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GUANGDONG INVESTMENT LIMITED
(粵 海 投 資 有 限 公 司)

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00270)

2024 ANNUAL RESULTS ANNOUNCEMENT

Financial highlights for the year ended 31 December

	2024	2023	Changes
	HK\$'000	(Restated) HK\$'000	%
From continuing operations			
Revenue	<u>18,505,293</u>	<u>20,322,478</u>	-8.9
Profit before tax	<u>6,493,854</u>	<u>6,425,773</u>	+1.1
Profit attributable to owners of the Company			
Continuing operations	4,102,893	4,221,183	
Discontinued operations	(960,755)	(1,099,114)	
	<u>3,142,138</u>	<u>3,122,069</u>	+0.6
Earnings per share – Basic	<u>HK 48.06 cents</u>	<u>HK 47.75 cents</u>	+0.6
Dividends per share			
Interim	HK 23.97 cents	HK 18.71 cents	
Proposed final	<u>HK 7.27 cents</u>	<u>HK 12.33 cents</u>	
	<u>HK 31.24 cents</u>	<u>HK 31.04 cents</u>	+0.6

Payment of special dividend by way of distribution in specie of GD Land shares was completed on 21 January 2025.

CONSOLIDATED FINANCIAL INFORMATION

YEAR ENDED 31 DECEMBER 2024

The board of directors (the “Board”) of Guangdong Investment Limited (the “Company”) hereby presents the consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2024 together with the comparative figures for 2023 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2024

	Notes	2024 HK\$'000	2023 (Restated) HK\$'000
CONTINUING OPERATIONS			
REVENUE	4	18,505,293	20,322,478
Cost of sales		<u>(8,682,832)</u>	<u>(10,667,918)</u>
Gross profit		9,822,461	9,654,560
Other income and gains, net	4	469,805	447,227
Changes in fair value of investment properties		(67,821)	100,198
Selling and distribution expenses		(524,732)	(558,395)
Administrative expenses		(2,478,311)	(2,501,407)
Exchange differences, net		38,761	1,146
Other operating (expenses)/income, net		(18,736)	97,411
Finance costs	6	(919,594)	(1,008,378)
Share of profits less losses of associates		<u>172,021</u>	<u>193,411</u>
PROFIT BEFORE TAX	5	6,493,854	6,425,773
Income tax expense	7	<u>(1,852,764)</u>	<u>(1,658,283)</u>
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		4,641,090	4,767,490
DISCONTINUED OPERATIONS			
Loss for the year from discontinued operations	8	<u>(1,493,331)</u>	<u>(1,953,635)</u>
PROFIT FOR THE YEAR		<u>3,147,759</u>	<u>2,813,855</u>
Attributable to:			
Owners of the Company		3,142,138	3,122,069
Non-controlling interests		<u>5,621</u>	<u>(308,214)</u>
		<u>3,147,759</u>	<u>2,813,855</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS (continued)
Year ended 31 December 2024

	Note	2024	2023
		HK\$'000	(Restated) HK\$'000
Attributable to owners of the Company arising from:			
Continuing operations		4,102,893	4,221,183
Discontinued operations		<u>(960,755)</u>	<u>(1,099,114)</u>
		<u>3,142,138</u>	<u>3,122,069</u>
Attributable to non-controlling interests arising from:			
Continuing operations		538,197	546,307
Discontinued operations		<u>(532,576)</u>	<u>(854,521)</u>
		<u>5,621</u>	<u>(308,214)</u>
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	10		
Basic and diluted:			
Continuing operations		HK 62.76 cents	HK 64.56 cents
Discontinued operations		<u>HK (14.70) cents</u>	<u>HK (16.81) cents</u>
		<u>HK 48.06 cents</u>	<u>HK 47.75 cents</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 December 2024

	2024 HK\$'000	2023 HK\$'000
PROFIT FOR THE YEAR	<u>3,147,759</u>	<u>2,813,855</u>
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations		
- Subsidiaries	(1,193,215)	(806,706)
- Associates	<u>(77,760)</u>	<u>(53,863)</u>
Other comprehensive income that may be reclassified to profit or loss in subsequent periods	<u>(1,270,975)</u>	<u>(860,569)</u>
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax	1,520	2,039
Fair value gains of property, plant and equipment upon transfer to investment properties, net of tax	7,253	31,965
Share of remeasurement gain on defined benefit plans, net of tax		
- Subsidiaries	-	39,053
- An associate	-	<u>15,344</u>
	<u>8,773</u>	<u>88,401</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	<u>(1,262,202)</u>	<u>(772,168)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u><u>1,885,557</u></u>	<u><u>2,041,687</u></u>
Attributable to:		
Owners of the Company	2,219,775	2,484,022
Non-controlling interests	<u>(334,218)</u>	<u>(442,335)</u>
	<u><u>1,885,557</u></u>	<u><u>2,041,687</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 December 2024

	Notes	2024 HK\$'000	2023 HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment		9,965,677	10,289,697
Investment properties		15,886,606	25,502,014
Right-of-use assets		1,043,180	1,056,960
Goodwill		810,988	851,725
Other intangible assets		593,788	660,065
Investments in associates		3,607,316	3,702,949
Operating concession rights		20,040,449	21,638,190
Receivables under service concession arrangements		16,966,044	17,191,845
Receivables under a cooperative arrangement		1,813,009	1,966,103
Other financial assets at amortised cost	11	3,384,857	-
Equity investments designated at fair value through other comprehensive income		16,738	56,829
Prepayments and other receivables		519,303	510,304
Deferred tax assets		198,981	1,261,480
Total non-current assets		74,846,936	84,688,161
CURRENT ASSETS			
Properties held for sale under development		-	23,591,871
Completed properties held for sale		92,520	9,236,027
Tax recoverable		70,904	617,911
Inventories		309,360	355,818
Receivables under service concession arrangements		615,399	578,348
Receivables under a cooperative arrangement		357,325	256,293
Receivables, prepayments and other receivables	12	5,578,979	6,658,147
Due from non-controlling equity holders of subsidiaries		887,425	901,896
Restricted bank balances		19,457	487,884
Cash and bank balances		12,154,029	12,593,616
Assets classified as held for distribution	8	20,085,398 40,663,069	55,277,811 -
Total current assets – page 6		60,748,467	55,277,811

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
31 December 2024

	Notes	2024 HK\$'000	2023 HK\$'000
Total current assets – page 5		<u>60,748,467</u>	<u>55,277,811</u>
CURRENT LIABILITIES			
Payables, accruals and other liabilities	13	(10,793,261)	(16,375,510)
Contract liabilities		(1,301,097)	(10,818,229)
Tax payable		(603,427)	(2,683,487)
Due to non-controlling equity holders of subsidiaries		(422,615)	(488,767)
Bank and other borrowings	14	(7,330,175)	(15,252,492)
Lease liabilities		<u>(84,756)</u>	<u>(47,707)</u>
		(20,535,331)	(45,666,192)
Liabilities directly associated with assets classified as held for distribution	8	<u>(35,202,576)</u>	<u>-</u>
Total current liabilities		<u>(55,737,907)</u>	<u>(45,666,192)</u>
NET CURRENT ASSETS		<u>5,010,560</u>	<u>9,611,619</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>79,857,496</u>	<u>94,299,780</u>
NON-CURRENT LIABILITIES			
Bank and other borrowings	14	(16,531,830)	(27,175,184)
Lease liabilities		(294,378)	(558,113)
Due to non-controlling equity holders of subsidiaries		-	(4,416)
Other liabilities and contract liabilities		(1,306,244)	(1,383,185)
Deferred tax liabilities		<u>(5,049,571)</u>	<u>(7,149,257)</u>
Total non-current liabilities		<u>(23,182,023)</u>	<u>(36,270,155)</u>
Net assets		<u>56,675,473</u>	<u>58,029,625</u>
EQUITY			
Equity attributable to owners of the Company			
Share capital		8,966,177	8,966,177
Reserves		<u>32,691,847</u>	<u>32,836,033</u>
		41,658,024	41,802,210
Non-controlling interests		<u>15,017,449</u>	<u>16,227,415</u>
Total equity		<u>56,675,473</u>	<u>58,029,625</u>

Notes:

1. BASIS OF PREPARATION

The financial information relating to the years ended 31 December 2024 and 2023 included in this announcement of annual results does not constitute the Company's statutory annual consolidated financial statements for those years but is derived from those consolidated financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Chapter 622) is as follows:

The Company has delivered the consolidated financial statements for the year ended 31 December 2023 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance (Chapter 622) and will deliver the consolidated financial statements for the year ended 31 December 2024 in due course. The Company's auditor has reported on those consolidated financial statements for the years ended 31 December 2023 and 2024. The auditor's reports were unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance (Chapter 622).

