 28 October 2024.

3 Resigned as a Director/a Director and ceased to be the Chairman or Vice Chairman/a Director and ceased to be the chairman and/or a member of the Board committees (as the case may be) with effect from the conclusion of the Board meeting held on 28 October 2024.

4 Appointed as a Director and the Chairman/a Director and the chairman and/or a member of the Board committees (as the case may be) with effect from the conclusion of the Board meeting held on 28 October 2024.

5 Appointed as the Lead INED and the chairman of the auditor committee of the Board/ceased to be the Lead INED (as the case may be) with effect from the conclusion of the Board meeting held on 28 October 2024.

Delegation by the Board

The Board's approval is required for matters such as corporate restructuring, mergers and acquisitions, material investments, material acquisitions and disposals of assets, major corporate policies on key areas of operations, disclosure of the Group's interim and annual results, related transactions of a material nature, declaration of interim dividends and recommendation of final dividends.

All other matters are delegated to the Board Committees whose actions are reported to and monitored by the Board while the daily operations are delegated to the executive management and carried out under the supervision of the chief executives. All management and staff have defined roles and responsibilities and are subject to the Code of Conduct as set out in the Employee Manual which imposes on them specific obligations to our business.

Corporate Governance Functions

The Board is responsible for performing the functions set out in code provision A.2.1 of the CG Code.

The Board reviewed the Company's corporate governance policies and practices, training and continuous professional development of the Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the "Model Code") and written guidelines with more onerous requirements than the Model Code for securities transactions by employees of the Company (the "Securities Code"), and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

Chairman, Vice Chairman, President and Chief Executive Officer

Following the resignation of Mr. Liu Yuhai as a NED and ceased to be the Chairman on 28 October 2024, Ms. Liu Yanhong was appointed as a NED and the Chairman on the same day. Ms. Liu Yanhong is the Chairman and is responsible for ensuring the effectiveness of Board matters, including the formulation, development and reassessment of the Group's strategies and policies. Mr. Li Yao Min was the Vice Chairman and was responsible for the duties of the Chairman in the absence of the latter and the execution of the Group's business strategies and plans; and advising on the development of the Group. Following the cessation of Mr. Li Yao Min as the Vice Chairman after his resignation as a NED on 28 October 2024, Mr. Hu Zhiwei was appointed as the Vice Chairman and ceased to be the president of the Company (the "President") on the same day and assuming the duties of Mr. Li. Ms. Yang Meiyu was appointed as the President and ceased to be the CEO on 28 October 2024 and is responsible for the overall planning of the Group's business transformation and operational management and managing the development of projects invested by the Group and the operations of the Company as a whole.

All major decisions made by the Chairman, the Vice Chairman and the President are reviewed by the Board. As the Chairman is not an INED, Mr. Lo Wai Hung was appointed as the Lead INED, following the resignation of Mr. Henry Tan Song Kok as an INED and ceased to be the Lead INED on 28 October 2024, who will be available to Shareholders when they have concerns and when the contact through normal channels has failed to resolve or for which such contact is inappropriate.

Board Composition and Balance

As at 31 December 2024, the Board comprised nine (9) members: three (3) EDs, three (3) NEDs and three (3) INEDs. The Board is able to exercise an independent judgment on corporate affairs and provide management with a diverse and objective perspective on issues and no individual or small group could dominate the Board's decision making. There is no alternate Director appointed in the Board.

Ms. Liu Yanhong was appointed as a NED as well as Mr. Ji Jiaming and Mr. Yuan Kejian were appointed as INEDs on 28 October 2024 and have obtained legal advice on 24 October 2024 from a firm of solicitors qualified to advise on Hong Kong law as regards the requirements under the Listing Rules that are applicable to him/her as a director of a listed issuer and the possible consequences of making a false declaration or giving false information to the Stock Exchange, and each of Ms. Liu Yanhong, Mr. Ji Jiaming and Mr. Yuan Kejian has confirmed he/she understood his/her obligations as a director of a listed issuer under the Listing Rules.

A list of the Directors and the positions held by each Director is set out in the Profiles of Directors and Senior Management on pages 17 to 22 of this Annual Report. The INEDs are expressly identified in all corporate communications pursuant to the Listing Rules.

There was no financial, business, family or other material relationship among the Directors.

During the Financial Year, the Board met the requirements of having INEDs representing at least one-third of the Board, i.e. three INEDs and met the requirement of having at least one INED possessing appropriate professional qualifications or accounting or related financial management expertise being appointed under the CG Code.

The criterion of independence is based on Rule 3.13 of the Listing Rules. The Board considers an "independent" director as one who has no relationship with the Company, its related companies, its substantial shareholders (as defined under the Listing Rules) or its officers who can interfere, or be reasonably perceived to interfere, with the exercise of independent judgment of the conduct of the Group's affairs by the Director.

The composition of the Board is determined in accordance with the following principles:

- the Board should comprise a sufficient number of Directors to fulfill its responsibilities and act as a group to provide core competencies such as accounting or finance, business or management experience, industry knowledge, strategic planning experience and customer-based experience or knowledge (the number of Directors may be increased where it is considered that additional expertise is required in specific areas, or when an outstanding candidate is identified); and

- the Board should have enough Directors to serve on various committees of the Board without over-burdening the Directors or making them difficult to fully discharge their duties.

The INEDs exercise no management functions in the Company or any of its subsidiaries. Although every Director has equal responsibility for the performance of the Group, the role of the INEDs is particularly important in reviewing and monitoring the performance of executive management in meeting the Group's agreed goals and objectives and ensuring that the strategies proposed by the executive management are fully discussed and rigorously examined taking into account the long-term interests, not only of the Shareholders but also of the employees, customers, suppliers and many communities in which the Group conducts businesses. The INEDs also meet regularly without management present. The Board considers its INEDs to be of sufficient caliber and number and their views to be of sufficient weight that no individual or small group can dominate the Board's decision-making processes. The INEDs have no financial or contractual interests in the Group other than by way of their fees and shareholdings as set out in the Report of Directors.

The Board is of the view that its current composition of nine (9) Directors is appropriate taking into account the scope and nature of the operations of the Company and of the Group.

Insurance cover in respect of legal proceedings and other claims against the Directors arising from their offices and execution of their powers, duties and responsibilities has been arranged. During the Financial Year, no legal action was made against any of the Directors in relation to their duties performed for the Company.

Mechanism(s) Ensuring Independent Views Available to the Board

The Board has adopted a board independent evaluation mechanisms during the Financial Year for Directors to seek independent professional advice for them to discharge their duties and responsibilities, and to ensure a strong independent element on the Board, which allows the Board to effectively exercise independent judgement to better safeguard Shareholders' interests. The Board has reviewed the implementation and effectiveness of the mechanisms annually and considered the same remain effective to ensure independent view and input are available to the Board for the Financial year.

Continuing improvement and development of the Board and its committee processes and procedures through Board independence evaluation provides a powerful and valuable feedback mechanism for improving Board effectiveness, maximising strengths, and identifying the areas that need improvement or further development. The evaluation process also clarifies what actions of the Company need to be taken to maintain and improve the Board performance, for instance, addressing individual training and development needs of each Director.

Directors may, in making decisions to perform their duties as Directors, seek such independent professional advice and opinions as they considered necessary to fulfil their responsibilities and in exercising independent judgement at the Company's expense (the "Policy"). Independent professional advice shall include advice of lawyers, auditors, accountants, financial advisers and other professional on matters of law, accounting, tax and other regulatory and professional matters. If the Directors consider that independent professional advice and views are necessary, the Directors should communicate with the ED or the Company Secretary and to provide background and details of the events and/or transactions and/or the issues involved and/or their problems, questions, concerns or specific advice to be sought. Subject to the approval of the Board, the Company or the Directors shall contact a professional adviser within a reasonable period of time to seek independent professional advice. Any advice obtained through the Policy shall be duly documented and made available to other members of the Board.

Induction and Continuous Professional Development of Directors

Upon appointment, each Director receives appropriate induction training and coaching to develop individual skills as required. The Directors are also provided with updates on the relevant new laws, regulations and changing commercial risks in the Group's operating environment through regular presentations and meetings. They also have the opportunity to visit the Group's operational facilities and meet with management to gain a better understanding of business operations and governance practices.

The current Directors have confirmed that they had complied with code provision C.1.4 of the CG Code on continuous professional training. During the Financial Year, all the current Directors have participated in continuous professional development by attending seminars, in-house briefing or reading materials to develop and refresh their knowledge and skills and provided their records of training to the Company. The continuous professional development programmes received by each of the Directors during the Financial Year is summarised as follows:

Name of Directors	Topics of training covered[Note]
Mr. Liu Yuhai (Chairman and NED)[1]	A, B, C
Ms. Liu Yanhong (Chairman and NED)[2]	A, B, C
Mr. Li Yao Min (Vice Chairman and NED)[1]	A, B, C
Mr. Hu Zhiwei (Vice Chairman and ED)[3]	A, B, C
Ms. Yang Meiyu (President and ED)[4]	A, B, C
Mr. Shi Janson Bing (ED)	A, B, C
Mr. Liu Fangqing (ED)[1]	A, B, C
Mr. Wang Hongxu (NED)	A, B, C
Mr. Feng Xiaoliang (NED)	A, B, C
Mr. Henry Tan Song Kok (Lead INED)[1]	A, B, C
Mr. Kong Siu Chee (INED)[1]	A, B, C
Mr. Zhang Hao (INED)[1]	A, B, C
Mr. Lo Wai Hung (Lead INED)[5]	A, B, C
Mr. Ji Jiaming (INED)[2]	A, B, C
Mr. Yuan Kejian (INED)[2]	A, B, C

Notes:

A attending seminar(s) and/or conference on regulations and updates.

B reading materials relating to business and operations of the Company, and legal and regulatory updates.

C in-house briefing or training of the Company.

1 Resigned as a Director with effect from the conclusion of the Board meeting held on 28 October 2024.

2 Appointed as a Director with effect from the conclusion of the Board meeting held on 28 October 2024.

3 Appointed as the Vice Chairman with effect from the conclusion of the Board meeting held on 28 October 2024.

4 Appointed as the President with effect from the conclusion of the Board meeting held on 28 October 2024.

5 Appointed as the Lead INED with effect from the conclusion of the Board meeting held on 28 October 2024.

NOMINATION MATTERS

Board Membership and NC

As at 31 December 2024, the NC comprised three (3) members, all of whom including the chairman were INEDs. The chairman and members of the NC during the Financial Year were as follows:

Mr. Ji Jiaming — Chairman (appointed on 28 October 2024)
Mr. Lo Wai Hung — Member (ceased to be chairman on 28 October 2024)
Mr. Kong Siu Chee — Member (ceased on 28 October 2024)
Mr. Henry Tan Song Kok — Member (ceased on 28 October 2024)
Mr. Yuan Kejian — Member (appointed on 28 October 2024)

The NC adopted the terms of reference on 31 March 2017 and amended on 16 April 2021. Its principle functions are to:

1. review the structure, size and composition (including skills, knowledge and experience) of the Board at least annually and make recommendations to the Board regarding any proposed changes to complement the Company's strategy;

2. identify, review and assess individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;

3. assess the independence of INEDs on an annual basis;

4. make recommendations to the Board on the appointment or re-appointment of Directors (including the INEDs) in accordance with the AoA and succession planning for the Directors in particular the Chairman and the President; and

5. review the Board diversity policy (the "Board Diversity Policy") on a regular basis and recommend revisions, if any, to the Board for consideration and approval.

The Company has received written annual confirmation of independence from each of the INEDs and reviewed the independence of each INED pursuant to Rule 3.13 of the Listing Rules and is of the view that Mr. Lo Wai Hung, Mr. Ji Jiaming and Mr. Yuan Kejian are independent.

Following the resignation of Mr. Henry Tan Song Kok, Mr. Kong Siu Chee and Mr. Zhang Hao as INEDs on 28 October 2024, there was no INED served for more than nine years from their respective dates of first appointment to the Board as at the date of this Annual Report.

During the Financial Year, NC held two (2) meetings.

The NC has reviewed the training and professional development programs participated by the Directors. The NC has assessed the independence of the INEDs and reviewed and made the recommendation on the appointment of Directors and re-appointment of retiring Directors. The NC has reviewed the Board Diversity Policy which was adopted by the Board at the Board meeting held on 13 August 2013 for assessing the structure, size and Board composition before publication of this Annual Report. The NC would take into account various aspects for nominating the directors as set out in the Board Diversity Policy and nomination policy, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge and industry and regional experience. The NC would discuss and agree on measurable objectives for achieving diversity on the Board, where necessary, and recommend them to the Board for adoption. In identifying and selecting suitable candidates for directorships, the NC would consider the candidate's character, qualifications, experience, independence and other relevant criteria necessary to complement the corporate strategy and achieve Board diversity, where appropriate, before making recommendation to the Board. External recruitment professionals might be engaged to carry out selection process when necessary. The Board, at the Board meeting held on 26 February 2015, accepted the recommendation by the NC that the maximum number of listed company board representations which any Director may hold be eight and all Directors have complied with the Board's resolution.

For the Financial Year and as at the date of this annual report, the Board consists of seven (7) male members and two (2) female members. The NC considered that the Board was sufficiently diverse in terms of gender, background and experience, thus the Board had not set any measurable objectives. The Board will consider setting measurable objectives to implement the Board Diversity Policy and review such objectives from time to time to ensure their appropriateness and ascertain the progress made towards achieving those objectives.

Diversity in Workforce

During the Financial Year, among all the employees (including senior management) of the Group, male employees accounted for 67.39% and female employees accounted for 32.61%. The Group believes that the gender ratio of employees is within the reasonable range.

Appointment, Re-election and Removal of Directors

The procedures and processes of appointment, re-election and removal of Directors are laid down in the AoA. Recommendations for the appointments and re-appointments of Directors and appointments of the members of Board Committees are made by the NC and considered by the Board as a whole. The AoA provides that one-third of the Directors (including NEDs) for the time being (or, if the number is not a multiple of three, the number nearest to but not less than one-third), who have been longest in office since their last re-election or appointment, shall retire from office by rotation at each AGM. Each Director should retire at least once every three years. A retiring Director is eligible for re-election by the Shareholders at the AGM. In addition, any Director appointed by the Shareholders or the Board, as the case may be, either to fill a vacancy or as an additional director, shall retire at the next AGM and shall then be eligible for re-election at that meeting.

The dates of initial appointment, last re-election/re-appointment and other board representations of each of the Directors of the current Board members are set out below:

Name of Directors	Date of first appointment	Date of last re-election	Nature of Appointment	Membership of Board Committee	Directorship/chairmanship both present and those held over the preceding three years in other listed company
Liu Yanhong	28 October 2024	—	NED and Chairman	None	None
Hu Zhiwei	18 October 2021	21 June 2024	ED and Vice Chairman	None	None
Yang Meiyu	28 March 2014	24 June 2022	ED and President	None	None
Shi Janson Bing	12 August 2016	21 June 2024	ED	None	None
Wang Hongxu	18 October 2021	21 June 2024	NED	None	None
Feng Xiaoliang	31 March 2023	16 June 2023	NED	None	Director of the following company: • Hillstone Network Communications Technology Co., Ltd. (山石網科通信技術股份有限公司) until 23 December 2021

Name of Directors	Date of first appointment	Date of last re-election	Nature of Appointment	Membership of Board Committee	Directorship/chairmanship both present and those held over the preceding three years in other listed company
Lo Wai Hung	30 December 2021	21 June 2024	Lead INED	Chairman of AC, a member of each of NC and RC	Independent non-executive director of the following companies: • Talent Property Group Limited; • Tibet Water Resources Ltd; • Shandong Weigao Group Medical Polymer Company Limited until 6 June 2022; and • C Cheng Holdings Limited until 2 April 2023 Non-executive director of the following company: • SY Holdings Group Limited (formerly known as Sheng Ye Capital Limited)
Ji Jiaming	28 October 2024	—	INED	Chairman of NC, a member of each of AC and RC	Executive director of the following company: • China City Infrastructure Group Limited
Yuan Kejian	28 October 2024	—	INED	Chairman of RC, a member of each of AC and NC	None

Each of the NEDs and INEDs is appointed for a specific term ranging from 1 to 3 years and subject to retirement by rotation once every three years. An appointment letter has been issued to each of the NEDs and INEDs respectively.

Pursuant to Articles 86(1) and 86(2) of the AoA, Ms. Yang Meiyu and Mr. Feng Xiaoliang will retire by rotation at the forthcoming AGM shall eligible for re-election thereat.

Pursuant to Article 85(7) of the AoA, Ms. Liu Yanhong, Mr. Ji Jiaming and Mr. Yuan Kejian will retire at the forthcoming AGM and shall then be eligible for re-election thereat.

The NC recommends the re-election of the retiring Directors after assessing their contribution, performance and, where applicable, independence.

Board Performance

The Company believes that the Board's performance is ultimately reflected in the performance of the Company. The Board should ensure compliance with applicable laws and Board members should act in good faith, with due diligence and care and in the best interests of the Company and its Shareholders. In addition to these fiduciary duties, the Board is charged with two key responsibilities: setting strategic directions and ensuring that the Company is ably led. The measure of the Board's performance is also tested through its ability to give support to management especially in the times of crisis and to steer the Company in the right direction.

The Board through the delegation of its authority to the NC, has used its best efforts to ensure that the Directors appointed to the Board possess the integrity, background, experience, knowledge and skills relevant to the Company's business and that each Director with his/her special contribution brings to the Board an independent and objective perspective to enable balanced and well-considered decisions to be made.

The NC has an annual Board performance evaluation to assess the effectiveness of the Board as a whole. The processes identify weaker areas where improvements can be made. The Board can thus direct more effort in those areas to further enhance the effectiveness of the Board.

Access to Information

Annual meeting schedules and agenda of each meeting are normally made available to Directors in advance.

Notice of regular Board meetings is served to all Directors at least fourteen (14) days before the meetings. For ad-hoc Board and Board Committee meetings, reasonable notice period is provided.

Meeting materials together with all appropriate, complete, relevant and reliable information are sent to all Directors at least 3 days before each Board meeting or Board Committee meeting to keep the Directors apprised of the latest developments and financial position of the Company as well as ongoing reports and to enable them to make informed decisions.

All Directors have unrestricted access to the Company's records and information and received detailed financial and operational reports from senior management during the Financial Year to enable them to carry out their duties. Directors also liaise with senior management as required, and may consult other employees and seek additional information on request.

All Directors have separate and independent access to the company secretary of the Company (the "Company Secretary"). The duly appointed secretaries administer, attend, prepare and keep minutes of the Board and Board Committee meetings. The Company Secretary also assist the Chairman in ensuring that the Board procedures are followed and reviewed so that the Board functions effectively, and in compliance with the AoA and relevant rules and regulations including requirements of the Stock Exchange. Draft minutes are normally circulated to the Directors for comment within a reasonable time after each meeting and the final versions thereof are open for the Directors' inspection.

The appointment and the removal of the Company Secretary is a matter for the Board as a whole and are considered at a Board meeting.

The AoA contain provisions requiring the Directors to abstain from voting and not to be counted in the quorum at meetings for approving the transactions in which such Directors or any of their associates have a material interest.

Should Directors, whether as a group or individually, need independent professional advice in the furtherance of their duties, the cost of such professional advice will be borne by the Company.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

As at 31 December 2024, the RC comprised three (3) members, all of whom including the chairman were INEDs. The chairman and members of the RC during the Financial Year were as follows:

Mr. Kong Siu Chee — Chairman (ceased on 28 October 2024)
Mr. Yuan Kejian — Chairman (appointed on 28 October 2024)
Mr. Henry Tan Song Kok — Member (ceased on 28 October 2024)
Mr. Lo Wai Hung — Member
Mr. Ji Jiaming — Member (appointed on 28 October 2024)

The RC adopted the terms of reference on 31 March 2017 and amended on 16 April 2021. Its principle functions are to:

1. make recommendations to the Board on the Company's policy and structure for all remuneration of the Directors and senior management and on the establishment of a formal and transparent procedure for developing a policy on such remuneration;

2. review and determine the specific remuneration packages for all EDs and senior management;

3. make recommendations to the Board on the remuneration of non-executive Directors; and

4. reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules.

In carrying out their duties, the RC may obtain independent external legal and other professional advice as mentioned above, as it deems necessary, relating to the remuneration policy and in determining the level and mix of remuneration for the Directors and senior management. The expenses of such advice will be borne by the Company.

Level and Mix of Remuneration

The RC makes recommendations to the Board on remuneration packages of the EDs and senior management taking into account the performance of the Group, as well as the pay and employment conditions in the same industry and comparable companies, while aligning the EDs' interests with those of Shareholders and linking rewards to corporate and individual performance.

The INEDs receive directors' fees in accordance with their contributions and taking into account factors such as efforts, time involvement and responsibilities of the INEDs. Directors' fees are subject to approval of the Shareholders at the AGM.

The remuneration of the EDs and senior management comprises a basic salary component and a variable component. The variable component comprises a variable bonus linking to the Company's and individual performance and other variable components including the grant of share options. Details of the remuneration of Directors are set out in the Report of Directors.

The annual review of the remuneration packages of the Directors is carried out by the RC and recommendation if any is made to the Board with an aim to ensure the remuneration of the EDs and senior management is commensurate with their performance, giving due regard to the financial and commercial health and business needs of the Group. No Director should involve in deciding his/her own remuneration.

During the Financial Year, the RC held two (2) meetings to review and recommend the remuneration of the EDs and the senior management, the fees payable to the INEDs, the fee payable to the newly appointed INEDs and the remuneration package of newly appointed senior management.

Disclosure on Remuneration

Details of the remuneration of the Directors and top five (5) key executives' of the Group paid or payable for the Financial Year are set out in Note 29 to the financial statements.

The remuneration of senior management (other than the Directors) whose remuneration fell within the following band during the Financial Year are as follows:

	2024
RMB500,001–RMB1,000,000	2
	2

ACCOUNTABILITY AND AUDIT

Accountability

The Board aims to ensure that the interim and annual financial statements and results announcements of the Company are presented in a manner which provides a balanced and understandable assessment of the Group's performance, position and prospects. The Directors acknowledge their responsibility for preparing the financial statements of the Company for the Financial Year.

The financial statements for the Financial Year have been prepared in accordance with the International Financial Reporting Standards and give a true and fair view of the state of affairs including the operations and finances of the Group and of the Company and effective risk management and sound internal control systems are in place. The Board has received assurance confirming the same from the President and a vice president (the "Vice President"). It seeks to present a balanced and informed assessment of the Company's performance, position and prospects. The Board is not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

Risk Management and Internal Control

The Board is responsible for the effectiveness of the overall risk management and internal control of the Group. The Board is fully aware that effective risk management and internal control play a crucial role in the sound operation of the enterprise. It believes that strengthening internal control is an important way to promote the reform of enterprise's management, achieve strong foundation, enhance efficiency and prevent risks. It is also an important measure to ensure the realization of the strategic objectives of the enterprise. Meanwhile, the Board is responsible for evaluating the nature and extent of risks the Group is willing to take in order to achieve strategic objectives, and is committed to the implementation of risk management procedures and the improvement of risk assessment framework.

Under the supervision and leadership of the Board, the management regularly reviews the Group's business and operation activities, identifies potential risks, evaluates the impact of risks under risk characteristics corresponding to different risks, and adopts timely and reasonable measures to control and mitigate such risks to ensure the effectiveness of risk management and internal control systems. The management and Deloitte Touche Tohmatsu Certified Public Accountants LLP, Beijing Branch, the outsourced internal auditor, have reviewed all major control policies and procedures and will present all major potential issues to the Board and the AC.

The Board has continuously supervised the design, implementation and supervision of risk management and internal control systems of the Group, and assumed ultimate responsibility for the overall risk management and internal control systems of the Group. Meanwhile, the Board reviews the adequacy and completeness of the risk management and internal control systems of the Group and its subsidiaries every year, including all important control aspects such as finance control, operation control and compliance control. The Board also annually reviews the Company's resources, staff qualifications and competence in accounting, internal audit, financial reporting functions and those relating to the Environmental, Social and Governance ("ESG") performance and reporting, as well as the adequacy of training courses and related budgets that are received by relevant staff. In addition, the Board annually reviews the change in nature and severity of major risks (including ESG risks), the scope of work in relation to continuous monitoring of risks (including ESG risks) and internal control system by the management, and major monitoring errors or weaknesses occurred during the Financial Year.

The AC has been set up under the Board to review the Group's risk management and internal control systems so as to ensure that such systems are sound and adequate, and to protect the Shareholders' investment and the integrity, effectiveness and efficiency of the Company's assets. Internal audit of the enterprise is an important part of internal control and plays an important role in improving risk management and enhancing the value of enterprise. The Group has established an internal audit function under the management to guide, coordinate and supervise the implementation of internal control compliance by the Company and its subsidiaries. Internal audit function is responsible for ex-ante prevention, in-event coordination and planning, and ex-post supervision of risk management and internal control compliance. The Board also engaged an external institution to carry out the Group's internal control inspection in which main focus is placed on the internal control requirements by the Stock Exchange. The Group has improved risk management and internal control systems to form an internal control inspection report and supervised and assisted the management to rectify the issues identified in time. In addition, external institution also update the comprehensive risk management manual annually to ensure the standardization and compliance of the construction of the Company's comprehensive risk management system.

The risk management and internal control systems provides a reasonable (not absolute) assurance for the Group to achieve its business objectives and ensures that the Group will not be adversely affected by any reasonably predictable event in its pursuit of business objectives. However, the Board also notes the inherent limitations of internal control, and that no internal control system can provide absolute assurance in this regard, or provide absolute assurance towards major errors, misjudgement in decision-making, human mistakes, losses, frauds or other non-compliant matters. The Board believes that there is still room for further improvement in the current risk management and internal control systems. The management has pushed forwards its development and controlled risks as its main objective under internal and external changing environment and other comprehensive factors, and constantly strengthened the rationality, effectiveness and integrity of risk management and internal control systems in order to protect Shareholders' interests and safeguard the Company's assets and achieve strategic objectives.

As of 31 December 2024, according to the internal control system and enterprise's risk management framework established and maintained by the Group, and referring to the work of internal auditors and management reviews, the Board and the AC believed that the Group's internal control system and the risk management system are fully effective in coping with financial, operational, compliance and information technology risks. The Board has received written confirmations from the President and a Vice President that the financial records are duly deposited and that the Company's financial statements are true and fair presentation of the Company's operation and financial conditions. The President and a Vice President's confirmation also includes the effectiveness of the Company's risk management and internal control systems.

DISCLOSURE OF INSIDE INFORMATION

The Group acknowledges its responsibilities under the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong and the Listing Rules and the overriding principle that inside information should be announced immediately when it is the subject of a decision. The procedures and internal controls for the handling and dissemination of inside information are as follows:

- the Group conducts its affairs with close regard to the disclosure requirement under the Listing Rules as well as the "Guidelines on Disclosure of Inside Information" published by the Securities and Futures Commission of Hong Kong in June 2012;
- the Group has implemented and disclosed its policy on fair disclosure by pursuing broad and non-exclusive distribution of information to the public through channels such as financial reporting, public announcements and its website;
- the Group has strictly prohibited unauthorised use of confidential or inside information; and
- the Group has established and implemented procedures for responding to external enquiries about the Group's affairs, so that only the EDs, the Company Secretary and investor relations officers are authorised to communicate with parties outside the Group.

Audit Committee

As at 31 December 2024, the AC comprised three (3) members, all of whom including the chairman were INEDs. The chairman and members of the AC during the Financial Year were as follows:

Mr. Henry Tan Song Kok — Chairman (ceased on 28 October 2024)
Mr. Lo Wai Hung — Chairman (appointed as chairman on 28 October 2024)
Mr. Zhang Hao — Member (ceased on 28 October 2024)
Mr. Ji Jiaming — Member (appointed on 28 October 2024)
Mr. Yuan Kejian — Member (appointed on 28 October 2024)

Both Mr. Henry Tan Song Kok (ceased on 28 October 2024) and Mr. Lo Wai Hung possesses accounting and related financial management expertise and experience. The Board considers that Mr. Ji Jiaming and Mr. Yuan Kejian have sufficient financial knowledge and experience to discharge their responsibilities as members of the AC.

The AC adopted the new terms of reference on 31 March 2017 and amended on 16 April 2021. Its principal functions are to:

1. review the financial reporting process, management of financial risks and the audit process;
2. review the audit plans and results of the external auditors' examination and evaluation of the Group's systems of internal accounting control and any matters which the external auditors wish to discuss (in the absence of management, where necessary);
3. review the scope and results of the internal audit procedures;
4. review the financial statements of the Company and the consolidated financial statements of the Group before their submission to the Board and the external auditors' report on those financial statements;
5. review the interim and annual announcements on the results and financial position of the Company and of the Group;
6. review the co-operation and assistance given by the management to the Group's external auditors;

7. evaluate the cost effectiveness, independence and objectivity of the external auditors of the Company and the nature and extent of the non-audit services provided by them;

8. make recommendations to the Board on the appointment, re-appointment and remuneration of the external auditors of the Company;

9. evaluate the adequacy and adherence of the risk management and internal control systems including administrative, operating and internal accounting control of the Group; and

10. review connected transactions to ensure that they are on normal commercial terms and not prejudicial to the interests of the Company or its Shareholders.

The AC is authorised to investigate any matter within its terms of reference, and has full access to the management and resources which are necessary to enable it to discharge its functions properly. It also has full discretion to invite any Director or executive management to attend its meetings. The AC meets with the internal auditors and the external auditors separately, at least twice a year, without the presence of management, to discuss the reasonableness of the financial reporting process, to monitor and review the adequacy of audit arrangements with particular emphasis on the observations and recommendations of the external auditors.

During the Financial Year, the AC held three (3) meetings to, among others, review the scope and quality of audit by the Company's independent auditor (the "Independent Auditor"), Ernst & Young ("EY"), the independence and objectivity of EY, the cost effectiveness of its audit and the risk management and internal control systems of the Group, the annual results for the year ended 31 December 2023 and interim results for the six months ended 30 June 2024 as well as the anti-fraud and anti-corruption policy and the whistle blowing policy. The AC also reviewed the service fee to EY. The details of annual audit fee and other assurance service fees to EY for the financial years ended 31 December 2023 and 2024 are set out below:

	2024 **RMB'000**	2023 RMB'000
Annual audit fee	**2,700**	2,500
Other assurance service fee	**—**	600
Total	**2,700**	3,100

Through the AC, the Company has an appropriate and transparent relationship with EY. In the course of audit of the Group's financial statements, EY has highlighted to the AC matters that require the AC's attention. EY is invited to attend meetings of the AC for the purposes of presenting their audit plan and report as well as their comments on the audited financial statements.

The Company's annual results for the Financial Year have been reviewed by the AC.

EY's audit opinion on the consolidated financial statements of the Group for the Financial Year is set out in the "Independent Auditor's Report" on pages 112 to 116 of this Annual Report.

The Group has appointed different independent auditors for its subsidiaries in the People's Republic of China (the "PRC") in order to meet its local statutory regulations. The Board and the AC are satisfied that the appointment does not compromise the standard and effectiveness of the audit of the Company. The AC members takes measures to keep abreast of the changes to accounting standards and issues which have a direct impact on the financial statements through attendance at training and update on recent developments to accounting standards provided by professionals.

Whistle Blowing Policy

The Company has adopted a whistle blowing policy which provides a channel for employees to report serious concerns relating to financial reporting and unethical or illegal conduct.

Throughout the Financial Year, no whistle blowing report was received.

Anti-fraud and Anti-corruption Policy

The Company has established an anti-fraud and anti-corruption policy to promote and support anti-corruption laws and regulations. The Group is committed to achieving the highest standards of integrity and ethical behaviour in conducting business.

Internal Audit

To assist the Board in maintaining a sound system of internal control for the purposes of safeguarding Shareholders' investment and the Group's assets, the AC has also appointed an internal audit function team to enhance the internal controls of the Group. The internal audit function team reports to the chairman of the AC on any material weakness and risks identified in the course of the internal audit are also communicated to the management. The management will accordingly update the AC the status of the remedial action plans.

The AC reviews and approves the annual internal audit plans and reviews the scope and the results of the internal audit according to the procedures issued by the internal audit function team.

JOINT COMPANY SECRETARIES

Pursuant to the code provision C.6.1 of the CG Code, Ms. Cheng Lucy ("Ms. Cheng") of Boardroom Corporate Services (HK) Limited, the external service provider, was appointed as the Company Secretary with effect from 30 March 2020. During her engagement period, she reports to the Board and maintains contact with the President, Ms. Yang Meiyu or her delegates.

On 28 March 2024, Ms. Mei Zhe ("Ms. Mei") was appointed as a joint Company Secretary, while Ms. Cheng continue to act as the other joint Company Secretary.

Both Ms. Cheng and Ms. Mei have taken no less than 15 hours of relevant professional training during the Financial Year pursuant to Rule 3.29 of the Listing Rules.

COMMUNICATION WITH SHAREHOLDERS

The Group acknowledges the importance of timely and equal dissemination of material information to the Shareholders, investors and public at large. Where there is inadvertent disclosure made to a selected group, the Company will make the same disclosure publicly as soon as practicable.

The AGM remains the principal forum for dialogue with Shareholders. Shareholders are encouraged to participate in the proceedings and ask questions about the resolutions being proposed at the AGM and the operations of the Group.

The Company has conducted roadshows regularly in Hong Kong and the PRC for business update and actively arrange for communications with Shareholders/investors in the light of specific progress of various projects in Hong Kong and other regions and areas. The Company strived to enable a comprehensive exchange of opinions and mutual understanding between Shareholders/investors.

The AoA allows a member of the Company (the "Member") entitled to attend and vote at the meeting of the Company to appoint one or more proxies to attend and vote on behalf of him/her and also provides that a proxy need not be a Member. Voting in absentia by facsimile or email is not currently permitted to ensure proper authentication of the identity of Shareholders and their voting intentions.

The chairmen of the AC, RC and NC are usually available at the AGM to answer any questions from the Shareholders relating to the work of these Board Committees. The Company's independent auditor is invited to attend the AGM and will assist the Directors in addressing queries from the Shareholders relating to the conduct of the audit and the preparation and content of the independent auditor's report.

During the Financial Year, notice of at least 21 days was given to the Shareholders for the 2024 AGM. Sufficient notice was given in accordance with the AoA and the laws of British Virgin Islands in which the Company is incorporated.

To safeguard Shareholders' interests and rights, a separate resolution is proposed for each substantial issue at Shareholders' meetings, including the election of individual Director. All resolutions put forward at Shareholders' meetings will be voted by poll pursuant to the Listing Rules and poll results will be published on the respective websites of the Company and Stock Exchange after each Shareholder's meeting.

Minutes of general meetings include substantial and relevant queries or comments from the Shareholders relating to the agenda of meeting and responses from the Board and management. These minutes would be available to the Shareholders upon their request.

The Company organises briefings and meetings with analysts and fund managers regularly to provide them with a better understanding of its businesses. In addition, the Company appointed Zhixin Investor Relations Consultant Limited (智信財經公關顧問有限公司) as its investor relations consultant to promote investor awareness for the Company.

The Group maintains a corporate website at www.china-newtown.com which contains the Company's publicly disclosed financial information, annual reports, interim reports, news releases, announcements and corporate developments.

Policy relating to Shareholders

The Company has in place a shareholders' communication policy to ensure that Shareholders' views and concerns are appropriately addressed. The policy is regularly reviewed to ensure its effectiveness.

Shareholders and potential investors are welcome to communicate with the Company or put forward enquiries, direct questions, request for publicly available information and provide comments and suggestions to the Board or management of the Company by any of the following ways:

Email	:	ir@china-newtown.com
Contact Number	:	+852 3643 0200
Fax Number	:	+852 3144 9663
Address	:	Suite 6508, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong.

During the Financial Year, the Board has reviewed the implementation and effectiveness of the shareholders' communication policy. Having considered the steps taken at the general meetings, the handling of queries received (if any) and the multiple channels of communication and engagement in place, the Board is of the review that the shareholders' communication policy has been properly implemented during the Financial Year and is effective.

Policy on Payment of Dividends

The Company has adopted a dividend policy (the "Dividend Policy"), pursuant to which the Company gives priority to distributing dividend in cash and shares its profits with its shareholders. The dividend payout ratio shall be determined or recommended, as appropriate, by the Board at its absolute discretion after taking into account the Company's financial results, future prospects and other factors, and subject to:

- the AoA;
- the applicable restrictions and requirements under the laws of the British Virgins Islands;
- the availability of dividends received from the subsidiaries in the PRC;
- earnings and financial performance;
- operating requirements; and
- capital commitments.

The Board will review the Dividend Policy from time to time and reserve its right in its sole and absolute to update, amend, modify and/or cancel the Dividend Policy. There can be no assurance that dividends will be paid in any particular amount for any given period.