On 9 December 2024, the Company's Board of Directors recommended the payment of a special dividend in the form of a distribution in specie of shares of Guangdong Land Holdings Limited ("GD Land") held directly by the Company ("Proposed Distribution"), conditional upon the passing of an ordinary resolution by the shareholders of the Company. On 8 January 2025, the resolution to approve the Proposed Distribution was passed by the shareholders of the Company. On 21 January 2025, a total of 1,261,799,423 GD Land shares (representing approximately 99.9% of GD Land shares held by the Company) was distributed to the shareholders.

The consolidated assets and liabilities of GD Land were classified as held for distribution as at 31 December 2024 and the consolidated results of GD Land for the year ended 31 December 2024 were presented in the consolidated financial statements as discontinued operations in accordance with HKFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*. The consolidated statement of profit or loss distinguished the discontinued operations from the continuing operations, and the comparative figures have been restated accordingly.

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for completed investment properties and equity investments designated at fair value through other comprehensive income which have been measured at fair value. These financial statements are presented in Hong Kong dollars ("HK\$") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively known as the "Group") for the year ended 31 December 2024. A subsidiary is an entity (including a structured 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 (i.e. existing rights that give the Group the current ability to direct the relevant activities of the investee).

1. BASIS OF PREPARATION (continued)

When the Company has, directly or indirectly, 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 with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling equity holders of subsidiaries, even if this results in the non-controlling interests having a deficit balance. 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.

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 described above. 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 (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2. CHANGES IN ACCOUNTING POLICIES

The Group has applied the following amendments to HKFRSs issued by the HKICPA to these financial statements for the current accounting period:

Amendments to HKAS 1	<i>Presentation of financial statements – Classification of liabilities as current or non-current (“2020 amendments”)</i>
Amendments to HKAS 1	<i>Presentation of financial statements – Non-current liabilities with covenants (“2022 amendments”)</i>
Amendments to HKFRS 16	<i>Leases – Lease liability in a sale and leaseback</i>
Amendments to HKAS 7 and HKFRS 7	<i>Statement of cash flows and Financial instruments: Disclosures – Supplier finance arrangements</i>

2. CHANGES IN ACCOUNTING POLICIES (continued)

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of the amended HKFRSs are discussed below:

- (a) The HKAS 1 amendments impact the classification of a liability as current or non-current, and have been applied retrospectively as a package.

The 2020 amendments primarily clarify the classification of a liability that can be settled in its own equity instruments. If the terms of a liability could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments and that conversion option is accounted for as an equity instrument, these terms do not affect the classification of the liability as current or non-current. Otherwise, the transfer of equity instruments would constitute settlement of the liability and impact classification.

The 2022 amendments specify that conditions with which an entity must comply after the reporting date do not affect the classification of a liability as current or non-current. The amendments do not have a material impact on these financial statements.

- (b) Amendments to HKFRS 16 clarify how an entity accounts for a sale and leaseback after the date of the transaction. The amendments require the seller-lessee to apply the general requirements for subsequent accounting of the lease liability in such a way that it does not recognise any gain or loss relating to the right of use it retains. A seller-lessee is required to apply the amendments retrospectively to sale and leaseback transactions entered into after the date of initial application. The amendments do not have a material impact on these financial statements as the Group has not entered into any sale and leaseback transactions.
- (c) Amendments to HKAS 7 and HKFRS 7 introduce new disclosure requirements to enhance transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk. The amendments do not have a material impact on these financial statements.

3. OPERATING SEGMENT INFORMATION

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

- (i) The water resources segment engages in water distribution, sewage treatment, construction of water supply and sewage treatment infrastructure, water pipeline installation and consultancy services and sale of machineries for customers in the mainland of the People's Republic of China (the "PRC") ("Mainland China") and Hong Kong Special Administrative Region of the PRC ("Hong Kong");
- (ii) The property investment segment mainly invests in various properties in Mainland China and Hong Kong that are held for rental income purposes. This segment also provides property management services to certain commercial properties;
- (iii) The department store operation segment operates department stores, which engages in sale of goods and concessionaire sales, and management and sub-letting of operating area in Mainland China;
- (iv) The electric power generation segment operates coal-fired power plants supplying electricity and steam in Guangdong Province, the PRC;
- (v) The hotel operation and management segment operates the Group's hotels and provides hotel management services to certain third parties' hotels in Mainland China and Hong Kong;
- (vi) The road and bridge segment invests in road and bridge projects, which engages in toll road operation and road management in Mainland China; and
- (vii) The "others" segment provides treasury services in Mainland China and Hong Kong and engages in the provision of corporate services to other segments.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss) from continuing operations, which is a measure of adjusted profit/(loss) before tax from continuing operations. The adjusted profit/(loss) before tax from continuing operations is measured consistently with the Group's profit before tax from continuing operations except that bank interest income, interest income from other financial assets at amortised cost, interest income from financial assets at fair value through profit or loss, dividends received from equity investments designated at fair value through other comprehensive income, net loss on disposal of subsidiaries, gain on deemed disposal of associates, finance costs (other than interest on lease liabilities) and share of profits less losses of associates are excluded from such measurement.

Segment assets include total assets, exclude assets classified as held for distribution, and exclude deferred tax assets, tax recoverable, cash and bank balances, restricted bank balances, other financial assets at amortised cost, equity investments designated at fair value through other comprehensive income and other unallocated assets as these assets are managed on a group basis.

Segment liabilities include total liabilities, exclude liabilities directly associated with assets classified as held for distribution, and exclude bank and other borrowings, tax payable, deferred tax liabilities and other unallocated liabilities as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices. Intersegment sales are eliminated in full on consolidation.

3. OPERATING SEGMENT INFORMATION (continued)

(a) Operating segments

	Water resources		Property investment		Department store operation	
	2024	2023	2024	2023	2024	2023
	HK\$'000	HK\$'000	HK\$'000	(Restated) HK\$'000	HK\$'000	HK\$'000
Segment revenue from continuing operations:						
Revenue from external customers	13,511,006	15,329,381	1,576,863	1,426,843	861,612	758,786
Intersegment sales	-	-	91,201	92,272	-	-
Other income and gains from external sources	82,353	75,711	6,132	6,797	17,557	16,531
Other income from intersegment transactions	-	-	3,516	-	-	-
Total	13,593,359	15,405,092	1,677,712	1,525,912	879,169	775,317
Segment results from continuing operations	5,643,561	5,593,782	722,395	753,267	(102,341)	(18,218)
Bank interest income						
Interest income from other financial assets at amortised cost						
Interest income from financial assets at fair value through profit or loss						
Dividends received from equity investments designated at fair value through other comprehensive income						
Loss on disposal of subsidiaries, net	-	(3,544)	-	-	-	-
Gain on deemed disposal of associates	-	13,814	-	-	-	-
Finance costs						
Share of profits less losses of associates	101,537	95,201	-	-	(4,173)	8,584
Profit before tax from continuing operations						
Income tax expense						
Profit for the year from continuing operations						

3. OPERATING SEGMENT INFORMATION (continued)

(a) Operating segments (continued)

	Electric power generation		Hotel operation and management		Road and bridge	
	2024 HK\$'000	2023 HK\$'000	2024 HK\$'000	2023 HK\$'000	2024 HK\$'000	2023 HK\$'000
Segment revenue from continuing operations:						
Revenue from external customers	1,268,698	1,475,698	648,379	648,780	638,735	682,990
Intersegment sales	335,415	342,295	-	-	-	-
Other income and gains from external sources	19,573	41,113	22	97	141,355	147,731
Other income from intersegment transactions	-	-	-	-	-	-
Total	1,623,686	1,859,106	648,401	648,877	780,090	830,721
Segment results from continuing operations	147,805	105,664	103,453	144,849	438,316	500,713
Bank interest income						
Interest income from other financial assets at amortised cost						
Interest income from financial assets at fair value through profit or loss						
Dividends received from equity investments designated at fair value through other comprehensive income						
Loss on disposal of subsidiaries, net	-	-	-	-	-	-
Gain on deemed disposal of associates	-	-	-	-	-	-
Finance costs						
Share of profits less losses of associates	74,657	89,626	-	-	-	-
Profit before tax from continuing operations						
Income tax expense						
Profit for the year from continuing operations						

3. OPERATING SEGMENT INFORMATION (continued)

(a) Operating segments (continued)