SHAREHOLDERS' RIGHTS TO CONVENE AND PUT FORWARD PROPOSALS AT THE EGM

Pursuant to the AoA, EGMs may be convened by the Board on requisition in writing of the Shareholders holding not less than one-twentieth of the total voting rights of the matter for which the meeting is being requested. The written requisition shall be made to the Board or the Company Secretary at the business address or registered office address which are set out in the Corporate Information of this Annual Report, to request an EGM to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If within twenty-one days of such deposit the Board fails to proceed to convene such meeting, the requisitionists themselves may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

COMPLIANCE WITH MODEL CODE AND SECURITIES TRADING

The Company has adopted the Model Code as the code of conduct regarding securities transactions by the Directors. Specific enquiries had been made by the Company to all the current Directors who have confirmed that they had complied with the required standard as set out in the Model Code throughout the Financial Year.

The Company has also established the Securities Code for its employees who are likely to be in possession of unpublished price-sensitive information of the Company. It prohibits the Directors and employees from dealing in the Company's shares on short-term considerations and during the period commencing 30 days before the publication of the Company's financial results for each of the first six months of the financial year and 60 days before the publication of the Company's full year financial results (or, if shorter, the period from the end of the relevant financial period or year up to the publication date of the results).

No incident of non-compliance of the Securities Code by the employees was noted by the Company.

CONSTITUTIONAL DOCUMENTS

There were no changes in the constitutional documents of the Company during the Financial Year.

Pursuant to Rule 13.90 of the Listing Rules, the Company has posted its memorandum of association and AoA on the respective websites of the Stock Exchange and the Company.

MATERIAL CONTRACTS

Save as the service agreements between the Directors and the Company, there were no material contracts entered by the Company or its subsidiaries involving the interests of the President, any Director or controlling shareholders subsisting during the Financial Year or at the end of the Financial Year.

SUBSEQUENT EVENTS AFTER THE FINANCIAL YEAR AND UP TO THE DATE OF PUBLICATION OF THE ANNUAL REPORT

Change of Independent Auditor

References were made to the announcements of the Company dated 21 March 2025 and 3 April 2025 in relation to the change of Independent Auditor (collectively the "Announcements").

As disclosed in the Announcements, EY will retire as the Independent Auditor upon the expiration of their current term of office at the forthcoming AGM and wishes not to seek for re-appointment at the forthcoming AGM, after having taken into account a number of factors including the level of audit fees and their available internal resources in the light of current workflows. Accordingly, EY will cease to be the Independent Auditor at the conclusion of the forthcoming AGM.

The Audit Committee has recommended to the Board the appointment of CL Partners CPA Limited as the new Independent Auditor for the year ending 31 December 2025 following the retirement of EY with effect from the conclusion of the forthcoming AGM subject to the approval of the Shareholders at the forthcoming AGM.

Change of Company Secretary

Ms. Cheng has resigned as a joint Company Secretary with effect from 28 March 2025. Immediately following the resignation of Ms. Cheng, Ms. Mei, the other joint Company Secretary became the sole Company Secretary.

CONCLUSION

The Company recognizes the importance of good corporate governance practices for maintaining and promoting investor confidence. The Board will continue to review and improve its corporate governance practices on an ongoing basis.

Environmental, Social and Governance Report

I. PREAMBLE

The rise in the global temperature trend has once again reminded the world of the challenge to address climate change. Following the successful conclusion of the 29th Conference of the Parties to the United Nations Framework Convention on Climate Change ("COP29") in late 2024, the global community has reaffirmed its commitment to sustainable development and the urgent need for substantial and sustained reductions in greenhouse gas ("GHG") emissions. With the Nationally Determined Contributions (NDCs) become due for all countries in 2025, it is of utmost importance for countries to take action to limit the global temperature increase to 1.5 degrees Celsius above pre-industrial levels, transit to greener energy alternatives, and accelerate adaptation measures to mitigate climate-related loss and damage. This collective commitment underscores a growing global recognition of the multifaceted challenges posed by climate change, prompting participating countries to implement new and ambitious climate policies.

The 14th Five-Year Plan (2021–2025) of the People's Republic of China ("China", or the "PRC") represents a strategic framework that underscores China's dedication to environmental protection, pollution control, improved energy efficiency, and resource conservation. As part of its plan, China is striving to achieve an 18% reduction in carbon dioxide emission per unit of Gross Domestic Product ("GDP") and a 13.5% decrease in energy consumption per unit of GDP. Entering the final stage of the plan, China has been reshaping its development strategy to integrate environmental sustainability into economic growth, prioritising high-quality development while adhering to strict environmental standards. In line with the global movement toward equality and sustainable development, China has also strengthened its legal framework to safeguard the rights and interests of women and children, further demonstrating its commitment to social equity and justice.

The global conversation around climate change and sustainability has gained renewed attention driven by a shared understanding of the challenges posed by environmental issues and the need for immediate action. As individuals and nations adapt to shifting circumstances, the profound impacts of climate change on ecosystems and human well-being have come to the forefront. This growing awareness has catalysed discussions and initiatives, fostering a collective mindset that recognises the interconnectedness of global health and ecological sustainability.

Committed to enhancing urbanisation and improving quality of life, China New Town Development Company Limited (the "Company") and its subsidiaries (collectively known as the "Group") remain steadfast in their dedication to the shared goals of sustainability and GHG emissions reduction. By leveraging its financial robustness, extensive network, deep expertise in urbanisation, and a forward-looking sustainability vision, the Group aims to create shared value for all stakeholders.

Amidst the rapid pace of urbanisation in China, the Group is firmly focused on addressing both the risks and opportunities inherent in this trend through the lens of sustainability. Demonstrating a strong sense of corporate responsibility, the Group has made significant strides in aligning its business operations with environmental, social, and governance ("ESG") principles. Moreover, the Group views advancements in ESG performance and regulatory compliance as essentials to fostering prosperity, unlocking business opportunities, and enhancing its brand reputation. To deepen its engagement with ESG matters, the Group has embedded a comprehensive ESG management strategy into its "investment + downstream product operation" business model, ensuring environmental and societal considerations are integral to every step of new town development. By doing so, the Group not only fulfils its corporate responsibilities but also positions itself as a leader in sustainable and inclusive urban development.

II. ABOUT THE REPORT

In compliance with the requirements under Appendix C2 — Environmental, Social and Governance Reporting Guide (the "ESG Guide") of Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") under the "Comply or Explain" provision, and with reference to the Global Reporting Initiative Standards (the "GRI Standards"), the Group is pleased to present its ESG Report (the "Report") for the year from 1 January 2024 to 31 December 2024 ("FY2024", or the "year under review"). This Report demonstrates the Group's approaches and performance in ESG management and corporate sustainable development in FY2024. For more information on corporate governance, please refer to the Group's 2024 Annual Report.

Boundary Setting

The Group adopts the operational control approach in setting the boundary of this Report. The boundary remains consistent with previous years, it covers the environmental and social performance of the Group's offices in the Hong Kong Special Administrative Region ("Hong Kong"), Beijing, Nanjing, Shanghai, Wuhan and Shenyang in the PRC. Moreover, the Optical Valley New Development International Centre (光谷新發展國際中心), which is a property situated in the Wuhan Optical Valley High-tech Development Zone and managed by the Group's subsidiary, is also included in the Report's boundary.

Reporting Principles

The preparation of this Report follows the Reporting Principles as stated in the ESG Guide, namely Materiality, Quantitative, Balance and Consistency. Below is a description of where these principles have been applied throughout the Report.

Materiality:

In order to identify material ESG issues and their associated risks and opportunities, the Group conducted an annual stakeholder engagement and invited key stakeholders to provide their feedback on the Group's sustainability performance in FY2024. The results processed through a scientific materiality assessment provide valuable insights to the Group's ESG management. For more information, please refer to the section "**Stakeholder Engagement**".

Quantitative:

To transparently showcase the Group's ESG performance, the Report discloses quantitative ESG-related data in terms of various Key Performance Indicators ("KPIs"), with calculation methods, assumptions and conversion factors clearly stated in the footnote of the corresponding performance tables.

Notably, a Sankey Diagram has been included to visually illustrate the geographical distribution of the Group's GHG footprints, enhancing data presentation.

Balance:

To portray a complete picture of the Group's sustainability performance, the Group is fully transparent on its achievements and areas for improvement. The Group summarised its ESG data without intentional omissions, providing a comprehensive and objective account.

Consistency:

The Group adopts a consistent set of reporting framework, data collection tools and calculation methods that align with previous ESG Reports, thus allowing meaningful comparisons on its sustainability performance. In the event of any significant changes in disclosures or relevant factors that may affect the comparison on the Group's sustainability performance, corresponding explanations will be made accordingly.

Information Disclosure:

This ESG report's information was gathered through channels including the review of internal policies from different subsidiaries of the Group, the factual evidence of the implementation of ESG practices in the Group, the feedback from staff via online surveys in the format of quantitative and qualitative questions based on the reporting framework, and the verified statistics of the Group's annual performance in business operations and sustainable development. To facilitate readers' convenience to check its integrity, a report disclosure index with linkage table to the GRI Standards is available at the end of this Report.

This Report will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company's website (https://www.china-newtown.com/en/) at the same time as its Annual Report is published. The Report will be accessible under the "Investor Relations" section of the Company's website.

The Report was prepared in both English and Chinese. Should there be any conflict or inconsistency, the English version shall prevail.

III. SUSTAINABILITY MANAGEMENT

The Group prioritises responsible business practices while transitioning to a sustainable business model. Over the years, it has refined its sustainability management strategies to establish a resilient, diverse and well-organised governance framework. The Group aims to proactively address ESG risks while seizing ESG opportunities.

The Board of Directors (the "Board") plays a crucial role in guiding the Group towards sustainability. Utilising a "Top-down" approach, the Board formulates and oversees ESG policies, enhancing communication and coordination across all employee levels. Moreover, the Board also has the responsibilities to monitor the effectiveness of ESG policies, review the annual ESG Report, identify potential ESG-related risks, and adjust development strategies.

The Board regularly receives updates from the annual materiality assessment, and reports from management teams and company secretary to ensure effective management and control of ESG risks. Emphasising risk management, the Board seeks to strengthen relevant framework through well-defined sustainability metrics and effective internal control systems.

Delegated by the Board, the management teams oversee and monitor the execution of sustainability practices, while offering solutions to challenges that may arise during implementation. General employees are required to adhere to the outlined action plans and report to the management on practical difficulties encountered in daily operations. Each part of the Group fulfils its respective responsibilities while collaborating to facilitate robust ESG management.

In light of increasing global concern over sustainability and the promotion of the Beautiful China Initiative, the Group continues to allocate resources to ESG governance. With the Group's well-established set of long-term sustainability targets, they serve as guidance for employees in building a resilient and sustainable enterprise. These targets and metrics are universally applicable to the Group's diverse businesses and closely linked to its operations, as well as sustainability plans. The Board reviews and monitors the Group's performance and progress in achieving these goals annually.

The Group is in the process of forming an ESG committee to support the Board in managing ESG issues. Comprising members with relevant expertise, including those from the Institute of Singapore Chartered Accountants Sustainability and Climate Change Reporting Committee, the committee will provide the Board with timely ESG information, including progress updates, budgets and the latest policies, enabling the Board to make appropriate and informed decisions.

ESG Management

Board of Directors

- Determining the Group's sustainability approaches and direction
- Overseeing and formulating ESG policies based on identified ESG risks and opportunities
- Approving the materiality assessment results
- Taking the ultimate responsibility for ESG issues

Management Teams

- Monitoring ESG policy execution at the operational level
- Offering solutions to challenges in real operations
- Reporting material ESG issues and important ESG updates to the Board
- Coordinating stakeholders to conduct the materiality assessment

Employees Across All Departments

- Adhering to the outlined ESG action plans
- Reporting practical difficulties during operations to the management
- Giving meaningful opinions in the materiality assessment

Top-down approach emphasising communication and coordination

IV. BOARD STATEMENT

Dear valued stakeholders,

In 2024, we witnessed significant advancements in urbanisation propelled by the "new urbanisation strategy" outlined in China's 14th Five-Year Plan and a new five-year action plan to be adopted on deepening the people-centred new urbanisation strategy. Recognising urbanisation and cities as essential drivers of economic growth, we anticipate tremendous opportunities for development projects in the years ahead. In alignment with these opportunities, we remain steadfast in our commitment to achieving urbanisation with consideration of ESG factors, striving to build a sustainable and prosperous future for all.

ESG development strategy

With the increasing concerns on ESG, the year 2024 has highlighted the importance of balancing economic growth, environmental sustainability, and social equity. Although urbanisation continues to facilitate our business development, we remain acutely aware of the environmental and social challenges it can pose, including pollution and inequality. Leveraging our expertise, we are committed to addressing these challenges and embedding sustainable practices into every facet of our operations.

We recognise it is of utmost importance to properly address stakeholders' concerns, and we are committed to aligning our business strategies with their expectations. As part of this commitment, we conducted stakeholder engagement and a materiality assessment in 2024 to gather insights on various ESG issues. After comprehensive analysis, we refined our business strategies, directions and approaches based on the identified material ESG issues approved by the Board.

Our dedication to responsible investment reflects our core values of identifying and transforming potential risks into opportunities. As a prominent player in new town development, we aim to be a role model to facilitate the industry to adopt sustainable practices. Specifically, we integrate ESG considerations into every stage of our new town projects, from project screening to supplier selection, and ensure that our "investment + downstream product operation" business model engages only in projects that value sustainability. In 2024, we made significant progress in our ESG efforts and substantially contributed to the United Nations Sustainability Development Goals ("SDGs").

To further enhance our ESG performance, we established clear ESG goals and targets that align with our business operations. As part of our commitment, we analyse our ESG performance annually, particularly our environmental performance, and disclose relevant information in the ESG Report. The Board reviews and approves the result to track the Group's progress and achievements, thereby refining the ESG strategies, targets, goals, and measures to ensure continuous improvement.

Response to climate change

In 2024, the increasing frequency and intensity of extreme weather events further underscored the urgent need to address climate change. At COP29, nations reaffirmed their collective commitment to achieving the 1.5 degrees Celsius target and accelerating climate adaptation. Meanwhile, China has maintained its dedication to the "Dual Carbon Goals", aiming to peak carbon emissions by 2030 and achieve carbon neutrality by 2060. As part of this national effort, we anticipate stricter environmental policies and standards in the near future.

In response to these global and national trends, we remain committed to reducing our operational GHG emissions and contributing to the 1.5-degree Celsius target. To drive improvements, we have defined clear emission and resource consumption targets. By quantifying our GHG emissions and clearly defining our reporting scope, we can effectively analyse our carbon profile for establishing meaningful targets and develop suitable policies. In addition, we are exploring the application of climate scenario analysis to enhance the identification of potential climate-related risks and opportunities.

We believe that proactive preparation for climate change strengthens the Group's resilience and fosters its prosperity. Therefore, we actively identify corresponding risks and develop mitigation measures to minimise adverse impacts. For more information on our environmental targets and actions, please refer to the sub-section "**Goals and Actions**".

Strong governance framework

We maintained a robust ESG governance and management system in FY2024. With a top-down management approach, the Board continued to take ultimate responsibility for overseeing the Group's ESG strategies, ensuring that ESG matters remain a top priority. At the operational level, the Group's dedicated management team executed, monitored, and supervised ESG policies to align daily operations with our long-term goals. Recognising the value of employee insights, we actively engaged with staff at all levels to enhance the practicality and effectiveness of our ESG policies.

To strengthen our governance framework, we are in the process of establishing a dedicated ESG Committee. This committee, supported by a task force, will handle ESG-related matters and assist the Board in overseeing and addressing substantial risks. By staying alert to market dynamics and regulatory developments, we ensure that our ESG practices remain compliant and forward-looking.

Looking ahead

Guided by the Proposals of the Central Committee of the Communist Party of China for Formulating the 14th Five-Year Plan (2021–2025) for National Economic and Social Development and the Long-Range Objectives Through the Year 2035 (中共中央關於制定國民經濟和社會發展第十四個五年規劃和二零三五年遠景目標的建議), which emphasise green development and improved quality of life, we will continue to prioritise environmental protection and poverty elimination. We remain committed to our environmental commitments, while demonstrating corporate social responsibilities and enhancing our governance framework. We aspire to lead by example in adopting green practices within the Group, hence influence our industry peers and become an industry ESG leader.

On behalf of the Board of Directors, we extend our heartfelt gratitude to our stakeholders for their ongoing support on our journey towards sustainability. We deeply value the contributions, insights, and expertise of all parties involved and look forward to continuing this important work together.

Best regards,

Yang Meiyu
President and Executive Director
China New Town Development Company Limited

V. STAKEHOLDER ENGAGEMENT

The Group's Stakeholder

The Group highly values stakeholders' opinions and actively engages with both internal and external stakeholders to understand their concerns and expectations through stakeholder engagement and materiality assessment. To maintain strong and reliable relationships, the Group has established meaningful communication with its key stakeholders through various channels as outlined in the table below.

Stakeholders	Expectations and concerns	Communication channels
Government and regulatory authorities	— Compliance with laws and regulations — Anti-corruption policies — Occupational health and safety — Fulfilment of tax obligations — Social contribution	— Supervision on the compliance with local laws and regulations — Routine reports and tax payments
Shareholders	— Return on investments — Corporate governance — Business ethics — Information disclosure	— Regular reports — Announcements — General meetings — Official website of the Group — Investor briefings — Research reports

Environmental, Social and Governance Report

Stakeholders	Expectations and concerns	Communication channels
Employees	— Protect the legitimate labour rights and interests of employees — Health and safety in the workplace — Eco-friendly daily operations — Internal training and development opportunities — Undertake the social responsibility of the state-owned enterprise — Promote local employment and develop educational projects — ESG regulation compliance — Risk management	— Performance appraisals — Regular meetings and training — Emails, notice boards, hotline, team building activities with the management — Focus groups
Customers	— Production quality assurance — Protection of customers' privacy and rights — Insistence on sustainable development strategy	— Customers' satisfaction surveys — Face-to-face meetings and onsite visits — Customer service hotline and emails
Suppliers	— Fair and open procurement — Win-win cooperation — Environmental protection — Protection of intellectual property rights — Long-term business relationship — Law compliance — ESG governance	— Open tender — Contracts and agreements — Suppliers' satisfaction assessment — Telephone discussions — Face-to-face meetings and on-site visits — Industry seminars
Professional organisations	— Policy formulation regulating the practice of employees and business operations — Resilience building and adaptability enhancement	— Telephone discussions — Questionnaires and online engagement — Face-to-face meetings (private or AGMs)
General public	— Involvement in communities — Business ethics — Environmental protection awareness	— Media conferences and responses to enquiries — Public welfare activities — Face-to-face interview — Corporate website

The increase in prioritisation in sustainability is followed by the rising attention on the United Nations SDGs. Consequently, the Group actively integrates the SDGs into its business objectives to publicly showcase its commitment to ESG. With reference to the SDG Impact Standards, the Group has refined its strategies, management approach, solutions and services to achieve and contribute to the sub-targets of the SDGs.

The section below provides further information on the Group's ESG strategies, programmes, and goals that align with specific SDGs.

The SDGs Alignment

Transparency

- Providing annual ESG performance disclosure in an unbiased way

Governance

- Monitoring the ESG trends and updates
- Identifying ESG risks and opportunities through communication and reporting
- Utilising a top-down approach to ensure effective policy implementation within the organisation

Strategy

- Committing to responsible operations while considering the environmental and social aspects
- Understanding the relationship between various SDGs and the Group's business activities
- Determining the Group's material SDGs through stakeholder's engagement
- Establishing policies and targets that aligned with the SDGs

Management Approach

- Integrating sustainability strategy into the Group's development approach
- Considering material SDGs topics in decision-making
- Striving for ongoing improvement in ESG reporting, management and performance through stakeholder engagement

To collect stakeholders' opinions and to understand their concerns and priorities on the SDGs, the Group conducted an annual stakeholder engagement survey. In FY2024, the Group continued to place the seven SDGs previously identified as its focus areas among the 17 SDGs. The material SDGs are namely, Goal 1 (No poverty), Goal 3 (Good health and well-being), Goal 4 (Quality education), Goal 5 (Gender equality), Goal 6 (Clean water and sanitation), Goal 7 (Affordable and clean energy), and Goal 13 (Climate action). To develop approaches and policies that align with stakeholders' expectations, the Group is committed to allocating additional resources to these areas and establishing metrics for progress tracking.

Corporate realisation of the United Nations SDGs

Achieving the poverty alleviation target by 2020, China continues to further reduce poverty with the release of a series of relevant policies and initiatives. In response to the national call in eradicating poverty, the Group remains committed to improving the quality of life of citizens by participating in charitable events. In FY2024, the Group participated in the Wuxi government's "Together We Donate" (一起捐) campaign. This public welfare initiative encompasses a wide range of charitable projects, including educational support, rural revitalisation, medical assistance, disaster relief, and nature conservation. Employees were able to choose the charitable projects they were most interested in and make donations, with every contribution being directly allocated to the corresponding project.

Target: *The Group strives to allocate more resources to assist vulnerable groups*

Health and well-being have always been significant concerns around the world. The Group recognises how public health threats can impact its operations and business success, especially after the challenges faced in recent years. Hence, it is committed to ensuring healthy lives for all and building a community with adequate health protection.

The Group has implemented various healthcare and retirement projects, including the specific planning approval and construction of the Junzhuang Town Project, which aims to enhance childcare and elderly-care services in the community. Furthermore, the Group provides its employees with medical insurance and subsidies, alongside occupational health and safety training.

Target: *The Group strives to maintain zero work-related injuries or incidence of occupational hazard in next five years*

4 QUALITY EDUCATION

Believing that knowledge is essential for improvement and prosperity, the Group is committed to promoting fair and quality education. It views learning as a powerful tool that benefits various aspects of society, including increased productivity, improved public health, and the promotion of environmentally friendly practices.

To ensure accessible learning opportunities within new communities, the Group integrates diversified education components into its urbanisation projects, contributing to a fair and quality education system. Additionally, through the Kaiyuan Education Fund LP, it has established an international bilingual K-12 school and a Reigate Grammar Bilingual School.

Emphasising the importance of lifelong learning, the Group provides regular training for its employees to enhance their technical skills and broaden their perspectives. In FY2024, adhering to the principle of "learning what is urgently needed and achieving immediate results" (急用先學、立竿見影), the Group adopted a flexible training approach. It balances the needs of all employees, while adopting to their positions. This approach effectively combined management training organised by the Human Resources Department with department-led specialised business training. It also integrated external expert-led sessions with internal training programs. Throughout the year, a total of 12 employee training sessions on various topics were organised.

Target: *The Group strives to provide at least one training to each employee every year*

5 GENDER EQUALITY

Women and girls make up approximately half of the world's population, representing tremendous potential and productivity. It is essential to acknowledge their contributions and perspectives. Recognising the importance of both genders to its operations, the Group is committed to ensuring equitable treatment and fair compensation for all employees while maintaining a balanced ratio between male and female employees.

In the year under review, the Group employed 30 female employees, which accounts for about 32% of the total workforce. All female employees were provided with training opportunities, with a total of 96 training hours. To prevent gender discrimination, the Group has also implemented effective internal policies, such as strict instructions on making promotion, retirement and training decisions without gender consideration.

Target: *The Group strives to eradicate work-related gender discrimination or sexual harassment within the Group*

6 CLEAN WATER AND SANITATION

Clean water is essential for human survival. However, it has a limited availability, and not all have access to it. Recently, water scarcity has emerged as a pressing issue, exacerbated by extreme weather patterns that disrupt rainfall and lead to shortages in certain regions. In light of the growing concerns over reliable water supply, the Group is dedicated to incorporating water infrastructure and sanitation facilities into its urbanisation projects, ensuring a consistent supply of clean water to meet the basic needs of residents.

Although the Group's operations are not heavily reliant on substantial water consumption or facing water sourcing difficulties, it actively manages its water usage by implementing effective water-saving measures aimed at reducing water consumption intensity. For instance, the Group promptly addresses any leaks in the water supply system as soon as they are spotted.

Target: *The Group strives to maintain its water consumption intensity at the level of FY2024 and aspires to gradually reduce its water consumption intensity on a yearly basis*

7 AFFORDABLE AND CLEAN ENERGY

The energy sector has long been a major contributor to climate change, as the burning of fossil fuels releases substantial amount of GHGs. However, energy is essential for business operations, driving productivity, and enhancing performance.

In response, the Group is committed to transitioning towards sustainable alternatives that will both reduce energy-related GHG emissions and maintain operational efficiency. It has implemented a wide range of internal energy-saving measures, aiming to lower its carbon footprint through reduced energy consumption. Moreover, the Group evaluates the energy requirements of projects during the preliminary research phase and is dedicated to excluding energy-intensive urbanisation projects.

Target: *The Group strives to seek opportunities and adopt innovative technologies to lower its energy intensity further*

13 CLIMATE ACTION

Climate change is an urgent and critical issue that requires immediate attention and action from all sectors, as its impacts pose significant long-term threats to human existence. To prevent catastrophic damage, collective efforts are essential to limit the rise of global temperature to below 2ºC above pre-industrial levels. Meanwhile, enhancing climate adaptation and resilience is vital for mitigating potential climate-related risks.

The Group understands the correlation between GHG emissions and climate change, thus is committed to reducing its operational carbon emissions by lowering electricity consumption and gasoline demand for transportation. For instance, the Group prioritises energy-efficient equipment and ensures that its corporate vehicles are highly energy-efficient. Furthermore, the Group proactively identifies its climate-related risks and strives to implement mitigation measures promptly, enhancing its resilience to minimise the adverse climate impacts on its operations.

Target: *The Group strives to closely monitor its specific climate-related risks and take corresponding actions to minimise the negative impacts*

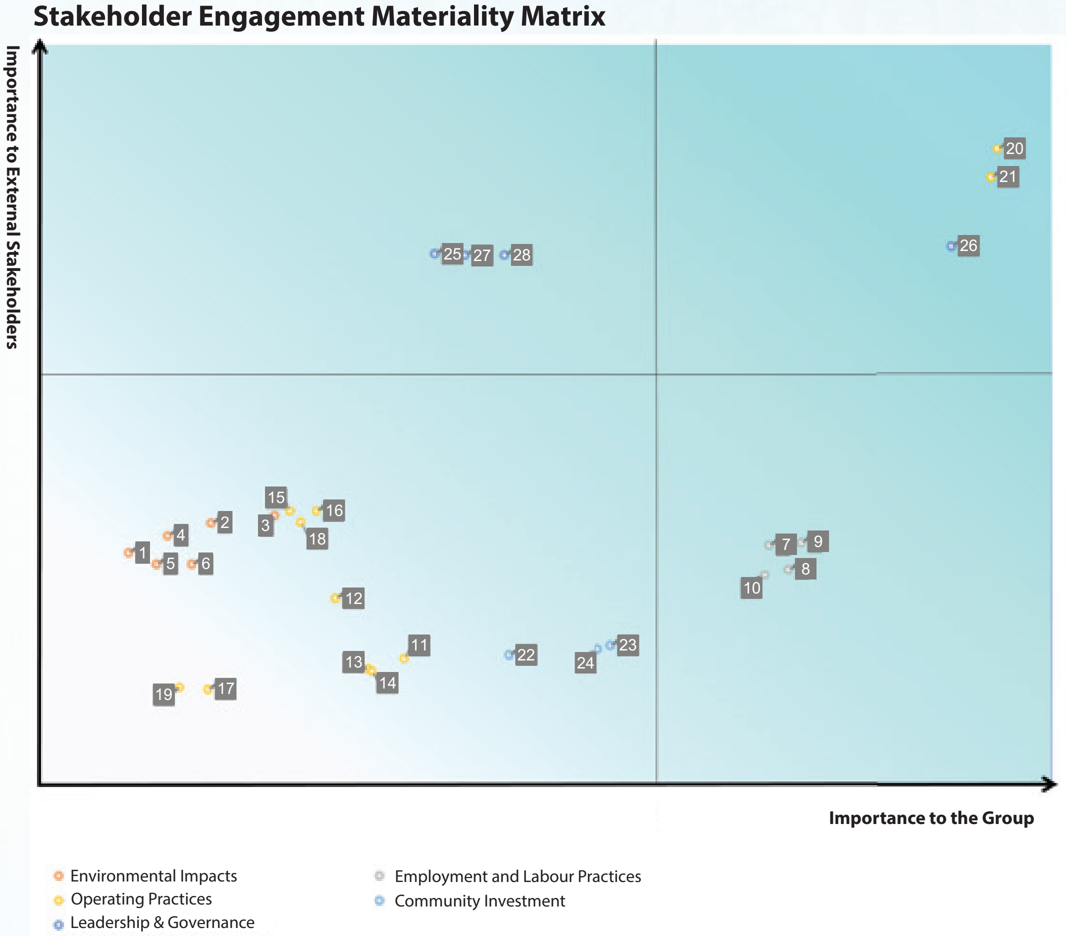
Materiality Assessment

The Group understands that businesses with diverse characteristics and models encounter various ESG risks and opportunities. Therefore, identifying specific risks and addressing them promptly is crucial to the Group. Together with the annual stakeholder engagement survey, a materiality assessment is conducted to visualise the results of the identified stakeholders' views on ESG issues.

The Group conducted an annual stakeholder engagement in FY2024 by engaging an external agency to ensure the credibility and objectivity. Based on their influence and dependence on the Group, key internal and external stakeholders were identified and categorised. In particular, the Group referenced the principles illustrated in ISO 26000 (Guidance on Social Responsibility) to weigh and prioritise stakeholders according to criteria such as legal obligations, power of influence, significance in the value chain and willingness for engagement.

Representatives from each identified key stakeholder group were invited to participate in an online survey, sharing their opinions on a list of ESG matters considered material to the Group's business development. In FY2024, the Group invited suppliers/business partners, customers, general employees, managerial staff, and senior management to participate in the survey. To emphasise the issues of greatest concern to stakeholders, the Group thoroughly analysed the survey results and employed a materiality matrix to present the data. The Group highly values these assessment results and uses them as a reference to guide its ESG strategies and action plans.

The Group has established a transparent and fair process to facilitate the assessment and generate valuable insights for decision making, in order to identify relevant and material stakeholders to enhance the meaningfulness and effectiveness of the materiality assessment. The "Analytic Hierarchy Process" ("AHP"), which is a structured technique of assigning weights to different groups by pairwise comparisons, has been applied to prioritise different stakeholder groups. Specifically, six criteria are utilised for comparison, namely Vulnerability, Influence, Legitimacy, Willingness for engagement, Contribution and Necessity of involvement. The outcome is generated within an acceptable Consistency Ratio (CR), and the weightings of each stakeholder group is applied to conduct the materiality assessment. In FY2024, the Group maintained the previous year's AHP results to determine consistent weightings for opinions across selected stakeholder groups, as the management deemed that no substantial changes occurred during the year with respect to our prioritisation of various stakeholder groups, thus negating the necessity for a refresh.



Materiality Assessment Factors

1. GHG Emissions
2. Energy Management
3. Water and Wastewater Management
4. Solid Waste Stewardship
5. Climate Change Mitigation and Adaptation
6. Renewable and Clean Energy
7. Labour Practices
8. Employee Remuneration and Benefits
9. Occupational Health and Safety
10. Employee Development and Training
11. Green Procurement
12. Engagement with Suppliers
13. Environmental and Social Risk Management of Supply Chain
14. Supply Chain Resilience
15. Product/Service Quality and Safety
16. Customer Privacy and Data Security
17. Marketing and Promotion
18. Intellectual Property Rights
19. Labelling Relating to Products/Services
20. Business Ethics and Anti-corruption
21. Internal Grievance Mechanism
22. Participation in Philanthropy
23. Cultivation of Local Employment
24. Support of Local Economic Development
25. Business Model Adaptation and Resilience to Environmental, Social, Political and Economic Risks and Opportunities
26. Management of the Legal and Regulatory Environment (Regulation-compliance Management)
27. Critical Incident Risk Responsiveness
28. Systemic Risk Management (e.g. Financial Crisis)

According to the materiality matrix, ESG issues that are considered material to the Group are "Business Ethics and Anti-corruption", "Internal Grievance Mechanism" and "Management of the Legal and Regulatory Environment (Regulation-compliance Management)". To address stakeholders' concerns, the Group is dedicated to focusing on the risks and opportunities management in these areas. Relevant management measures are discussed in different sections of this report.

Stakeholders Feedback

As the Group strives for excellence, the Group welcomes stakeholders' feedback and advice on the improvement of corporate ESG approach and performance, especially under the topics listed as the highest importance in the materiality assessment. Readers are also welcome to share their views with the Group at http://www.china-newtown.com/Contact-Us/Contact-Us.

VI. ENVIRONMENTAL SUSTAINABILITY

"Clear waters and green mountains are as valuable as mountains of gold and silver" (綠水青山就是金山銀山). The Group embraces President Xi's philosophy and considers the environment an essential element of its growth and success. With a long-standing commitment to environmental protection, the Group strives to conserve precious natural resources and mitigate operational nuisances to the environment. This furthers the integration of environmental stewardship and sustainability into its management approaches and decision-making processes. Over the years, the Group has prioritised its efforts to strengthen environmental management which allows it to implement sustainable practices while moving towards greener operations.

In response to the increasing frequency of extreme weather events, nations have come to understand the urgency of reducing carbon emissions and limiting global temperature rise to 1.5 degrees Celsius above pre-industrial levels. China, where the Group primarily operates, has set forth an ambitious "30 • 60" decarbonisation goal, which aims to peak carbon emissions by 2030 and achieve carbon neutrality by 2060. In alignment with these global and national initiatives, the Group has established policies to reduce its GHG emissions across various scopes, demonstrating its commitment to supporting worldwide and national goals.

Environmental considerations are now integral to the Group's "urbanisation investment" and "downstream product operation" business portfolio. For instance, when making decisions, the Group prioritises low-carbon business activities and investments. When investing in livelihood improvement projects, careful attention is given to environmental compliance and ecological benefits, ensuring the selection of truly sustainable projects that will generate value for future generations. Furthermore, the Group advocates for the adoption of intelligent technologies to enhance natural resources management while utilising high-efficiency equipment to lower overall consumption.

In FY2024, the Group adhered to relevant environmental laws and regulations of the PRC and Hong Kong, including but not limited to:

- Waste Disposal Ordinance (Cap. 354 of the Laws of Hong Kong);
- Environmental Protection Law of the People's Republic of China (中華人民共和國環境保護法);
- Environmental Impact Assessment Law of the People's Republic of China (中華人民共和國環境影響評價法); and
- Energy Conservation Law of the People's Republic of China (中華人民共和國節約能源法).

This section primarily includes the Group's environmental-related policies, practices, and quantitative data related to emissions, use of resources, the environment and natural resources, as well as climate change in the year under review.

A.1 Emissions

In the year under review, the Group adhered to the applicable laws and regulations related to air and GHG emissions, discharges into water and land, generation of hazardous and non-hazardous wastes, and noise that have a significant impact on the Group.

In FY2024, sulphur oxides ("SOx"), nitrogen oxides ("NOx") and particulate matter ("PM") were the Group's major air pollutants emitted, which were mainly from vehicles transportation and stationary combustion. Meanwhile, the Group's GHG emission profile remained similar with the financial year 31 December 2023 ("FY2023"), with Scope 2 emissions (Energy Indirect Emissions) dominating its GHG emissions. More information will be described in the following section.

The Group's total emissions are summarised in the table below.