	Others		Eliminations		Consolidated	
	2024	2023	2024	2023	2024	2023 (Restated)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue from continuing operations:						
Revenue from external customers	-	-	-	-	18,505,293	20,322,478
Intersegment sales	26,908	21,660	(453,524)	(456,227)	-	-
Other income and gains from external sources	8,223	-	-	-	275,215	287,980
Other income from intersegment transactions	7,036	5,786	(10,552)	(5,786)	-	-
Total	42,167	27,446	(464,076)	(462,013)	18,780,508	20,610,458
Segment results from continuing operations	(140,901)	(148,169)	207,030	122,029	7,019,318	7,053,917
Bank interest income					124,761	148,977
Interest income from other financial assets at amortised cost					37,745	-
Interest income from financial assets at fair value through profit or loss					32,058	-
Dividends received from equity investments designated at fair value through other comprehensive income					26	-
Loss on disposal of subsidiaries, net	-	-	-	-	-	(3,544)
Gain on deemed disposal of associates	-	-	-	-	-	13,814
Finance costs					(892,075)	(980,802)
Share of profits less losses of associates	-	-	-	-	172,021	193,411
Profit before tax from continuing operations					6,493,854	6,425,773
Income tax expense					(1,852,764)	(1,658,283)
Profit for the year from continuing operations					<u>4,641,090</u>	<u>4,767,490</u>

3. OPERATING SEGMENT INFORMATION (continued)

(a) Operating segments (continued)

	Water resources		Property investment		Department store operation	
	2024 HK\$'000	2023 HK\$'000	2024 HK\$'000	2023 HK\$'000	2024 HK\$'000	2023 HK\$'000
Segment assets	52,149,340	53,267,723	16,994,202	60,992,028	334,442	963,169
Unallocated assets						
Assets classified as held for distribution						
Total assets						
Segment liabilities	11,119,142	11,799,551	1,011,872	15,286,140	870,400	1,510,226
Unallocated liabilities						
Liabilities directly associated with assets classified as held for distribution						
Total liabilities						
Other segment information:						
Investments in associates	2,578,520	2,722,596	-	-	123,953	131,240
Capital expenditure*	<u>1,192,852</u>	<u>5,636,629</u>	<u>147,152</u>	<u>571,426</u>	<u>4,380</u>	<u>64,268</u>

* Capital expenditure consists of additions to property, plant and equipment, operating concession rights, right-of-use assets, other intangible assets and investment properties including assets from the acquisitions.

3. OPERATING SEGMENT INFORMATION (continued)

(a) Operating segments (continued)

	Electric power generation		Hotel operation and management		Road and bridge	
	2024 HK\$'000	2023 HK\$'000	2024 HK\$'000	2023 HK\$'000	2024 HK\$'000	2023 HK\$'000
Segment assets	2,717,818	2,900,129	2,193,045	2,112,463	5,073,350	5,301,994
Unallocated assets						
Assets classified as held for distribution						
Total assets						
Segment liabilities	326,852	447,202	389,037	234,580	285,940	274,451
Unallocated liabilities						
Liabilities directly associated with assets classified as held for distribution						
Total liabilities						
Other segment information:						
Investments in associates	904,843	849,113	-	-	-	-
Capital expenditure*	10,299	1,266	245,699	24,040	11,965	3,474

* Capital expenditure consists of additions to property, plant and equipment, operating concession rights, right-of-use assets, other intangible assets and investment properties including assets from the acquisitions.

3. OPERATING SEGMENT INFORMATION (continued)

(a) Operating segments (continued)

	Others		Eliminations		Consolidated	
	2024 HK\$'000	2023 HK\$'000	2024 HK\$'000	2023 HK\$'000	2024 HK\$'000	2023 HK\$'000
Segment assets	38,936	46,636	(426,554)	(662,010)	79,074,579	124,922,132
Unallocated assets					15,857,755	15,043,840
Assets classified as held for distribution					<u>40,663,069</u>	<u>-</u>
Total assets					<u>135,595,403</u>	<u>139,965,972</u>
Segment liabilities	172,335	163,627	(71,703)	(158,359)	14,103,875	29,557,418
Unallocated liabilities					29,613,479	52,378,929
Liabilities directly associated with assets classified as held for distribution					<u>35,202,576</u>	<u>-</u>
Total liabilities					<u>78,919,930</u>	<u>81,936,347</u>
Other segment information:						
Investments in associates	-	-	-	-	3,607,316	3,702,949
Capital expenditure*	<u>934</u>	<u>3,130</u>	<u>-</u>	<u>(2,395)</u>	<u>1,613,281</u>	<u>6,301,838</u>

* Capital expenditure consists of additions to property, plant and equipment, operating concession rights, right-of-use assets, other intangible assets and investment properties including assets from the acquisitions.

3. OPERATING SEGMENT INFORMATION (continued)

(a) Operating segments (continued)

	Water resources		Property investment		Department store operation	
	2024	2023	2024	2023 (Restated)	2024	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Other segment information:						
Depreciation and amortisation	1,847,550	1,798,318	83,078	115,024	53,168	65,137
Exchange differences, net	(14,979)	8,329	(61,937)	(44,771)	9,612	6,516
Provision/(reversal) of impairment losses for trade receivables, net	1,853	2,752	604	1,113	(251)	29
Impairment of goodwill	30,708	-	-	-	-	-
Changes in fair value of investment properties	(1,299)	(3,370)	33,408	(107,039)	29,090	51,666
(Gain)/loss on disposal of property, plant and equipment, net	(18,229)	(156)	441	125	56,758	89

3. OPERATING SEGMENT INFORMATION (continued)

(a) Operating segments (continued)

	Electric power generation		Hotel operation and management		Road and bridge	
	2024 HK\$'000	2023 HK\$'000	2024 HK\$'000	2023 HK\$'000	2024 HK\$'000	2023 HK\$'000
Other segment information:						
Depreciation and amortisation	125,516	126,854	135,029	131,508	233,102	232,184
Exchange differences, net	(9,280)	(6,123)	273	133	7,257	4,702
Provision/(reversal) of impairment losses for trade receivables, net	-	-	(6)	-	-	-
Impairment of goodwill	-	-	-	-	-	-
Changes in fair value of investment properties	-	-	6,495	(41,329)	-	-
(Gain)/loss on disposal of property, plant and equipment, net	2,912	8	153	117	16	30

3. OPERATING SEGMENT INFORMATION (continued)

(a) Operating segments (continued)

	Others		Eliminations		Consolidated	
	2024	2023	2024	2023	2024	2023 (Restated)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Other segment information:						
Depreciation and amortisation	3,355	3,621	(1,201)	(698)	2,479,597	2,471,948
Exchange differences, net	31,168	29,852	(875)	216	(38,761)	(1,146)
Provision/(reversal) of impairment losses for trade receivables, net	-	-	-	-	2,200	3,894
Impairment of goodwill	-	-	-	-	30,708	-
Changes in fair value of investment properties	127	(126)	-	-	67,821	(100,198)
(Gain)/loss on disposal of property, plant and equipment, net	-	(27)	-	-	42,051	186

3. OPERATING SEGMENT INFORMATION (continued)

(b) Geographical information

The following table presents the Group's geographical information regarding revenue and certain assets for the years ended 31 December 2024 and 2023.

	2024 HK\$'000	2023 (Restated) HK\$'000
<u>Revenue from external customers</u>		
Continuing operations		
Mainland China	18,224,345	20,047,219
Hong Kong	<u>280,948</u>	<u>275,259</u>
	<u>18,505,293</u>	<u>20,322,478</u>
Discontinued operations		
Mainland China	<u>6,759,320</u>	<u>3,877,416</u>

The revenue information above is based on the locations of the sales transactions.

	2024 HK\$'000	2023 HK\$'000
<u>Non-current assets</u>		
Mainland China	68,855,610	81,106,996
Hong Kong	<u>2,390,750</u>	<u>2,262,856</u>
	<u>71,246,360</u>	<u>83,369,852</u>

The non-current assets information above is based on the locations of the assets and excludes other financial assets at amortised cost, equity investments designated at fair value through other comprehensive income and deferred tax assets.

(c) Information about a major customer

Revenue of HK\$5,135,725,000 (2023: HK\$5,016,305,000) was derived from sales by the water resources segment to a single customer, including sales to a group of entities which are known to be under common control with that customer.

4. REVENUE, AND OTHER INCOME AND GAINS, NET FROM CONTINUING OPERATIONS

Revenue from continuing operations

Disaggregated revenue information

	2024	2023
	HK\$'000	(Restated) HK\$'000
(a) Types of goods or services:		
<u>Water resources segment</u>		
Income from water distribution — Mainland China	4,539,512	4,532,910
Income from water distribution — Hong Kong	5,135,725	5,016,305
Income from sewage treatment services	872,428	868,706
Income from construction services	520,719	2,199,388
Income from water pipeline installation and consultancy services	1,186,710	1,556,107
Sale of machineries	382,237	318,484
<u>Property investment segment</u>		
Management fee income	239,958	203,992
<u>Department store operation segment</u>		
Commission income from concessionaire sales	330,331	401,606
Sale of goods	487,508	298,433
Management fee income	6,500	12,717
<u>Electric power generation segment</u>		
Sale of electricity and steam	1,268,698	1,475,698
<u>Hotel operation and management segment</u>		
Hotel income	597,701	603,703
Management fee income	16,901	11,316
<u>Road and bridge segment</u>		
Toll revenue	618,848	664,252
Management and maintenance fee income	19,887	18,738
<i>Revenue from contracts with customers</i>	16,223,663	18,182,355
<i>Revenue from other sources</i>		
Finance income from service concession arrangements	873,675	837,481
Rental income	1,407,955	1,302,642
	<u>18,505,293</u>	<u>20,322,478</u>

4. **REVENUE, AND OTHER INCOME AND GAINS, NET FROM CONTINUING OPERATIONS** (continued)

Revenue from continuing operations (continued)

Disaggregated revenue information (continued)

	2024	2023
	HK\$'000	(Restated) HK\$'000
(b) Geographical locations*:		
<u>Mainland China</u>		
Water resources segment	12,637,331	14,491,900
Property investment segment	239,958	203,992
Department store operation segment	824,339	712,756
Electric power generation segment	1,268,698	1,475,698
Hotel operation and management segment	401,909	403,562
Road and bridge segment	<u>638,735</u>	<u>682,990</u>
	<u>16,010,970</u>	<u>17,970,898</u>
<u>Hong Kong</u>		
Hotel operation and management segment	<u>212,693</u>	<u>211,457</u>
<i>Revenue from contracts with customers</i>	16,223,663	18,182,355
<i>Revenue from other sources</i>		
Finance income from service concession arrangements	873,675	837,481
Rental income	<u>1,407,955</u>	<u>1,302,642</u>
	<u>18,505,293</u>	<u>20,322,478</u>

* The geographical location is based on the location of which the services were rendered or goods were delivered from.

Other income and gains, net from continuing operations

	2024	2023
	HK\$'000	(Restated) HK\$'000
Bank interest income	124,761	148,977
Interest income from other financial assets at amortised cost	37,745	-
Interest income from financial assets at fair value through profit or loss	32,058	-
Interest income from receivables under a cooperative arrangement	136,545	144,649
Others	<u>138,696</u>	<u>153,601</u>
	<u>469,805</u>	<u>447,227</u>

5. PROFIT BEFORE TAX FROM CONTINUING OPERATIONS

The Group's profit before tax from continuing operations is arrived at after charging/(crediting):

	2024	2023 (Restated)
	HK\$'000	HK\$'000
Cost of inventories sold*	1,777,545	1,836,942
Cost of services rendered*	5,370,499	7,319,786
Depreciation of property, plant and equipment	843,185	847,326
Depreciation of right-of-use assets	66,791	78,145
Amortisation of operating concession rights*	1,534,788	1,511,190
Amortisation of other intangible assets	34,833	35,287
Impairment on items of property, plant and equipment	1,327	1,047
Impairment of goodwill [^]	30,708	-
Provision of impairment losses for trade receivables, net [^]	2,200	3,894
Auditor's remuneration	8,852	8,700
Employee benefit expenses:		
Wages and salaries (excluding directors' fee)	1,924,216	1,956,241
Pension schemes contributions:		
- defined contribution plans	271,535	253,827
- defined benefit plans	327	331
Less: Forfeited contributions	<u>(22)</u>	<u>(18)</u>
Net pension scheme contributions [#]	271,840	254,140
Less: Amount capitalised	<u>(30,104)</u>	<u>(86,777)</u>
	<u>2,165,952</u>	<u>2,123,604</u>
Gross rental income from investment properties	(1,294,803)	(1,136,036)
Direct operating expenses (including repairs and maintenance) arising from rental-earning investment properties	<u>155,269</u>	<u>170,955</u>
Net rental income from investment properties	<u>(1,139,534)</u>	<u>(965,081)</u>
Lease payments not included in the measurement of lease liabilities	9,884	7,681
Gain on lease modification [^]	-	(616)
Gain on remeasurement of right-of-use assets and lease liabilities [^]	(1,723)	-
Loss on disposal of property, plant and equipment, net [^]	42,051	186
Loss on disposal of subsidiaries, net	-	3,544
Gain on deemed disposal of associates	-	(13,814)
Government subsidies ^{**^}	<u>(72,206)</u>	<u>(83,603)</u>

5. PROFIT BEFORE TAX FROM CONTINUING OPERATIONS (continued)

- * These costs and expenses are included in “Cost of sales” on the face of the consolidated statement of profit or loss.
- ** The government subsidies recognised during the year mainly represented subsidies received from certain government authorities in respect of the fulfilment of certain specific criteria by the Group.
- # As at 31 December 2024 and 2023, the Group had no material forfeited pension scheme contributions available to reduce its contributions to the pension schemes in future years.
- ^ Included in “Other operating (expenses)/income, net” on the face of the consolidated statement of profit or loss.

6. FINANCE COSTS FROM CONTINUING OPERATIONS

An analysis of finance costs from continuing operations is as follows:

	2024	2023 (Restated)
	HK\$'000	HK\$'000
Interest on bank and other borrowings	770,650	867,721
Interest on loans from fellow subsidiaries	91,101	106,623
Interest on loans from an associate	29,026	23,449
Interest on lease liabilities	27,519	27,576
Interest related to defined benefit obligations	<u>2,520</u>	<u>3,627</u>
Finance costs incurred	920,816	1,028,996
Less: Interest capitalised	<u>(1,222)</u>	<u>(20,618)</u>
Finance costs charged for the year	<u><u>919,594</u></u>	<u><u>1,008,378</u></u>

The capitalised interest rates applied to funds borrowed and used for the construction in progress and operating concession rights are between 2.50% and 3.20% per annum (2023: between 3.30% and 3.70% per annum (restated)).

7. INCOME TAX EXPENSE FROM CONTINUING OPERATIONS

Taxes on profits assessable in Mainland China have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates. Under the PRC Corporate Income Tax Law, enterprises are subject to corporate income tax at a rate of 25% (2023: 25%).

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.

	2024	2023
	HK\$'000	(Restated) HK\$'000
Current - Mainland China		
Charge for the year	2,004,032	1,280,838
Over-provision in prior years	(41,932)	(13,928)
Current - Hong Kong		
Charge for the year	12,597	10,911
Over-provision in prior years	(3)	(12)
Deferred tax	<u>(121,930)</u>	<u>380,474</u>
Total tax charge for the year	<u>1,852,764</u>	<u>1,658,283</u>

8. DISCONTINUED OPERATIONS

On 9 December 2024, the Company's Board of Directors recommended the Proposed Distribution as mentioned in note 1 to these financial statements as set out in this announcement. The Proposed Distribution was completed on 21 January 2025. GD Land mainly engaged in the property development and investment businesses. As at 31 December 2024, GD Land was classified as a disposal group held for distribution and as discontinued operations. With GD Land being classified as discontinued operations, the property development business is no longer included in note 3 to these financial statements as set out in this announcement for operating segment information.

(a) The results of discontinued operations are as follows:

	2024 HK\$'000	2023 HK\$'000
Revenue	6,759,320	3,877,416
Cost of sales	<u>(6,296,106)</u>	<u>(3,456,790)</u>
Gross profit	463,214	420,626
Other income and gains, net	41,408	78,625
Changes in fair value of investment properties	(25,272)	230,115
Selling and distribution expenses	(284,192)	(358,236)
Administrative expenses	(188,000)	(258,151)
Exchange differences, net	(5,018)	(8,550)
Other operating expenses, net (note)	(1,015,659)	(1,645,223)
Finance costs	<u>(316,723)</u>	<u>(280,924)</u>
Loss before tax	(1,330,242)	(1,821,718)
Income tax expense	<u>(163,089)</u>	<u>(131,917)</u>
Loss for the year from discontinued operations	<u>(1,493,331)</u>	<u>(1,953,635)</u>

Note: Included the write-down of properties held for sale under development and completed properties held for sale of HK\$248,512,000 (2023: HK\$841,970,000) and HK\$785,203,000 (2023: HK\$967,026,000).