Table 1 The Group's total emissions by category in FY2024 and FY2023

Emission Category	Key Performance Indicator (KPI)	Unit	Amount in FY2024	Intensity[1] (Unit/ Million RMB) in FY2024	Amount in FY2023	Intensity[1] (Unit/ Million RMB) In FY2023)
Air Emissions[2]	SOx	Kg	3.10	7.53×10^{-3}	2.84	6.64×10^{-3}
	NOx	Kg	164.37	0.40	149.74	0.35
	PM	Kg	37.72	0.09	33.72	0.08
GHG Emissions[3]	Scope 1[4] (Direct Emissions)	Tonnes of CO_2e	607.29	1.47	606.29	1.42
	Scope 2[5] (Energy Indirect Emissions)	Tonnes of CO_2e	9,767.97	23.70	9,762.41	22.84
	Scope 3[6] (Other Indirect Emissions)	Tonnes of CO_2e	84.97	0.21	89.81	0.21
	Carbon offset by Tree removal[4]	Tonnes of CO_2e	840.54	2.04	829.15	1.94
	Total (Scope 1 and 2 and 3)	Tonnes of CO_2e	9,619.70	23.34	9,629.35	22.53
Non-hazardous Waste	Solid Waste[7]	Tonnes	10.50	0.03	15.10	0.04
	Wastewater[8]	m^3	175,148.00	424.92	170,950.00	399.99

1. Intensity was calculated by dividing the amount of air, GHG and other emissions by the operating income of the Group in FY2023 and FY2024 respectively, which was 412,194 RMB'000 in FY2024 and 427,389 RMB'000 in FY2023;

2. Air emissions included the air pollutants in the vehicle exhaust gas from the combustion of fossil fuels for business transportation, as well as the stationary combustion of gaseous fuel during its operations;

3. The methodology adopted for reporting on GHG emissions set out above was based on "How to Prepare an ESG Report? — Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange, GHG Protocol Corporate Standard and the IPCC Emission Factor Database;

4. The Group's Scope 1 (Direct Emissions) included only the emission arose from the consumption of fuels for motor vehicles and boiler operations. The carbon offset included GHG removals by 36,545 trees in FY2024 and 36,050 trees in FY2023;

5. The Group's Scope 2 (Energy Indirect Emissions) included only the emission arose from the electricity consumption;

6. The Group's Scope 3 (Other Indirect Emissions) included only the emissions arose from paper waste disposed of at landfills, electricity used for processing fresh water and sewage by government departments and business air travel;

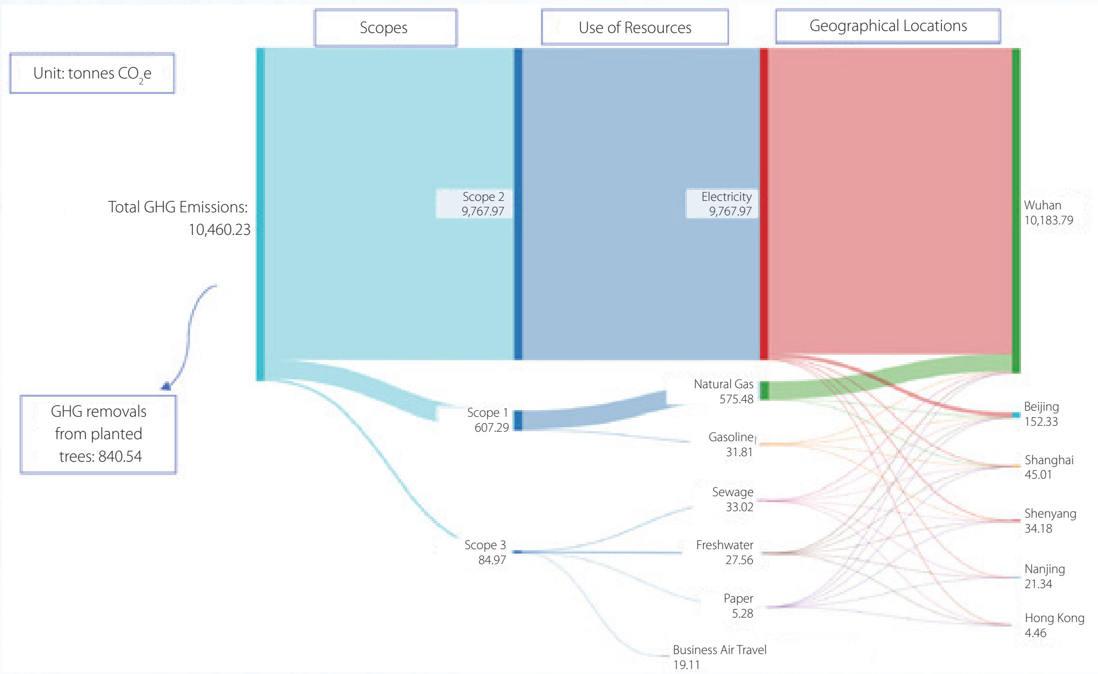
7. The solid waste only covered commercial wastes from the property buildings where the Group's employees worked; and

8. Except the headquarter in Beijing, the wastewater generated from the Group that was incorporated in the calculation only covered commercial sewage from employees, which was directly handled by the management unit of property buildings. The total amount of wastewater discharged from the Group was based on the assumption that 100% of the consumed fresh water entered the municipal drainage system.

GHG Emissions

The Group's emission data has been visualised into a Sankey diagram, which presents its GHG emission profile in terms of geographical locations, use of resources, and emission scopes. The diagram clearly illustrates the Group's GHG emissions patterns, with the width of the flows reflecting the magnitude of emissions for each aspect.

Sankey Diagram for GHG Emissions of the Group in FY2024

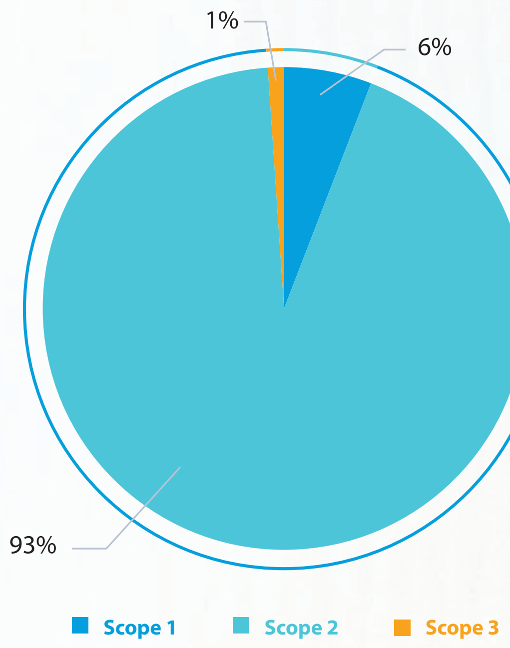


* Figures in this diagram may not add up due to rounding

The Group recognises the detrimental effects of GHGs and their association with rising temperatures that exacerbate the frequency and intensity of extreme weather events. As such, the Group has implemented proactive measures to manage its operational GHG emissions. For instance, the Group quantified its GHG emissions to identify areas for improvement and formulate relevant management policies.

The major sources of the Group's GHG emissions were the consumption of electricity and fossil fuels. The total GHG emission amount in FY2024 remains similar with the previous financial year, and Scope 2 emissions (Energy Indirect Emissions) continued to be the major type of emission in the Group's GHG emission profile.

The Group's GHG emission distribution in FY2024



Goals and Actions

Acknowledging that addressing climate change is a shared responsibility, the Group is committed to motivating every employee to contribute to the green transition and meet environmental targets. To enhance awareness, the Group offers training and seminars related to environmental issues, alongside implementing internal policies to monitor its operational environmental performance.

The Group has set decarbonisation targets in response to the national "30•60 Dual Carbon Goals". Specifically, the Group aims to achieve a 22.5% reduction in Scope 1 and Scope 2 emissions by 2030, using financial year ended 31 December 2021 ("FY2021") as the baseline year. In FY2024, its Scope 1 and Scope 2 emissions remained similar when compared to FY2023. The Group will continue to make its best efforts to reduce its GHG emissions, with the implementation of the following initiatives:

- Require subcontractors integrate ESG considerations and adopt eco-friendly practices, such as cleaning vehicle wheels before leaving construction sites and rinsing the ground or sprinkling water daily to control dust and prevent sludge accumulation, in order to closely monitor the environmental performance of outsourced projects;
- Turn off unnecessary lighting and heat-generating appliances to minimise air-conditioning load;
- Encourage low-carbon transportation by prioritising public transit over private vehicles through employee education;
- Improve the Group's vehicle usage management; and
- Designate employees to monitor the electricity and water consumption across subsidiaries.

For more information regarding the policies and actions taken by the Group, please refer to the subsections headed "**Electricity**" and "**Other energy resources**" under section **A.2 Use of Resources**.

Wastewater

The Group does not have a high demand for water due to its business nature, thus it does not generate significant amount of wastewater. The Group's wastewater generated primarily consisted of commercial wastewater from offices and wastewater from project buildings, and is discharged through the municipal sewage networks managed by the property management company.

Understanding the strong link between wastewater production and freshwater consumption, the Group actively monitors its water usage patterns and implements water-saving measures to reduce overall water usage. For more detailed information about the actions taken, please refer to the subsection titled "**Water**".

Solid Waste

The Group's solid waste was mainly non-hazardous domestic and commercial waste generated from daily operational activities in FY2024. With effective waste management, the amount of solid waste generated by the Group has dropped by 30% comparing with the previous financial year. At the same time, the Group recycled 1 tonne of paper waste which is mainly packaging boxes.

Goals and Actions

Currently, given its current level of solid waste generation is within an acceptable range, the Group does not see an urgent need to set an ambitious solid waste target. Still, the Group has set a target to maintain its solid waste intensity within a 5% margin, using FY2021 as the baseline year. In FY2024, the Group managed to maintain a similar solid waste intensity with previous years and will continue to maintain its good performance in the coming years.

China has been promoting the concept of circular economy development which emphasises recycling and reuse. To align with this initiative, the Group classifies solid waste to identify and reuse recyclables. It strives to foster a culture of waste recycling to minimise waste disposal and extend the life cycle of valuable resources. For instance, the Group strongly encourages the recycling of used ink cartridges.

Believing that every small step matters, the Group has implemented policies and guidelines to promote behavioural change, recognising the urgent need to reduce solid waste. To strengthen its waste management efforts, the Group has established Sustainable Waste Management practices based on the "Waste Hierarchy." The Group's objectives include:

- **ELIMINATE** the use of materials, such as by using electronic documents to eliminate paper consumption and abolishing disposable items including plastic tableware.
- **REDUCE** material consumption by setting double-sided printing as the default mode for printers and installing microwaves in offices to encourage employees to bring their own lunch boxes, thereby reducing waste associated with takeaway meals.
- **REUSE** materials, including using non-confidential printing paper as draft paper and reusing office supplies.
- **RECYCLE** materials by disposing of outdated electronics or materials through recycling organisations.
- **DISPOSAL** of non-recyclable materials appropriately through waste classification.

Case Study — Environmental Protection Starts with Me

In FY2024, the Group set up a "Green Lifestyle Corner" to encourage employees to share unused items at home for reuse. Employees can reuse resources and exchange knowledge, taking up the responsibility of "Environmental Protection Starts with Me".

To control purchase amounts and avoid stockpiling, the Group has implemented rigorous internal policies standardising the procurement process. For instance, the "Administrative Items Management Measures" (行政物品管理辦法) requires employees to detail purchase information in the "Approval Form for Receipt of Small Value Items and Office Consumables" (小額物品及辦公耗材領用審批表) and obtain approval before receiving items.

Additionally, the Group focuses on the environmental emissions of its supply chains and contractors. It regularly reviews and updates requirements for contractors and subcontractors, prioritising business partners that excel in sustainability aspects, including air emissions, GHG emissions and waste management. Given its business model of "investment + downstream product operation", the Group thoroughly analyses its investment projects during preliminary studies, considering environmental benchmarks and sustainability criteria. The Group is committed to investing in and engaging with projects that align with its vision.

A.2 Use of Resources

The Group's major resources consumption in FY2024 included electricity, gasoline, natural gas, water and paper. Notably, natural gas served as a significant energy resource for operating boilers in project management. Meanwhile, packaging materials do not apply to the Group's operations because of its business nature.

The Group understands that resources are precious and limited, thus it is committed to minimising its operational resource consumption. As such, the Group diligently assesses and monitors its resource consumption, formulating reduction strategies based on the "3R Principle — Reduce, Reuse, Recycle".

Moreover, the Group has developed and implemented internal policies and standards in order to enhance resource efficiency and reduce overall consumption, such as the "Measures for the Administration of Official Vehicles" (公務用車管理辦法). In addition, the "China New Town Development Company Limited Policy Compilation" (中國新城鎮發展有限公司制度彙編) designates the General Department to be responsible for managing and overseeing the utilisation of materials and resources in accordance with the internal policies.

The Group's resource consumption is summarised in Table 2 below.

Table 2 Total Resource Consumption in FY2024 and FY2023

Use of Resources[1]	Key Performance Indicator (KPI)	Unit	Amount in FY2024	Intensity[2] (Unit/Million RMB) in FY2024	Amount in FY2023	Intensity[2] (Unit/Million RMB) in FY2023
Energy	Electricity	MWh	16,014.88	38.85	16,005.75	37.45
	Gasoline	MWh	115.52	0.28	159.42	0.37
	LPG[3]	MWh	0	0	1.39	3.25×10^{-3}
	Natural gas	MWh	3,307.42	8.02	2,930.31	6.86
	Biomass[3]	MWh	0	0	145.00	0.34
	Total energy consumption	**MWh**	**19,437.82**	**47.16**	**19,241.87**	**45.02**
Water	Water	m^3	171,645.00	426.12	171,650.00	401.62
Paper	Paper	Kg	1,100.00	2.67	1,082.50	2.53

1. The methodology adopted for reporting on the total resource consumption of the Group was based on "How to Prepare an ESG Report? — Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange and with reference to the IPCC Default Net Calorific Values Database;

2. Intensity was calculated by dividing the amount of resources that the Group consumed in FY2024 and FY2023 by the operating income of the Group in FY2024 and FY2023 respectively, which was 412,194 RMB'000 in FY2024 and 427,389 RMB'000 in FY2023;

3. The Group did not record any LPG or biomass consumption in FY2024 as the source of fuel combustion (transportation vehicle) has been eliminated.

Electricity

The Group's electricity consumption in the year under review is similar to the previous financial year. The Optical Valley New Development International Centre (光谷新發展國際中心) continued to be the major consumer of electricity among the Group.

Goals and Actions

Supporting China's carbon reduction initiatives, the Group aims to reduce its reliance on electricity and thereby lowering GHG emissions. To this end, it has set ongoing targets to consistently lower its electricity intensity, with a goal of reducing Scope 2 emissions by 22.5% by FY2030, using FY2021 as the baseline.

In line with its management strategies and policies for other energy sources, the Group's primary objective in enhancing electricity efficiency is to support its 2030 carbon reduction plan. In FY2024, the Group was able to sustain its electricity consumption levels, which in turn helped keep associated carbon emissions stable.

Given the Group is mainly focused on office operations, it consumes a substantial amount of electricity. Understanding that electricity-related GHG emissions contribute to a significant portion of its GHG emission profile, the Group believes that reducing electricity consumption is a key strategy for enhancing its environmental performance. To prevent electricity wastage and improve utilisation efficiency, the Group has implemented the following electricity-saving practices:

- Turn off office equipment after office hours instead of leaving them in standby mode;
- Conduct regular inspections of office appliances to ensure efficient functioning (e.g., some subsidiaries of the Group have designated staff for maintenance and repairs);
- Switch off idle air-conditioners in offices and meeting rooms;
- Enhance employee awareness by placing "Save Energy" labels in prominent locations;
- Adjust air conditioner temperatures as needed (e.g., some subsidiaries of the Group regulate temperatures not to be lower than 26ºC in summer and higher than 20ºC in winter);
- Prioritise energy-efficient equipment with good environmental performance labels in offices; and
- Apply a centralised approach to effectively monitor all lighting fixtures in public areas.

Other energy resources

In FY2024, the Group mainly consumed gasoline and natural gas for vehicle transportation and boilers respectively.

Goals and Actions

Continuing its focus on managing Scope 1 emissions (Direct Emissions), the Group closely monitors its operational energy consumption. With the target of reducing Scope 1 emissions by 22.5% by 2030, taking FY2021 as the baseline, the Group records and reviews the energy performance of all sectors, and evaluates its energy usage on an annual basis. Moreover, relevant policies on energy consumption, such as the "Measures for the Administration of Official Vehicles" (公務用車管理辦法), have also been established to control the use of corporate vehicles and prevent inappropriate or abusive usage. For instance, outlined guidelines include:

- Departments or personnel requiring the use of corporate vehicles for business trips must fill out the "Application Form for Corporate Vehicle Use" (公務用車申請單). The application will be reviewed by the General Department and the Head of Department being responsible for confirmation;

- The use of corporate vehicles on holidays and weekends is subject to strict control and requires stringent approval; and

- Drivers are required to perform regular checks on corporate vehicles to ensure safety and efficiency.

Additionally, the Group's internal policies are crucial in promoting environmentally friendly behaviours among employees, cultivating a "low carbon" business culture. As part of these initiatives, subsidiaries of the Group are required to wash and wax the corporate vehicles to improve aerodynamics and boost fuel efficiency. Drivers are encouraged to choose the shortest route and maintain a steady speed to reduce sudden braking, while employees are encouraged to take public transport for business trips.

In the year under review, the Group has maintained its energy consumption at a steady level with the implementation of its effective energy control policies and measures.

Water

In FY2024, given the implementation of effective water management practices, the Group's freshwater consumption was similar to the previous financial year's. The Group did not encounter issues in sourcing water that was fit for its purpose.

Goals and Actions

The Group understands the importance of safeguarding water as a precious and limited resource. Committed to enhancing water efficiency, the Group uses water sustainably and strives to minimise domestic water wastage. The Group actively implements water-saving practices to reduce operational water intensity, addressing the national water scarcity issue while lowering operating costs.

Although the Group's business operations are not water-intensive, it is dedicated to further controlling water consumption in support of China's water conservation initiatives outlined in the 14th Five-Year Plan (2021–2025) and aligning with customer expectations. To this end, the Group has established an ongoing reduction target aimed at continuous improvement, with a goal of maintaining water intensity at financial year ended 31 December 2022 ("FY2022") levels and decreasing it further each year.

The Group has integrated water conservation into its business development plans and emphasised water-saving measures in its operations in order to achieve its target. Recognising that water conservation brings both environmental and economic benefits, the Group has established internal policies that include the following measures:

- Monitor subsidiaries' environmental performance by recording and documenting water consumption data;
- Develop water-saving strategies based on consumption statistics to enhance effectiveness;
- Facilitate internal communication and commit to employing a monitoring and control approach to report progress and reward achievements;
- Promote the 3R principle among employees, such as reminding them to close the taps when not in use and reusing water for plant irrigation; and
- Conduct regular equipment inspections to identify dripping taps and fix them promptly.

Paper

In FY2024, the Group's paper consumption mainly attributed to its office operations, while it recycled about 50 kg of paper in response to its waste management initiatives.

Goals and Actions

The shift towards a paperless working mode has gained traction with the advancement of the internet and digital documentation. Such trend has prompted many enterprises to adopt this approach.

In FY2024, the Group's maintained its paper consumption at a level similar to FY2023. In continuation of its effective paper management and aiming to create a paperless working environment, the Group has implemented a number of measures, such as:

- Purchase recycled paper and reuse paper bags for filing;
- Set double-sided printing as the default mode of printers;
- Utilise electronic versions of documents instead of printing them;
- Post reminder stickers to remind employees to avoid unnecessary printing;
- Collect single-sided paper for reuse and recycling;
- Use the reverse side of single-sided documents for second printing or draft paper; and
- Repurpose paper into artistic handicrafts.

Moreover, the "Administrative Procurement Management Measures" (行政採購管理辦法) strictly regulates the Group's paper procurement and usage to prevent overconsumption and waste. To develop effective and tailored management strategies and internal policies, the Group collects and documents paper usage of all its subsidiaries and operating units for analysis.

A.3 The Environment and Natural Resources

Given the Group's business nature, its operations did not significantly impact the environment and natural resources in the year under review. Still, the Group proactively conducts comprehensive analyses of its environmental performance, including emissions and resource utilisation, to identify areas for improvement. Specifically, GHG emissions from electricity consumption were identified as having a more substantial influence on the environment.

Recognising the correlation between GHG emissions, extreme weather and climate change, the Group is committed to minimising its operational GHG emissions through a series of internal policies. In particular, the Group targets to reduce its overall electricity consumption. Additionally, the Group aims to support the national goal of peaking carbon emissions by 2030. To this end, it has established clear carbon reduction targets and formulated corresponding internal policies to facilitate the achievement.

To ensure accountability, the Group enforces strict management of fossil fuels and electricity consumption. Through gaining insights from stakeholders annually, the Group strives to optimising its strategies and actions. Moreover, the Group aims to better adapt to and address environmental risks and opportunities by taking a systematic approach, reinforcing its commitment to sustainable and responsible business practices.

Furthermore, the Group has adopted a holistic data management platform to thoroughly evaluate its consumption patterns. This platform organises resource usage data across all sectors, enabling the Group to perform comparisons and design control plans tailored to provide the most practical and effective mitigation measures.

At the same time, the Group is actively working towards a low-carbon operation mode. It is now exploring renewable energy options to reduce GHG emissions while promoting a paperless working culture. The Group is dedicated to adhering to sustainable principles in all business activities to minimise its environmental impact. In its downstream project operations, the Group emphasises ecological well-being, striving to balance profitability with sustainable development.

A.4 Climate Change

The Group understands that collaborative efforts are required to address climate change as a pressing global challenge. With the increase in frequency of extreme weather events associated with climate change, thus posing significant threats to people's lives and infrastructure, it requires everyone to mitigate its impacts and shift towards sustainable and resilient practices together.

To better identify potential climate-related risks and opportunities, the Group has referenced the four key pillars of the Task Force on Climate-related Financial Disclosures (TCFD) framework in its climate-related management.

Governance

The Board holds the responsibility for overseeing climate-related matters, which includes approving the Group's climate strategies and monitoring resource allocation to address potential physical and transitional risks. In FY2023, the Board carried out a climate risk assessment through online surveys to identify gaps between the Group's management system and current best practices. Utilising the assessment results, the Group is exploring various opportunities to implement robust measures designed to enhance the resilience of its operations thus ensuring sustainable long-term development.

Strategy

Climate change impacts the Group in multiple ways. To better identify the potential negative effects, the Group has categorised the material climate-related risk into two main categories, namely physical risks and transition risks.

Risks		**Potential Impacts**
Physical Risks	• Increasing occurrence and intensity of extreme weather events, including drought, flooding and typhoon	• Damage to properties and infrastructure may result in additional repair expenses • Operation suspensions may delay the timelines of development projects, extending their delivery dates
Transition Risks	• Enhanced regulations and standards	• A non-compliance fee may be imposed if environmental performance fails to meet established standards • Failure to comply with relevant regulations and standards could harm the Group's brand image, reducing its market competitiveness • Implementing new technologies to meet stricter requirements may necessitate additional investment

The Group recognises that climate change also presents opportunities, viewing responsible investments as essential and profitable in the long run. In line with the "Guiding Opinions of the State Council on Accelerating the Establishment and Improvement of a Green, Low-Carbon and Circular Development Economic System" (國務院關於加快建立健全綠色低碳循環發展經濟體系的指導意見), the Group is committed to prioritising ecological civilisation and promoting green development.

Opportunities	Potential Impacts
Green building design with advance technologies to save energy	• Reduction in overall resource consumption may lead to lower operational costs
Construction of buildings with climate-resistant features	• Enhanced building resilience may help avoid maintenance costs/equipment renewal expenditure

Risk Management

Understanding that climate change is irreversible, the Group is dedicated to enhancing its risk management strategies to address climate-related risks and mitigate their negative impacts. In particular, systematic risk management processes and policies that define responsibilities for all parties, standardised procedures and preventive measures have been established.

As a standard practice, flood risk assessments are carried out during the initial project studies, aiming to integrate flood-adaptive components into project designs and operations based on the assessed flood probabilities.

With local governments expected to tighten environmental regulations in line with China's carbon reduction initiatives, the Group foresees a requirement for increased resources and capital to meet compliance needs, especially for carbon-intensive operations. Aware of the transition risks associated with these projects, the Group acknowledges the uncertainties involved and considers them to be high-risk. Therefore, it has incorporated carbon risk exposure assessments into its decision-making process to identify and avoid carbon-intensive projects in the early stages of screening.

Metrics and Targets

The Group has established clear environmental targets to track its progress and serve as motivation. In terms of GHG emissions, the Group aims for a 22.5% reduction by 2030, using FY2021 as the baseline. Recognising its business growth, the Group considers Scope 1 and Scope 2 emission intensities as key indicators for meaningful monitoring and comparison. To uphold this commitment, the Group conducts training on environmentally friendly practices for staff at all levels and implements environmental policies at the organisational level. To encourage feedback from stakeholders, the Group transparently discloses its environmental performance. Additionally, the Capital Market Department and the company secretary are responsible for preparing a report for the Board's review on an annual basis.

Looking forward, the Group is dedicated to performing climate scenario analysis to inform its climate-related strategies, thereby enhancing its climate resilience and seizing potential climate-related opportunities.

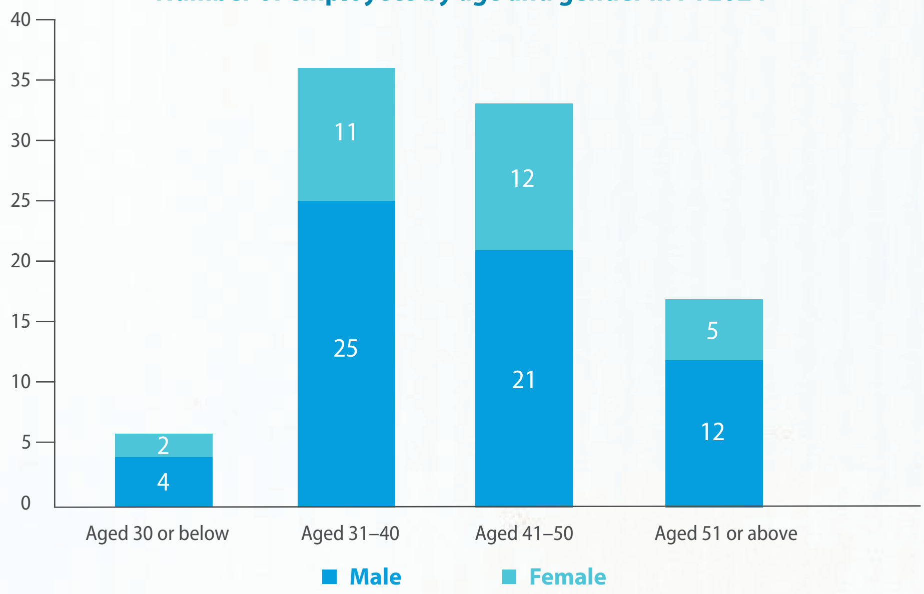
VII. SOCIAL SUSTAINABILITY

EMPLOYMENT AND LABOUR PRACTICES

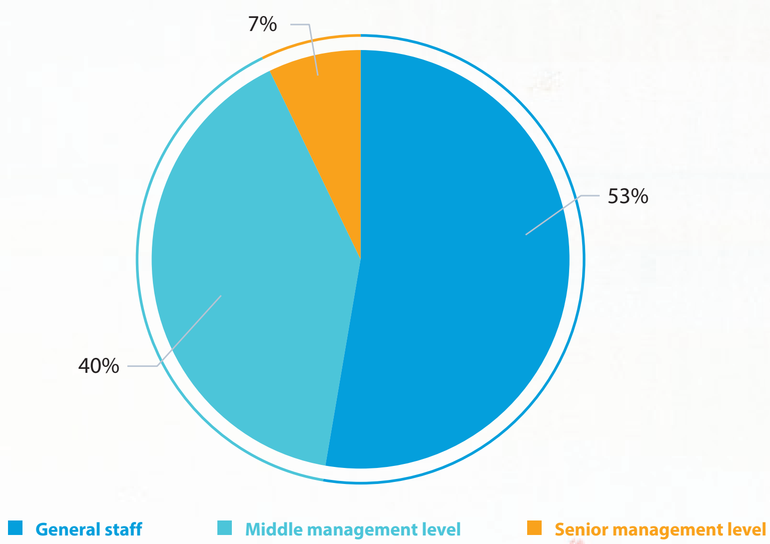
B.1 Employment

The Group views its employees as its most important assets and recognises that they are vital in driving its business growth over the past two decades. The Group aims to build a competitive workforce by attracting and retaining talents. Its comprehensive employment policies protect employees' rights in accordance with applicable labour regulations. As of the end of FY2024, the Group had a total of 92 full-time employees, with 87 in the PRC and 5 in Hong Kong.

Number of employees by age and gender in FY2024



Percentage of employees by position level in FY2024



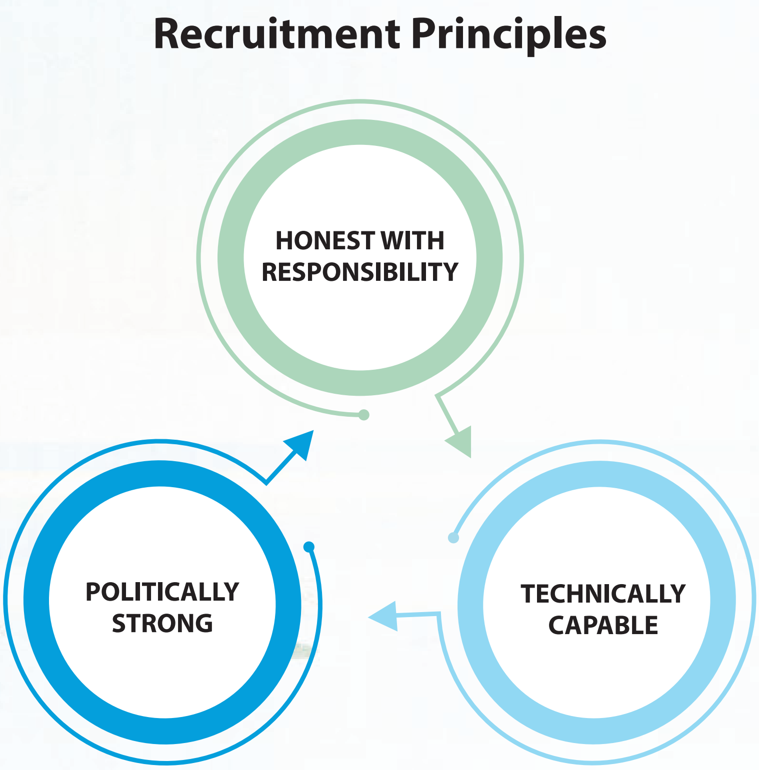
Law compliance

To amend its internal policies in a timely manner, the Group stays updated with the relevant labour laws and regulations in its operating regions. The Human Resources Department is responsible for ensuring the Group's employment practices align with applicable laws and regulations.

In FY2024, the Group complied with the following labour-related laws and regulations:

- Employment Ordinance (Cap. 57 of the Laws of Hong Kong);
- Mandatory Provident Fund Schemes Ordinance (Cap. 485 of the Laws of Hong Kong);
- Disability Discrimination Ordinance (Cap. 487 of the Laws of Hong Kong);
- Labour Law of the People's Republic of China (中華人民共和國勞動法);
- Labour Contract Law of the People's Republic of China (中華人民共和國勞動合同法); and
- Insurance Law of the People's Republic of China (中華人民共和國社會保險法).

Recruitment and promotion



In its pursuit of long-term prosperity through talent acquisition, the Group has developed and implemented internal recruitment and employee management policies. For example, the "Measures on Recruitment and Dismissal Management" (員工招聘與離職管理辦法) outlined in the "China New Town Development Company Limited Policy Compilation" (中國新城鎮發展有限公司制度彙編) is designed to oversee the recruitment process, ensuring compliance with legal standards and promoting equitable recruitment practices. These guidelines provide clear information on recruitment standards, procedures and methods to mitigate ambiguities during the recruitment process.

The Group adheres to the principle of "Prioritising Both Ability and Virtue to Pursue Meritocracy" (德才兼備、以德為先、任人唯賢) in its recruitment strategies. The standardised recruitment procedures include six distinct phases, which are planning, employment advertising, resume filtration, written and oral examination, candidate identification and notification. To attract high-calibre candidates, the Group is committed to offering competitive salary packages and benefits, taking applicants' educational backgrounds, personal attributes, job experiences and career aspirations into account.

When a department requires additional personnel, it is required to submit a "Staff Demand Application Form" (人員需求申請表) to the Human Resources Department for evaluation. Approval has to be obtained from the directors before initiating the recruitment process.

Recruitment Approach

1. **Campus Recruitment**
   Targets fresh graduates with bachelor degrees or above
2. **Social Recruitment**
   Through job posts and collaboration with head-hunting companies
3. **Internal Recommendation**
   Internal employees recommending potential external talents

To acknowledge employees' contributions and accomplishments, the Group implements promotions that align with market standards, ensuring fair treatment for all who demonstrate exemplary performance. The Group's "Staff Manual" (員工手冊) and "Measures on Staff Promotion Management" (員工晉升管理辦法) are designed to define the promotion criteria and monitor the process.

Moreover, adhering to the principle of "Virtuous and Gifted, Practical Standards, Mass Line" (德才兼備、實踐標準、群眾路線) is of utmost importance to the Group's management. The Group offers various opportunities for its employees to explore their potential and develop new skills. The Group also embraces the philosophy of "The capable ones are promoted, the mediocre ones are inferior, and the inferior are eliminated" (能者上、庸者下、劣者汰) to enhance morale and efficiency, supporting the Group's long-term development.

Compensation and dismissal

To ensure that compensation and benefits are attractive and competitive, the Group regularly evaluates its salary package based on employees' achievements and performance. Periodic appraisals are conducted to evaluate employees' contributions and adjust remuneration accordingly, in line with the "Measures on Compensation Management" (薪酬管理辦法). These guidelines specifically outline the Group's salary structure, grade difference, salary composition, fixed-float ratio and key indicators that underpin the salary system.

Beyond offering appealing compensation, the Group is dedicated to preventing any unfair or unlawful dismissals. In general, the Group will first issue a verbal warning to underperforming employees. If the employee continues to make the same mistakes without showing improvement or remorse, the Group will proceed to dismiss the individual according to the "Measures on Staff Discipline and Code of Conduct Management" (員工紀律和行為規範管理辦法) and "Measures on Recruitment and Dismissal Management" (員工招聘與離職管理辦法). The Group adheres to the stipulated procedures and regulations outlined in its internal policies to ensure that all dismissals are conducted fairly and legally. In FY2024, the Group's employee turnover rate was 4.35%.

Working hours and rest periods

The Group understands the importance of reasonable working hours and sufficient rest time in protecting employees' health and maintaining productivity, the Group has developed internal policies to monitor employees' working hours and rest periods. For instance, the Group has implemented the "Measures on Staff Attendance and Vacation Management" (員工考勤與休假管理辦法) and "Supplementary Provisions for Strengthening Employee Attendance Management" (加強員工考勤管理的補充規定) to regulate working hours and stipulate compensation for overtime work.

Meanwhile, an attendance machine has been set for employees to record their entry and exit times. If any employee fails to register their attendance, they are required to fill out the "Special Punching Situation Explanation Form" (特殊打卡情況說明表) at the front desk. The Group regularly reviews and updates these internal policies to ensure compliance with local employment laws, including the "Provisions of the State Council on Employees' Working Hours" (國務院關於職工工作時間的規定).

In addition to statutory holidays, the Group also provides its employees with additional leaves entitlements, such as maternity leave, medical leave, and bereavement leave. Since FY2022, Beijing office has extended maternity leave for female staff in accordance with updates on local regulations.

Equal opportunity and anti-discrimination

The Group embeds principles of anti-discrimination and justice in its human resources management and employment decisions to support its commitment of fostering a positive culture that promotes fairness in the workplace. Training and promotion opportunities, dismissals, and retirements are made without regard to age, sex, marital status, pregnancy, family status, disability, race, colour, descent, national or ethnic origins, nationality, religion or any other criteria unrelated to job performance.

Striving to create a diverse, respectful and inclusive working environment that enhances cohesion, the Group complies with relevant laws and regulations, and follows the "Staff Manual" (員工手冊) to eliminate workplace discrimination, harassment or vilification. Employees are encouraged to report any potential instances of discrimination or harassment to the Human Resources Department. If a case has been substantiated after thorough and fair investigations, the Group will take appropriate disciplinary actions against the perpetrators.

In addition, the Group utilises various communication channels, including emails and regular corporate meetings, to facilitate dialogue between employees and management, ensuring that employees' concerns are adequately addressed.

Other benefits and welfare

The Group understands that a comprehensive employee benefits package is key to attracting and retaining talent. Hence, it offers a diverse array of benefits, including medical subsidies, continuous education funds, supplementary insurance, special seasonal bonus and designated subsidies (e.g. for heatstroke prevention).

During the year under review, the Group organised a variety of festive and leisure activities to enhance team cohesion and alleviate employees' work-related stress. Employees were encouraged to participate in entertainment programmes and events, such as annual gatherings, festive gatherings, sports events and body-building activities. In addition, leisure equipment such as billiards tables, table tennis tables and table football machines were placed at designated areas for employees to have a time of relaxation.

Sports activities

Spring Sports Day

The Spring Sport Day was organised for employees to relax their bodies and minds, thus enhancing cohesion and unity

Festive and leisure activities

1.
Make Your Own Terrarium on the International Women's Day
Female employees experienced the fun of making their own terrarium and interacted together during the activity

2.
Enjoying Summer's Breeze with Kites
Employees listened to the history of kites and painted kites together

3.
Low-carbon Travelling with You and Me
Employees were encouraged to adopt green commuting methods to protect the environment and improve their wellness

In FY2024, the Group complied with relevant laws and regulations concerning compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, welfare and other benefits that have a significant impact on the Group.

B.2 Health and Safety

Law compliance

The Group strives to protect its employees by setting strict standards for occupational health and safety. It has also implemented internal policies and regulations on health and safety that are developed in alignment with relevant laws and regulations in the PRC and Hong Kong.

In FY2024, the Group complied with laws and regulations related to health and safety, including but not limited to:

- Occupational Safety and Health Ordinance (Chapter 509 of the Laws of Hong Kong);
- Law of the People's Republic of China on the Protection of Production Safety (《中華人民共和國安全生產法》); and
- Regulation on Work-Related Injury Insurance (《工傷保險條例》).

Management approach

The Group is dedicated to workplace health and safety, hence it has formulated a comprehensive mechanism with internal policies to control and mitigate workplace risks. The General Department is responsible for overseeing the overall occupational health and safety management. Specifically, the Group adheres to "Measures on Security and Emergency Management" (安全保衛和應急管理辦法), "Measures on Safety in Construction Management" (安全文明施工管理辦法) and "Measures on Security Management" (安全保衛工作管理辦法) in its operations. While health and safety issues have not significantly affected the Group in the past, it continues to enforce its internal guidelines based on national standards to further enhance its performance.

Meanwhile, for practical measures, the Group provides its employees with health examinations, insurance coverage, and various training sessions on fire control, food safety and occupational health and safety. In addition, regular inspections of its fire control systems and emergency exits are conducted to ensure their functionality. Internal departments are responsible for overseeing these areas and promptly addressing any identified deficiencies. To prevent hazards and maintain a safe working environment, the Group strictly prohibits smoking and alcohol consumption in the workplace and regularly sanitises the air-conditioning systems.

Table 3 Number and rate of work-related fatalities of the Group in past three financial years[1]

Year	FY2024	FY2023	FY2022
Number of work-related fatalities	0	0	0
Rate of work-related fatalities	0	0	0

1. The information about injury and fatality was obtained from the Group's Human Resources Department. The methodology adopted for reporting the number and rate of work-related fatalities set out above was based on "How to Prepare an ESG Report? — Appendix 3: Reporting Guidance on Social KPIs" issued by the Stock Exchange.

Case Study — Chinese Medical Consultations

In FY2024, the Group arranged free medical consultations by Chinese medicine practitioners. Employees were able to receive a diagnosis and treatment, such as acupuncture and message, to improve their health and well-being.

Furthermore, the Group is also concerned about employees' mental health. It believes that improving employees' mental well-being enhances work performance and seeks to address minor issues promptly through psychological guidance to prevent serious consequences. Hence, the Group is dedicated to allocating more resources to mental health initiatives to create a genuinely positive working environment that fosters improvement, personal development and efficiency. In FY2024, the Group arranged one-on-one psychological counselling sessions to better understand employees' difficulties and needs.

The Group ensured a safe working environment and protected employees from occupational hazard by adhering to relevant health and safety laws and regulations that have a significant impact on the Group. Attributed to the Group's effort, there were no lost days due to work-related injuries in the year under review.

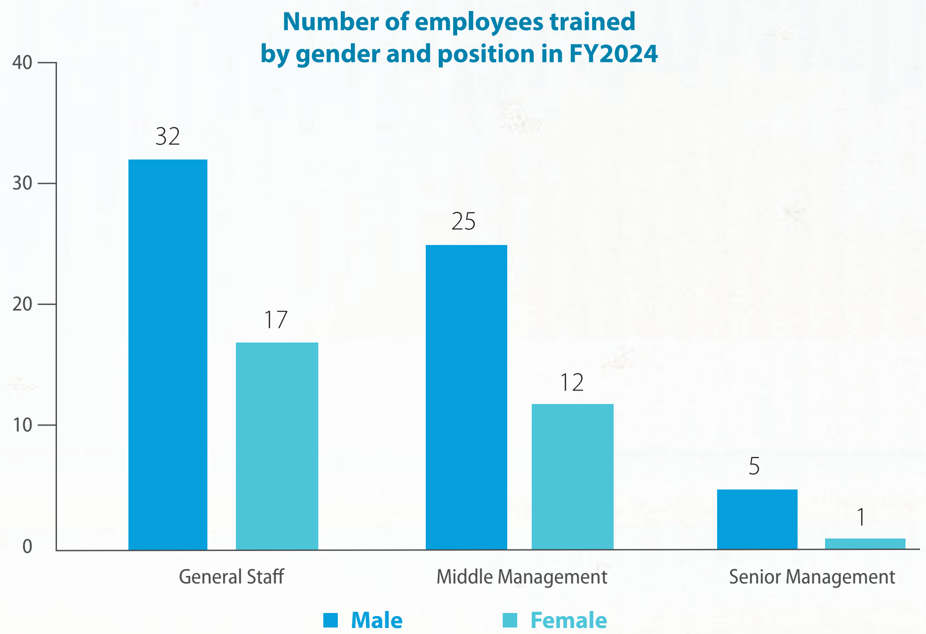
B.3 Development and Training

Committed to enhancing its employees' skills and expanding their horizons, the Group strives to provide a range of training programs through different channels and platforms. To improve management of training-related matters, the Group has established the "Staff Manual" (員工手冊) and the "Measures on Training Management" (培訓管理辦法).

The Group embraces the concept of "Learning often, Learning in daily life" (學在經常、學在日常) and "Extensive learning, Huge improvement and Strict implementation" (大學習、大提升、大落實). In FY2024, to promote an active learning environment, subsidiaries of the Group arranged a number of training sessions on various topics such as operation, health and safety, and management. Moreover, to maintain employees' competitiveness, the Group provided regular profession-oriented courses to experienced staff to advance their technical expertise and expand their horizons. In specific, training sessions on topics such as compliance management for listed companies, common legal issues in investment and financing, practical aspects of corporate mergers and acquisitions, and financial due diligence were conducted.

In addition, comprehensive orientation programs were implemented to introduce new hires to the corporate culture, organisational structure and relevant policies, ensuring they have a clear understanding of the Group's culture, principles and internal policies.

Through revising the employee training management system, conducting training needs surveys, preparing training budget plans, and enhancing departmental coordination and communication, the Group strengthened the initiative and autonomy of various departments and subsidiaries in organising employee training. This led to the establishment of a new working mechanism where "general corporate management training is led by the Human Resources Department, while vocational skills training is led by business departments or subsidiaries." (企業管理通識培訓由人力資源部主導、條線職業技能培訓由業務部門／子公司主導) This approach effectively balanced company-wide, tiered, and employee-specific training needs.



B.4 Labour Standards

As a supporter of the International Labour Organisation's (ILO) Declaration on Fundamental Principles and Rights at Work, the Group upholds human rights and freedom of association, maintaining a zero-tolerance policy towards any forced or compulsory labour, child labour, and discrimination.

In FY2024, the Group complied with applicable labour-related laws and regulations, including but not limited to:

- Employment Ordinance (Cap. 57 of the Laws of Hong Kong); and
- Labour Law of the People's Republic of China (中華人民共和國勞動法).

A series of internal regulations have been formulated to protect employees' rights, including "Measures on Recruitment and Dismissal Management" (員工招聘與離職管理辦法), the "Measures on Labour Contract Management" (勞動合同管理辦法), and other relevant internal policies. These internal regulations stringently control the recruitment procedure to ensure legitimacy. Before finalising any hiring decisions, the Human Resources Department carefully verifies applicants' identity documents to confirm their eligibility for legal employment to prevent illegal employment such as child labour, underage workers and forced labour. The Group and the Labour Union also conduct periodic background and age checks on employees.

To combat child and forced labour, the Human Resources Department is responsible for overseeing the revision of corporate policies and practices in accordance with relevant laws and regulations. If any violations of applicable labour laws, regulations or internal standards are identified, the Group will immediately terminate the associated contract and take disciplinary action against the responsible personnel of the employment.

In FY2024, the Group complied with applicable laws and regulations related to the prevention of child and forced labour that have a significant impact on the Group.

OPERATING PRACTICES

B.5 Supply Chain Management

Given the nature of the Group's business in "urbanisation investment" and "downstream product operation", suppliers play a vital role in its operations. Therefore, it is crucial for the Group to engage with high-quality suppliers with minimal ESG risks in supporting its growth and development. The Group understands the importance of supply chain management, thus it strives to formulate comprehensive policies to identify potential environmental and social risks within its value chain and respond promptly.

The Group particularly focuses on supply chain management in administrative procurement, which includes office supplies and partnerships with service providers, such as solution consultants. Through effective evaluation and management policies, the Group has successfully cultivated stable supplier relationships founded on mutual trust over the years.

In FY2024, the Group collaborated with 35 major suppliers, comprising 5 suppliers from Hong Kong and 30 from the PRC. Relevant supply chain management policies were applied to all of the Group's major suppliers. Meanwhile, the Group's subsidiaries are responsible for evaluating and monitoring suppliers' business practices following the corresponding internal policies.

Management Approach

The Group has established and implemented a series of internal policies to define criteria for supplier selection and assessment procedures that promote the engagement of "green suppliers". To monitor supplier engagement approaches and standardise evaluation standards, various measures have been implemented, such as the "Measures on Administrative Procurement Management" (行政採購管理辦法), "Measures for the Administration of Intermediaries" (中介機構管理辦法), "Measures for the Administration of External Lawyers" (外聘律師管理辦法) and "Measures for the Administration of Business Contraction Documents" (業務合同檔案管理辦法).

During the initial supplier selection process, the Group considers various factors, including the quality of goods and services, possession of a valid business license, punctuality of product delivery, adherence to corporate ethics and fulfilment of social and environmental responsibilities.

Moreover, the Group has assigned specific departments with clearly defined responsibilities to oversee the procurement process and supplier interactions to enhance supplier management. The host department manages contract files and handles procurement contracts related to business collaborations, while the Operation Management Department supervises file management activities. The Finance Department is responsible for establishing contract ledgers, and the General Department is responsible for handling contract seals and ensures proper filing of contract documents in compliance with relevant policies.

To understand the needs and challenges faced by its business partners and suppliers, the Group has established proper and effective communication channels, such as the Internet and phone calls. Furthermore, the Group recognises that suppliers' ESG performance impacts its overall sustainability strategies. As a result, the Group proactively reviews, analyses and monitors suppliers' services and products against internal criteria. During the year under review, all relevant suppliers were supervised in accordance with the Group's supply chain management policies.

Social risks management

The Group's Operation Management Department, Investment and Development Department and General Department are responsible for overseeing the implementation of social risk management policies in order to mitigate procurement risks and ensure supplier integrity. They also conduct onsite inspections and online comparisons to filter potential suppliers who meet the required criteria.

The "Measures on Administrative Procurement Management" (行政採購管理辦法) clearly regulates the procurement of administrative items. It specifies the divisions accountable for procurement, outlines standardised procedures from supplier identification to ledger management and provides details of the supervisory methods involved.

For engaging service providers, the Group adheres to standardised policies, including the "Measures for the Administration of Intermediaries" (中介機構管理辦法), "Operating Procedures for External Financial Intermediaries" (外聘財務中介操作規程), "Operating Procedures for External Consultants" (外聘諮詢顧問操作規程), "Measures for the Administration of External Lawyers" (外聘律師管理辦法) and "Measures for the Administration of the Authorisation for Signing External Legal Documents" (對外簽署法律文書授權管理辦法). Throughout the intermediary selection process, the Group employs approaches including "Invitation for Bid", "Competitive Negotiation" and other relevant approaches. Notably, the principle of "Lowest Price and Comprehensive Evaluation" (報價最低及綜合評價原則) has been integrated into its decision-making process.

Environmental risks management

In response to increasing concerns about environmental protection, the Group emphasises "Green Procurement", which prioritises suppliers that provide environmentally preferable products and services. The Group is committed to minimising environmental disruptions within its supply chain and enhancing its overall environmental performance. In particular, the Group's supply chain management has incorporated more considerations on environmental aspect. While the suppliers themselves may not pose significant environmental risks, the Group evaluates their environmental performance when making purchasing decisions. Besides, environmentally friendly products, such as energy-efficient equipment and devices, as well as products designed for improved recyclability and longer lifespans, are also prioritised during procurement.

The Group's General Department is responsible for overseeing and evaluating the implementation of the "Green Procurement" principle during the procurement process.

B.6 Product Responsibility

The Group has been investing in various projects, such as the development and operation of industrial parks, as well as science and technology parks located in new urbanisation areas. Moreover, it has extended its support for the education and healthcare sectors, with the goal of improving the quality of life of citizens within the community.

The Group strives to maintain a positive brand image by closely monitoring the quality of its products and services. In FY2024, the Group complied with the relevant rules, regulations and standards regarding health and safety, advertising, labelling and privacy matters of its products and services in the PRC and Hong Kong:

- Tort Liability Law of the People's Republic of China (中華人民共和國侵權責任法);
- Patent Law of the People's Republic of China (中華人民共和國專利法);
- Law of the People's Republic of China on the Protection of Consumer Rights and Interests (中華人民共和國消費者權益保護法); and
- Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong).

Management Approach

The Group has established and implemented a series of policies in line with the "China New Town Development Company Limited Policy Compilation" (中國新城鎮發展有限公司制度彙編), demonstrating its commitment to ensuring top-tier product and service quality. This includes the formulation of policies, such as the "Measures for the Management of Material Information" (重大信息管理辦法), "Project Due Diligence Operational Procedures" (項目盡職調查操作規程), "Measures for the Management of Business Secrets" (業務秘密管理辦法), and "Measures for the Administration of Information and Supervision" (信息和督辦工作管理辦法). These policies define the Group's responsibilities regarding products and services, thus ensuring their quality meets the required standards.

Under the accountability system, the Capital Market Department, Operation Management Department and General Department are responsible for executing the policies aforementioned, while corresponding functional units are required to support the implementation process.

Product and service assurance

Committed to fulfilling its fiduciary duty, the Group emphasises corporate stewardship and responsible investment practices. It integrates ESG factors into its preliminary analysis and investment decision-making processes. Moreover, the Group conducts thorough background research and due diligence before investing in development projects to assess the respective ESG risks associated. In general, projects that pose significant risks are avoided to minimise uncertainty.

To mitigate identified investment, project and operational risks, the Group has formulated and implemented the "Risk Management Regulations" (風險管理規定) and "Measures for the Administration of Investment Business" (投資業務管理辦法). These internal guidelines illustrate professional business practices and management strategies to ensure compliance with stringent laws and industry standards. In addition, the "Investment Business Operating Procedures" (投資業務操作規程) regulates the Group's investment process, covering aspects such as project acceptance, project approval, due diligence and project promotion, investment review and decision-making, investment execution, post-investment management, and project exit.

Complaints

The Group highly values feedback from its clients, thus it ensures that suggestions and comments are thoroughly considered through well-established response mechanisms and handling procedures. Upon receiving complaints or opinions, the head office conducts verification before taking further actions. Meanwhile, the responsible department is responsible for updating the complainant on the outcome of the resolution process, ensuring transparency and accountability.

In FY2024, the Group did not receive any complaints concerning product quality.

Privacy matters

The Group places a high value on privacy and has implemented the "Measures on Business Confidential Information Management" (業務秘密管理辦法) and "Measures on IT Management" (IT管理辦法) to standardise employee conduct. All personal data collected is strictly restricted for predetermined purposes, and all employees are prohibited from disclosing confidential information to third parties without obtaining customer consent. Furthermore, employees in relevant positions are required to sign non-disclosure agreements to ensure strict compliance with these guidelines. The General Department oversees matters related to customer privacy, while the IT Department is responsible for inspecting and upgrading the Group's system to prevent data leakage and protect against virus threats.

In FY2024, the Group complied with relevant laws and regulations related to health and safety, advertising, labelling and privacy matters of its products and services that have a significant impact on the Group. Considering the Group's business nature, aspects such as recall procedures, labelling, advertising, and intellectual property rights issues are not significant nor relevant to its operations. Therefore, this Report does not include policies and information regarding these subjects in reference to the principle of Materiality.

B.7 Anti-corruption

Law Compliance

Ensuring honesty, fairness and transparency in operations and business decisions is crucial to the Group's success. In FY2024, the Group adhered to local laws and regulations regarding anti-corruption and bribery, irrespective of the region in which the Group operated. The relevant laws and regulations include:

- Anti-Corruption Law of the People's Republic of China (中華人民共和國反腐敗法);
- Law of the People's Republic of China on Anti-money Laundering (中華人民共和國反洗錢法);
- Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615 of the Laws of Hong Kong); and
- Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong).

Management Approach

To foster an ethical workplace, the Group has developed and implemented various internal policies which establish clear operational guidelines and eliminate ambiguities related to improper behaviours. Notable examples include:

- Measures on Staff Discipline and Code of Conduct Management (員工紀律和行為規範管理辦法);
- Measures for the Administration of Points for Minor Violations (輕微違規行為積分管理辦法); and
- Outgoing Audit Management Measures (離任審計管理辦法).

Furthermore, the "China New Town Development Company Limited Anti-fraud (corruption) System" (中國新城鎮發展有限公司反舞弊(貪污)制度) applies to all subsidiaries across the Group. The system aims to strengthen the Group's internal risk control, standardise employee behaviour and safeguard shareholders' interests.

The Board plays a crucial role in encouraging management to create an anti-corruption environment, while the management is responsible for implementing anti-corruption policies and assessing their effectiveness. To strengthen anti-corruption efforts, the Group has formed an Anti-corruption Working Group, which includes the Human Resources Department, the Compliance and Legal Department, the Capital Market Department and the Finance Department. In addition, the Audit Committee is responsible for coordinating and supervising the effective implementation of anti-corruption policies within the Group under supervision of the Board.

The Group places a strong emphasis on the trustworthiness and integrity of its employees. To this end, the Group actively promotes the concept of combating bribery and corruption. The Group communicates its anti-corruption procedures and practices through various channels, including policy compilations, release of rules and regulations, and public awareness initiatives.

In FY2024, the Group strictly adhered to and implemented the comprehensive regulations on enforcing discipline within the Party. It supported, guided, and supervised the leadership team and other members in fulfilling their responsibilities for strict Party governance. The Group organised two thematic lectures on Party conduct and clean governance, along with two concentrated learning sessions for Party branch committee members on the "Regulations on Disciplinary Actions of the Communist Party of China" (中國共產黨紀律處分條例). Additionally, one learning and exchange session on the "Regulations on Disciplinary Actions for State-Owned Enterprise Managers" (國有企業管理人員處分條例) was held.

Following the Group's Party Committee's issuance in April of a notice on the overall work plan for Party discipline education, including key tasks and responsibility lists, the Group carried out three centralised learning sessions, delivered two thematic lectures on Party discipline education, organised one group viewing of an anti-corruption educational documentary, and conducted a visit to the Xiangshan Revolutionary Memorial Hall. Furthermore, the Group held one political theory and Party discipline education session for probationary Party members, as well as one session on middle-management capacity enhancement combined with Party discipline education. These activities further refined the Party spirit of all Party members and cadres, strengthened their ideological defences, and reinforced their commitment to upholding legal and disciplinary boundaries.

The Group incorporates anti-corruption measures into its risk analysis to identify areas susceptible to unethical behaviours. It particularly targets positions with integrity risks and has implemented specific preventive measures focusing on key areas, key links, and business positions that may face conflicts of interest or potential interest transfers. Attributed to the Group's ongoing efforts, there was no concluded legal case regarding corrupt practices brought against the Group or its employees in the year under review.

Furthermore, the Group has launched the "China New Town Development Company Limited Reporting System (Mechanism)" (中國新城鎮發展有限公司舉報制度(機制)) to encourage employees to report violations of the Group's norms and regulations. Whistle-blowers can report any suspected misconduct to the Anti-corruption Working Group verbally or in writing, providing detailed information and supporting evidence. The Anti-corruption Working Group registers the reported incident and investigates any suspected or illegal behaviour. The Group is dedicated to conducting confidential investigations to protect whistle-blowers from unfair dismissal or victimisation. If any criminal activity is confirmed, the Group will promptly notify the relevant regulators or law enforcement authorities as deemed necessary by the Group's management.

In FY2024, the Group complied with relevant laws and regulations in relation to bribery, extortion, fraud and money laundering that have a significant impact on the Group.

COMMUNITY

B.8 Community Investment

Over the years, the Group has committed itself to generating long-term social and environmental benefits through offering both financial and non-financial support. It actively participates in national initiatives aimed at urbanisation and poverty elimination, striving to enhance the living standards of individuals and communities. In FY2024, the Group participated in the "Together We Donate" (一起捐) campaign organised by the Wuxi government, and around RMB5,000 donations were made.

Adhering to the guiding principles of "Remain true to our original aspiration and keep our mission firmly in mind" (不忘初心，牢記使命), the Group strives to allocate more resources to fulfil its corporate social responsibility and its commitment to the community.

VIII. APPENDIX I

Goal	Criteria	Global Prioritisation	Managerial Staff	General Staff	Senior Management	Independent Non-Executive Director	Supplier/ Business Partner	Customers
Prioritisation of Stakeholder Groups in the Materiality Assessment	Vulnerability	7.40%	0.113	0.319	0.140	0.270	0.069	0.090
	Influence	5.30%	0.088	0.088	0.208	0.213	0.343	0.061
	Legitimacy	39.20%	0.053	0.361	0.124	0.308	0.074	0.080
	Willingness for engagement	27.50%	0.166	0.427	0.077	0.095	0.118	0.117
	Contribution	10.90%	0.427	0.148	0.094	0.225	0.072	0.033
	Necessity of involvement	9.70%	0.123	0.403	0.204	0.072	0.093	0.105
			13.80%	**34.20%**	**12.10%**	**21.00%**	**10.20%**	**8.70%**

Vulnerability — The likelihood of stakeholders being seriously affected (either positively or negatively) by the Group's decisions and activities.

Influence — The power of stakeholders whose activities and decisions can greatly affect or even change the Group's operations and business.

Legitimacy — The extent to which the organisation has legal obligations in the relationship with its stakeholders.

Willingness for engagement — The willingness, initiative and friendliness of the Group's stakeholders to express their concerns and participate in the events and activities leading to the Group's sustainable development.

Contribution — The level of expertise, power, information and knowledge of stakeholders that allow them to help the Group address certain risks and specific issues regarding ESG.

Necessity of involvement — The extent to which the exclusion of certain stakeholder in engagement could derail or delegitimise the process or undermine the Group's interest in its sustainable development.

IX. APPENDIX II

TABLE A — Number of Employees by Age Group, Gender, Employment Type, Position Level and Geographical Location of the Group in FY2024[1]

Unit: Number of employees

Gender	Age group Aged 30 or below	Aged between 31 and 40	Aged between 41 and 50	Aged 51 or above	Total
Male	4	25	21	12	62
Female	2	11	12	5	30
Total	6	36	33	17	92

Employment type Full time	Part time	Total
92	0	92

Position Level General employees	Middle-level management	Senior management and directors	Total
49	37	6	92

Geographical location Locations	Number of employees
PRC	87
Hong Kong	5
Total	92

1. The employment data in headcount was obtained from the Group's Human Resources Department based on the employment contracts entered into between the Group and its employees. The data covered employees engaged in a direct employment relationship with the Group according to relevant local laws and workers whose work and/or workplace was controlled by the Group. The methodology adopted for reporting on employment data set out above was based on "How to Prepare an ESG Report — Appendix 3: Reporting Guidance on Social KPIs" issued by the Stock Exchange.

TABLE B — Employee Turnover Rate by Age Group, Gender and Geographical Location in FY2024[1]

Unit: Number of employees

Gender	Age group: Aged 30 or below	Aged between 31 and 40	Aged between 41 and 50	Aged 51 or above	Total
Male	0	0	1	0	1
Employee turnover rate	0%	0%	4.76%	0%	1.61%
Female	0	2	1	0	3
Employee turnover rate	0%	18.18%	8.33%	0%	10.00%
Total	0	2	2	0	4
Total employee turnover rate	0%	5.56%	6.06%	0%	4.35%

Geographical locations

Locations	Employee turnover	Employee turnover rate (percentage)
PRC	4	4.60%
Hong Kong	0	0%

1. The turnover data in headcount was obtained from the Group's Human Resources Department based on the employment contracts entered into between the Group and its employees. Turnover rate was calculated by dividing the number of employees who resigned in FY2024 by the number of employees in FY2024. The methodology adopted for reporting on turnover data set out above was based on "How to Prepare an ESG Report — Appendix 3: Reporting Guidance on Social KPIs" issued by the Stock Exchange.

TABLE C — Number and Percentage of Training Participants of the Group by Gender and Position in FY2024[1]

Total employees trained in FY2024	92
Total employees in FY2024	92
% of total employees trained	100%

Unit: Number of employees	Position			
Gender	General employees	Middle management	Senior management and directors	Total
Male	32	25	5	62
% of employees trained	34.78%	27.17%	5.43%	67.39%
Female	17	12	1	30
% of employees trained	18.48%	13.04%	1.09%	32.61%
Total	49	37	6	
% of employees trained	53.26%	40.22%	6.52%	

1. The training information was obtained from the Group's Human Resources Department. Training refers to the vocational training that the Group's employees attended in FY2024. The methodology adopted for reporting on the number and percentage of employees trained set out above was based on "How to Prepare an ESG Report — Appendix 3: Reporting Guidance on Social KPIs" issued by the Stock Exchange.

TABLE D —Training Hours of the Group by Gender and Position in FY2024[1]

Unit: Training Hours	Position			
Gender	General staff	Middle management	Senior management and directors	Total
Male	16.00	40.00	40.00	96.00
Average training hours	0.50	1.60	8.00	1.55
Female	16.00	40.00	40.00	96.00
Average training hours	0.94	3.33	40.00	3.20
Total	32.00	80.00	80.00	192.00
Average training hours	0.65	2.16	13.33	2.09

1. The training information was obtained from the Group's Human Resources Department. The methodology adopted for reporting training hours set out above was based on "How to Prepare an ESG Report — Appendix 3: Reporting Guidance on Social KPIs" issued by the Stock Exchange.

X. REPORT DISCLOSURE INDEX

Stock Exchange ESG Guide content index

Aspects	ESG Indicators	Description	GRI Standards and Disclosures*	Section	Page
A. Environmental					
A1: Emissions	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. Note: Air emissions include NOx, SOx, and other pollutants regulated under national laws and regulations. Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride. Hazardous wastes are those defined by national regulations.	GRI 2–27, GRI 3–3 (c), GRI 305, GRI 306	Environmental Sustainability	63
	KPI A1.1	The types of emissions and respective emissions data.	GRI 305–1, 305–2, 305–3, 305–6, 305–7	Environmental Sustainability — Emissions	64
	KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	GRI 305–1, 305–2, 305–4	Environmental Sustainability — Emissions	64
	KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	GRI 306–3 (a)	Environmental Sustainability — Emissions	The Group did not generate any hazardous waste in the year under review.
	KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	GRI 306–3 (a)	Environmental Sustainability — Emissions	64
	KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	GRI 3–3 (c, d), GRI 305–5	Environmental Sustainability — Emissions	67
	KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	GRI 3–3 (c, d), GRI 306–4, 306–5	Environmental Sustainability — Emissions	67–68

Aspects	ESG Indicators	Description	GRI Standards and Disclosures*	Section	Page
A2: Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials. Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.	GRI 3–3 (c)	Environmental Sustainability	69
	KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in'000s) and intensity (e.g. per unit of production volume, per facility).	GRI 302–1, 302–3	Environmental Sustainability — Use of Resources	69
	KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	GRI 303–5	Environmental Sustainability — Use of Resources	69
	KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	GRI 3–3 (c, d), GRI 302–4, 302–5	Environmental Sustainability — Use of Resources	70
	KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	GRI 3–3 (c, d), GRI 303–1	Environmental Sustainability — Use of Resources	71–72
	KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	GRI 301–1	Environmental Sustainability — Use of Resources	69
A3: The Environment and Natural Resources	General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	GRI 3–3 (c)	Environmental Sustainability	73
	KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	GRI 3–3 (c, d), GRI 303–1, GRI 304–2, GRI 306–1, 306–2	Environmental Sustainability — The Environment and Natural Resources	73
A4: Climate Change	General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	GRI 2–12 (a, b-i), GRI 3–3 (c)	Environmental Sustainability	73–75
	KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	GRI 201–2	Environmental Sustainability — Climate Change	74–75

Aspects	ESG Indicators	Description	GRI Standards and Disclosures*	Section	Page
B. Social					
Employment and Labour Practices					
B1: Employment	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	GRI 2–27, GRI 3–3 (c)	Social Sustainability	77
	KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	GRI 2–7 (a, c), GRI 405–1 (b)	Appendix II	92
	KPI B1.2	Employee turnover rate by gender, age group and geographical region.	GRI 401–1 (b)	Appendix II	93
B2: Health and Safety	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	GRI 2–27, GRI 3–3 (c), GRI 403–1	Social Sustainability	82
	KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	GRI 403–9, 403–10	Social Sustainability — Health and Safety	82
	KPI B2.2	Lost days due to work injury.	N/A	Social Sustainability — Health and Safety	83
	KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	GRI 3–3 (c, d), GRI 403–1, 403–3, 403–5, 403–7	Social Sustainability — Health and Safety	82–83

Aspects	ESG Indicators	Description	GRI Standards and Disclosures*	Section	Page
B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Note: Training refers to vocational training. It may include internal and external courses paid by the employer.	GRI 3–3 (c), GRI 404–2 (a)	Social Sustainability	83–84
	KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	N/A	Appendix II	93–94
	KPI B3.2	The average training hours completed per employee by gender and employee category.	GRI 404–1	Appendix II	94
B4: Labour Standards	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	GRI 2–27, GRI 3–3 (c)	Social Sustainability	85
	KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	GRI 3–3 (c), GRI 408–1 (c), GRI 409–1 (b)	Social Sustainability — Labour Practices	85
	KPI B4.2	Description of steps taken to eliminate such practices when discovered.	GRI 3–3 (c, d), GRI 408–1 (c), GRI 409–1 (b)	Social Sustainability — Labour Practices	85
Operating Practices					
B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	GRI 3–3 (c)	Social Sustainability	85–86
	KPI B5.1	Number of suppliers by geographical region.	GRI 2–6 (b-ii)	Social Sustainability — Supply Chain Management	85
	KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	GRI 2–6 (b-ii), GRI 3–3 (c, d), GRI 303–1 (c), GRI 308–1, 308–2, GRI 414–1, 414–2	Social Sustainability — Supply Chain Management	85–86

Aspects	ESG Indicators	Description	GRI Standards and Disclosures*	Section	Page
	KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	GRI 2–6 (b-ii), GRI 3–3 (c, d), GRI 303–1 (c), GRI 308–1, 308–2, GRI 414–1, 414–2	Social Sustainability — Supply Chain Management	85–87
	KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	GRI 3–3 (c, d)	Social Sustainability — Supply Chain Management	87
B6: Product Responsibility	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	GRI 2–27, GRI 3–3 (c), GRI 417–2, 417–3, GRI 418–1	Social Sustainability	87
	KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	N/A	—	The Group did not experience any recall incident during the year under review.
	KPI B6.2	Number of products and service related complaints received and how they are dealt with.	GRI 2–29, GRI 3–3 (c, d), GRI 418–1	Social Sustainability — Product Responsibility	88
	KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	N/A	—	Due to its business nature, Intellectual Property Rights are considered not material to the Group.
	KPI B6.4	Description of quality assurance process and recall procedures.	N/A	Social Sustainability — Product Responsibility	88
	KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	GRI 3–3 (c)	Social Sustainability — Product Responsibility	88

Aspects	ESG Indicators	Description	GRI Standards and Disclosures*	Section	Page
B7: Anti-corruption	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	GRI 2–27, GRI 3–3 (c), GRI 205–3	Social Sustainability	89
	KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	GRI 205–3	Social Sustainability — Anti-corruption	90
	KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	GRI 2–26, GRI 3–3 (c), GRI 205	Social Sustainability — Anti-corruption	89–90
	KPI B7.3	Description of anti-corruption training provided to directors and staff.	GRI 205–2	Social Sustainability — Anti-corruption	89–90
Community					
B8: Community Investment	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	GRI 3–3 (c)	Social Sustainability	90
	KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	GRI 203–1 (a)	Social Sustainability — Community Investment	90
	KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	GRI 201–1(a-ii)	Social Sustainability — Community Investment	90

* The linkage between the GRI standards and disclosures that relate to each aspect in the Stock Exchange's ESG Reporting Guide refers to the summary table from the 'Linking the GRI Standards and HKEX ESG Reporting Guide' (updated July 2020), with amendments from the GRI Universal Standards 2021.

Report of Directors

The directors of China New Town Development Company Limited (the "Company" and the "Directors", respectively) are pleased to present the annual report of the Company (the "Annual Report") together with the audited consolidated financial statements of the Company and its subsidiaries (collectively the "Group") for the financial year ended 31 December 2024 (the "Financial Year").

PRINCIPAL ACTIVITIES

The Group is an investor and operator of new urbanization and downstream industries in the People's Republic of China (the "PRC"). Since 2014, the Group's business model has transformed from land development to developing investment and product operation in terms of new urbanization and people's livelihood improvement, while the Group participates in diversified product operation in the field of people's livelihood improvement based on the investment of fixed return and expands its investment in emerging industries to achieve a diversified revenue composition. The principal activities of its principal subsidiaries are set out in Note 3 to the financial statements on pages 147 to 153 of this Annual Report.

BUSINESS REVIEW

As regards to the detailed review of the Company's business, principal risks and uncertainties facing, important events affecting the Company that have occurred since the end of the Financial Year, the likely future development in the Company's business and analysis using financial key performance indicators, please refer to the sections headed "Chairman's Statement", "President's Statement" and "Management Discussion and Analysis" on pages 8 to 16 and pages 24 to 29 of this Annual Report, respectively.

Environmental Policies and Performance

The Group is highly aware of the importance of environment protection and has implemented environmental protection measures and also encouraged staff to be environmental friendly at work by consuming the electricity and paper according to actual needs, so as to reduce energy consumption and minimize unnecessary waste. The Company has complied with the relevant environmental laws, regulations and policies in the PRC during the Financial Year.

Details of the environmental policies and performance are set out in "ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT" on pages 49 to 100 of this Annual Report.

Compliance with the Relevant Laws and Regulations that Have a Significant Impact on the Company

During the Financial Year, the Company was not aware of any non-compliance with the relevant laws and regulations that had a significant impact on it.

Relationships with Employees, Customers, Suppliers and Others

The Group has good relationships with its employees, customers and suppliers. The Group maintains continuous dialogue with key internal and external stakeholders, including employees, shareholders, investors, banks, business partners, suppliers, clients and local community, via various channels such as meetings, seminars and site visits. Their feedback and suggestions are reviewed regularly by the Group to identify and prioritise any emerging environmental, social and governance risks, and devise future action plans to turn risks into opportunities. Ongoing professional development is important to the employees given the competitive business environment in which the Group operates. To ensure that employees continue to cultivate skills and knowledge for the fulfillment of their duties and responsibilities, the Group has provided various training programs to its staff. Information about their remuneration package is set out in the paragraph headed "EMOLUMENT POLICY" in this report.

Major Customers and Suppliers

We operate on a distinctive business model and our business mainly includes urbanization investment income and property leasing operation income.

During the Financial Year, purchases from our single largest supplier accounted for approximately 82% of our total purchases, while purchases from our five largest suppliers accounted for approximately 91% of our total purchases. Sales to our largest customer accounted for approximately 9% of our total sales and the sales to our five largest customers accounted for approximately 35% of our total sales.

The Directors were not aware of any interests of any Directors, their respective close associates (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange" and the "Listing Rules", respectively)) or any substantial shareholders (including any Director who held more than 5% of the number of issued shares (excluding treasury shares, if any)) in the five largest suppliers or customers.

PERMITTED INDEMNITY PROVISION

Insurance cover in respect of legal proceedings and other claims against the Directors arising from their offices and execution of their powers, duties and responsibilities has been arranged during the Financial Year and remained in force as of the date of this report.

Pursuant to the articles of association of the Company (the "AoA"), if a Director acted honestly and in good faith and in what he believed to be the best interests of the Company and, in the case of criminal proceedings, he had no reasonable cause to believe that his conduct was unlawful, the Directors shall be indemnified against all expenses including legal fees, and against all judgment, fines and amounts paid in settlement and reasonably incurred in connection with legal, administrative or investigative proceedings.

RESULTS AND APPROPRIATIONS

The Group's results for the Financial Year are set out in the consolidated statement of profit or loss and other comprehensive income on pages 117 and 118 of this Annual Report.

The board of Directors (the "Board") has resolved to recommend the payment of final dividend of HK$0.0039 per ordinary share for the Financial Year (2023: HK$0.0034).

RESERVES

Details of the movements in the reserves of the Group and the Company during the Financial Year are set out in Note 23 to the financial statements on page 181 of this Annual Report.

DISTRIBUTABLE RESERVES

Subject to the BVI Business Companies Act 2004, the Company may declare final dividends in any currency, but no dividend may be declared in excess of the amount recommended by the Board. The AoA provide that before recommending any dividends, the Board may set aside out of the profits of the Company such sums as it determines as reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied and pending such application may, also at such discretion, either be employed in the business of the Company or be invested in such investments as the Board may from time to time think fit and so that it shall not be necessary to keep any investments constituting the reserve or reserves separate or distinct from any other investments of the Company. The Board may also without placing the same to reserve carry forward any profits which it may think prudent not to distribute.