8. DISCONTINUED OPERATIONS (continued)

(b) Assets and liabilities held for distribution

The following assets and liabilities were reclassified as held for distribution in relation to the discontinued operations as at 31 December 2024:

	2024 HK\$'000
Assets classified as held for distribution	
Property, plant and equipment	76,517
Investment properties	8,871,756
Right-of-use assets	1,799
Other intangible assets	17,584
Equity investments designated at fair value through other comprehensive income	41,209
Deferred tax assets	355,939
Properties held for sale under development	12,652,159
Completed properties held for sale	13,456,794
Tax recoverable	383,662
Receivables, prepayments and other receivables	1,393,941
Restricted bank balances	2,086,729
Cash and bank balances	<u>1,324,980</u>
Total assets classified as held for distribution	<u><u>40,663,069</u></u>
Liabilities directly associated with assets classified as held for distribution	
Payables, accruals and other liabilities	(3,688,705)
Contract liabilities	(9,385,824)
Tax payable	(826,432)
Due to a non-controlling equity holder of a subsidiary	(441,312)
Bank and other borrowings	(19,154,806)
Lease liabilities	(1,858)
Deferred tax liabilities	<u>(1,703,639)</u>
Total liabilities directly associated with assets classified as held for distribution	<u><u>(35,202,576)</u></u>
Net assets directly associated with the disposal group	<u><u>5,460,493</u></u>

9. DIVIDENDS

	2024 HK\$'000	2023 HK\$'000
Interim – HK23.97 cents (2023: HK18.71 cents) per ordinary share	1,567,116	1,223,226
Proposed final – HK7.27 cents (2023: HK12.33 cents) per ordinary share	<u>475,300</u>	<u>806,113</u>
	<u>2,042,416</u>	<u>2,029,339</u>

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

The total final dividend payable is based on the total number of shares as at the date of approval of these financial statements by the board of directors which includes the shares issued subsequent to the end of the reporting period.

On 9 December 2024, the Company's Board of Directors recommended the payment of a special dividend in the form of a distribution in specie of 1,261,799,537 shares of GD Land held directly by the Company to the shareholders of the Company, on a pro-rata basis, at the rate of 0.193 shares of GD Land for every one share of the Company held by the shareholders, conditional upon the passing of an ordinary resolution by the shareholders of the Company. On 8 January 2025, the resolution to approve the Proposed Distribution was passed by the shareholders of the Company.

10. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic earnings/(loss) per share amount is based on the profit/(loss) for the year attributable to ordinary equity holders of the Company arising from continuing operations and discontinued operations, respectively, and the weighted average number of ordinary shares in issue during the year.

The calculation of the basic and diluted earnings/(loss) per share is based on:

	2024 HK\$'000	2023 HK\$'000
Earnings:		
Profit/(loss) attributable to ordinary equity holders of the Company used in the basic and diluted earnings per share calculation:		
Continuing operations	4,102,893	4,221,183
Discontinued operations	<u>(960,755)</u>	<u>(1,099,114)</u>
	<u>3,142,138</u>	<u>3,122,069</u>
		Number of shares
		2024 2023
Shares:		
Weighted average number of ordinary shares in issue during the year used in the basic and diluted earnings per share calculation	<u>6,537,821,440</u>	<u>6,537,821,440</u>

No adjustment has been made to the basic earnings/(loss) per share amount presented for the years ended 31 December 2024 and 2023 in the calculation of diluted earnings/(loss) per share as there were no potential dilutive ordinary shares during the years ended 31 December 2024 and 2023.

11. OTHER FINANCIAL ASSETS AT AMORTISED COST

As at 31 December 2024, other financial assets at amortised cost of the Group represent deposits placed by the Group in a number of licensed banks in the PRC with the principal sums denominated in Renminbi that will be matured within three years with principal protected upon the maturity dates.

12. RECEIVABLES, PREPAYMENTS AND OTHER RECEIVABLES

Included in the Group's receivables, prepayments and other receivables as at 31 December 2024 are trade and bills receivables of HK\$3,837,959,000 (2023: HK\$3,487,921,000), net of impairments, from the Group's customers. The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The various group companies have different credit policies, depending on the requirements of their markets and the businesses in which they operate. The Group seeks to maintain tight control over its outstanding receivables in order to minimise credit risk. Overdue balances are regularly reviewed by senior management. The Group's trade and bills receivables relate principally to the water distribution and sewage treatment businesses. The Group has a certain concentration of credit risk whereby 8% (2023: 6%) of the total trade and bills receivables was due from one customer. The Group does not hold any collateral or other credit enhancements over these balances. Trade and bills receivables are non-interest-bearing.

An ageing analysis of the Group's trade and bills receivables as at the end of the reporting period, based on the payment due date and net of loss allowance, is as follows:

	2024 HK\$'000	2023 HK\$'000
Current or less than 3 months past due	2,282,981	2,280,458
3 months to 6 months past due	303,668	304,550
6 months to 1 year past due	661,312	591,212
More than 1 year past due	<u>627,659</u>	<u>351,275</u>
	3,875,620	3,527,495
Less: Loss allowance	<u>(37,661)</u>	<u>(39,574)</u>
	<u>3,837,959</u>	<u>3,487,921</u>

13. PAYABLES, ACCRUALS AND OTHER LIABILITIES

The Group's payables, accruals and other liabilities are non-interest-bearing and are normally settled on 60-day terms except for certain bills payables. Included in the Group's payables, accruals and other liabilities as at 31 December 2024 are trade and bills payables of HK\$5,611,573,000 (2023: HK\$6,070,290,000). An ageing analysis of the Group's trade and bills payables as at the end of the reporting period, based on the payment due date, is as follows:

	2024 HK\$'000	2023 HK\$'000
Within 3 months	5,590,197	6,053,121
3 months to 6 months	<u>21,376</u>	<u>17,169</u>
	<u>5,611,573</u>	<u>6,070,290</u>

14. BANK AND OTHER BORROWINGS

As at 31 December 2024, included in the Group's bank and other borrowings represented loans from 廣東粵海控股集團有限公司 (Guangdong Holdings Limited▲) (the Company's ultimate holding company) of Nil (2023: HK\$1,922,297,000, of which HK\$1,922,297,000 were from GD Land), loans from fellow subsidiaries of HK\$2,570,889,000 (2023: HK\$6,551,271,000, of which HK\$3,547,312,000 were from GD Land) and loans from an associate of HK\$917,915,000 (2023: HK\$1,103,500,000).

15. CONTINGENT LIABILITIES

As at 31 December 2024, the Group provided guarantees to certain banks in respect of mortgages granted by banks relating to the mortgage loans arranged for purchasers of the Group's properties held for sale. Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible for repaying the relevant outstanding mortgage principals together with the accrued interest and penalty owed by the defaulting purchasers to the banks and the Group, is entitled, but not limited to take over the legal titles and possession of the related properties. The Group's guarantee period starts from the dates of grant of the relevant mortgage loans and ends upon issuance of the real estate ownership certificates. As at 31 December 2024, the Group's outstanding guarantees amounted to HK\$4,714,446,000 for these guarantees, of which HK\$4,709,488,000 were from GD Land (2023: HK\$4,675,936,000, of which HK\$4,665,595,000 were from GD Land).

16. EVENT AFTER THE REPORTING PERIOD

As disclosed in the Company's announcement dated 8 January 2025 on the poll results of the Extraordinary General Meeting ("EGM") held on 8 January 2025, the Proposed Distribution was approved at the EGM. As at 21 January 2025, a total of 1,261,799,423 GD Land shares (representing approximately 99.9% of GD Land shares held by the Company) was distributed to the shareholders. Consequently, the Company directly holds a total of 1,694,798 GD Land Shares (representing approximately 0.1% of the total number of issued GD Land Shares) and GD Land has ceased to be a subsidiary of the Company. Accordingly, the financial results of GD Land will no longer be consolidated in the financial statements of the Group and the respective net assets value (excluding non-controlling interests) will be recognised as dividend in the form of a distribution in specie. There is no material financial impact to the consolidated statement of profit or loss of the Group arising from the distribution. As at the date of this announcement, GD Land's outstanding other borrowings to the Group (excluding GD Land) amounted to RMB500,000,000 (equivalent to approximately HK\$541,950,000) (31 December 2024: RMB1,200,000,000 (equivalent to approximately HK\$1,295,880,000)).