Having reviewed the Company's Statement of Financial Position and the Group's Consolidated Statement of Financial Position as at 31 December 2024, cash flow position and the likely business conditions of the Group, the Directors are of the opinion that the Company will continue to satisfy the solvency test in that the value of the assets of the Company exceeds its liabilities and that the Company is able to pay its debts as they fall due immediately.

SHARE CAPITAL

Details of movements in the share capital of the Company during the Financial Year are set out in Note 22 to the financial statements on page 180 of this Annual Report.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the AoA which would oblige the Company to offer new shares of the Company (the "Shares") on a pro-rata basis to the shareholders of the Company (the "Shareholders").

TAXATION IN THE BRITISH VIRGIN ISLANDS ("BVI")

The Company is a BVI business company. A BVI business company is exempt from all provisions of the Income Tax Ordinance of the BVI (including with respect to all dividends, interests, rents, royalties, compensations and other amounts payable by the company to persons who are not resident in the BVI). Capital gains realized with respect to any shares, debt obligations or other securities of the company by persons who are not resident in the BVI are also exempt from all provisions of the Income Tax Ordinance of the BVI.

No estate, inheritance, succession or gift tax is payable by persons who are not resident in the BVI with respect to any shares, debt obligations or other securities of the company, save for interest payable to or for the benefit of an individual resident in the European Union.

DONATIONS

During the Financial Year, the Group has not made any donation (2023: Nil).

BANK BORROWINGS

Details of the movements in bank borrowings of the Group during the Financial Year are set out in Note 24 to the financial statements on pages 182 and 183 of this Annual Report.

GUARANTEED BONDS

On 20 April 2023, the Company, CNTD Success Company Limited (the "Issuer"), a wholly-owned subsidiary of the Company and Wuxi Communications Industry Group Co., Ltd. ("Wuxi Communications") (the "Guarantor"), a substantial shareholder of the Company entered into the subscription agreement with the managers in connection with the issue of the CNY1.5 billion, 3.98 per cent. guaranteed bond due on 27 April 2026 in China (Shanghai) Pilot Free Trade Zone (the "Bonds") for the purpose of expansion of the Group's business.

The net proceeds, after deducting commissions and other estimated expenses payable in connection with the offering of the Bonds, will be used to fund the project construction and replenish the working capital of the Company in accordance with applicable laws and regulations. For further details, please refer to the announcement of the Company dated 20 April 2023 and Note 24 to the financial statements on pages 182 and 183 of this Annual Report.

FIXED ASSETS

Details of the movements of the Group during the Financial Year for property, plant and equipment are set out in Note 16 to the financial statements on page 174 of this Annual Report.

GROUP'S FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the past five financial years is set out on page 23 of this Annual Report.

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

During the Financial Year, the Company did not redeem any of its listed securities nor did the Company or any of its subsidiaries purchase or sell any of such listed securities (including sale of treasury shares). As at 31 December 2024, the Company did not hold any treasury shares.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained a sufficient public float as required under the Listing Rules during the Financial Year and as at the date of this Annual Report.

EQUITY-LINKED AGREEMENT

The Group has not entered into any equity-linked agreements during the Financial Year or existed as at the end of the Financial Year.

DIRECTORS

The Directors in office during the Financial Year and up to the date of this report are:

Executive Directors (the "EDs")

Hu Zhiwei *(Vice Chairman)*
Yang Meiyu *(President)*
Shi Janson Bing
Liu Fangqing (resigned on 28 October 2024)

Non-executive Directors (the "NEDs")

Liu Yanhong *(Chairman)* (appointed on 28 October 2024)
Liu Yuhai *(Chairman)* (resigned on 28 October 2024)
Li Yao Min *(Vice Chairman)* (resigned on 28 October 2024)
Wang Hongxu
Feng Xiaoliang

Independent Non-executive Directors (the "INEDs")

Henry Tan Song Kok (resigned on 28 October 2024)
Kong Siu Chee (resigned on 28 October 2024)
Zhang Hao (resigned on 28 October 2024)
Lo Wai Hung
Ji Jiaming (appointed on 28 October 2024)
Yuan Kejian (appointed on 28 October 2024)

Pursuant to Articles 86(1) and 86(2) of the AoA, Ms. Yang Meiyu and Mr. Feng Xiaoliang will retire by rotation at the forthcoming annual general meeting of the Company (the "2025 AGM") and shall be eligible for re-election at the 2025 AGM.

Pursuant to Article 85(7) of the AoA, Ms. Liu Yanhong, Mr. Ji Jiaming and Mr. Yuan Kejian will retire at the 2025 AGM and shall then be eligible for re-election at the 2025 AGM.

The nomination committee of the Board (the "NC") recommends the re-election of Ms. Yang Meiyu, Mr. Feng Xiaoliang, Ms. Liu Yanhong, Mr. Ji Jiaming and Mr. Yuan Kejian after assessing their contribution and performance. All the aforesaid retiring Directors, being eligible, have offered themselves for re-election thereat.

None of the Directors proposed for re-election at the forthcoming 2025 AGM has a service contract with the Company or any of its subsidiaries, which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

The biographical details of the Directors and senior management are set out on pages 17 to 22 of this Annual Report.

MANAGEMENT CONTRACTS

No contracts, other than employment contracts and directors' contract of service, concerning the management and administration of the whole or any substantial part of the Company's business were entered into or in existence as at end of the Financial Year and at any time during the Financial Year.

DIRECTOR'S INTEREST IN COMPETING BUSINESS

From the beginning of the Financial Year and up to the date of this report, none of the Directors is considered to have an interest in the businesses, which competed or are likely to compete, either directly or indirectly, with the businesses of the Group pursuant to the Listing Rules.

INTERESTS IN SIGNIFICANT CONTRACTS OF DIRECTORS, CHIEF EXECUTIVES AND CONTROLLING SHAREHOLDERS

Save as disclosed below and under the sections headed "Connected Transactions" and "Continuing Connected Transactions" of this report, none of the Directors, chief executives or controlling shareholders (as defined in the Listing Rules) of the Company or any of its subsidiaries or an entity connected with a Director has entered into any transaction, arrangement or significant contract (whether for the provision of services to the Group or not) in relation to the business of the Group to which the Company or its holdings company or any of its subsidiaries or fellow subsidiaries, in which they had a material interest, directly or indirectly and which subsisted at the end of, or at any time during the Financial Year.

EMOLUMENT POLICY

The Group remunerates its employees including the Directors, based on their performances, experiences and the prevailing market rate. Other employee benefits include insurance, medical cover and selective subsidized training. Emoluments of the Directors are determined after taking into consideration of their expertise and job specifications.

Pension Schemes

In Hong Kong, we operate a defined contribution retirement benefits scheme under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for all of our employees in Hong Kong. Contributions are made based on a percentage of the employees' basic salaries and are charged to our profit and loss account as they become payable. Our contributions as employer vest fully with the employees when we contribute to the scheme. We contribute 5% of the relevant monthly salary to such scheme and our employees contribute the lower of HK$1,500 or 5% of their monthly salary to such scheme as employee mandatory contributions.

In the PRC, we participate in the relevant social insurance contribution plans organised by the relevant local governmental bodies. In accordance with relevant PRC laws, members of our Group operating in the PRC are required to pay a monthly social insurance premium covering pension insurance, medical insurance, unemployment insurance, occupational injury insurance and maternity (where applicable) for their relevant employees. We are also required by the relevant PRC regulations to register with a competent housing provident fund management centre and make contributions to the respective housing provident funds for our employees.

There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

Details of the employer's pension cost for the Financial Year are set out in Note 29 of the audited consolidated financial statements on pages 185 to 188 of this Annual Report.

CORPORATE GOVERNANCE

The Corporate Governance Report for the Financial Year is set out on pages 30 to 48 of this Annual Report.

RELATED PARTY TRANSACTIONS

The related party transactions set out in Note 30 to the financial statements did not constitute one-off connected transactions or continuing connected transactions, which are required to comply with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

On 15 December 2023, Beijing Xincheng Kaiyuan Asset Management Company Limited ("Xincheng Kaiyuan") and Shanghai Jiatong Enterprises Co., Ltd ("Shanghai Jiatong"), both are wholly-owned subsidiaries of the Company, entered into the limited partnership agreement in relation to the formation of partnership with Wuxi Guosheng Asset Management Company Limited ("Wuxi Guosheng"), a wholly-owned subsidiary of Wuxi Tonghui Capital Company Limited ("Wuxi Tonghui") and Wuxi Tonghui, a wholly-owned subsidiary of Wuxi Communications, to jointly set up Wuxi Xinsheng Investment Partnership (Limited Partnership) ("Wuxi Xinsheng" or the "Partnership") (the "Limited Partnership Agreement").

In connection with the Limited Partnership Agreement, on 15 December 2023, (1) the partners entered into the rights and obligations arrangement agreement, pursuant to which Wuxi Tonghui agreed to make up the shortfall for Xincheng Kaiyuan and Shanghai Jiatong, respectively, and to acquire the respective interests held by Xincheng Kaiyuan and Shanghai Jiatong in Wuxi Xinsheng (the "Rights and Obligations Arrangement Agreement"); and (2) Wuxi Communications entered into the guarantee agreement with each of Xincheng Kaiyuan and Shanghai Jiatong, respectively, pursuant to which Wuxi Communications agreed to provide a general guarantee to Xincheng Kaiyuan and Shanghai Jiatong (as the case may be) on the performance of the shortfall makeup and acquisition obligations of Wuxi Tonghui under the rights and obligations arrangement agreement (the "Guarantee Agreements"). Guarantee period is three years commencing from the expiry date of the performance of the shortfall makeup and acquisition obligations under the Rights and Obligations Arrangement Agreement.

The term of the Partnership is five years commencing from the date of business licence, while the investment period of the senior-tranche limited partners of the Partnership is three years, commencing from the earlier of the actual capital contribution date of Xincheng Kaiyuan or Shanghai Jiatong to the Partnership in accordance with the Rights and Obligations Arrangement Agreement. The total capital to be contributed by all partners to the Partnership pursuant to the Limited Partnership Agreement shall be RMB901 million. Wuxi Guosheng, as the general partner, has committed to contribute RMB1 million. Xincheng Kaiyuan and Shanghai Jiatong, as the senior-tranche limited partners, have committed to contribute RMB250 million and RMB200 million, respectively. Wuxi Tonghui, as the junior-tranche limited partner, has committed to contribute RMB450 million. The Partnership shall distribute its profit to the partners based on its surplus.

Wuxi Communications is a substantial shareholder of the Company, indirectly holding approximately 29.99% of the entire issued share capital of the Company and Wuxi Guosheng and Wuxi Tonghui are wholly-owned subsidiaries of Wuxi Communications. Therefore, Wuxi Communications and its associates (including Wuxi Guosheng and Wuxi Tonghui) are connected persons of the Company under the Listing Rules.

Accordingly, the transactions contemplated under the Limited Partnership Agreement, the Rights and Obligations Arrangement Agreement and the Guarantee Agreements constitute a major and connected transaction of the Company under the Listing Rules and is subject to reporting, announcement, circular (including independent financial advice) and independent shareholders' approval requirements under the Listing Rules.

An extraordinary general meeting of the Company was held on 22 March 2024 to approve, confirm and ratify the Limited Partnership Agreement, the Rights and Obligations Arrangement Agreement and the Guarantee Agreements by the independent shareholders of the Company. For details, please refer to (i) the announcements of the Company dated 15 December 2023, 8 January 2024, 28 February 2024 and 22 March 2024; and (ii) the circular of the Company dated 6 March 2024.

Save as disclosed above, there were no connected transaction and continuing connected transaction between the Group and its connected persons (as defined under the Listing Rules) which are subject to the reporting, announcement and the independent shareholders' approval requirement under the Listing Rules for the Financial Year.

FINANCIAL ASSISTANCE AND GUARANTEE TO AFFILIATED COMPANIES

Pursuant to Rule 13.22 of the Listing Rules, a pro forma combined balance sheet of affiliated companies with financial assistance from the Group and the Group's attributable interest in those affiliated companies as at 31 December 2024 are as follow:

	Pro forma combined balance sheet	**Group's attributable interest**
	RMB'000	RMB'000
Non-current assets	1,000,941	404,944
Current assets	1,182,688	508,539
Current liabilities	(1,323,182)	(477,935)
Non-current liabilities	(448,581)	(224,291)
	411,866	221,257

The pro forma combined balance sheet of the affiliated companies is prepared by combining their balance sheet, after making adjustments to conform with the Group's significant accounting policies and re-grouping into significant classification in the balance sheet as at 31 December 2024.

DIRECTORS' RIGHTS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of nor at any time during the Financial Year was the Company, its holding companies, or any of its subsidiaries or fellow subsidiaries, a party to any arrangement whose objects are, or one of whose object is, to enable the Directors to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

SECURITIES INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE

As at 31 December 2024, none of the Directors or the chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have been taken under such provisions of the SFO); or (b) pursuant to section 352 of the SFO to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the "Model Code").

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SECURITIES

As at 31 December 2024, to the best of the Directors' knowledge, the following persons who (other than a Director and the chief executive of the Company) or organisations which had or were deemed or taken to have an interest and/or a short position in the Shares or the underlying Shares, which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO or were required to be entered in the register kept by the Company pursuant to section 336 of the SFO:

Long Position in the Shares

		Number of Shares held				Approximate percentage of the
Name of substantial shareholders	**Capacity**	**Direct interest**	**Corporate interest**	**Other interests**	**Total**	**issued Shares**
Xitong International Holdings (HK) Limited ("Xitong International")[1]	Beneficial owner	2,917,000,000	—	—	2,917,000,000	29.99%
Wuxi Communications[1]	Interests of a controlled corporation	—	2,917,000,000	—	2,917,000,000	29.99%
China Development Bank International Holdings Limited ("CDBIH")[2]	Beneficial owner	2,430,921,071	—	—	2,430,921,071	24.99%
China Development Bank Capital Corporation Limited ("CDBC" or "CDB Capital")[2]	Interests of a controlled corporation	—	2,430,921,071	—	2,430,921,071	24.99%
China Development Bank ("CDB")[2]	Interests of a controlled corporation	—	2,430,921,071	—	2,430,921,071	24.99%
SRE Investment Holding Limited ("SREI")	Beneficial owner	1,468,356,862	—	—	1,468,356,862	15.10%
Shi Jian ("Mr. Shi")[3]	Beneficial owner and interests of a controlled corporation	6,104,938	1,468,356,862	—	1,474,461,800	15.16%
Jia Yun Investment Limited ("Jia Yun")[4]	Person having a security interest in shares	—	—	1,027,849,803	1,027,849,803	10.57%
Jiabo Investment Limited ("Jiabo")[4]	Interests of a controlled corporation	—	1,027,849,803	—	1,027,849,803	10.57%
Jiashun (Holding) Investment Limited ("Jiashun")[4]	Interest of controlled corporations	—	1,027,849,803	—	1,027,849,803	10.57%
Jiasheng (Holding) Investment Limited ("Jiasheng")[4]	Interest of controlled corporations	—	1,027,849,803	—	1,027,849,803	10.57%
Jiaxin Investment (Shanghai) Co., Ltd. ("Jiaxin")[4]	Interest of controlled corporations	—	1,027,849,803	—	1,027,849,803	10.57%
China Minsheng Jiaye Investment Co., Ltd. ("China Minsheng Jiaye")[4]	Interest of controlled corporations	—	1,027,849,803	—	1,027,849,803	10.57%
China Minsheng Investment Corp., Ltd. ("China Minsheng")[4]	Interest of controlled corporations	—	1,027,849,803	—	1,027,849,803	10.57%

Notes:

(1) Xitong International is a wholly-owned subsidiary of Wuxi Communications. Wuxi Communications is, therefore, deemed under Part XV of the SFO to be interested in the 2,917,000,000 Shares held by Xitong International.

(2) CDBIH is a wholly-owned subsidiary of CDB Capital and CDB Capital, in turn, is wholly owned by CDB. Both CDB and CDB Capital are, therefore, deemed under Part XV of the SFO to be interested in the 2,430,921,071 Shares held by CDBIH.

(3) Pursuant to Part XV of the SFO, Mr. Shi is deemed interested in a total of 1,474,461,800 Shares for the following reasons: (i) Mr. Shi holds 6,104,938 Shares directly; and (ii) Mr. Shi is deemed interested in 1,468,356,862 Shares held by SREI by virtue of the fact that he and his wife, Ms. Si Xiao Dong together beneficially own 81% of the issued share capital of SREI as a controlling shareholder. On 4 March 2022, the Company has confirmed with Mr. Shi that all 6,104,938 Shares held directly by him have been sold.

(4) Jia Yun acquired the security interests of 1,027,849,803 Shares from SREI on 28 December 2017. Jia Yun is a wholly-owned subsidiary of Jiabo, which in turn, is a wholly-owned subsidiary of Jiashun. Jiashun is a wholly-owned subsidiary of Jiasheng and Jiasheng is in turn a wholly-owned subsidiary of Jiaxin. Jiaxin is a wholly-owned subsidiary of China Minsheng Jiaye, which in turn, 62.60% owned by China Minsheng. All of Jiabo, Jiashun, Jiasheng, Jiaxin, China Minsheng Jiaye and China Minsheng are, therefore, deemed under Part XV of the SFO to be interested in the 1,027,849,803 Shares of security interest held by Jia Yun. Base on the public information available to the Company, the shareholding interest of China Minsheng in China Minsheng Jiaye has been changed to 67.26%.

Save as disclosed above, the Directors are not aware of any other person who (other than a Director or the chief executive of the Company) or organisation which, as at 31 December 2024, had an interest and/or short position in the Shares or underlying Shares, which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or were required to be entered in the register kept by the Company pursuant to section 336 of the SFO.

REMUNERATION OF DIRECTORS AND FIVE INDIVIDUALS WITH HIGHEST EMOLUMENTS

Details of the emoluments of the Directors and the five individuals with the highest emoluments for the Financial Year are set out in Note 29 to the financial statements, respectively.

CHANGE IN INFORMATION OF DIRECTORS

The changes in Directors' information as required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the date of 2024 interim report of the Company required to be disclosed in this Annual Report are set out below:

With effect from the conclusion of the Board meeting held on 28 October 2024:

(a) Mr. Liu Yuhai has resigned as a NED and ceased to be the chairman of the Board (the "Chairman");

(b) Mr. Li Yao Min has resigned as a NED and ceased to be a vice chairman of the Board (the "Vice Chairman");

(c) Mr. Liu Fangqing has resigned as an ED;

(d) Mr. Henry Tan Song Kok has resigned as an INED and ceased to be the Lead INED and the chairman of the audit committee (the "AC") and a member of each of the nomination committee (the "NC") and the remuneration committee (the "RC") of the Board;

(e) Mr. Kong Siu Chee has resigned as an INED and ceased to be the chairman of the RC and a member of the NC;

(f) Mr. Zhang Hao has resigned as an INED and ceased to be a member of the AC;

(g) Ms. Liu Yanhong has been appointed as a NED and the Chairman;

(h) Mr. Lo Wai Hung has been appointed as the Lead INED and the chairman of the AC and ceased to be the chairman of the NC and remains as a member of the NC. Following the appointment of Mr. Lo as the Lead INED and the chairman of the AC, his director's fee will be adjusted from HK$350,000 to HK$400,000 per annum;

(i) Mr. Ji Jiaming has been appointed as an INED and the chairman of the NC and a member of each of the AC and the RC;

(j) Mr. Yuan Kejian has been appointed as an INED and the chairman of the RC and a member of each of the AC and the NC;

(k) Mr. Hu Zhiwei has been appointed as the Vice Chairman and ceased to be the president of the Company (the "President"); and

(l) Ms. Yang Meiyu has been appointed as the President and ceased to be the chief executive officer of the Company.

Mr. Lo Wai Hung has been appointed as a member of each of the audit committee and the sustainability committee of SY Holdings Group Limited (stock code: 6069), a company listed on the Stock Exchange, with effect from 29 November 2024.

AUDIT COMMITTEE

The AC comprises the following members:

Mr. Henry Tan Song Kok	*(Lead INED and Chairman of the AC)* (ceased on 28 October 2024)
Mr. Zhang Hao	*(INED)* (ceased on 28 October 2024)
Mr. Lo Wai Hung	*(Lead INED and Chairman of the AC)* (appointed as Chairman of the AC on 28 October 2024)
Mr. Ji Jiaming	*(INED)* (appointed on 28 October 2024)
Mr. Yuan Kejian	*(INED)* (appointed on 28 October 2024)

The functions performed by the AC (including the review of the audited consolidated financial statements of the Group for the Financial Year) are detailed in the Corporate Governance Report.

INDEPENDENT AUDITOR

There were no changes of independent auditor in the past three years.

The consolidated financial statements of the Group for the Financial Year have been audited by Ernst & Young who will retire as the Independent Auditor upon the expiration of their current term of office at the forthcoming 2025 AGM and, will not offer themselves for re-appointment at the forthcoming 2025 AGM.

For and on behalf of the Board

Liu Yanhong
Non-executive Director and Chairman

Yang Meiyu
Executive Director and President

21 March 2025

Independent Auditor's Report

To the shareholders of China New Town Development Company Limited

(Incorporated in the British Virgin Islands with limited liability)

OPINION

We have audited the consolidated financial statements of China New Town Development Company Limited (the "Company") and its subsidiaries (the "Group") set out on pages 117 to 208, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing ("ISAs") as issued by the International Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the Hong Kong Institute of Certified Public Accountants' *Code of Ethics for Professional Accountants* (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

To the shareholders of China New Town Development Company Limited
(Incorporated in the British Virgin Islands with limited liability)

KEY AUDIT MATTERS (continued)

Key audit matter	How our audit addressed the key audit matter
Allowance for debt instruments at amortised cost IFRS 9 requires that the measurement of impairment of financial assets should be based on the "expected credit losses ("ECLs") model". To assess the impairment of debt instruments at amortised cost under IFRS 9, significant judgements and estimates were made by management in aspects such as assessing whether there had been a significant increase in credit risk since initial recognition, estimating the parameters, including estimation of future cash flows, and assumptions for measuring ECLs and determining the forward-looking adjustments. As at 31 December 2024, the gross carrying amount of debt instruments at amortised cost of the Group amounted to RMB3,729 million. The allowance for debt instruments at amortised cost amounted to RMB413 million. Since the impairment assessment of financial assets involved significant judgements and estimates and in view of the significance of the amount, allowance for debt instruments at amortised cost was considered a key audit matter. Relevant disclosures were included in notes 2.3, 2.4, 13 and 33 to the consolidated financial statements.	We obtained an understanding of the process of management's assessment of ECLs. We performed credit review for the debt instruments at amortised cost to assess the appropriateness of management's evaluation on the debt instruments' credit ratings. We assessed the models and key parameters used in the collective impairment assessment, including the significant increase in credit risk, probability of default, loss given default, risk exposure, and forward-looking adjustments. We assessed the models and the related assumptions used in individual impairment assessment, including the amount, timing and likelihood of management's estimation on future cash flows. We assessed the appropriateness of the disclosures in the consolidated financial statements relating to the ECLs of debt instruments at amortised cost.

To the shareholders of China New Town Development Company Limited
(Incorporated in the British Virgin Islands with limited liability)

KEY AUDIT MATTERS (continued)

Key audit matter	How our audit addressed the key audit matter
Valuation of investment property	
The Group's investment property, which was located in Mainland China, was an urban complex with office premises, retail and car park spaces. The investment property was measured at fair value based on the income approach at 31 December 2024, which required significant judgements and estimates that were mainly based on market conditions existing at the valuation date, including the discount rate, market rent price, vacancy rate and cash flow projections. As at 31 December 2024, the carrying amount of the investment property amounted to RMB1,466 million and the fair value loss recognised in the current year's loss amounted to RMB19,631 thousand. Since the determination of the fair value involved significant judgements and estimations and in view of the significance of the amount, the valuation of the investment property was considered a key audit matter. Relevant disclosures were included in notes 2.3, 2.4, 15 and 35 to the consolidated financial statements.	We obtained an understanding of the process of management's assessment of the valuation of the investment property. We assessed the independence, objectivity and expertise of the external valuer engaged by the Group. We assessed the model and key parameters used by the external valuer in the assessment of the valuation of investment property, in terms of the valuation methodology, market rent price, vacancy rate and discount rate. We also assessed the appropriateness of the related disclosures in the consolidated financial statements.

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

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

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

To the shareholders of China New Town Development Company Limited
(Incorporated in the British Virgin Islands with limited liability)

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

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

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

To the shareholders of China New Town Development Company Limited
(Incorporated in the British Virgin Islands with limited liability)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Cheung Bing Yin Benny (practising certificate number: P06447).

Ernst & Young
Certified Public Accountants
Hong Kong
21 March 2025

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the financial year ended 31 December 2024
(All amounts expressed in RMB'000 unless otherwise specified)

	Notes	2024	2023
Operating income		**412,194**	427,389
Revenue	5	**337,369**	337,482
Other income	6	**74,825**	89,907
Operating expenses		**(311,780)**	(213,955)
Cost of sales	7	**(56,249)**	(38,441)
Selling and administrative expenses	7	**(112,713)**	(113,393)
Finance costs	8	**(94,401)**	(91,192)
Other expenses	9	**(49,570)**	(15,483)
Reversal of impairment losses on financial assets		**1,153**	44,554
Operating profit		**100,414**	213,434
Share of losses of joint ventures and associates	4	**(31,772)**	(12,351)
Profit before tax		**68,642**	201,083
Income tax	10	**(12,768)**	(49,827)
Profit for the year		**55,874**	151,256
Other comprehensive income			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:			
Share of other comprehensive income of associates		**2,582**	2,518
Other comprehensive income for the year, net of tax		**2,582**	2,518
Total comprehensive income for the year, net of tax		**58,456**	153,774

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the financial year ended 31 December 2024
(All amounts expressed in RMB'000 unless otherwise specified)

	Notes	2024	2023
Profit attributable to:			
Equity holders of the parent		**44,317**	140,858
Non-controlling interests		**11,557**	10,398
		55,874	151,256
Total comprehensive income attributable to:			
Equity holders of the parent		**46,899**	143,376
Non-controlling interests		**11,557**	10,398
		58,456	153,774
Earnings per share (RMB per share) attributable to ordinary equity holders of the parent:			
Basic and diluted, profit for the year	12	**0.0046**	0.0145

The accompanying accounting policies and explanatory notes are an integral part of the consolidated financial statements.

Consolidated Statement of Financial Position

As at 31 December 2024
(All amounts expressed in RMB'000 unless otherwise specified)

	Notes	2024	2023
Assets			
Non-current assets			
Investments in joint ventures	4(a)	**197,830**	225,599
Investments in associates	4(b)	**226,070**	172,921
Debt instruments at amortised cost	13	**1,436,490**	942,974
Financial assets at fair value through profit or loss	14	**119,947**	216,545
Investment property	15	**1,465,700**	1,485,700
Property, plant and equipment	16	**7,736**	8,439
Right-of-use assets	17(a)	**18,370**	29,387
Other assets		**1,479**	1,341
Total non-current assets		**3,473,622**	3,082,906
Current assets			
Land development for sale	18	**781,066**	780,537
Prepayments		**2,581**	2,271
Other receivables	19	**610,644**	640,837
Trade receivables	20	**45,629**	42,913
Debt instruments at amortised cost	13	**1,879,280**	1,849,131
Other assets		**6,369**	7,234
Financial assets at fair value through profit or loss	14	**51,097**	19,176
Cash and bank balances	21	**1,045,466**	1,454,360
Total current assets		**4,422,132**	4,796,459
Total assets		**7,895,754**	7,879,365
Equity and liabilities			
Equity			
Attributable to:			
Equity holders of the parent:			
Share capital	22	**4,070,201**	4,070,201
Accumulated losses		**(484,202)**	(498,349)
Foreign currency translation reserve		**12,386**	9,804
Other reserves	23	**607,839**	607,839
		4,206,224	4,189,495
Non-controlling interests		**492,186**	480,629
Total equity		**4,698,410**	4,670,124

Consolidated Statement of Financial Position

As at 31 December 2024

(All amounts expressed in RMB'000 unless otherwise specified)

	Notes	2024	2023
Liabilities			
Non-current liabilities			
Interest-bearing loans and borrowings	24	**2,192,759**	2,019,354
Other liabilities		**5,900**	6,054
Deferred tax liabilities	10	**147,149**	145,257
Total non-current liabilities		**2,345,808**	2,170,665
Current liabilities			
Interest-bearing loans and borrowings	24	**108,088**	299,295
Trade payables	25	**86,762**	110,450
Other payables and accruals	26	**262,153**	166,869
Advance from customers	27	**30,267**	38,786
Current income tax liabilities		**23,215**	40,687
Contract liabilities	28	**341,051**	382,489
Total current liabilities		**851,536**	1,038,576
Total liabilities		**3,197,344**	3,209,241
Total equity and liabilities		**7,895,754**	7,879,365
Net current assets		**3,570,596**	3,757,883
Total assets less current liabilities		**7,044,218**	6,840,789

The accompanying accounting policies and explanatory notes are an integral part of the consolidated financial statements.

Liu Yanhong
Chairman

Yang Meiyu
President and Executive Director

Consolidated Statement of Changes in Equity

For the financial year ended 31 December 2024
(All amounts expressed in RMB'000 unless otherwise specified)

	Attributable to equity holders of the parent						
	Share capital	Other reserves	Foreign currency translation reserve	Accumulated losses	Total	Non-controlling interests	Total equity
As at 1 January 2023	4,070,201	607,839	7,286	(619,620)	4,065,706	470,231	4,535,937
Profit for the year	—	—	—	140,858	140,858	10,398	151,256
Other comprehensive income	—	—	2,518	—	2,518	—	2,518
Total comprehensive income	—	—	2,518	140,858	143,376	10,398	153,774
Interim 2023 dividend	—	—	—	(19,587)	(19,587)	—	(19,587)
As at 31 December 2023	4,070,201	607,839	9,804	(498,349)	4,189,495	480,629	4,670,124
Profit for the year	—	—	—	44,317	44,317	11,557	55,874
Other comprehensive income	—	—	2,582	—	2,582	—	2,582
Total comprehensive income	—	—	2,582	44,317	46,899	11,557	58,456
Dividends	—	—	—	(30,170)	(30,170)	—	(30,170)
As at 31 December 2024	**4,070,201**	**607,839**	**12,386**	**(484,202)**	**4,206,224**	**492,186**	**4,698,410**

The accompanying accounting policies and explanatory notes are an integral part of the consolidated financial statements.

Consolidated Statement of Cash Flows

For the financial year ended 31 December 2024
(All amounts expressed in RMB'000 unless otherwise specified)

	Notes	2024	2023
Cash flows from operating activities			
Profit before tax		**68,642**	201,083
Adjustments for:			
Reversal of impairment losses on financial assets		**(1,153)**	(44,554)
Depreciation of property, plant and equipment	7	**1,173**	1,175
Depreciation of right-of-use assets	7	**11,629**	11,866
Amortisation of intangible assets		**156**	1,270
Net fair value loss/(gain) on an investment property	6/9	**19,631**	(1,456)
Net loss/(gain) on financial instruments at fair value through profit or loss	6/9	**2,837**	(44,439)
Share of losses of joint ventures and associates	4	**31,772**	12,351
Interest from debt instruments at amortised cost and dividend income from other investment	5(b)/5(c)	**(184,996)**	(179,361)
Interest income from bank deposits	6	**(27,074)**	(27,650)
Interest expense on lease liabilities	8	**648**	786
Interest expense on loans and borrowings	8	**93,753**	90,406
Foreign exchange (gain)/loss	6/9	**(823)**	12,209
(Gain)/loss on disposal of property, plant and equipment	6/9	**(11)**	19
		16,184	33,705
Increase in land development for sale		**(529)**	(823)
Increase in prepayments		**(310)**	(552)
Decrease/(increase) in other receivables and other assets		**22,439**	(28,467)
Decrease in trade receivables		**12,219**	2,672
(Decrease)/increase in advances from customers		**(8,519)**	18,938
Decrease in contract liabilities		**(41,438)**	(13,826)
Increase in trade and other payables		**58,186**	71
		58,232	11,718
Income tax paid		**(28,348)**	(31,758)
Net cash inflow/(outflow) from operating activities		**29,884**	(20,040)

Consolidated Statement of Cash Flows

For the financial year ended 31 December 2024

(All amounts expressed in RMB'000 unless otherwise specified)

	Notes	**2024**	2023
Cash flows from investing activities			
Purchases of property, plant and equipment		**(483)**	(458)
Proceeds from disposal of property, plant and equipment		**24**	—
Investments in joint ventures and associates		**(34,570)**	(4,318)
Capital expenditure on an investment property		**(1,669)**	(5,225)
Investments in debt instruments at amortised cost		**(2,546,409)**	(2,601,000)
Proceeds from recovery of debt instruments at amortised cost		**2,026,070**	1,506,600
Interest received from debt instruments at amortised cost and other investment		**171,535**	168,294
Investments in financial assets at fair value through profit or loss		**—**	(49,132)
Proceeds from redemption of financial assets at fair value through profit or loss		**59,062**	895,625
Interest received from bank deposits		**27,074**	27,650
Investment income from financial assets at fair value through profit or loss		**2,778**	20,306
Payments for intangible assets		**(166)**	(30)
Investment losses from derivatives		**—**	(29,894)
Net cash outflow from investing activities		**(296,754)**	(71,582)
Cash flows from financing activities			
Proceeds from loans and borrowings	36	**643,004**	1,511,690
Repayment of loans and borrowings	36	**(656,587)**	(394,502)
Payment of lease liabilities	17(b)/36	**(12,317)**	(12,482)
Dividends paid		**(30,059)**	(19,483)
Interest paid	36	**(86,915)**	(43,590)
Net cash (outflow)/inflow from financing activities		**(142,874)**	1,041,633
Net (decrease)/increase in cash and cash equivalents		**(409,744)**	950,011
Effect of exchange rate changes on cash and cash equivalents		**850**	97
Cash and cash equivalents at beginning of year		**1,454,360**	504,252
Cash and cash equivalents at end of year	21	**1,045,466**	1,454,360

The accompanying accounting policies and explanatory notes are an integral part of the consolidated financial statements.

1. CORPORATE AND GROUP INFORMATION

China New Town Development Company Limited (the "Company") was incorporated on 4 January 2006 in the British Virgin Islands (the "BVI"). After a series of reorganisations, on 14 November 2007, the Company was listed on the Main Board of the Singapore Exchange Securities Trading Limited (the "SGX-ST"). On 22 October 2010, the Company was listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "HKEx") by way of introduction. As a result, the Company was once dual-listed on the Main Boards of both the SGX-ST and the HKEx. The Company was voluntarily delisted from the SGX-ST on 17 February 2017.

The Company together with its subsidiaries (the "Group") is a new town developer in Mainland China and has been engaged in the investment and operation of new type of urbanization and primary land development in the People's Republic of China ("PRC") since 2002. Since 2014, the Company's business models have been further optimized. With the business strategy of "investment + downstream operation", on top of fixed income investment in urbanization projects, the Group introduced brands of urbanization to the region in the field of people's livelihood improvement at the same time, such as education, tourism and healthcare.

The Company was a then subsidiary of SRE Group Limited ("SRE"), a company listed on the HKEx since September 2009. During 2012, SRE disposed of its entire holding of shares in the Company to SRE's own shareholders via a special dividend in the form of a distribution in species. Upon completion of that distribution, in October 2012, SRE no longer held any shares in the Company and ceased to be the parent of the Company. As a result of that distribution, SRE Investment Holding Limited ("SREI"), the parent of SRE, became the largest shareholder of the Company.

On 10 October 2013, the Company, China Development Bank International Holdings Limited ("CDBIH") and SREI entered into a share subscription agreement (the "Subscription Agreement"), pursuant to which CDBIH had agreed to subscribe for 5,347,921,071 new shares of the Company subject to the terms and conditions contained therein (the "Subscription"). The Subscription was completed in the first quarter of 2014. As a result, CDBIH, a wholly-owned subsidiary of China Development Bank Capital Corporation Limited ("CDB Capital"), became the largest and controlling shareholder of the Company. As an appendix of the Subscription Agreement, there was a disposal master agreement (the "Disposal Master Agreement") between the Company and SREI to dispose of the specified assets and liabilities not relating to the Group's principal business of the planning and development of new town projects in Mainland China (the "Disposal Assets"). Execution of the Disposal Assets was completed in 2016.

On 11 June 2021, CDBIH signed a share transfer agreement in respect of approximately 29.99% of the shares of the Company (the "Share Transfer Agreement") with Wuxi Communications Industry Group Co., Ltd. ("Wuxi Communications") and Xitong International Holdings (HK) Limited ("Xitong International"), a wholly-owned subsidiary of Wuxi Communications, pursuant to which CDBIH has agreed to transfer 2,917,000,000 shares of the Company held by it (the "Transfer Shares") to Xitong International, which represented approximately 29.99% of the number of the issued shares of the Company (the "Share Transfer"). Upon the completion of the Share Transfer on 28 September 2021, Xitong International holds 2,917,000,000 shares (29.99%) of the Company as the largest shareholder; and CDBIH holds 2,430,921,071 shares (24.99%) of the Company as the second largest shareholder.

Subsidiaries

The principal activities of the subsidiaries are disclosed in note 3 below.

2.1 BASIS OF PREPARATION

These consolidated financial statements of the Group have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (the "IASB") and the disclosure requirements of the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on a historical cost basis, except for investment property and financial assets at fair value through profit or loss which have been measured at fair value. The consolidated financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand ('000) except when otherwise indicated.

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

(a) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2024. A subsidiary is an entity, directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

(a) Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)

(b) Exposure, or rights, to variable returns from its involvement with the investee

(c) The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) The contractual arrangement(s) with the other vote holders of the investee

(b) Rights arising from other contractual arrangements

(c) The Group's voting rights and potential voting rights

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies.

2.1 BASIS OF PREPARATION (continued)

(a) Basis of consolidation (continued)

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the parent/Company and to the non-controlling interests, even if it results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interests and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

(b) Operating cycle

The operating cycle of the Group is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Due to the nature of the Group's business, the Group's normal operating cycle is longer than twelve months. The Group's current assets include assets (such as land development for sale) that are sold, consumed or realised as part of the normal operating cycle even when they are not expected to be realised within twelve months after the end of the reporting period, in accordance with IFRS Accounting Standards.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

New and amended standards and interpretations

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2024 (unless otherwise stated). The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to IFRS 16 — Lease Liability in a Sale and Leaseback

The amendments to IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of IFRS 16, the amendments had no impact on the Group's consolidated financial statements.

Amendments to IAS 1 — Classification of Liabilities as Current or Non-current

The amendments to IAS 1 specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

New and amended standards and interpretations (continued)

Amendments to IAS 1 — Classification of Liabilities as Current or Non-current (continued)

In addition, an entity is required to disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments had no impact on the Group's consolidated financial statements.

Supplier Finance Arrangements — Amendments to IAS 7 and IFRS 7

The amendments to IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures* clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements.

The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments had no impact on the Group's consolidated financial statements.

2.3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the disclosure of contingent liabilities at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amounts of the assets or liabilities affected in future periods.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

(i) Property lease classification — Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains substantially all the risks and rewards incidental to ownership of these properties and accounts for the contracts as operating leases.

(ii) Land development services

The Group applies significant judgements in identifying performance obligations and allocation of transaction price to each performance. When the performance is not distinct, the Group combine those construction and service with other promised construction or services until it identifies a bundle of performance that is distinct. The contract price is allocated based on their relative fair values of the construction works, determined by reference to the relative estimated construction costs of each component.

2.3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Judgements (continued)

(ii) Land development services (continued)

Revenue derived from land development service is recognised over time based on the portions of the specific construction works or services completed. Significant judgement is made by the Group in determining the proportion of the performance obligations completed.

(iii) Contractual cash flow characteristics

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics. The Group needs to make significant judgment on whether the contractual cash flows are solely payments of principal and interest on the principal amount outstanding.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

(i) Carrying amount of land development for sale

Land development for sale is stated at lower of cost and net realisable value

Based on the Group's recent experience and the nature of the subject land development, the Group makes estimates of cost allocated to each parcel of land and their recoverable amounts, i.e., the revenue to be derived from the land development services, compensations from local government or proceeds in other forms.

If the cost is higher than the amount of consideration, compensations or proceeds the Group is expected to receive from the government authorities, less costs directly relate to completion and providing those services, if any, an impairment is recognised. The assessment of impairment requires the use of judgement and estimates. Where the expectation is different from the original estimate, the carrying value and impairment for land development for sale in the periods in which such estimate is changed will be adjusted accordingly. In 2022, an impairment of RMB109 million was charged to state the land development for sale at net realisable value (Note 18).

(ii) Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences, and the carry forward of unused tax credits and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Where the actual or expected tax positions of the relevant companies of the Group in future are different from the original estimates, such differences will impact on the recognition of deferred tax assets and income tax charge in the period in which such estimate has been changed.

2.3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Estimates and assumptions (continued)

(iii) Allowance for expected credit losses

The Group uses the probability of default ("PD"), loss given default ("LGD") and exposure at default ("EAD") model to estimate the expected credit losses ("ECLs") for debt instruments at amortised cost. The parameters used by the Group to measure the ECLs, including PD, LGD and EAD, each involve numerous judgements and assumptions. The Group made adjustments based on the results of the internal rating and bridged to the external rating PD curve in determining the PD. When estimating the LGD, the Group uses the default setting of Basel Agreement since the risk of their debt instruments at amortised cost is similar to subordinated bonds. The Group also applies expert judgements to predict macroeconomic indicators, analyses the correlations with modelled parameters such as PD, and makes forward-looking adjustments on parameters.

The Group uses the historical credit loss experience to estimate the ECLs of trade receivables and other receivables. The provision rates are based on groupings of various counterparty segments that have similar loss patterns. It is initially based on the Group's historical observed default rates and was adjusted by forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between the PD, LGD, historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future.

Significant estimation of future cash flows is made by the Group when measuring the credit loss for the impaired debt instruments at amortised cost, trade receivables and other receivables. Factors affecting this estimate include, among other things, financial information related to specific counterparties and the relevance of sector trends to the future performance of individual counterparties.

(iv) Fair value measurement of financial instruments

When the fair values of financial instruments recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments.

(v) Fair value measurement of investment property

The fair value of the Group's investment property is evaluated by an independent professionally qualified valuer at the end of each reporting period using the income approach, which is on the basis of capitalisation of net rental income derived from the existing tenancies with due allowance for reversionary income potential of the property interest. In making the estimate, the Group considers information from current rentals of the lease contracts recently entered and other information that are relevant in assessing the market conditions existing at the end of each reporting period.

2.4 MATERIAL ACCOUNTING POLICIES

Investments in associates and joint ventures

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Group's investments in its associates and joint ventures are accounted for using the equity method.

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately. Thus, reversals of impairments may effectively include reversal of goodwill impairment. Impairments and reversals are presented within "Share of profit of an associate and a joint venture" in the consolidated statement of profit or loss and other comprehensive income.

The consolidated statement of profit or loss and other comprehensive income reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate or a joint venture is shown on the face of the consolidated statement of profit or loss and other comprehensive income outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the investor. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss within "Share of profit of an associate and a joint venture" in the consolidated statement of profit or loss and other comprehensive income.

Upon loss of joint control over the joint venture or loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture or associate upon loss of joint control or loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Fair value measurement

The Group measures investment property and certain financial instruments, such as financial assets at fair value through profit or loss, at fair value at the end of each reporting period. Also, the fair values of investment property and financial instruments are disclosed in note 35.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or

- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

(a) *Revenue from land development service*

Revenue derived from land development service is recognised over time based on the portions of the specific construction works or services completed because the customer controls the asset as it is being created or enhanced.

(b) *Property management revenue*

Property management revenue is recognised over the scheduled period on a straight-line basis because the customer simultaneously receives and consumes the benefits provided by the Group.

Revenue from other sources

(a) *Operating lease income*

Operating lease income from investment property is recognised on the straight-line basis over the lease term, which is the non-cancellable period for which the lessee has contracted to lease the property together with any further terms for which the lessee has the option to continue to lease the property, with or without further payments, when at the inception of the lease, it is reasonably certain that the lessee will exercise the option.

(b) *Interest income*

Interest income is recognised on a time proportion basis using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial instrument.

(c) *Dividend income*

Dividend income is recognised when the shareholders' right to receive payment has been established, which is generally when the shareholders approve the dividend.

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policies for "Revenue from contracts with customers".

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Financial assets (continued)

Subsequent measurement (continued)

(a) Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost include trade receivables, and a loan to an associate and a loan to a director included under other non-current financial assets.

(b) Financial assets at fair value through OCI (debt instruments)

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the consolidated statement of profit or loss and other comprehensive income and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The Group's debt instruments at fair value through OCI include investments in quoted debt instruments included under other non-current financial assets.

(c) Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

(d) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the consolidated statement of profit or loss and other comprehensive income.

This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised as other income in the statement of profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for ECLs for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Impairment of financial assets (continued)

General approach (continued)

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

Stage 1	Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
Stage 2	Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
Stage 3	Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. It is based on its historical credit loss experience, adjusted for forward-looking factors to the debtors and the economic environment.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings, and financial liabilities at fair value through profit or loss.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

(a) *Financial liabilities at amortised cost*

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Financial liabilities (continued)

Subsequent measurement (continued)

(b) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

(c) Financial liabilities at amortised cost (loans and borrowings)

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest("EIR") method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the consolidated statement of profit or loss and other comprehensive income.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised the consolidated statement of profit or loss and other comprehensive income.

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress ("CIP"), are stated at cost less accumulated depreciation and any impairment losses.

The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Such cost includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment, and where the cost of the item can be measured reliably, the expenditure is capitalised as an additional cost of that asset or as a replacement.

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Property, plant and equipment and depreciation (continued)

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

Buildings	50 years
Furniture, fixtures and equipment	3 to 5 years
Motor vehicles	5 years

When parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately.

Residual values, useful lives and the depreciation method are reviewed, and adjusted prospectively if appropriate, at the end of each reporting period.

The Group reviews the estimated residual values and expected useful lives of assets at least annually. In particular, the Group considers the impact of health, safety and environmental legislation in its assessment of expected useful lives and estimated residual values.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the fair value less cost to sell and the carrying amount of the relevant asset.

CIP is stated at cost less any impairment in value, and is not depreciated. Cost mainly comprises the direct costs during the period of construction and capitalised interest. CIP is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Land development for sale

Cost of land development for sale comprises the aggregate cost of development, materials and supplies, capitalised borrowing costs on related borrowing funds during the period of construction and other costs directly attributable to such land development for sale.

Land development for sale is stated at lower of cost and net realisable value. An impairment exists if the carrying amount of the land development for sale exceeds the amount of consideration the Group is expected to receive from the local government authorities, less costs directly relate to completion and providing those services.

An impairment loss is recognised in profit or loss only if the carrying amount of the land development for sale exceeds its recoverable amount.

Cash and short-term deposits

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are held for the purpose of meeting short-term cash commitments and are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated statement of profit or loss and other comprehensive income net of any reimbursement.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than land development for sale, inventories, deferred tax assets, financial assets and investment property), the asset's recoverable amount is estimated. An asset's recoverable amount is calculated as the higher of the asset's or cash-generating unit's value in use and its fair value less costs to sell, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised in profit or loss only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Leases (continued)

Group as a lessee (continued)

(a) *Right-of-use assets*

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Buildings	2 to 3 years
Motor vehicles	3 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) *Lease liabilities*

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future lease payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(c) *Short-term leases and leases of low-value assets*

The Group applies the short-term lease recognition exemption to its short-term leases. It also applies the lease of low-value asset recognition exemption to leases of office equipment that is considered to be low value.

Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Leases (continued)

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease term and is included in revenue in the consolidated statement of profit or loss and other comprehensive income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date.

Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect.

Investment properties are derecognised either when they have been disposed of (i.e., at the date the recipient obtains control) or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

Contract balances

Contract assets

If the Group performs by transferring goods or services to a customer before being unconditionally entitled to the consideration under the contract terms, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets. They are reclassified to trade receivables when the right to the consideration becomes unconditional.

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Contract costs

Other than the costs which are capitalised as inventories, property, plant and equipment and intangible assets, costs incurred to fulfil a contract with a customer are capitalised as an asset if all of the following criteria are met:

(a) The costs relate directly to a contract or to an anticipated contract that the entity can specifically identify.

(b) The costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future.

(c) The costs are expected to be recovered.

The capitalised contract costs are amortised and charged to profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. Other contract costs are expensed as incurred.

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they are occurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Deferred tax is provided using the liability method, on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting date and are recognised to the extent that it has become probable that future taxable profits will be available to allow all or part of the deferred tax asset to be recovered.

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Income tax (continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Employee retirement benefits

Pursuant to the relevant regulations of the PRC government, the companies comprising the Group operating in Mainland China (the "PRC group companies") have participated in a local municipal government retirement benefit scheme (the "Scheme"), whereby the PRC group companies are required to contribute a certain percentage of the salaries of their employees to the Scheme to fund their retirement benefits. The only obligation of the Group with respect to the Scheme is to pay the ongoing contributions under the Scheme. Contributions under the Scheme are charged to profit or loss as incurred.

In Hong Kong, the Group operates a defined contribution retirement benefit scheme under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for all of the employees in Hong Kong. Contributions are made based on a percentage of the employees' basic salaries and are charged to profit or loss as they become payable. The Group's contributions as an employer vest fully with the employees when the Group contributes to the scheme. The Group contributes 5% of the relevant monthly salaries to such scheme and the Group's employees contribute the lower of HKD1,500 and 5% of their monthly salaries to such scheme as employee mandatory contributions.

Foreign currency translation

The Group's consolidated financial statements are presented in RMB which is the Company's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. All transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating to those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the end of the reporting period. All differences arising on settlement or translation of monetary items are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gain or loss arising on retranslation of non-monetary items is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency translation (continued)

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

Dividends

When final dividends have been approved by the directors and shareholders and declared, they are recognised as a liability.

Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future events not wholly within the control of the Group. Contingent liabilities and assets are not recognised in the statement of financial position of the Group.

Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments.

2.5 STANDARDS ISSUED BUT NOT YET EFFECTIVE

The new and amended standards and interpretation that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretation, if applicable, when they become effective.

Lack of exchangeability — Amendments to IAS 21

In August 2023, the IASB issued amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates* to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted, but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information.

The amendments are not expected to have a material impact on the Group's financial statements.

2.5 STANDARDS ISSUED BUT NOT YET EFFECTIVE (continued)

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 *Presentation of Financial Statements*. IFRS 18 introduces new requirements for presentation within the consolidated statement of profit or loss and other comprehensive income, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the consolidated statement of profit or loss and other comprehensive income into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified "roles" of the primary financial statements and the notes.

In addition, narrow-scope amendments have been made to IAS 7 *Statement of Cash Flows*, which include changing the starting point for determining cash flows from operations under the indirect method, from"profit or loss" to "operating profit or loss" and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

The Group is currently assessing the impact the amendments will have on the primary financial statements and notes to the financial statements.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS Accounting Standards.

IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted.

As the Company is a listed company, it is not eligible to elect to apply IFRS 19.

Classification and Measurement of Financial Instruments — Amendments to IFRS 9 and IFRS 7

In May 2024, the Board issued Amendments to the *Classification and Measurement of Financial Instruments* (Amendments to IFRS 9 and IFRS 7), which:

- Clarify that a financial liability is derecognised on the "settlement date", i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. It also introduces an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met;

- Clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features;

- Clarify the treatment of non-recourse assets and contractually linked instruments; and

2.5 STANDARDS ISSUED BUT NOT YET EFFECTIVE (continued)

Classification and Measurement of Financial Instruments — Amendments to IFRS 9 and IFRS 7 (continued)

- Require additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2026. Entities can early adopt the amendments that relate to the classification of financial assets plus the related disclosures and apply the other amendments later. The new requirements will be applied retrospectively with an adjustment to opening retained earnings. Prior periods are not required to be restated and can only be restated without using hindsight. An entity is required to disclose information about financial assets that change their measurement category due to the amendments.

The amendments are not expected to have a material impact on the Group's financial statements.

Contracts Referencing Nature-dependent Electricity — Amendments to IFRS 9 and IFRS 7

In December 2024, the Board issued *Contracts Referencing Nature-dependent Electricity* (Amendments to IFRS 9 and IFRS 7). The amendments include:

- Clarifying the application of the "own-use" requirements;

- Permitting hedge accounting if these contracts are used as hedging instruments; and

- Adding new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2026. Early adoption is permitted, but will need to be disclosed. The clarifications regarding the "own use" requirements must be applied retrospectively, but the guidance permitting hedge accounting has to be applied prospectively to new hedging relationships designated on or after the date of initial application.

The amendments are not expected to have a material impact on the Group's financial statements.

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture — Amendments to IFRS 10 and IAS 28

In December 2015, the IASB decided to defer the effective date of the amendments until such time as it has finalised any amendments that result from its research project on the equity method. Early application of the amendments is still permitted.

The amendments address the conflict between IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures* in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture.

The amendments clarify that a full gain or loss is recognised when a transfer to an associate or joint venture involves a business as defined in IFRS 3 *Business combinations*. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture.

The amendments must be applied prospectively. Early application is permitted and must be disclosed.

The amendments are not expected to have a material impact on the Group's financial statements.

(All amounts expressed in RMB'000 unless otherwise specified)

3. INVESTMENTS IN SUBSIDIARIES

Company

	Notes	2024	2023
Unlisted shares, at cost less impairment loss	(a)	**2,181,877**	2,181,877
Advances to subsidiaries, net	(b)	**582,976**	582,976
		2,764,853	2,764,853

(a) As at 31 December 2024 and 2023, the Group's direct or indirect interests in subsidiaries are set out below:

Directly held by the Company

Name	Place and date of incorporation	Carrying amount	Proportion of ownership interest (%) 2024	Proportion of ownership interest (%) 2023	Principal activities/ place of operation
Meeko Investment Limited ("Meeko")	British Virgin Islands 19 August 2005	412,561	**100.00**	100.00	Investment holding/ Hong Kong
Weblink International Limited ("Weblink")	British Virgin Islands 17 November 2005	269,316	**100.00**	100.00	Investment holding/ Hong Kong
Protex Investment Limited	British Virgin Islands 18 October 2006	—	**100.00**	100.00	Investment holding/ Hong Kong
China New Town Holding Co., Ltd. ("CNT Holding")	Hong Kong 17 July 2014	1,500,000	**100.00**	100.00	Investment holding/ Hong Kong and Mainland China
CNTD Success Company Limited ("Success")	British Virgin Islands 23 March 2022	—	**100.00**	100.00	Investment holding/ Hong Kong
		2,181,877			

(All amounts expressed in RMB'000 unless otherwise specified)

3. INVESTMENTS IN SUBSIDIARIES (continued)

(a) As at 31 December 2024 and 2023, the Group's direct or indirect interests in subsidiaries are set out below: (continued)

Indirectly held by the Company

Ultimately held through	Name	Place and date of incorporation/ establishment and issued share capital	Proportion of ownership interest (%)		Effective equity interest (%)		Principal activities/ place of operation
			2024	2023	**2024**	2023	
Meeko and Weblink	Shanghai Golden Luodian Development Co., Ltd. ("SGLD")[1]	PRC 26 September 2002 RMB208,100,000	**72.63**	72.63	**72.63**	72.63	Land development/ Mainland China
Weblink	Shanghai Jiatong Enterprises Co., Ltd. ("Shanghai Jiatong")[2]	PRC 12 April 2006 RMB1,000,000	**100.00**	100.00	**100.00**	100.00	Consultation services/ Mainland China
Protex Investment Limited	China New Town Development (Changchun) Company Limited ("CNTD Changchun")	British Virgin Islands 7 September 2006 USD1	**100.00**	100.00	**100.00**	100.00	Investment holding/ Hong Kong
Protex Investment Limited	China New Town Development (Shenyang) Company Limited ("CNTD Shenyang")	British Virgin Islands 18 October 2006 USD1	**100.00**	100.00	**100.00**	100.00	Investment holding/ Hong Kong
Protex Investment Limited	Safewell Investment Limited	British Virgin Islands 14 February 2007 USD1	**100.00**	100.00	**100.00**	100.00	Investment holding/ Hong Kong
Protex Investment Limited	Shenyang Lixiang New Town Modern Agriculture Co., Ltd. ("Shenyang Lixiang")[2]	PRC 6 March 2007 USD88,200,000	**100.00**	100.00	**100.00**	100.00	Land development/ Mainland China
Protex Investment Limited	Shanghai CNTD Management Consulting Co., Ltd. ("Shanghai Management")[2]	PRC 21 June 2007 USD200,000	**100.00**	100.00	**100.00**	100.00	Enterprise investment consultation/ Mainland China
CNT Holding	Beijing Kaiyuan Xincheng Management Consulting Co., Ltd[2]	PRC 20 November 2014 RMB25,000,000	**100.00**	100.00	**100.00**	100.00	Real estate consultation/ Mainland China
CNT Holding	Beijing Xincheng Kaiyuan Asset Management Co., Ltd ("Xincheng Kaiyuan")[3]	PRC 6 January 2015 RMB1,000,000,000	**100.00**	100.00	**100.00**	100.00	Asset management/ Mainland China
CNT Holding	Changchun Xincheng Construction Development Company Limited[3]	PRC 2 December 2015 RMB100,000,000	**100.00**	100.00	**100.00**	100.00	Real estate development/ Mainland China

(All amounts expressed in RMB'000 unless otherwise specified)

3. INVESTMENTS IN SUBSIDIARIES (continued)

(a) As at 31 December 2024 and 2023, the Group's direct or indirect interests in subsidiaries are set out below: (continued)

Indirectly held by the Company (continued)

Ultimately held through	Name	Place and date of incorporation/ establishment and issued share capital	Proportion of ownership interest (%)		Effective equity interest (%)		Principal activities/ place of operation
			2024	2023	**2024**	2023	
CNT Holding	Guoxi Nanjing Investment Development Co., Ltd. ("Guoxi Nanjing")(3)	PRC 1 August 2014 RMB127,500,000	**100.00**	100.00	**100.00**	100.00	Investment and asset development/ Mainland China
CNT Holding	Beijing Xincheng Zhishang Agricultural Technology Co., Ltd ("Beijing Agricultural")(3)	PRC 15 December 2015 RMB47,692,600	**51.00**	51.00	**51.00**	51.00	Investment management/ Mainland China
CNT Holding	Kaihe (Beijing) Private Equity Fund Management Company Limited ("Kaihe Beijing")(3)	PRC 22 December 2015 RMB30,000,000	**100.00**	100.00	**100.00**	100.00	Investment management/ Mainland China
CNT Holding	Chengdu Xincheng Zhisheng Agricultural Development Co., Ltd(3)	PRC 29 January 2016 RMB20,000,000	**100.00**	100.00	**51.00**	51.00	Investment management/ Mainland China
CNT Holding	New Town Education Co., Ltd ("New Town Education")	Hong Kong 17 November 2017 USD1,024,000	**100.00**	100.00	**100.00**	100.00	Asset management/ Hong Kong
CNT Holding	Wuhan Chuguang Industry New Development Co. Ltd. ("Wuhan Chuguang")(3)	PRC 31 May 2018 RMB10,000,000	**100.00**	100.00	**66.40**	66.40	Leasing and property management/ Mainland China
CNT Holding	CDBC Co-Create Enterprise Management (Huzhou) Co., Ltd. ("CCEM Huzhou")(3)	PRC 2 June 2018 RMB10,000,000	**58.00**	58.00	**58.00**	58.00	Investment management/ Mainland China
CNT Holding	Hainan Xincheng Kaiyuan Investment Co., Ltd ("Hainan Xincheng")(3)	PRC 20 December 2021 RMB100,000,000	**100.00**	100.00	**100.00**	100.00	Investment management/ Mainland China
CNT Holding	Wuxi Xincheng Consulting Management Company Limited(3)	PRC 17 June 2022 RMB50,000,000	**100.00**	100.00	**100.00**	100.00	Management consulting/ Mainland China
CNT Holding	Hainan Kaixin Equity Investment Fund Partnership (Limited Partnership)	PRC 25 July 2022 RMB30,000,000	**100.00**	100.00	**100.00**	100.00	Investment management/ Mainland China
CNT Holding	Hainan Xinyuan Kaicheng Investment Co., Ltd.(3)(4)	PRC 20 December 2024 RMB100,000,000	**100.00**	—	**100.00**	—	Investment management/ Mainland China

(All amounts expressed in RMB'000 unless otherwise specified)

3. INVESTMENTS IN SUBSIDIARIES (continued)

(a) As at 31 December 2024 and 2023, the Group's direct or indirect interests in subsidiaries are set out below: (continued)

Indirectly held by the Company (continued)

(1) This entity is registered as a Sino-foreign joint venture enterprise under PRC law.

(2) These entities are registered as wholly-foreign-owned enterprises under PRC law.

(3) These entities are registered as limited liability enterprises under PRC law.

(4) Hainan Xinyuan Kaicheng Investment Co., Ltd. was newly established on 20 December 2024.

(b) The advances to subsidiaries are advances to intermediate holding companies, and they are unsecured, non-interest-bearing, with no fixed repayment terms, and with no intention for repayment in short term. The intermediate holding companies used these advances to finance their investment holdings of equity interests in the Group's indirect subsidiaries, details of which are as follows:

	2024	2023
Amounts due from:		
CNTD Shenyang	**581,463**	581,463
Safewell Investment Limited	**1,513**	1,513
	582,976	582,976

(All amounts expressed in RMB'000 unless otherwise specified)

3. INVESTMENTS IN SUBSIDIARIES (continued)

(c) Partly-owned subsidiaries

Financial information of subsidiaries that have material non-controlling interests is provided below:

Proportion of equity interest held by non-controlling interests:

Name	Country of incorporation and operation	2024	2023
SGLD	PRC	**27.37%**	27.37%
Wuhan Chuguang	PRC	**33.60%**	33.60%
CCEM Huzhou	PRC	**42.00%**	42.00%

The summarised financial information of these subsidiaries is provided below. This information is based on amounts before inter-company eliminations.

Summarised statement of profit or loss and other comprehensive income for 2024:

	SGLD	Wuhan Chuguang	CCEM Huzhou
Revenue	**18,744**	**133,454**	**—**
Cost of sales	**(18,979)**	**(37,256)**	**—**
Profit/(loss) and total comprehensive income/(loss) for the year	**16,983**	**42,433**	**(16,461)**
Attributable to non-controlling interests	**4,648**	**14,257**	**(6,914)**
Dividends paid to non-controlling interests	**—**	**—**	**—**

Summarised statement of profit or loss and other comprehensive income for 2023:

	SGLD	Wuhan Chuguang	CCEM Huzhou
Revenue	13,374	144,746	—
Cost of sales	(4,031)	(34,396)	—
(Loss)/profit and total comprehensive (loss)/income for the year	(2,478)	54,690	(16,406)
Attributable to non-controlling interests	(678)	18,376	(6,891)
Dividends paid to non-controlling interests	—	—	—

(All amounts expressed in RMB'000 unless otherwise specified)

3. INVESTMENTS IN SUBSIDIARIES (continued)

(c) Partly-owned subsidiaries (continued)

Summarised statement of financial position as of 31 December 2024:

	SGLD	Wuhan Chuguang	CCEM Huzhou
Current assets	**1,683,900**	**53,355**	**1,041**
Non-current assets	**130**	**1,475,119**	**—**
Current liabilities	**(264,046)**	**(142,617)**	**(203,433)**
Non-current liabilities	**—**	**(635,979)**	**(144,177)**
Total equity	**1,419,984**	**749,878**	**(346,569)**
Attributable to non-controlling interests	**388,649**	**251,959**	**(145,559)**

Summarised statement of financial position as of 31 December 2023:

	SGLD	Wuhan Chuguang	CCEM Huzhou
Current assets	1,725,002	64,089	1,066
Non-current assets	121	1,495,036	—
Current liabilities	(322,122)	(253,901)	(331,174)
Non-current liabilities	—	(597,778)	—
Total equity	1,403,001	707,446	(330,108)
Attributable to non-controlling interests	384,001	237,702	(138,645)

(All amounts expressed in RMB'000 unless otherwise specified)

3. INVESTMENTS IN SUBSIDIARIES (continued)

(c) Partly-owned subsidiaries (continued)

Summarised cash flow information for 2024:

	SGLD	Wuhan Chuguang	CCEM Huzhou
Operating	**12,614**	**71,459**	**221**
Investing	**(11)**	**(3,085)**	**—**
Financing	**—**	**(81,810)**	**(246)**
Net decrease in cash and cash equivalents	**12,603**	**(13,436)**	**(25)**

Summarised cash flow information for 2023:

	SGLD	Wuhan Chuguang	CCEM Huzhou
Operating	—	91,479	(11)
Investing	(3)	(5,958)	—
Financing	—	(104,650)	—
Net decrease in cash and cash equivalents	(3)	(19,129)	(11)

4. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

(a) Investments in joint ventures

	2024	2023
Unlisted shares	**197,830**	225,599

Details of the joint ventures are as follows:

Name	Place and date of establishment	Proportion of ownership interest attributable to the Group (%)		Effective equity interest attributable to the Group (%)		Particulars of registered capital	Principal activities
		2024	2023	2024	2023		
Beijing Guowan Real Estate Co., Ltd. (i)	PRC 31 October 2016	**50%**	50%	**50%**	50%	RMB500 million	Real estate
Beijing Guoyuan Agriculture Co., Ltd. (ii)	PRC 12 September 2017	**50%**	50%	**50%**	50%	RMB20 million	Agriculture
Nanjing Guofa Real Estate Co., Ltd. (iii)	PRC 27 November 2017	**49%**	49%	**49%**	49%	RMB50 million	Real estate
Nanjing Guoying Zhongxi Development Co., Ltd. (iv)	PRC 27 December 2017	**50%**	50%	**50%**	50%	RMB325 million	Real estate
Wuxi Kaihe Oxygenation Equity Investment Co., Ltd. (v)	PRC 3 April 2023	**48%**	—	**48%**	—	RMB10 million	Capital market services

4. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (continued)

(a) Investments in joint ventures (continued)

The investments in joint ventures are accounted for using the equity method.

(i) In 2016, Xincheng Kaiyuan and Beijing Vanke Enterprises Co. Ltd. entered into an agreement for the overall development of Mengtougou District Junzhuang Town Project, pursuant to which Beijing Guowan Real Estate Co., Ltd. ("Guowan") was established. As at 31 December 2024, the issued capital of Guowan was RMB100 million (2023: RMB100 million), which was contributed equally by both parties. Guowan fully provided and recognized the lease expense and compensation in profit or loss in relation to the litigation, resulting to credit the book value of long-term equity investment to zero. The Group has discontinued the recognition of its share of losses of the joint venture because the share of losses of the joint venture exceeded the Group's interest in the joint venture and the Group has no obligation to take up further losses in the future. The amounts of the Group's unrecognised share of losses of the joint venture for the current year and cumulatively were RMB8,702 thousand and RMB8,702 thousand, respectively.

(ii) In 2017, Beijing Agricultural entered into an agreement for the overall development of Miyun District Mujiayu Town Qianliyuan Village Project, pursuant to which Beijing Guoyuan Agriculture Co., Ltd. ("Guoyuan") was established. As at 31 December 2024, the issued capital of Guoyuan was RMB15,908 thousand (2023: RMB15,908 thousand), which was contributed equally by both parties. The Group has discontinued the recognition of its share of losses of the joint venture because the share of losses of the joint venture exceeded the Group's interest in the joint venture and the Group has no obligation to take up further losses. The amounts of the Group's unrecognised share of losses of the joint venture for the current year and cumulatively were RMB163 thousand (2023: RMB153 thousand) and RMB1,093 thousand (2023: RMB930 thousand), respectively.

(iii) In 2017, Guoxi Nanjing and Mingfa Group Nanjing Real Estate Development Co., Ltd. ("Mingfa Group") entered into an agreement for the overall development of Wushang Land A Project, which is located in Yuhua District Nanjing, pursuant to which Nanjing Guofa Real Estate Co., Ltd. ("Guofa") was established. As at 31 December 2024, the issued capital of Guofa was RMB50 million (2023: RMB50 million), where Mingfa Group has contributed RMB25.5 million (2023: RMB25.5 million), and Guoxi Nanjing has contributed RMB24.5 million (2023: RMB24.5 million).

(iv) In 2018, Guoxi Nanjing, CNT Holding and Sichuan Zhongxi Property Co., Ltd set up a joint venture, Nanjing Guoying Zhongxi Development Co., Ltd. ("Guoying"). This joint venture was established for the investment of a bilingual school in Jiangning District. In 2020, Sichuan Zhongxi Property Co., Ltd transferred its shares of 50% to Jiangsu Construction Engineering Group No.1 Engineering Co., Ltd. In 2021, CNT Holding transferred its shares of 33.3% to Guoxi Nanjing. In 2022, Jiangsu Construction Engineering Group No.1 Engineering Co., Ltd and Guoxi Nanjing increased their investment by RMB52.5 million respectively. As at 31 December 2024, Guoxi Nanjing and Jiangsu Construction Engineering Group No.1 Engineering Co., Ltd invested RMB162.5 million (2023: RMB162.5 million) and RMB162.5 million (2023: RMB162.5 million), respectively, which represented 50% and 50% of shares.

(v) In 2024, Kaihe Beijing, Hangzhou Oxygen Enhancement Investment Co., Ltd. ("Hangzhou Oxygen") and Yunzhi (Hainan) Enterprise Management Co., Ltd. ("Yunzhi (Hainan)") set up a joint venture, Wuxi Kaihe Oxygenation Equity Investment Co., Ltd. ("Wuxi Kaihe"). This joint venture was established for engaging in investment management, asset management, investment consulting and business management consulting. As at 31 December 2024, Kaihe Beijing, Hangzhou Oxygen and Yunzhi (Hainan) held 48%, 37% and 15% equity interests of Wuxi Kaihe, respectively.

(All amounts expressed in RMB'000 unless otherwise specified)

4. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (continued)

(a) Investments in joint ventures (continued)

Summarised financial information of the joint ventures, based on their IFRS financial statements, and the reconciliation to the carrying amount of the investments in the consolidated financial statements are set out below:

As at 31 December 2024

	Guofa	Guoying	Others	Total
Current assets	**835,464**	**196,427**	**148,426**	**1,180,317**
Non-current assets	**1,250**	**762,221**	**180,418**	**943,889**
Current liabilities	**(720,392)**	**(229,363)**	**(347,773)**	**(1,297,528)**
Non-current liabilities	**—**	**(448,581)**	**—**	**(448,581)**
Equity	**116,322**	**280,704**	**(18,929)**	**378,097**
Proportion of the Group's ownership	**49%**	**50%**	**—**	**—**
Carrying amount of the investment	**56,998**	**140,352**	**480**	**197,830**

As at 31 December 2023

	Guofa	Guoying	Others	Total
Current assets	836,453	201,769	153,762	1,191,984
Non-current assets	1,500	761,699	183,907	947,106
Current liabilities	(720,416)	(184,991)	(303,897)	(1,209,304)
Non-current liabilities	—	(478,438)	—	(478,438)
Equity	117,537	300,039	33,772	451,348
Proportion of the Group's ownership	49%	50%	—	—
Carrying amount of the investment	57,593	150,019	17,987	225,599

(All amounts expressed in RMB'000 unless otherwise specified)

4. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (continued)

(a) Investments in joint ventures (continued)

Summarised statements of profit or loss and other comprehensive income of the joint ventures are set out below:

Year ended 31 December 2024

	Guofa	Guoying	Others	Total
Revenue	**54**	**25,929**	**(19)**	**25,964**
Administrative expenses and other expenses	**(54)**	**(22,127)**	**—**	**(74,465)**
Finance costs	**—**	**(23,136)**	**(51,070)**	**(25,424)**
Loss before tax	**(1,214)**	**(19,334)**	**(2,288)**	**(73,925)**
Income tax expense	**—**	**—**	**—**	**—**
Net loss for the year	**(1,214)**	**(19,334)**	**(53,377)**	**(73,925)**
Total comprehensive loss for the year	**(1,214)**	**(19,334)**	**(53,377)**	**(73,925)**
Group's share of loss for the year	**(595)**	**(9,667)**	**(17,987)**	**(28,249)**

Year ended 31 December 2023

	Guofa	Guoying	Others	Total
Revenue	95	28,648	3	28,746
Administrative expenses and other expenses	(1,168)	(12,002)	(10,976)	(24,146)
Finance costs	—	(25,976)	(4,846)	(30,822)
Loss before tax	(1,073)	(9,330)	(15,819)	(26,222)
Income tax expense	—	(221)	—	(221)
Net loss for the year	(1,073)	(9,551)	(15,819)	(26,443)
Total comprehensive loss for the year	(1,073)	(9,551)	(15,819)	(26,443)
Group's share of loss for the year	(526)	(4,775)	(7,910)	(13,211)

(All amounts expressed in RMB'000 unless otherwise specified)

4. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

(continued)

(b) Investments in associates

	2024	2023
Unlisted shares	**226,070**	172,921

Details of the associates are as follows:

Name	Place and date of establishment	Proportion of ownership interest attributable to the Group (%) 2024	Proportion of ownership interest attributable to the Group (%) 2023	Effective equity interest attributable to the Group (%) 2024	Effective equity interest attributable to the Group (%) 2023	Particulars of registered capital	Principal activities
Kaiyuan Education Fund GP Holding Limited. (i) ("GP Holding Co")	Cayman Islands 25 October 2018	**40.00%**	40.00%	**40.00%**	40.00%	USD2,560 thousand	Education
Kaiyuan Education Fund LP (ii) ("Kaiyuan Fund")	Cayman Islands 23 November 2017	**58.38%**	58.38%	**58.38%**	58.38%	USD80 million	Education
Meidi Elderly Care Service (Shanghai) Co., Ltd. (iii) ("Meidi Elderly")	PRC 19 December 2016	**30.00%**	—	**30.00%**	—	RMB58,479,528.57	Residential service industry
Yixing Kaihe Oxygen Enhancement Private Equity Investment Fund Partnership (Limited Partnership) (iv) ("Yixing Kaihe Oxygen Enhancement")	PRC 28 May 2024	**40.90%**	—	**40.90%**	—	RMB1,000 million	Capital market services

(i) In 2018, GP Holding Co was established which is in turn owned by New Town Education, China-West Education Investment Holdings Company Limited ("CWE"), Excel Access International Limited ("EAIL") and Smart Sphere Limited as to 40.00%, 15.00%, 25.00% and 20.00%, respectively.