CHAIRMAN'S STATEMENT

RESULTS

I hereby present our results for the year of 2024 to the shareholders. The Group's consolidated profit attributable to owners of the Company for year 2024 amounted to HK\$3,142 million (2023: HK\$3,122 million), increased by 0.6% over year 2023. Basic earnings per share increased by 0.6% over the last year to HK 48.06 cents (2023: HK 47.75 cents).

DIVIDEND

By striking a balance between the sharing of the Company's profit with the Shareholders and preserving sufficient funds for its development and operation, the Company aims to generate stable and sustainable returns for its shareholders. In deciding whether to recommend the payment of any dividend and in determining the amount thereof, the Company will take into account the actual and expected financial performance and position of the Group.

The Board recommends the payment of a final dividend of HK 7.27 cents per share for the year ended 31 December 2024. Aggregating such dividend with the interim dividend of HK 23.97 cents per share paid in October 2024, the total dividend for the entire year will be HK 31.24 cents (2023: HK 31.04 cents) per share. The said 2024 final dividend, if approved by the shareholders of the Company at the forthcoming annual general meeting, will be paid on or about 24 July 2025.

REVIEW

In 2024, the global economy showed a slow recovery, with inflationary pressures easing, trade gradually rebounding and monetary policies of major central banks turning accommodative. However, the performance of different economies was markedly divergent, mainly due to factors such as geopolitical tensions, fragmentation of global trade, weak investment and high debt amidst prolonged periods of high interest rates, and climate-related disasters. Against the backdrop of the world entering a new period of turbulence and change and the lack of momentum in global economic growth, China's economy withstood external pressures and overcame internal difficulties to achieve a steady rebound, but still faced challenges such as intensified external pressures, insufficient domestic demand, and difficulties in production and operation of some enterprises.

In the face of the increasingly complicated and uncertain external environment, the Group has focused on strengthening its value operation capability, focusing on reform and innovation, stimulating the vitality of the system and mechanism, promoting the implementation of organisational streamlining, strictly controlling the overall operating costs, enhancing the functions of its core business, vigorously promoting the adjustment of the asset structure, intensifying the efforts in the capital operation, continuously enhancing the core competitiveness of the water business, optimising and perfecting the corporate governance and risk management mechanism, and strengthening the foundation for the sustainable development of the Company.

Among the Group's various business segments, the water resources business continued to enhance its operational management level, strengthened comprehensive leakage control, reinforced the capability of smart waterworks and branding, created a 'star-rated waterworks', promoted water price adjustments, and consolidated its leading position in the industry. The average occupancy rate of the property investment business was maintained at a high level, and vigorously promoted the decommissioning of the property sales. During the year, the Group proposed to divest itself of the motion of GD Land by using the special dividend payment to further optimise the Group's asset combination and increase the proportion of water resources business. The hotel operation and management business stepped up its efforts to expand its market in Hong Kong by leasing a new Grade B high-priced hotel for its leasing operation. The retail department store business continued to promote the integration of online and offline business development to stabilise the overall level of operating income. The power business strengthened its refined management to ensure safe and stable operation and, through the implementation of measures to lower the cost and enhance effectiveness, the operating efficiency has increased when compared with the previous period. The road and bridge business focused on toll collection services, assurance of safety and smoothness, and detailed management of maintenance. However, the traffic flow was affected by the diversion of the competing road sections, resulting in a decrease in operating revenue.

PROSPECTS

Looking ahead to 2025, the global economy will remain in a cyclical adjustment, with key influences including potential risks arising from high debt levels, geopolitics affecting the functioning of the global supply chain, intensifying waves of trade protectionism, and uncertainties in the economic policies of different countries. However, as the world enters a cycle of interest rate cuts, the support of financial markets and technological innovation for economic development remains strong. As the effects of China's existing policies continue to be unleashed, and a series of incremental policy measures intensify its efforts to boost consumption and investment growth, economic growth is expected to remain relatively resilient in 2025.

In 2025, the year of the conclusion of the 14th Five-Year Plan and the planning of the 15th Five-Year Plan, we will continue to adhere to our development strategy of 'seeking progress amidst stability, improving quality and increasing efficiency' and our long-term development vision of 'water industry as the foundation' in the face of the complicated external situation and multiple challenges, benchmark ourselves against international first-class enterprises in the industry, focus on the stable development of our core business, cultivate and explore new business growth points, and ensure that the risks are preventable and controllable, to continue to create long-term value for stakeholders.

Meanwhile, the Group will adhere to the principle of “optimising existing resources, expanding increment and improving quality”, focusing its resources on expanding the scale to high-tech and high value-added areas based on consolidating the water business, focusing on enhancing the operation level of its existing assets in its property investment business, promoting lean management and model innovation in its hotel operation and management business to increase profits, building up the strength of the brand through its department shop retail business, exploring the path of e-commerce integration to enthusiastically expand into new market space, exploring multiple channels of the power business to conserve resources and tapping potentials to increase efficiency, and continuing to perform well in attracting more traffic and increasing revenue in the road and bridge business while conducting maintenance. We will grasp the potential development opportunities arising from the “Outline of Development Plan for Guangdong-Hong Kong Macau Greater Bay Area” and actively take on its social responsibilities and put into practice the concept of sustainable development, aiming to fully improve the operating results and the overall value of the Company.

Last but not the least, on behalf of the Board, I would like to take this opportunity to express my sincere gratitude to our shareholders for their support as well as our dedicated and hardworking management team and employees who strived for excellence during the year.

BAI Tao
Chairman

Hong Kong, 24 March 2025

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL OVERVIEW

The consolidated revenue of the Group from continuing operations for the year ended 31 December 2024 was HK\$18,505 million (2023: HK\$20,322 million (restated)), a decrease of 8.9% as compared with that of year 2023. The decrease in revenue was mainly attributable to the decrease in revenue from construction services in water resources business.

The consolidated profit before tax from continuing operations for the year ended 31 December 2024, excluding changes in fair value of investment properties, net exchange gain and net finance costs, increased by 0.9% to HK\$7,221 million (2023: HK\$7,157 million (restated)), mainly attributed to the steady growth of the water resources business and electric power generation business; which offset the depreciation of Renminbi against Hong Kong dollars by 1.3% over the last year. The net loss arising from fair value adjustments from continuing operations for investment properties of the Group for the year was HK\$68 million (2023: net gain of HK\$100 million (restated)), net exchange gain from continuing operations was HK\$39 million (2023: HK\$1 million (restated)) and net finance costs from continuing operations was HK\$698 million (2023: HK\$832 million (restated)). The consolidated profit before tax from continuing operations for the year increased by 1.1% to HK\$6,494 million (2023: HK\$6,426 million (restated)). The consolidated profit attributable to owners of the Company from continuing operations for the year decreased by 2.8% to HK\$4,103 million (2023: HK\$4,221 million (restated)). The consolidated profit attributable to owners of the Company for the year increased by 0.6% to HK\$3,142 million (2023: HK\$3,122 million).

Basic earnings per share was HK 48.06 cents (2023: HK 47.75 cents), increased by 0.6% as compared with that in year 2023.

BUSINESS REVIEW

A summary of the performance of the Group's major continuing operations during 2024 is set out as follows:

Water Resources

Dongshen Water Supply Project

The profit contribution from the Dongshen Water Supply Project continued to form a significant part of the Group's profit. As at 31 December 2024, the Company's interest in GH Water Supply (Holdings) Limited ("GH Water Holdings") was 96.04% (2023: 96.04%). GH Water Holdings holds a 99.0% interest in Guangdong Yue Gang Water Supply Company Limited, the owner of the Dongshen Water Supply Project.

The designed annual capacity of Dongshen Water Supply Project is 2.423 billion tons. Total volume of water supply to Hong Kong, Shenzhen and Dongguan during the year amounted to 2.093 billion tons (2023: 2.209 billion tons), a decrease of 5.3%, which generated a revenue of HK\$6,360 million (2023: HK\$6,383 million), a decrease of 0.4% over year 2023.

The Hong Kong Water Supply Agreement for 2024 to 2026 (the “2024 to 2026 Water Supply Agreement”) between the Government of the Hong Kong Special Administrative Region and the Guangdong Provincial Government was signed on 27 December 2023. Pursuant to the 2024 to 2026 Water Supply Agreement, the annual basic water prices for the three years of 2024, 2025 and 2026 are HK\$5,136.24 million, HK\$5,259.00 million and HK\$5,384.69 million, respectively.