(ii) Kaiyuan Fund was established in 2017 by New Town Education, CWE and other shareholders with interest shares of 58.38%, 23.35% and 18.27%, respectively.

(iii) In 2024, Hainan Xincheng entered into the Capital Increase Agreement and the Shareholders' Agreement with the Existing Shareholders and Meidi Elderly, pursuant to which Hainan Xincheng has conditionally agreed to acquire an approximately 30% equity interest in Meidi Elderly by way of capital contribution of RMB50,000 thousand. The reason for the capital increase is the capital increase represents an investment opportunity for the Group to tap into the elderly care and wellness market in the PRC and explore the possibilities of further investments in property and town development and healthcare businesses relating to the said industry. Upon completion of the capital increase, Hainan Xincheng, Japan Medical Care Service Co., Ltd, Sanko Soflan Holdings Co., Ltd., Takahashi Seiichi and Shanghai Meiqi Elderly Care Service Co., Ltd. hold approximately 30.00%, 28.00%, 21.00%, 18.90% and 2.10% equity interests of Meidi Elderly, respectively.

(All amounts expressed in RMB'000 unless otherwise specified)

4. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (continued)

(b) Investments in associates (continued)

(iv) In 2024, Xincheng Kaiyuan entered into the Limited Partnership Agreement with Hainan Yunhu Enterprise Management Partnership (Limited Partnership) ("Hainan Yunhu"), Yixing New Kinetic Energy Industry Fund Partnership (Limited Partnership) ("Yixing New") and Wuxi Kaihe for the purpose of investment, pursuant to which Yixing Kaihe Oxygen Enhancement was established. As at 31 December 2024, Xincheng Kaiyuan, Hainan Yunhu, Yixing New and Wuxi Kaihe held 40.9%, 40%, 19% and 0.1% equity interests of Yixing Kaihe Oxygen Enhancement, respectively.

Summarised financial information of the Group's associates and the reconciliation to the carrying amount of the investments in the consolidated financial statements are set out below:

As at 31 December 2024

	GP Holding Co	Kaiyuan Fund	Meidi Elderly	Yixing Kaihe Oxygen Enhancement	Total
Current assets	**58,051**	**85,070**	**56,297**	**11,055**	**210,473**
Non-current assets	**2,369**	**262,331**	**144,439**	**—**	**409,139**
Current liabilities	**(25,653)**	**(65,344)**	**(21,510)**	**—**	**(112,507)**
Non-current liabilities	**—**	**—**	**(133,461)**	**—**	**(133,461)**
Equity	**34,767**	**282,057***	**45,765**	**11,055**	**373,644**
Proportion of the Group's ownership	**40%**	**58.38%**	**30%**	**40.90%**	
Carrying amount of the investment	**13,907**	**161,031**	**47,015**	**4,117**	**226,070**

As at 31 December 2023

	GP Holding Co	Kaiyuan Fund	Total
Current assets	54,518	83,676	138,194
Non-current assets	2,357	256,867	259,224
Current liabilities	(22,962)	(61,354)	(84,316)
Non-current liabilities	—	—	—
Equity	33,913	279,189*	313,102
Proportion of the Group's ownership	40%	58.38%	
Carrying amount of the investment	13,565	159,356	172,921

* The equity interest of Shenzhen Project held by Kaiyuan Fund was not attributable to New Town Education, a subsidiary of the Company. The Group's share of the equity interest in Kaiyuan Fund was RMB161,031 thousand (2023: RMB159,356 thousand).

(All amounts expressed in RMB'000 unless otherwise specified)

4. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (continued)

(b) Investments in associates (continued)

Summarised statements of profit or loss and other comprehensive income of the associates are set out below:

Year ended 31 December 2024

	GP Holding Co	Kaiyuan Fund	Meidi Elderly	Yixing Kaihe Oxygen Enhancement	Total
Revenue	2,364	1,719	16,193	65	20,341
Cost of sales	—	—	(18,148)	—	(18,148)
Administrative expenses and other expenses	(2,043)	(2,907)	(9,944)	—	(14,894)
Finance costs	—	—	(3,093)	—	(3,093)
Profit/(loss) before tax	321	(1,188)	(14,992)	65	(15,794)
Income tax expense	—	—	5,042	—	5,042
Net profit/(loss) for the year	321	(1,188)	(9,950)	65	(10,752)
Other comprehensive income	535	4,056	—	—	4,591
Total comprehensive income/(loss) for the year	856	2,868	(9,950)	65	(6,161)
Group's share of profit/(loss) for the year	128	(693)	(2,985)	27	(3,523)

Year ended 31 December 2023

	GP Holding Co	Kaiyuan Fund	Total
Revenue	2,624	5,392	8,016
Cost of sales	—	—	—
Administrative expenses and other expenses	(2,649)	(3,902)	(6,551)
Finance costs	—	—	—
(Loss)/profit before tax	(25)	1,490	1,465
Income tax expense	—	—	—
Net (loss)/profit for the year	(25)	1,490	1,465
Other comprehensive income	553	3,933	4,486
Total comprehensive income for the year	528	5,423	5,951
Group's share of (loss)/profit for the year	(10)	870	860

(All amounts expressed in RMB'000 unless otherwise specified)

5. REVENUE

	Notes	2024	2023
Land development	(a)	**18,919**	13,374
Property management	(a)	**32,306**	34,632
Revenue from contracts with customers	(a)	**51,225**	48,006
Rental income		**101,148**	110,115
Interest from debt instruments at amortised cost	(b)	**183,600**	174,806
Others	(c)	**1,396**	4,555
Revenue from other sources		**286,144**	289,476
Total revenue		**337,369**	337,482

(a) Revenue from contracts with customers

Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers:

2024

Segments	**Land development**	**Property management**	**Total**
Types of goods or services			
Land development	**18,919**	**—**	**18,919**
Property management	**—**	**32,306**	**32,306**
Total revenue from contracts with customers	**18,919**	**32,306**	**51,225**
Timing of revenue recognition			
Services rendered over time	**18,919**	**32,306**	**51,225**

(All amounts expressed in RMB'000 unless otherwise specified)

5. REVENUE (continued)

(a) Revenue from contracts with customers (continued)

Disaggregated revenue information (continued)

2023

Segments	Land development	Property management	Total
Types of goods or services			
Land development	13,374	—	13,374
Property management	—	34,632	34,632
Total revenue from contracts with customers	13,374	34,632	48,006
Timing of revenue recognition			
Services rendered over time	13,374	34,632	48,006

The Group's total revenue from contracts with customers is all derived from Mainland China.

Land development

SGLD is given the right to carry out construction and preparation works in respect of the ancillary public facilities (owned by the local governments) in the Western Zone of Luodian New Town.

Revenue of RMB18.92 million (2023: RMB13.37 million) was recognised in respect of construction of the ancillary public facilities with the fulfilment of the performance obligation in 2024, of which RMB18.92 million (2023: RMB13.37 million) was released from contract liabilities.

Property management services

The performance obligation is satisfied over time as property management services are rendered and short-term advances are normally required before rendering the services. Property management service contracts are billed based on the time incurred. The amount of revenue recognised in the current year that was included in the contract liabilities at the beginning of 2024 was RMB5,475 thousand (2023: RMB5,927 thousand).

(All amounts expressed in RMB'000 unless otherwise specified)

5. REVENUE (continued)

(b) The detailed information of interest from debt instruments at amortised cost is as follows:

	2024	2023
Liyang High-tech Zone Industrial Base Quality Improvement and Upgrading Phase I Project	**29,823**	2,381
Wuxi Gaoxin District Industrial Park Project	**28,774**	14,544
Yangzhou Hanjiang Industrial Park Infrastructure Project	**21,904**	10,063
Yangzhou Hanjiang Industrial Park Sewage Treatment Project	**17,259**	—
Zhuji Pingfengwu Ecological Cemetery Project	**16,330**	—
Wuxi Liangxi District Food Science and Technology Innovation Center Project	**15,173**	11,590
Wuxi Xinwu District Canal Culture and Technology Industrial Park Construction Project	**11,509**	5,881
Jiangyin Changjing Industrial Park Sewage-treatment Plant Project	**11,106**	6,402
Yangzhou Jiangdu People's Hospital New Project	**5,998**	18,860
Wuxi Liangxi District Pharmaceutical Distribution Supply Chain Industry Project	**5,988**	—
Wuxi Guojin Commercial Factoring Fixed Income Phase II Project	**4,890**	—
Hubei Daye Advanced Manufacturing Standard Plant Construction Project	**4,677**	17,414
Jingjiang Furuite Aluminum New Material Project	**1,642**	—
Liyang High-tech District Intelligent Internet Vehicle Test Center Project	**906**	—
Taizhou Xinghua Urban Regeneration Project	**542**	—
Jiangsu Taizhou Jiangyan District New Infrastructure Industrial Park Project	**528**	—
Yangzhou Guangling Science and Technology Entrepreneurship Park Project	**21**	—
Chengdu Jintang Huaizhou New City General Aviation Industrial Park Project	**—**	25,927
Taizhou Jingjiang Huaxin Science and Technology Innovation Park Standard Plant Construction Project	**—**	21,382
Yangzhong Changwang Operation Area Logistics Park Construction Project	**—**	15,484
Wuxi Guojin Commercial Factoring Fixed Income Project	**—**	7,293
Suqian Yanghe Bio-tech Industrial Park Project	**—**	6,635
Yancheng Sheyang Ruiyang Technology Fixed Income Project	**—**	4,488
Lianyungang Liandao Cultural Tourism Project	**—**	3
Others	**6,530**	6,459
	183,600	174,806

(c) The detailed information of others is as follows:

	2024	2023
CDB (Beijing) — BOCOMM New-Type Urbanization Development Fund	**1,396**	4,555

(All amounts expressed in RMB'000 unless otherwise specified)

6. OTHER INCOME

	2024	2023
Interest income from bank deposits	**27,074**	27,650
Investment income from financial assets at fair value through profit or loss	**25,497**	20,306
Foreign exchange gain, net	**823**	—
Gain on disposal of property, plant and equipment	**11**	—
Net fair value gain on financial instruments at fair value through profit or loss	**—**	24,133
Fair value gain on investment property	**—**	1,456
Others	**21,420**	16,362
	74,825	89,907

7. EXPENSES BY NATURE

	2024	2023
Cost of land development	**18,979**	4,031
Depreciation of property, plant and equipment	**1,173**	1,175
Depreciation of right-of-use assets	**11,629**	11,866
Audit fees and non-audit fees	**3,353**	4,056
Audit fees		
— Auditor of the Company	**2,700**	2,500
— Other auditors	**440**	688
Non-audit fees		
— Auditor of the Company	**—**	600
— Other auditors	**213**	268
Employee benefits	**55,641**	53,839
Utility expenses	**13,147**	13,104
Advertising	**680**	714
Rental expenses	**1,166**	1,390
Property management service expenses	**28,414**	25,555
Intermediary and professional service charges	**4,925**	3,307
Other expenses	**29,855**	32,797
Total cost of sales, selling and administrative expenses	**168,962**	151,834

8. FINANCE COSTS

	2024	2023
Interest on loans and borrowings	**93,753**	90,406
Interest on lease liabilities	**648**	786
	94,401	91,192

No borrowing cost has been capitalised for the year ended 31 December 2024 (2023: Nil).

(All amounts expressed in RMB'000 unless otherwise specified)

9. OTHER EXPENSES

	2024	2023
Net fair value loss on financial instruments at fair value through profit or loss	**28,334**	—
Fair value loss on investment property	**19,631**	—
Bank charges	**1,387**	1,548
Foreign exchange loss, net	**—**	12,209
Loss on disposal of property, plant and equipment	**—**	19
Others	**218**	1,707
	49,570	15,483

10. INCOME TAX AND DEFERRED TAX

The Group is subject to income tax on an entity basis on profit arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operate.

The Company is a tax-exempted company incorporated in the British Virgin Islands.

Hong Kong profits tax has been provided at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits arising in Hong Kong during the year.

The principal operating subsidiaries of the Company were subject to income tax at the rate of 25% on their taxable income according to the Income Tax Law of the PRC.

Mainland China — withholding tax

Pursuant to the laws governing the PRC Corporate Income Tax, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. The Group is therefore liable for withholding taxes on dividends distributed and remitted out of PRC by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008.

Pursuant to the laws governing the PRC Corporate Income Tax, a member of the Group, who is not a tax resident in the jurisdiction of the PRC, is subject to withholding tax at 10% on the income from Mainland China, such as interest income and gains from disposal of equity investments. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. The Group determined that such withholding tax is an income tax in the scope of IAS 12 and has recognised such withholding tax as a tax expense in profit or loss.

The major components of income tax are as follows:

	2024	2023
Income tax (credit)/charge:		
Current income tax	**(4,402)**	22,420
Deferred tax	**1,892**	17,454
Withholding tax	**15,278**	9,953
Income tax charge as reported in profit or loss	**12,768**	49,827

(All amounts expressed in RMB'000 unless otherwise specified)

10. INCOME TAX AND DEFERRED TAX (continued)

Mainland China — withholding tax (continued)

A reconciliation between tax charge/(credit) in respect of the current year and the product of accounting profit/(loss) multiplied by the Group's applicable income tax rate is as follows:

Year ended 31 December 2024

	HK and BVI		Mainland China		Total	
Profit before tax	**61,650**		**6,992**		**68,642**	
Tax at the statutory tax rate	**15,413**	**25.0%**	**1,748**	**25.0%**	**17,161**	**25.0%**
Effect of subsidiaries applying the non-statutory tax rate	**6,814**	**11.0%**	**—**	**0.0%**	**6,814**	**9.9%**
Income not subject to tax	**(33,904)**	**(55.0%)**	**(609)**	**(8.7%)**	**(34,513)**	**(50.3%)**
Profit and losses attributable to joint ventures and associates	**93**	**0.2%**	**7,802**	**111.6%**	**7,895**	**11.5%**
Non-deductible expenses for tax purposes	**6,095**	**9.9%**	**4,634**	**66.3%**	**10,729**	**15.6%**
Adjustments in respect of current tax of previous periods	**—**	**0.0%**	**(18,496)**	**(264.5%)**	**(18,496)**	**(26.9%)**
Utilisation/adjustment of previously unrecognised tax losses	**—**	**0.0%**	**(4,354)**	**(62.3%)**	**(4,354)**	**(6.3%)**
Unrecognised tax losses and deductible temporary differences	**—**	**0.0%**	**12,254**	**175.2%**	**12,254**	**17.9%**
Effect of withholding tax*	**15,278**	**24.8%**	**—**	**0.0%**	**15,278**	**22.3%**
Income tax as reported in the statement of profit or loss and other comprehensive income	**9,789**	**15.9%**	**2,979**	**42.6%**	**12,768**	**18.7%**

(All amounts expressed in RMB'000 unless otherwise specified)

10. INCOME TAX AND DEFERRED TAX (continued)

Mainland China — withholding tax (continued)

Year ended 31 December 2023

	HK and BVI		Mainland China		Total	
Profit before tax	86,597		114,486		201,083	
Tax at the statutory tax rate	21,649	25.0%	28,622	25.0%	50,271	25.0%
Effect of subsidiaries applying the non-statutory tax rate	(9,241)	(10.7%)	—	0.0%	(9,241)	(4.6%)
Income not subject to tax	(17,940)	(20.7%)	(378)	(0.3%)	(18,318)	(9.1%)
Profit and losses attributable to joint ventures and associates	(142)	(0.2%)	3,303	2.9%	3,161	1.6%
Non-deductible expenses for tax purposes	7,080	8.2%	242	0.2%	7,322	3.6%
Adjustments in respect of current tax of previous periods	—	0.0%	(1,189)	(1.0%)	(1,189)	(0.6%)
Utilisation/adjustment of previously unrecognised tax losses	—	0.0%	(4,779)	(4.2%)	(4,779)	(2.4%)
Unrecognised tax losses and deductible temporary differences	—	0.0%	7,108	6.2%	7,108	3.6%
Effect of withholding tax*	15,492	17.9%	—	0.0%	15,492	7.7%
Income tax as reported in the statement of profit or loss and other comprehensive income	16,898	19.5%	32,929	28.8%	49,827	24.8%

* In 2024, the HK and BVI companies received interest and dividend income from Mainland China amounting to RMB125,640 thousand (2023: RMB89,576 thousand), after the deduction of the withholding tax of RMB15,278 thousand (2023: RMB9,953 thousand).

(All amounts expressed in RMB'000 unless otherwise specified)

10. INCOME TAX AND DEFERRED TAX (continued)

Mainland China — withholding tax (continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities when the deferred tax assets and liabilities relate to income taxes, if any, levied by the same tax authority and the same taxable entity.

Deferred income tax relates to the following:

	Consolidated statement of financial position		Consolidated profit or loss	
	2024	2023	**2024**	2023
Deferred tax assets/(liabilities)				
Fair value change and depreciation of investment property	**(81,180)**	(81,553)	**373**	(6,041)
Fair value change of financial instruments at fair value through profit or loss	**(6,014)**	(8,470)	**2,456**	(3,291)
Accrued expenses	**133**	121	**12**	28
Taxable timing difference for interest accrued	**(27,402)**	(21,987)	**(5,415)**	(1,623)
Provision for ECLs	**225**	1,057	**(832)**	(992)
Right-of-use assets	**(3,411)**	5,611	**(9,022)**	4,568
Lease liabilities	**2,413**	(6,593)	**9,006**	(4,564)
Effect of withholding tax at 10% on the distributable profits of the Group's subsidiaries in Mainland China	**(33,443)**	(33,443)	**—**	(5,539)
Loss available for offsetting against future taxable profits	**1,530**	—	**1,530**	—
Net deferred tax liabilities	**(147,149)**	(145,257)		
Deferred income tax charge			**(1,892)**	(17,454)

Deferred tax movements:

	2024	2023
As of 1 January	**(145,257)**	(127,803)
Deferred tax income recognised in profit or loss	**(1,892)**	(17,454)
As at 31 December	**(147,149)**	(145,257)
Deferred tax assets	**—**	—
Deferred tax liabilities	**(147,149)**	(145,257)

(All amounts expressed in RMB'000 unless otherwise specified)

10. INCOME TAX AND DEFERRED TAX (continued)

Mainland China — withholding tax (continued)

As at 31 December 2024, the unrecognized deductible temporary differences amounting to RMB262,337 thousand (2023: RMB228,086 thousand) and the unrecognized accumulated tax losses amounting to RMB136,012 thousand (2023: RMB134,497 thousand) mainly arose from those subsidiaries that have been loss-making for years. The unrecognized tax losses of RMB136,012 thousand (2023: RMB134,497 thousand) will expire in the coming one to five years. The Group estimated that there was no taxable income to utilise these tax losses and deductible temporary differences and there are no other tax planning opportunities or other evidence of recoverability in the near future.

11. DIVIDENDS

The Board recommend the payment of final dividend of HKD0.0039 per ordinary share for the year ended 31 December 2024 (2023: HKD0.0034). The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

With the approval of the shareholders at the annual general meeting held on 21 June 2024, the Company has paid the dividend of HKD32,904 thousand.

12. EARNINGS PER SHARE

The calculation of the basic earnings per share amounts is based on the profit attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 9,726,246,417 (2023: 9,726,246,417) in issue during the year.

The following reflects the earnings and share data used in the basic and diluted earnings per share calculations:

	2024	2023
Profit attributable to ordinary equity holders of the parent for basic and diluted earnings per share	**44,317**	140,858
Weighted average number of ordinary shares used to calculate basic and diluted earnings per share	**9,726,246,417**	9,726,246,417
Basic and diluted earnings per share (RMB)	**0.0046**	0.0145

The Group had no potential dilutive ordinary shares in issue during the years ended 31 December 2024 and 2023.

(All amounts expressed in RMB'000 unless otherwise specified)

13. DEBT INSTRUMENTS AT AMORTISED COST

	2024	2023
Investments in debt instruments related to:		
Wuxi Gaoxin District Industrial Park Project	**500,000**	500,000
Yangzhou Hanjiang Industrial Park Sewage Treatment Project	**500,000**	—
Zhuji Pingfengwu Ecological Cemetery Project	**401,000**	—
Nanchang Science and Technology Park Project of Chinese Academy of Sciences	**400,000**	400,000
Liyang High-tech District Intelligent Internet Vehicle Test Center Project	**400,000**	—
Wuxi Liangxi District Pharmaceutical Distribution Supply Chain Industry Project	**351,000**	—
Jiangsu Taizhou Jiangyan District New Infrastructure Industrial Park Project	**280,000**	—
Wuxi Xinwu District Canal Culture and Technology Industrial Park Construction Project	**200,000**	200,000
Taizhou Xinghua Urban Regeneration Project	**200,000**	—
Jiangyin Changjing Industrial Park Sewage-treatment Plant Project	**150,000**	150,000
Yangzhou Guangling Science and Technology Entrepreneurship Park Project	**100,000**	—
Jingjiang Furuite Aluminum New Material Project	**70,000**	—
Yangzhou Hanjiang Industrial Park Infrastructure Project	**—**	500,000
Liyang High-tech Zone Industrial Base Quality Improvement and Upgrading Phase I Project	**—**	500,000
Wuxi Liangxi District Food Science and Technology Innovation Center Project	**—**	351,000
Yangzhou Jiangdu People's Hospital New Project	**—**	268,213
Hubei Daye Advanced Manufacturing Standard Plant Construction Project	**—**	200,000
Others	**122,707**	90,000
	3,674,707	3,159,213
Accrued interest	**54,354**	40,893
	3,729,061	3,200,106
Less: allowance for ECLs	**(413,291)**	(408,001)
	3,315,770	2,792,105
Amounts due in the next 12 months classified as current assets	**1,879,280**	1,849,131
Amounts classified as non-current assets	**1,436,490**	942,974

As at 31 December 2024, the Group was entitled to fixed returns ranging from 5.85% to 10.00% (2023: 5.88% to 10.00%) per annum before tax for debt instruments at amortised cost.

(All amounts expressed in RMB'000 unless otherwise specified)

13. DEBT INSTRUMENTS AT AMORTISED COST (continued)

Movements of ECL allowance during the years ended 31 December 2024 and 2023 are as follows:

	2024	2023
At beginning of year	**408,001**	396,588
Credit loss recognised in profit or loss	**5,290**	11,413
At end of year	**413,291**	408,001

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to debt instruments at amortised cost is as follows:

	12-month ECLs	**Lifetime ECLs**		
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Gross carrying amount as at 1 January 2024	**2,800,106**	**—**	**400,000**	**3,200,106**
New debt instruments	**2,546,409**	**—**	**—**	**2,546,409**
Recovery	**(2,066,963)**	**—**	**—**	**(2,066,963)**
Accrued interest	**54,354**	**—**	**—**	**54,354**
Foreign currency exchange	**(4,845)**	**—**	**—**	**(4,845)**
At 31 December 2024	**3,329,061**	**—**	**400,000**	**3,729,061**

	12-month ECLs	Lifetime ECLs		
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 January 2023	1,658,813	—	400,000	2,058,813
New debt instruments	2,601,000	—	—	2,601,000
Recovery	(1,536,426)	—	—	(1,536,426)
Accrued interest	40,893	—	—	40,893
Foreign currency exchange	35,826	—	—	35,826
At 31 December 2023	2,800,106	—	400,000	3,200,106

For the debt instruments at amortised cost, the Group applies a general approach in calculating ECLs. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, credit losses expected within the next 12 months are estimated, otherwise, credit losses expected over the remaining life of the exposure are required.

(All amounts expressed in RMB'000 unless otherwise specified)

13. DEBT INSTRUMENTS AT AMORTISED COST (continued)

The Group has conducted an assessment of ECLs according to forward-looking information and used appropriate models and a large number of assumptions in its expected measurement of credit loss.

	12-month ECLs	Lifetime ECLs		
	Stage 1	**Stage 2**	**Stage 3**	**Total**
ECL allowance as at 1 January 2024	**28,001**	**—**	**380,000**	**408,001**
Provision and remeasurement	**23,564**	**—**	**—**	**23,564**
Reversal	**(18,274)**	**—**	**—**	**(18,274)**
At 31 December 2024	**33,291**	**—**	**380,000**	**413,291**

	12-month ECLs	Lifetime ECLs		
	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2023	16,588	—	380,000	396,588
Provision and remeasurement	26,304	—	—	26,304
Reversal	(14,891)	—	—	(14,891)
At 31 December 2023	28,001	—	380,000	408,001

An impairment analysis is performed at each reporting date by considering the PD of counterparty. The Group also takes into account the forward-looking information to reflect the counterparties' PD under the current conditions and forecasts of future economic conditions, as appropriate. As at 31 December 2024, the PD applied ranged from 0.30%–0.70% (2023: 0.30%–0.74%) and the LGD was estimated to be 75% (2023: 75%) for 12-month ECLs. When measuring the credit loss for the impaired debt instruments at amortised cost (Stage 3), a discounted future cash flows is made by the Group in determining the LGD and a 100% (2023: 100%) PD is applied.

(All amounts expressed in RMB'000 unless otherwise specified)

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Notes	2024	2023
Wealth management products	(a)	13,071	17,508
Equity instruments	(b)	157,973	216,545
Derivatives	(c)	—	1,668
		171,044	235,721
Current portion		51,097	19,176
Non-current portion		119,947	216,545

(a) In 2024, the Group invested in wealth management products mainly issued by China Merchants Bank Co., Ltd and Ping An Bank Co., Ltd as part of cash management for the short term. They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

(b) The list of the equity investments and their fair values are as follows:

	2024	2023
Jiangsu Hong-tu Software Venture Capital Investment Ltd.	51,348	52,877
XN Crane International Limited	—	51,197
WeRide Inc.	38,026	43,872
Shenzhen Zhongke Micro-Light Medical Equipment Technology Co., Ltd.	11,638	11,638
Shenzhen Sibionics Co., Ltd.	10,143	10,143
Gongqingcheng Xuhui Guanding Investment Management Partnership (Limited Partnership)	21,818	21,818
Yixing Zengyang Xinzhan Equity Investment Partnership (Limited partnership)	25,000	25,000
	157,973	216,545

(c) At 31 December 2023, CNT Holding held one cross currency swap contract with China Construction Bank (Asia). The nominal amount of the cross currency swap was EUR34,000 thousand. The contract was not designated in hedge relationships, but were, nevertheless, intended to reduce the level of foreign currency exchange risks for the investments and borrowings denominated in foreign currencies.

(All amounts expressed in RMB'000 unless otherwise specified)

15. INVESTMENT PROPERTY

	Year ended 31 December 2024	Year ended 31 December 2023
At beginning of Reporting year	**1,485,700**	1,485,700
Subsequent expenditure and cost adjustment	**(369)**	(1,456)
(Loss)/gain from change of fair value (Notes 6, 9)	**(19,631)**	1,456
At end of Reporting year	**1,465,700**	1,485,700

The Group owned an investment property of New Development International Centre, a building located in Wuhan, China that has retail, office and car park spaces for rental purpose. The fair value of the property was determined on the basis of valuation carried out by Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent professionally qualified valuer. The valuation was performed based on the income approach. As at 31 December 2024, the fair value of the investment property was RMB1,466 million (2023: RMB1,486 million).

The following amounts relating to the investment property have been recognised in profit or loss:

	Year ended 31 December 2024	Year ended 31 December 2023
Rental income (Note 5)	**101,148**	110,115
Property management income (Note 5)	**32,306**	34,632
(Loss)/gain from decrease/increase in fair value (Notes 6, 9)	**(19,631)**	1,456
Direct operating expenses	**(37,256)**	(34,396)

The investment property is pledged for interest-bearing loans and borrowings (Note 24).

(All amounts expressed in RMB'000 unless otherwise specified)

16. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Furniture, fixtures and equipment	Motor vehicles	Total
Original cost				
At 1 January 2023	19,465	10,421	4,762	34,648
Additions	—	458	—	458
Disposals	—	(337)	—	(337)
At 31 December 2023	19,465	10,542	4,762	34,769
Additions	—	483	—	483
Disposals	—	(63)	(202)	(265)
At 31 December 2024	**19,465**	**10,962**	**4,560**	**34,987**
Accumulated depreciation				
At 1 January 2023	10,922	9,815	4,736	25,473
Provided during the year	852	303	20	1,175
Disposals	—	(318)	—	(318)
At 31 December 2023	11,774	9,800	4,756	26,330
Provided during the year	852	321	—	1,173
Disposals	—	(56)	(196)	(252)
At 31 December 2024	**12,626**	**10,065**	**4,560**	**27,251**
Net carrying amount				
At 1 January 2023	8,543	606	26	9,175
At 31 December 2023	7,691	742	6	8,439
At 31 December 2024	**6,839**	**897**	**—**	**7,736**

17. LEASES

Group as a lessee

The Group has lease contracts for various items of buildings, motor vehicles and other equipment in its operations. Leases of buildings and motor vehicles generally have lease terms between 2 and 3 years. Other equipment generally has lease terms of 12 months or less and/or is individually of low value. The Group applies the "short-term lease" and "lease of low-value assets" recognition exemptions for these leases.

(All amounts expressed in RMB'000 unless otherwise specified)

17. LEASES (continued)

Group as a lessee (continued)

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	Buildings	Motor vehicles	Land	Total
At 1 January 2023	9,581	491	1,609	11,681
Additions	29,572	—	—	29,572
Depreciation expense	(11,487)	(222)	(157)	(11,866)
At 31 December 2023	27,666	269	1,452	29,387
Additions	612	—	—	612
Depreciation expense	(11,250)	(222)	(157)	(11,629)
At 31 December 2024	**17,028**	**47**	**1,295**	**18,370**

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

	2024	2023
At 1 January	**23,961**	6,156
New leases	**612**	29,501
Interest expense	**648**	786
Payments	**(12,317)**	(12,482)
As at 31 December	**12,904**	23,961
Current (Note 24)	**11,639**	11,677
Non-current (Note 24)	**1,265**	12,284

Lease liabilities are repayable:

	2024	2023
Within one year or on demand	**11,639**	11,677
In the second year	**1,265**	12,284
As at 31 December	**12,904**	23,961

The maturity analysis of lease liabilities is disclosed in note 33 to the financial statements.

(All amounts expressed in RMB'000 unless otherwise specified)

17. LEASES (continued)

Group as a lessee (continued)

(c) The following are the amounts recognised in profit or loss:

	2024	2023
Depreciation expense of right-of-use assets (included in administrative expenses)	**11,629**	11,866
Interest expense on lease liabilities (included in administrative expenses)	**648**	786
Expense relating to short-term leases (included in administrative expenses)	**1,078**	1,272
Expense relating to leases of low-value assets (included in administrative expenses)	**88**	118
	13,443	14,042

The Group had total cash outflows for leases of RMB13,484 thousand in 2024 (2023: RMB13,872 thousand). The Group had no significant commitments for short-term leases or leases of low-value assets at the end of the reporting period.

Group as a lessor

The Group has entered into operating leases on its investment property portfolio consisting of office and retail as well as car park spaces. These leases have terms of between 1 and 20 years. Rental income recognised by the Group during the year was RMB101,148 thousand (2023: RMB110,115 thousand).

Future minimum rentals receivable under non-cancellable operating leases as at 31 December are as follows:

	2024	2023
Within one year	**66,768**	95,850
After one year but within two years	**54,685**	41,481
After two years but within three years	**25,936**	25,185
After three years but within four years	**8,078**	9,770
After four years but within five years	**5,545**	7,643
More than five years	**3,944**	5,302
	164,956	185,231

(All amounts expressed in RMB'000 unless otherwise specified)

18. LAND DEVELOPMENT FOR SALE

	2024	2023
The Mainland China — Shenyang Lixiang	**781,066**	780,537

Land development for sale represents the cost of land development within the districts of the new town development projects. Though the Group does not have an ownership title or land use rights to such land, the Group was given the right to carry out construction and preparation works in respect of land infrastructure and ancillary public facilities in those new town development projects.

Land development for sale is expected to be realised in the normal operating cycle, which is longer than twelve months.

Impairment charge to state land development for sale at net realisable value

In 2022, the board of directors of the Company (the "Board") determined to dispose of the entire equity interest in Shenyang Lixiang. As at 31 December 2022, the disposal was not completed and the Board assessed the purchaser may not be able to perform its obligations to purchase the entire equity interest in Shenyang Lixiang in accordance with the terms of the agreement in the short term due to the financial position of the purchaser. Though the Company will continue to urge the purchaser to perform its obligations to purchase the equity interest in Shenyang Lixiang and seek for other buyers, the Board expected an impairment is incurred, due to the character of land development, adverse economic environment and real estate market in Shenyang, and fiscal position of local government.

As a result of the aforementioned, the Board assessed the net realisable value of the land development for sale and determined an impairment loss of RMB109 million was incurred and recognised for the year ended 31 December 2022. As at 31 December 2024, the Board reassessed the net realisable value of the land development for sale, with no additional impairment nor reversal of impairment was made.

(All amounts expressed in RMB'000 unless otherwise specified)

19. OTHER RECEIVABLES

	Notes	2024	2023
Balances due from Wuxi Project		**20,977**	20,977
Due from SREI	(i)	**89,854**	89,896
Balances due from entities disposed of		**24,384**	24,384
Due from joint ventures	(ii)	**496,416**	495,600
Due from associates		**1,956**	1,395
Others		**55,876**	78,912
		689,463	711,164
Less: allowance for ECLs		**(78,819)**	(70,327)
Other receivables, net		**610,644**	640,837

The Group has assessed the ECLs based on its historical credit loss experience, adjusted for forward-looking factors to the debtors and the economic environment. The loss rate of Stage 1 and Stage 2 was estimated to be 1% to 9% (2023: 1%), and the loss rate of Stage 3 was estimated to be 100% (2023: 100%). The movements in allowance of impairment are as follows:

	2024	2023
At beginning of year	**70,327**	126,235
Credit loss/(reversal of credit loss) recognised in profit or loss	**8,492**	(55,908)
At end of year	**78,819**	70,327

(i) The balances due from SREI is in relation to the Disposal Assets in 2017, after a series of settlements made between the Company and SREI. As at 31 December 2024, the balance due from SREI of RMB89,854 thousand (2023: RMB89,896 thousand) is secured by the shares and related rights of the Company owned by SREI.

(ii) The balances due from joint ventures are mainly shareholder's loans lent to Guofa and Guowan to facilitate their daily operations, which are unsecured and interest-free and should be repayable on demand.

(All amounts expressed in RMB'000 unless otherwise specified)

20. TRADE RECEIVABLES

	2024	2023
Receivables from land development for sale	**32,218**	47,218
Others	**17,462**	14,681
	49,680	61,899
Less: allowance for ECLs	**(4,051)**	(18,986)
Trade receivables, net	**45,629**	42,913

The above balances are unsecured and interest-free. The fair values of the trade receivables as at the end of each reporting period approximate to their carrying amounts. No trade receivables were written off in 2024 (2023: Nil).

The Group applies a simplified approach in calculating ECLs for trade receivables. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has assessed the ECLs based on its historical credit loss experience, adjusted for forward-looking factors to the debtors and the economic environment. The loss rate was estimated to be ranging from 1% to 100% (2023: ranging from 1% to 100%). The movements in allowance of impairment are as follows:

	2024	2023
At beginning of year	**18,986**	19,045
Reversal of credit loss recognised in profit or loss	**(14,935)**	(59)
At end of year	**4,051**	18,986

An ageing analysis of the carrying amount of the trade receivables based on the invoice dates are as follows:

	2024	2023
Within 6 months	**13,715**	10,999
6 months to 1 year	**—**	—
1 year to 2 years	**—**	19
2 years to 3 years	**19**	—
Over 3 years	**31,895**	31,895
	45,629	42,913

21. CASH AND BANK BALANCES

	2024	2023
Cash at banks	**1,045,466**	1,454,360

Cash at banks earns interest at floating rates based on daily bank deposit rates.