According to the water price deduction mechanism adopted and applicable for the years from 2021 to 2029, the annual basic water price shall be deducted based on the quantity of water supplied to Hong Kong which is conserved (i.e. the difference between the annual supply ceiling of 820 million tons and the actual quantity of water imported, with a minimum annual water supply quantity of 615 million tons from 2021 to 2026) in a particular year using a particular unit rate. The unit rates for each cubic metre of water supplied to Hong Kong which is conserved for the three years of 2024, 2025 and 2026 are HK\$0.315, HK\$0.323 and HK\$0.331, respectively. Average annual water supply quantity shall not be less than 700 million tons over the nine-year period from 2021 to 2029. If the actual water supply quantity deviates, the parties will further negotiate on the amount of water fee which has been excessively deducted, and to be payable by the Government of the Hong Kong Special Administrative Region to the Guangdong Provincial Government.

The revenue from water sales to Hong Kong for the year increased by 2.4% to HK\$5,136 million (2023: HK\$5,016 million). The revenue from water sales to Shenzhen and Dongguan areas decreased by 10.5% to HK\$1,224 million (2023: HK\$1,367 million) during the year. The profit before tax for the year, excluding gains on disposal of assets, net exchange differences and net finance costs, of the Dongshen Water Supply Project for the year ended 31 December 2024 was HK\$4,020 million (2023: HK\$3,852 million), 4.4% more than that in year 2023.

Other Water Resources Projects

Apart from the Dongshen Water Supply Project, the Group has a number of subsidiaries and associates which are principally engaged in water distribution, sewage treatment operation and waterworks construction in the mainland of the People’s Republic of China (the “PRC”) (“Mainland China”).

The total designed water supply capacity of the water supply plants and the total designed waste water processing capacity of the sewage treatment plants of the Group’s Other Water Resources Projects as at 31 December 2024 were 16,150,200 tons per day (2023: 16,150,200 tons per day) and 3,345,900 tons per day (2023: 3,345,900 tons per day), respectively.

The water supply capacity of the water supply plants and the waste water processing capacity of the sewage treatment plants operated by the subsidiaries and associates of the Group as at 31 December 2024 were 10,836,800 tons per day (2023: 10,486,800 tons per day) and 2,054,400 tons per day (2023: 2,054,400 tons per day), respectively. In addition, the water supply capacity of the water supply plants and the waste water processing capacity of the sewage treatment plants under construction by the subsidiaries of the Group as at 31 December 2024 were 1,187,000 tons per day and 50,000 tons per day, respectively.

Capacity of Water Resources Projects in Operation

The water supply capacity of the water supply plants and the waste water processing capacity of the sewage treatment plants operated by each of the subsidiaries and associates of the Group are as follows:

<u>Name of subsidiaries of the Group</u>	<u>Water supply capacity (tons per day)</u>	<u>Waste water processing capacity (tons per day)</u>
東莞市清溪粵海水務有限公司 (Dongguan Qingxi Guangdong Water Co., Ltd.▲)	290,000	-
梅州粵海水務有限公司 (Meizhou Guangdong Water Co., Ltd.▲)	310,000	250,000
儀征粵海水務有限公司 (Yizheng Yuehai Water Supply Co., Ltd.▲)	150,000	-
Gaoyou GDH Water Co., Ltd.	150,000	-
Baoying GDH Water Co., Ltd.	130,000	-
海南儋州粵海自來水有限公司 (Hainan Danzhou Guangdong Tap Water Co., Ltd.▲)	150,000	3,500
梧州粵海江河水務有限公司 (Wuzhou Guangdong Jianghe Water Co., Ltd.▲)	310,000	-
Zhaoqing HZ GDH Water Co., Ltd.	130,000	-
遂溪粵海水務有限公司 (Suixi Guangdong Water Co., Ltd.▲)	70,000	-
海南儋州粵海水務有限公司 (Hainan Danzhou Guangdong Water Co., Ltd.▲)	100,000	20,000
豐順粵海水務有限公司 (Fengshun Guangdong Water Co., Ltd.▲)	123,500	-
盱眙粵海水務有限公司 (Xuyi Guangdong Water Co., Ltd.▲)	150,000	-
Wuzhou GDH Environmental Protection Development Co., Ltd.	-	140,000
東莞市常平粵海環保有限公司 (Dongguan Changping Guangdong Huanbao Co., Ltd.▲)	-	70,000
開平粵海水務有限公司 (Kaiping Guangdong Water Co., Ltd.▲)	-	75,000
五華粵海環保有限公司 (Wuhua Guangdong Huanbao Co., Ltd.▲)	-	66,000
東莞市道滘粵海環保有限公司 (Dongguan Daojiao Guangdong Huanbao Co., Ltd.▲)	-	40,000
汕尾粵海環保有限公司 (Shanwei Guangdong Huanbao Co., Ltd.▲)	-	30,000
高州粵海水務有限公司 (Gaozhou Guangdong Water Co., Ltd.▲)	100,000	-
江西粵海公用事業集團有限公司 (Jiangxi Guangdong Public Utilities Holdings Co., Ltd.▲) and its subsidiaries	801,500	-
浙江博華環境技術工程有限公司 (Zhejiang Bohua Environmental Technology Engineering Co., Ltd.▲) and its subsidiaries	-	81,000
六盤水粵海環保有限公司 (Liupanshui Guangdong Huanbao Co., Ltd.▲)	-	115,000
昆明粵海水務有限公司 (Kunming Guangdong Water Co., Ltd.▲)	24,000	20,000
雲浮粵海水務有限公司 (Yunfu Guangdong Water Co., Ltd.▲)	50,000	-
大埔粵海環保有限公司 (Dapu Guangdong Huanbao Co., Ltd.▲)	-	21,900
韶關粵海綠源環保有限公司 (Shaoguan Guangdong Luyuan Huanbao Co., Ltd.▲)	-	28,500
陽山粵海環保有限公司 (Yangshan Guangdong Huanbao Co., Ltd.▲)	-	11,300
雲浮市粵海水務自來水有限公司 (Yunfu City Guangdong Water Supply Co., Ltd.▲)	100,000	-
雲浮市粵海水務發展有限公司 (Yunfu City Guangdong Water Development Co., Ltd.▲)	-	145,000
陽江粵海環保有限公司 (Yangjiang Guangdong Huanbao Co., Ltd.▲)	-	20,000
揭陽粵海水務有限公司 (Jieyang Guangdong Water Co., Ltd.▲)	560,000	-
普寧粵海水務有限公司 (Puning Guangdong Water Co., Ltd.▲)	500,000	-
潮州市粵海環保有限公司 (Chaozhou Guangdong Huanbao Co., Ltd.▲)	-	20,000
廣東粵海韶投水務有限責任公司 (Guangdong Shaotou Water Co., Ltd.▲)	674,000	-
吳川粵海環保有限公司 (Wuchuan Guangdong Huanbao Co., Ltd.▲)	-	25,000
平遠粵海水務有限公司 (Pingyuan Guangdong Water Co., Ltd.▲)	40,000	-
河北粵海水務集團有限公司 (Hebei Guangdong Water Group Co., Ltd.▲) and its subsidiaries	10,000	453,000
邳州粵海水務有限公司 (Pizhou Guangdong Water Co., Ltd.▲)	250,000	-

Capacity of Water Resources Projects in Operation (continued)