The Group's cash at banks are denominated in the following currencies:

RMB equivalent of the following currencies:

	2024	2023
RMB	**990,222**	1,451,240
HKD	**5,577**	1,210
EUR	**—**	1,242
USD	**49,667**	668
	1,045,466	1,454,360

RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

22. SHARE CAPITAL

Group and Company

	2024		2023	
	Number of shares (thousand)	**Amount***	Number of shares (thousand)	Amount*
Ordinary shares authorised	**20,000,000**		20,000,000	
Ordinary shares issued and fully paid:				
Share capital at the end of the year	**9,726,246**	**4,070,201**	9,726,246	4,070,201

* There is no par value for the shares of the Company. In 2007, there was a share split whereby one existing share was split into 75,000 shares.

The holders of ordinary shares are entitled to receive dividends as and when they are declared by the board of directors and approved by the shareholders. Each ordinary share carries one vote without restrictions.

There was no movement in the Company's issued share capital during the year (2023: Nil).

(All amounts expressed in RMB'000 unless otherwise specified)

23. OTHER RESERVES

Group

	Imputed equity contribution upon reorganisation	Capital contribution received upon the repurchase of convertible bonds	Others	Total
At 1 January 2023, 31 December 2023 and 2024	224,032	163,433	220,374	607,839

Company

	Imputed equity contribution upon reorganisation	Capital contribution received upon the repurchase of convertible bonds	Others	Total
At 1 January 2023, 31 December 2023 and 2024	1,557,445	163,433	191,805	1,912,683

Nature and purpose of other reserves

Imputed equity contribution upon reorganisation

The Company acquired several companies now comprising the Group from the then controlling shareholder on 20 December 2006. The Group applied the pooling of interests method to account for the business combination under common control. The reserve of the Group of RMB224,032 thousand represents the difference between the consideration paid by the Company for the business combination under common control and the accumulated equity contribution made by the then controlling shareholder.

The Company's reserve of RMB1,557,445 thousand represents the difference between the consideration paid by the Company for the business combination under common control and the fair value of the investments in the acquired companies.

Capital contribution received upon the repurchase of convertible bonds

This reserve of the Group and the Company represents the capital contribution from SREI in connection with the Company's repurchase of convertible bonds.

Other reserves

The other reserves of the Company represent the fair value change of the equity component of certain convertible bonds issued by the Company upon their purchase of RMB191,805 thousand.

The other reserves of the Group represent the fair value change of the equity component of certain convertible bonds issued by the Company upon their purchase of RMB191,805 thousand and other equity transaction with the joint venture and non-controlling shareholder of RMB39,201 thousand and RMB(10,632) thousand respectively.

(All amounts expressed in RMB'000 unless otherwise specified)

24. INTEREST-BEARING LOANS AND BORROWINGS

Details of interest-bearing loans and borrowings are as follows:

	2024	2023
Current interest-bearing loans and borrowings		
Lease liabilities (Note 17(b))	**11,639**	11,677
Bank loans — secured	**55,886**	94,764
Bank loans — unsecured	**—**	15,019
Guaranteed bonds	**40,563**	40,563
Other borrowings	**—**	137,272
	108,088	299,295
Non-current interest-bearing loans and borrowings		
Lease liabilities (Note 17(b))	**1,265**	12,284
Bank loans — secured	**549,124**	510,380
Guaranteed bonds	**1,498,194**	1,496,690
Other borrowings	**144,176**	—
	2,192,759	2,019,354
	2,300,847	2,318,649

The interest-bearing loans and borrowings are repayable as follows:

	2024	2023
Within 6 months	**6,047**	53,162
6 months to 9 months	**27,992**	47,364
9 months to 12 months	**74,049**	198,769
Current interest-bearing loans and borrowings	**108,088**	299,295
1 year to 2 years	**56,443**	116,354
2 years to 5 years	**1,899,602**	1,795,620
Over 5 years	**236,714**	107,380
Non-current interest-bearing loans and borrowings	**2,192,759**	2,019,354
	2,300,847	2,318,649

(All amounts expressed in RMB'000 unless otherwise specified)

24. INTEREST-BEARING LOANS AND BORROWINGS (continued)

The Group's interest-bearing loans and borrowings bore interest ranging from 3.88% to 7% per annum for the year ended 31 December 2024 (2023: ranging from 4.05% to 7% per annum).

Bank loans — secured

As at 31 December 2024, bank borrowings of RMB605,010 thousand (2023: RMB605,144 thousand) were secured by the investment property, whose carrying amount at 31 December 2024 was RMB1.466 billion (2023: RMB1.486 billion).

Guaranteed bonds

As at 20 April 2023, Success, a wholly-owned subsidiary of the Company, completed the issuance of RMB1,500 million of guaranteed bonds with a maturity date of 27 April 2026. The net proceeds (net of underwriting commissions and some other expenses) amounted to RMB1,496 million, which will be used for project construction and supplement of the Company's working capital in accordance with applicable laws and regulations. The guaranteed bonds bear interest at a coupon rate of 3.98% and are guaranteed by Wuxi Communications.

25. TRADE PAYABLES

	2024	2023
Payable for land development for sale	**86,762**	110,450

An ageing analysis of the Group's trade payables is as follows:

	2024	2023
Within 1 year	**1,177**	8,432
1 to 2 years	**—**	—
Over 2 years	**85,585**	102,018
	86,762	110,450

Trade payables are non-interest-bearing.

(All amounts expressed in RMB'000 unless otherwise specified)

26. OTHER PAYABLES AND ACCRUALS

	2024	2023
Payroll and welfare	**11,269**	11,725
Other taxes payable	**21,436**	23,045
Amounts due to related parties (Note 30(a))	**20,469**	1,717
Payable for intermediary and professional service charges	**9,809**	10,203
Dividend payables	**359**	207
Payable for investment property	**5,767**	7,805
Deposits	**102,304**	35,273
Others	**90,740**	76,894
	262,153	166,869

Terms and conditions of the above liabilities are as follows:

- Payroll and welfare are normally settled within the next month.
- Other payables, tax payables and accruals are non-interest-bearing and are normally settled when they are due or within one year.

27. ADVANCE FROM CUSTOMERS

	2024	2023
Rental received in advance	**30,267**	38,786

Receivables related to rent to tenants are billed three months in advance, non-interest-bearing and are typically due within 30 days.

(All amounts expressed in RMB'000 unless otherwise specified)

28. CONTRACT LIABILITIES

	2024	2023
Contract liabilities arising from:		
Land development	**338,095**	377,014
Property management	**2,956**	5,475
	341,051	382,489

As at 31 December 2024, the contract liabilities arising from land development for sale represent the amounts received or receivable from the land authorities or local governments to fulfil the performance obligation of land development services. The amounts received or receivable are non-refundable unless the Group fails to complete the development work. The contract liabilities are classified as current liabilities as the remaining development work is expected to be provided within the normal operating cycle.

29. EMPLOYEE BENEFITS AND DIRECTORS' REMUNERATION

Employee benefits (including directors)

	2024	2023
Included in selling and administrative expenses:		
Wages and salaries	**31,755**	30,902
Social welfare other than pensions	**6,812**	6,249
Pension — defined contribution plan	**6,196**	6,036
Staff welfare and bonuses	**10,878**	10,652
	55,641	53,839

Directors' remuneration

Details of the directors' remuneration are as follows:

	2024	2023
Fees	**3,087**	3,320
Other emoluments:		
Salaries, allowances and benefits in kind	**3,097**	3,052
Discretionary bonuses	**534**	1,069
Equity-settled share option expense	**—**	—
Pension scheme contributions	**—**	—
	6,718	7,441

(All amounts expressed in RMB'000 unless otherwise specified)

29. EMPLOYEE BENEFITS AND DIRECTORS' REMUNERATION (continued)

Directors' remuneration (continued)

The names of the directors and their remuneration for the year are set out below:

Year ended 31 December 2024	Fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Pension scheme contributions	Total
Li Yao Min**	617	—	—	—	617
Feng Xiaoliang	—	—	—	—	—
Yang Meiyu***	—	1,724	312	—	2,036
Shi Janson Bing	741	37	—	—	778
Henry Tan Song Kok**	379	—	—	—	379
Kong Siu Chee**	333	—	—	—	333
Zhang Hao**	201	—	—	—	201
Liu Yuhai**	—	—	—	—	—
Wang Hongxu	—	—	—	—	—
Lo Wai Hung	332	—	—	—	332
Hu Zhiwei***	—	1,336	222	—	1,558
Liu Fangqing**	375	—	—	—	375
Liu Yanhong*	—	—	—	—	—
Yuan Kejian*	50	—	—	—	50
Ji Jiaming*	59	—	—	—	59
	3,087	3,097	534	—	6,718

* Joined as director in year 2024.

** Resigned as director in year 2024.

*** The total compensation packages for executive directors for the year ended 31 December 2024 including discretionary bonuses have not yet been finalised in accordance with the relevant regulations of the PRC authorities, and further disclosure will be made after the confirmation of the final remuneration. The pre- and post-approval variances are not expected to have any significant impact on the Group's 2024 financial statements.

(All amounts expressed in RMB'000 unless otherwise specified)

29. EMPLOYEE BENEFITS AND DIRECTORS' REMUNERATION (continued)

Directors' remuneration (continued)

The names of the directors and their remuneration for the year are set out below: (continued)

Year ended 31 December 2023	Fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Pension scheme contributions	Total
Li Yao Min	721	—	—	—	721
Feng Xiaoliang*	—	—	—	—	—
Yang Meiyu	—	1,714	624	—	2,338
Shi Janson Bing	721	36	—	—	757
Henry Tan Song Kok	442	—	—	—	442
Kong Siu Chee	384	—	—	—	384
Zhang Hao	235	—	—	—	235
Liu Yuhai	—	—	—	—	—
Wang Hongxu	—	—	—	—	—
Lo Wai Hung	317	—	—	—	317
Hu Zhiwei	—	1,302	445	—	1,747
Liu Fangqing	500	—	—	—	500
Wang Jiangang**	—	—	—	—	—
	3,320	3,052	1,069	—	7,441

* Joined as director in year 2023.

** Resigned as director in year 2023.

Five highest paid employees

The five highest paid employees of the Group during the year included two (2023: two) directors, details of whose remuneration are set out above. Details of the remuneration of the remaining three (2023: three) non-director, highest paid employees for the year are as follows:

	2024	2023
Salaries, allowances and benefits in kind	**2,311**	2,264
Discretionary bonuses	**723**	1,125
Pension scheme contributions	**442**	442
	3,476	3,831

(All amounts expressed in RMB'000 unless otherwise specified)

29. EMPLOYEE BENEFITS AND DIRECTORS' REMUNERATION (continued)

Five highest paid employees (continued)

The number of non-director, highest paid employees whose remuneration fell within the following bands is as follows:

	2024	2023
Nil to HKD1,000,000	**1**	—
HKD1,000,001 to HKD1,500,000	**1**	2
HKD1,500,001 to HKD2,000,000	**1**	1
	3	3

30. RELATED PARTY DISCLOSURES

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control. Related parties may be individuals or other entities.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

With the completion of the share transfer in 2021, Xitong International holds 29.99% of the issued share capital of the Company and became the largest shareholder and CDBIH became the second largest shareholder.

(All amounts expressed in RMB'000 unless otherwise specified)

30. RELATED PARTY DISCLOSURES (continued)

(a) Amounts due to related parties

	2024	2023
Other payables		
Shareholder of the Company and its parent:		
CDBIH	**57**	56
CDB Capital, holding company of CDBIH	**80**	80
	137	136
Associates:		
Kaiyuan Investment Advisor (HK) Limited	**18**	18
GP Holding Co	**84**	83
Meidi Elderly	**20,000**	—
	20,102	101
Joint venture:		
Guoying	**230**	1,480
	20,469	1,717

(All amounts expressed in RMB'000 unless otherwise specified)

30. RELATED PARTY DISCLOSURES (continued)

(b) Amounts due from related parties

	2024	2023
Other receivables		
Shareholder and a then parent of the Company:		
SREI	**89,854**	89,896
Less: ECLs	**—**	—
	89,854	89,896
Associates:		
GP Holding Co	**85**	85
Kaiyuan Investment Advisor (HK) Limited	**1,871**	1,310
Less: ECLs	**(20)**	(14)
	1,936	1,381
Joint ventures:		
Guowan	**115,270**	113,893
Guoyuan	**1,125**	1,118
Guofa	**380,000**	380,000
Guoying	**21**	589
Less: ECLs	**(14,780)**	(6,063)
	481,636	489,537
	573,426	580,814

(c) Debt instruments at amortised cost

	2024	2023
Interest-bearing loans:		
Joint ventures:		
Guowan	**19,567**	18,930
Guoying	**141,954**	102,499
Less: ECLs	**(1,615)**	(1,214)
	159,906	120,215

(All amounts expressed in RMB'000 unless otherwise specified)

30. RELATED PARTY DISCLOSURES (continued)

(d) In addition to the balances detailed in notes 30(a), 30(b) and 30(c) above, the Group had the following material transactions with related parties during the years ended 31 December 2024 and 2023:

	Notes	2024	2023
Transactions with joint ventures			
Financial guarantee to Guoying	(i)	**250,000**	250,000
Interest income from Guowan	(ii)	**615**	677
Interest income from Guoying	(iii)	**4,847**	4,218
Rent fee from Kaiyuan Investment Advisor (HK) Limited	(iv)	**525**	624

Notes:

(i) A financial guarantee to the extent of RMB250 million (2023: RMB250 million) was provided to Guoying.

(ii) A loan of RMB15,000 thousand was lent to Guowan in 2019 which was unsecured, interest-bearing at 6% per annum and rollover to 2025. The carrying amount of the loan was RMB19,567 thousand as at 31 December 2024 (2023: RMB18,930 thousand), of which the Group earned interest income of RMB615 thousand in 2024 (2023: RMB677 thousand).

(iii) A loan of RMB75,000 thousand was lent to Guoying in 2021 which was unsecured, interest-bearing at 5.88% per annum and repayable on demand. In 2024, the principal of the loan increased by RMB32,707 thousand and the carrying amount of the loan was RMB141,954 thousand (2023: RMB102,499 thousand). The Group earned interest income of RMB4,847 thousand in 2024 (2023: RMB4,218 thousand).

(iv) Rental income was generated by CNT Holding renting out offices to Kaiyuan Investment Advisor (HK) Limited.

(e) Compensation of key management personnel of the Group:

	2024	2023
Short-term employee benefits	**12,372**	14,292

Further details of directors' remuneration are disclosed in note 29 to the financial statements.

(All amounts expressed in RMB'000 unless otherwise specified)

31. COMMITMENTS

As at 31 December 2024 and 2023, the Group mainly had capital commitments in respect of land development for sale and various investments as follows:

	2024	2023
Commitments in respect of land development		
Contracted, but not provided for	**158,790**	154,780
Authorised, but not contracted for	**3,208,682**	3,251,965
Commitments in respect of equity investment		
Contracted, but not provided for	**141,607**	139,524
Authorised, but not contracted for	**—**	—
Commitments in respect of capital contribution to joint ventures		
Contracted, but not provided for	**200,000**	200,000
Authorised, but not contracted for	**—**	—
Total	**3,709,079**	3,746,269

The Group had significant commitments in respect of land development for sale as it had entered into two urbanization development projects in Shanghai and Shenyang and these commitments are quantified based on contracts, feasibility studies and detailed plans for the respective projects. As a result, the Group prepares cash flow budgets for major project companies annually and updates the cash flow budgets regularly.

32. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on its products and services and has the following operating segments. The Group's operational assets and operations are located in Mainland China.

- Land development segment, which provides land infrastructure development, and construction of ancillary public facilities;
- Urbanization development segment, which is responsible for investments in new town projects;
- Property leasing segment, which provides property leasing services of investment property; and
- Others segment, which includes the provision of other services.

Management monitors the operating results of the Group's business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements. However, group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to the operating segments.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the prevailing market prices.

(All amounts expressed in RMB'000 unless otherwise specified)

32. OPERATING SEGMENT INFORMATION (continued)

An analysis by operating segment is as follows:

	Year ended 31 December 2024					
	Land development	Urbanization development	Property leasing	Others	Reconciliation and eliminations	Total
Segment results						
External sales	18,919	184,996	133,454	—	—	337,369
Intersegment sales	—	—	—	—	—	—
Total segment sales	18,919	184,996	133,454	—	—	337,369
Results						
Depreciation	(969)	(10,963)	(132)	(738)	—	(12,802)
Share of losses of joint ventures and associates	(18,581)	—	(9,668)	(3,523)	—	(31,772)
Fair value loss on investment property	—	—	(19,631)	—	—	(19,631)
Fair value loss on financial instruments at fair value through profit or loss	—	(28,334)	—	—	—	(28,334)
Segment profit/(loss)	18,785	81,785	73,981	(11,508)	(94,401)[1]	68,642
Segment assets	1,000,399	4,677,230	1,662,532	555,593	—	7,895,754
Segment liabilities	500,460	122,726	66,089	36,858	2,471,211[2]	3,197,344
Other disclosures						
Investments in joint ventures and associates	56,999	—	140,351	226,550	—	423,900
Capital expenditure[3]	11	453	(350)	—	—	114
Interest income	20	203,185	406	8,459	—	212,070

1 Profit/(loss) for each operating segment does not include finance costs of RMB94,401 thousand.

2 Liabilities in segments do not include current income tax liabilities of RMB23,215 thousand, interest-bearing loans and borrowings of RMB2,300,847 thousand, and deferred tax liabilities of RMB147,149 thousand as these liabilities are managed on a group basis.

3 Capital expenditure consists of additions of property, plant and equipment of RMB483 thousand and cost adjustment of investment property of RMB369 thousand.

(All amounts expressed in RMB'000 unless otherwise specified)

32. OPERATING SEGMENT INFORMATION (continued)

	Year ended 31 December 2023					
	Land development	Urbanization development	Property leasing	Others	Reconciliation and eliminations	Total
Segment results						
External sales	13,374	179,361	144,747	—	—	337,482
Intersegment sales	—	—	—	—	—	—
Total segment sales	13,374	179,361	144,747	—	—	337,482
Results						
Depreciation	(1,018)	(11,446)	(194)	(383)	—	(13,041)
Share of (losses)/gains of joint ventures and associates	(8,436)	—	(4,775)	860	—	(12,351)
Fair value gain on investment property	—	—	1,456	—	—	1,456
Fair value gain/(loss) on financial instruments at fair value through profit or loss	—	24,984	—	(851)	—	24,133
Segment (loss)/profit	(5,430)	142,934	102,927	51,844	(91,192)[1]	201,083
Segment assets	931,699	4,827,304	1,552,831	567,531	—	7,879,365
Segment liabilities	562,677	41,771	77,640	22,560	2,504,593[2]	3,209,241
Other disclosures						
Investments in joint ventures and associates	75,580	—	150,019	172,921	—	398,520
Capital expenditure[3]	6	452	(1,456)	—	—	(998)
Interest income	1	198,434	104	8,472	—	207,011

1 Profit/(loss) for each operating segment does not include finance costs of RMB91,192 thousand.

2 Liabilities in segments do not include current income tax liabilities of RMB40,687 thousand, interest-bearing loans and borrowings of RMB2,318,649 thousand, and deferred tax liabilities of RMB145,257 thousand as these liabilities are managed on a group basis.

3 Capital expenditure consists of additions of property, plant and equipment of RMB458 thousand and cost adjustment of investment property of RMB1,456 thousand.

(All amounts expressed in RMB'000 unless otherwise specified)

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise loans and borrowings. The main purpose of these financial instruments is to raise funds for the Group's operations. The Group has various other financial assets and liabilities such as debt instruments at amortised cost, financial assets at fair value through profit or loss, trade and other receivables, cash and bank balances, and trade and other payables which arose directly from its operations. The main risks faced by the Group are interest rate risk, foreign currency risk, credit risk and liquidity risk. The Company's board of directors reviews and agrees policies for managing each of the risks which are summarised below:

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's cash and bank balances, debt instruments at amortised cost and interest-bearing loans and borrowings.

The following table demonstrates the sensitivity to reasonably possible changes in interest rates, with all other variables held constant, of the Group's profit before tax. Fair value changes of the financial instruments are not considered. In assessing the risk exposure to the changes in market interest, the maturity date of the financial assets and liabilities with fixed interest rate are treated as repricing date. The Group's equity is not affected, other than the consequential effect on the changes in profit/(loss) before tax as disclosed below.

	2024	2023
Increase/(decrease) in interest rates (basis points)	**100/(100)**	100/(100)
Increase/(decrease) in profit/(loss) before tax	**20,903/(20,903)**	20,163/(20,163)

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates, and restrictive measures were imposed by the government on foreign exchange access in order to balance the books and maintain the national currency exchange rate. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to its foreign currency cash and bank balances, debt instruments at amortised cost, and financial instruments at fair value through profit or loss.

(All amounts expressed in RMB'000 unless otherwise specified)

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Foreign currency risk (continued)

The following table demonstrates the sensitivity to reasonably possible changes in the USD, HKD and EUR exchange rate, with all other variables held constant, of the Group's profit before tax (due to changes in the carrying amount of monetary assets and liabilities), without take into account the consequence of the hedge instruments. The Group's equity is not affected, other than the consequential effect on the changes in the profit/(loss) before tax as disclosed below.

	2024	2023
Increase/(decrease) in the USD exchange rate	**5%/(5%)**	5%/(5%)
Increase/(decrease) in profit/(loss) before tax	**4,385/(4,385)**	4,787/(4,787)
Increase/(decrease) in the HKD exchange rate	**5%/(5%)**	5%/(5%)
Increase/(decrease) in profit/(loss) before tax	**279/(279)**	144/(144)
Increase/(decrease) in the EUR exchange rate	**5%/(5%)**	5%/(5%)
Increase/(decrease) in profit/(loss) before tax	**—**	13,423/(13,423)

Credit risk

Credit risk arises from cash and bank balances, debt instruments at amortised cost, trade receivables and other receivables, the balances of which represent the maximum credit risk exposure of the Group. As at 31 December 2024 and 2023, a large portion of the net receivables was from the investment in urbanization development and the revenue derived from land development for sale, and there was a significant other receivable as mentioned in note 19 to the financial statements, which constitutes a counterparty concentration of credit risk.

Credit risk is monitored by the Group, whose responsibility is to review and manage credit risk for all types of counterparties. The Group has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties, including any regular collateral revisions. The Group has also established a credit risk classification system, which assigns each counterparty a risk rating. Risk ratings are subject to regular revision. The credit quality review process aims to allow the Group to assess the potential loss as a result of the risks to which it is exposed and take corrective actions. The Group manages the credit risk by monitoring the internal credit rating of the counterparties, and the credit quality of assets, to identify exposure to credit risk.

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December 2024. The amounts presented are gross carrying amounts for financial assets and the exposure to credit risk for the financial guarantee contracts.

(All amounts expressed in RMB'000 unless otherwise specified)

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

As at 31 December 2024

	12-month ECL Stage 1	Stage 2	Lifetime ECLs Stage 3	Simplified approach	Total
Debt instruments at amortised cost*					
— Pass	**3,329,061**	**—**	**—**	**—**	**3,329,061**
— Loss	**—**	**—**	**400,000**	**—**	**400,000**
Trade receivables**	**—**	**—**	**—**	**49,680**	**49,680**
Other receivables***	**495,299**	**115,270**	**78,894**	**—**	**689,463**
Financial guarantee	**250,000**	**—**	**—**	**—**	**250,000**
	4,074,360	**115,270**	**478,894**	**49,680**	**4,718,204**

As at 31 December 2023

	12-month ECL Stage 1	Stage 2	Lifetime ECLs Stage 3	Simplified approach	Total
Debt instruments at amortised cost*					
— Pass	2,800,106	—	—	—	2,800,106
— Loss	—	—	400,000	—	400,000
Trade receivables**	—	—	—	61,899	61,899
Other receivables***	647,670	—	63,494	—	711,164
Financial guarantee	250,000	—	—	—	250,000
	3,697,776	—	463,494	61,899	4,223,169

* The Group established a balanced score card model to assess the credit rating of the debt instruments based on different dimensions and classified to five categories. Which are pass, special mention, sub-standard, doubtful and loss. Among the five-category classification, the credit rate of pass was divided into Stage 1, the credit rate of special mention was divided into Stage 2 and the others are divided into Stage 3.

** For trade receivables to which the Group applies the simplified approach for impairment, information based on the historical credit loss experience is disclosed in note 20 to the financial statements.

*** The other receivables are classified to Stage 1 when they are not past due and there is no information indicating that the other receivables had a significant increase in credit risk since initial recognition, otherwise, the other receivables are classified to Stage 2. The other receivables are classified to Stage 3 when there is evidence indicating the assets are credit impaired.

Further quantitative and qualitative information in respect of the Group's exposure to credit risk arising from debt instruments at amortised cost, other receivables and trade receivables are disclosed in notes 13, 19 and 20 to the financial statements, respectively.

(All amounts expressed in RMB'000 unless otherwise specified)

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk

The Group's policy is to maintain sufficient cash and cash equivalents to have available funding through the use of loans and borrowings to meet its commitments over the foreseeable future in accordance with its strategic plan.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

31 December 2024	**On demand**	**Less than 3 months**	**3 to 12 months**	**1 to 5 years**	**Over 5 years**	**Total**
Interest-bearing loans and borrowings (excluding lease liabilities)	**—**	**5,994**	**131,633**	**2,031,853**	**335,948**	**2,505,428**
Lease liabilities	**—**	**523**	**11,405**	**1,287**	**—**	**13,215**
Trade payables	**86,762**	**—**	**—**	**—**	**—**	**86,762**
Other liabilities	**229,448**	**—**	**—**	**—**	**—**	**229,448**
	316,210	**6,517**	**143,038**	**2,033,140**	**335,948**	**2,834,853**

31 December 2023	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Interest-bearing loans and borrowings (excluding lease liabilities)	—	53,154	282,949	2,070,171	109,030	2,515,304
Lease liabilities	—	515	11,821	12,552	—	24,888
Trade payables	110,450	—	—	—	—	110,450
Other liabilities	132,099	—	—	—	—	132,099
	242,549	53,669	294,770	2,082,723	109,030	2,782,741

Capital management

The primary objective of the Group's capital management is to maintain healthy capital ratios in order to support its business and maximise the shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, issue bonds, issue convertible bonds or new shares.

As the Group is principally engaged in land development, urbanization development, property leasing operation and investments in debt instruments, it needs a substantial amount of funds. The Group manages capital by closely monitoring its gearing ratio (which is defined by management as net debt divided by capital plus net debt).

(All amounts expressed in RMB'000 unless otherwise specified)

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Capital management (continued)

Net debt includes interest-bearing loans and borrowings and excludes cash and bank balances. Equity includes equity attributable to equity holders of the parent and non-controlling interests. The gearing ratios are calculated as follows:

	2024	2023
Interest-bearing loans and borrowings	**2,300,847**	2,318,649
Less: Cash and bank balances	**(1,045,466)**	(1,454,360)
Net debt	**1,255,381**	864,289
Capital:		
Total equity	**4,698,410**	4,670,124
Capital and net debt	**5,953,791**	5,534,413
Gearing ratio	**21.1%**	15.6%

Collateral held

The Group did not hold any collateral as at 31 December 2023 and 2024.

(All amounts expressed in RMB'000 unless otherwise specified)

34. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

2024

Financial assets

	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Total
Other receivables	—	610,644	610,644
Trade receivables	—	45,629	45,629
Debt instruments at amortised cost	—	3,315,770	3,315,770
Cash and bank balances	—	1,045,466	1,045,466
Financial assets at fair value through profit or loss	171,044	—	171,044
	171,044	5,017,509	5,188,553

Financial liabilities

	Financial liabilities at amortised cost	Total
Interest-bearing loans and borrowings	2,300,847	2,300,847
Trade payables	86,762	86,762
Others	229,089	229,089
	2,616,698	2,616,698

(All amounts expressed in RMB'000 unless otherwise specified)

34. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

2023

Financial assets

	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Total
Other receivables	—	640,837	640,837
Trade receivables	—	42,913	42,913
Debt instruments at amortised cost	—	2,792,105	2,792,105
Cash and bank balances	—	1,454,360	1,454,360
Financial assets at fair value through profit or loss	235,721	—	235,721
	235,721	4,930,215	5,165,936

Financial liabilities

	Financial liabilities at amortised cost	Total
Interest-bearing loans and borrowings	2,318,649	2,318,649
Trade payables	110,450	110,450
Others	131,892	131,892
	2,560,991	2,560,991

(All amounts expressed in RMB'000 unless otherwise specified)

35. FAIR VALUE AND FAIR VALUE HIERARCHY

Fair values of financial assets and liabilities

Fair value estimates are made at a specific point in time based on relevant market information and information about the various financial instruments. When an active market exists, such as an authorised securities exchange, the market value is the best reflection of the fair value of the financial instrument. For financial instruments where there is no active market or when current market prices are not available, their fair values are determined using valuation techniques.

The Group's financial assets mainly include debt instruments at amortised cost, cash and bank balances, financial assets at fair value through profit or loss, trade receivables and other receivables. The Group's financial liabilities mainly include interest-bearing loans and borrowings, and trade and other payables. The fair values of the Group's and the Company's financial instruments are not materially different from their carrying amounts.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair values:

Level 1: fair values measured based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: fair values measured based on valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: fair values measured based on valuation techniques for which any inputs which have a significant effect on the recorded fair value are not based on observable market data (unobservable inputs)

The following table shows the fair value measurement hierarchy of the Group's assets and liabilities.

Quantitative disclosures of assets and liabilities measured at fair value as at 31 December 2024:

			Fair value measurement using		
	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets/liabilities measured at fair value:					
Financial assets at fair value through profit or loss (Note 14)	31 December 2024	**171,044**	**—**	**51,097**	**119,947**
Investment property (Note 15)	31 December 2024	**1,465,700**	**—**	**—**	**1,465,700**

There were no transfers of fair value measurement between Level 1 and Level 2 during the year ended 31 December 2024. Financial assets at fair value through profit or loss of shares in WeRide Inc. were transferred out of Level 3 to Level 2 during the year ended 31 December 2024, whose amount was RMB43,872 thousand as at 31 December 2023 and RMB38,026 thousand as at 31 December 2024. Since WeRide Inc. had been listed in 2024 and had a restricted period of sale, the fair value could be measured by significant observable inputs.

(All amounts expressed in RMB'000 unless otherwise specified)

35. FAIR VALUE AND FAIR VALUE HIERARCHY (continued)

Fair value hierarchy (continued)

Quantitative disclosures of assets and liabilities measured at fair value as at 31 December 2023:

			Fair value measurement using		
	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets/liabilities measured at fair value:					
Financial assets at fair value through profit or loss (Note 14)	31 December 2023	235,721	—	70,373	165,348
Investment property (Note 15)	31 December 2023	1,485,700	—	—	1,485,700

There were no transfers of fair value measurement between Level 1 and Level 2, and no transfers into or out of Level 3 during the year ended 31 December 2023.

Assets and liabilities in Level 2

Valuation techniques used to derive Level 2 fair values are as follows:

Level 2 financial assets at fair value through profit or loss comprise wealth management products, derivatives and an equity instrument. For wealth management products, fair value was determined by the quoted price of the net asset value by financial institutions as at the end of the reporting period. For derivatives, the fair value was determined using the forward foreign exchange rate and CNH risk-free rate that are observable market inputs. For the equity instrument, the fair value was determined by valuation techniques using observable inputs.

(All amounts expressed in RMB'000 unless otherwise specified)

35. FAIR VALUE AND FAIR VALUE HIERARCHY (continued)

Fair value hierarchy (continued)

Assets and liabilities in Level 3

The significant unobservable inputs used in the fair value measurements categorised within Level 3 of the fair value hierarchy as at 31 December 2024 and 2023 are shown below:

	Valuation technique	Significant unobservable inputs	31 December 2024	31 December 2023
Office	Income approach	Net yield	**5.5%**	5.5%
		Estimated rental value (per square metre and per month)	**83**	83
		Long term vacancy rate	**19–28%**	18%
Retail	Income approach	Net yield	**5.5%**	5.5%
		Estimated rental value (per square metre and per month)	**163**	165
		Long term vacancy rate	**25%**	25%
Car park	Income approach	Net yield	**5.5%**	5.5%
		Estimated rental value (per square metre and per month)	**390**	390
		Long term vacancy rate	**30%**	30%
Non-listed equity investments	Discounted cashflow approach	Discount rate	**6.5%**	7.0%
	Market valuation approach	Discounts for lack of marketability	**25.6%**	30%, 32%

Sensitivity analysis of the significant unobservable inputs to fair value:

The higher net yield used in the fair value measurement of office, the retail and the car park spaces, the lower the fair value;

The higher the estimated rental value used in the fair value measurement of office, the retail and the car park spaces, the higher the fair value;

The higher the long term vacancy rate used in the fair value measurement of office and the retail spaces, the lower the fair value;

The higher net yield used in the fair value measurement of non-listed equity investments, the lower the fair value;

The higher the discounts for lack of marketability used in the fair value measurement of non-listed equity investments, the lower the fair value.

(All amounts expressed in RMB'000 unless otherwise specified)

35. FAIR VALUE AND FAIR VALUE HIERARCHY (continued)

Fair value hierarchy (continued)

Assets and liabilities in Level 3 (continued)

The movements of financial assets at fair value through profit or loss in fair value measurements within Level 3 during the year are as follows:

	Year ended 31 December 2024	Year ended 31 December 2023
At beginning of year	**165,348**	120,306
Total (losses)/gains recognised in profit or loss	**(1,529)**	5,099
Transfer to level 2	**(43,872)**	—
Purchases	**—**	42,721
Disposals	**—**	(2,778)
At end of year	**119,947**	165,348

36. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Bank loans and other borrowings	**Guaranteed bonds**	**Lease liabilities**	**Total**
At 1 January 2024	**757,435**	**1,537,253**	**23,961**	**2,318,649**
Changes from financing cash flows	**(15,087)**	**1,504**	**(12,317)**	**(25,900)**
New leases	**—**	**—**	**612**	**612**
Interest accrued	**33,890**	**59,863**	**648**	**94,401**
Interest paid	**(27,052)**	**(59,863)**	**—**	**(86,915)**
At 31 December 2024	**749,186**	**1,538,757**	**12,904**	**2,300,847**

	Bank loans and other borrowings	Guaranteed bonds	Lease liabilities	Total
At 1 January 2023	1,113,991	—	6,156	1,120,147
Changes from financing cash flows	(379,502)	1,496,690	(12,482)	1,104,706
New leases	—	—	29,501	29,501
Foreign exchange movement	16,693	—	—	16,693
Interest accrued	49,843	40,563	786	91,192
Interest paid	(43,590)	—	—	(43,590)
At 31 December 2023	757,435	1,537,253	23,961	2,318,649

(All amounts expressed in RMB'000 unless otherwise specified)

37. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	Notes	2024	2023
Assets			
Non-current assets			
Investments in subsidiaries	3	**2,764,853**	2,764,853
Property, plant and equipment		**6**	6
Right-of-use assets		**230**	404
Total non-current assets		**2,765,089**	2,765,263
Current assets			
Other receivables		**203,263**	218,094
Dividend receivables		**—**	260,000
Cash and bank balances		**975**	1,003
Amounts due from subsidiaries		**255,878**	25,991
Total current assets		**460,116**	505,088
Total assets		**3,225,205**	3,270,351
Equity and liabilities			
Equity			
Equity holders of the parent:			
Share capital	22	**4,070,201**	4,070,201
Accumulated losses		**(2,769,237)**	(2,724,956)
Other reserves	23	**1,912,683**	1,912,683
Total equity		**3,213,647**	3,257,928

(All amounts expressed in RMB'000 unless otherwise specified)

37. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

Information about the statement of financial position of the Company at the end of the reporting period is as follows: (continued)

	Notes	2024	2023
Non-current liabilities			
Lease liabilities		**108**	288
Total non-current liabilities		**108**	288
Current liabilities			
Other payables and accruals		**11,269**	11,961
Lease liabilities		**181**	174
Total current liabilities		**11,450**	12,135
Total liabilities		**11,558**	12,423
Total equity and liabilities		**3,225,205**	3,270,351
Net current assets		**448,666**	492,953

Liu Yanhong	**Yang Meiyu**
Chairman	*President and Executive Director*

(All amounts expressed in RMB'000 unless otherwise specified)

37. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

Note:

A summary of the Company's reserves is as follows:

	Other reserves	Accumulated losses	Total reserves
As at 1 January 2023	1,912,683	(1,409,126)	503,557
Total comprehensive loss	—	(1,296,243)	(1,296,243)
Dividends	—	(19,587)	(19,587)
As at 31 December 2023	1,912,683	(2,724,956)	(812,273)
Total comprehensive loss	—	(14,111)	(14,111)
Dividends	—	(30,170)	(30,170)
As at 31 December 2024	**1,912,683**	**(2,769,237)**	**(856,554)**

There were no movements in other reserves during the years ended 31 December 2024 and 2023.

38. EVENTS AFTER THE REPORTING PERIOD

As of 21 March 2025, there was no significant event occurred after the reporting period.

39. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors of the Company on 21 March 2025.

NEW TOWN

China New Town Development Company Limited

中國新城鎮發展有限公司

Stock Code: 1278