<u>Name of subsidiaries of the Group (continued)</u>	<u>Water supply capacity (tons per day)</u>	<u>Waste water processing capacity (tons per day)</u>
惠來粵海清源環保有限公司 (Huilai Guangdong Qingyuan Huanbao Co., Ltd. ▲)	-	8,500
惠來粵海綠源環保有限公司 (Huilai Guangdong Luyuan Huanbao Co., Ltd. ▲)	-	20,000
信宜粵海水務有限公司 (Xinyi Guangdong Water Co., Ltd. ▲)	234,200	-
揭西粵海水務有限公司 (Jiexi Guangdong Water Co., Ltd. ▲)	80,000	-
五華粵海碧源環保有限公司 (Wuhua Guangdong Biyuan Huanbao Co., Ltd. ▲)	-	40,000
雲浮市雲安粵海城鄉供水有限公司 (Yunfu City Yunan Guangdong Urban and Rural Water Supply Co., Ltd. ▲)	24,600	-
河源市粵海水務有限公司 (Heyuan City Guangdong Water Co., Ltd. ▲)	300,000	-
無錫德寶水務投資有限公司 (Wuxi Debao Water Investment Co., Ltd. ▲)	-	225,700
汕尾粵海水務有限公司 (Shanwei Guangdong Water Co., Ltd. ▲)	245,000	-
東莞常平粵海水務有限公司 (Dongguan Changping Guangdong Water Co., Ltd. ▲)	280,000	-
中山市新涌口粵海水務有限公司 (Zhongshan City Xinyongkou Guangdong Water Co., Ltd. ▲)	120,000	-
中山市橫欄粵海水務有限公司 (Zhongshan City Henglan Guangdong Water Co., Ltd. ▲)	140,000	-
中山市南鎮粵海水務有限公司 (Zhongshan City Nanzhen Guangdong Water Co., Ltd. ▲)	130,000	-
清遠市龍塘粵海水務有限公司 (Qingyuan City Longtang Guangdong Water Co., Ltd. ▲)	50,000	-
Guangzhou Nansha GDH Water Co., Ltd.	550,000	-
湛江市鶴地供水營運有限公司 (Zhanjiang Hedi Water Supply Operation Co., Ltd. ▲)	1,060,000	-
湘陰粵海水務有限公司 (Xiangyin Guangdong Water Co., Ltd. ▲)	100,000	-
恩施粵海水務有限公司 (Enshi Guangdong Water Co., Ltd. ▲)	400,000	-
汕尾粵海清源環保有限公司 (Shanwei Guangdong Qingyuan Huanbao Co., Ltd. ▲)	-	100,000
開平粵海淨水有限公司 (Kaiping Guangdong Water Purification Co., Ltd. ▲)	-	25,000
Total as at 31 December 2024	<u>8,886,800</u>	<u>2,054,400</u>
Total as at 31 December 2023	<u>8,536,800</u>	<u>2,054,400</u>
<u>Name of associates of the Group</u>		<u>Water supply capacity (tons per day)</u>
Foundation Gang-Wu (Changzhou) Water Supply Co., Ltd		600,000
汕頭市粵海水務有限公司 (Shantou Guangdong Water Co., Ltd. ▲)		920,000
興化粵海水務有限公司 (Xinghua Guangdong Water Co., Ltd. ▲)		430,000
Total as at 31 December 2024		<u>1,950,000</u>
Total as at 31 December 2023		<u>1,950,000</u>

Capacity of Water Resources Projects under Construction

The water supply capacity of the water supply plants and the waste water processing capacity of the sewage treatment plants under construction by each of the subsidiaries of the Group as at 31 December 2024 were as follows:

<u>Name of subsidiaries of the Group</u>	<u>Water supply capacity (tons per day)</u>	<u>Waste water processing capacity (tons per day)</u>
荔浦粵海水務有限公司 (Lipu Guangdong Water Co., Ltd.▲)	80,000	-
揭陽粵海國業水務有限公司 (Jieyang Guangdong Guoye Water Co., Ltd.▲)	270,000	-
邳州粵海環保有限公司 (Pizhou Guangdong Huanbao Co., Ltd.▲)	-	35,000
河北粵海水務集團有限公司 (Hebei Guangdong Water Group Co., Ltd.▲) and its subsidiaries	-	15,000
汕尾粵海供水有限公司 (Shanwei Guangdong Water Supply Co., Ltd.▲)	410,000	-
Guangzhou Nansha GDH Water Co., Ltd.	200,000	-
江西粵海公用事業集團有限公司 (Jiangxi Guangdong Public Utilities Holdings Co., Ltd.▲) and its subsidiaries	177,000	-
Zhaoqing HZ GDH Water Co., Ltd.	<u>50,000</u>	<u>-</u>
Total	<u>1,187,000</u>	<u>50,000</u>

Revenue of Other Water Resources Projects for the year ended 31 December 2024 in aggregate decreased by 19.8% to HK\$7,218,479,000 (2023: HK\$8,997,506,000), of which income from construction services amounted to HK\$520,719,000 (2023: HK\$2,199,388,000). Profit before tax of Other Water Resources Projects for the year, excluding the net exchange differences and net finance costs, amounted to HK\$1,733,934,000 (2023: HK\$1,853,937,000) in aggregate, 6.5% lower than that in year 2023.

Property Investment

Mainland China

GDH Teem

As at 31 December 2024, the Group held an effective interest of 76.13% (2023: 76.13%) in 廣東粵海天河城(集團)股份有限公司(GDH Teem (Holdings) Limited[▲]) (“Guangdong Teem”) and its subsidiaries, and held an effective interest of 76.02% (31 December 2023: 76.02%) in Tianjin YueHai Teem Shopping Center Co., Ltd. (collectively the “GDH Teem”). GDH Teem operates several shopping malls in Mainland China, of which Teem Plaza, Panyu Teemmall, Guangzhou Comic City and Tianjin Teemmall are owned by GDH Teem whereas Shenzhen Teemmall and 粵海天地 (Yuehai Tiandi[▲]) are operated under lease arrangements.

Revenue of GDH Teem’s property investment business mainly comprises rental income (including rentals from the department stores operated by the Group). The revenue of GDH Teem’s property investment business for the year ended 31 December 2024 increased by 10.3% to HK\$1,615,377,000 (2023: HK\$1,464,427,000), which was mainly due to the increase in average rental and occupancy rate of certain properties; and the effect from the newly opened 粵海天地 (Yuehai Tiandi[▲]). The profit before tax, excluding changes in fair value of investment properties and net interest income, of GDH Teem’s property investment business for the year ended 31 December 2024 increased by 27.5% to HK\$906,601,000 (2023: HK\$711,021,000).

The revenue of GDH Teem’s property investment business during the year was as follows:

	Area for lease sq.m.	Average occupancy rate %	Revenue for the year ended 31 December		Changes
			2024 HK\$'000	2023 HK\$'000	%
Teem Plaza - Teemmall	107,000	99.0	693,492	668,161	+3.8
Teem Plaza - Teem Tower	88,000	84.5	173,033	186,754	-7.3
Panyu Teemmall	144,000	95.1	249,850	244,571	+2.2
Tianjin Teemmall	145,000	97.1	280,775	246,449	+13.9
Guangzhou Comic City	23,000	99.7	93,696	54,692	+71.3
Shenzhen Teemmall	104,000	92.3	78,805	61,864	+27.4
粵海天地 (Yuehai Tiandi [▲]) (opened in December 2023)	<u>19,000</u>	91.8	<u>45,726</u>	<u>1,936</u>	<u>+2,261.9</u>
	<u>630,000</u>		<u>1,615,377</u>	<u>1,464,427</u>	<u>+10.3</u>

Hong Kong

Guangdong Investment Tower

The average occupancy rate of Guangdong Investment Tower for the year was 95.3% (2023: 91.6%). The total revenue for the year ended 31 December 2024 decreased by 1.3% to HK\$46,359,000 (2023: HK\$46,978,000).

Department Store Operation

As at 31 December 2024, the Group operated five department stores (2023: five) with a total leased area of approximately 95,940 sq.m. (2023: 209,900 sq.m.). The total revenue for the year ended 31 December 2024 increased by 13.6% to HK\$861,612,000 (2023: HK\$758,786,000). The loss before tax for the year ended 31 December 2024 was HK\$44,046,000 (2023: profit before tax of HK\$49,828,000), which included the loss of disposal of assets due to closure of Hua Du Store of HK\$56,645,000 (2023: Nil). After adjusting for the changes in fair value of investment properties, the gain on remeasurement of right-of-use assets and lease liabilities, gain on lease modification and the loss on disposal of assets, the profit before tax decreased by 60.4% to HK\$39,939,000 (2023: HK\$100,882,000).

The revenue of the department stores operated by the Group for the year ended 31 December 2024 was as follows:

	Leased area sq.m.	2024 HK\$'000	2023 HK\$'000	Changes %
Teemmall Store	41,600	706,880	562,843	+25.6
Wan Bo Store	17,100	47,188	54,407	-13.3
Ming Sheng Store (closed in March 2023)	-	-	7,025	-100.0
Dong Pu Store	15,600	48,112	69,492	-30.8
Ao Ti Store	21,500	39,136	43,207	-9.4
Hua Du Store (closed in November 2024)	-	20,125	21,812	-7.7
TeemLife (opened in May 2024)	140	171	-	+100.0
	<u>95,940</u>	<u>861,612</u>	<u>758,786</u>	<u>+13.6</u>

Hotel Ownership, Operation and Management

As at 31 December 2024, the Group's hotel management team managed a total of 19 hotels (2023: 20 hotels), of which four were located in Hong Kong and 15 in Mainland China. As at 31 December 2024, seven hotels, of which three in Hong Kong, two in Zhuhai and one in each of Shenzhen and Guangzhou, were operated by the Group (Six of them were owned by the Group). Of these seven hotels, five were managed by our hotel management team whereas Holiday Inn Zhuhai City Center located in Zhuhai was operated under franchise arrangement and Sheraton Guangzhou Hotel located in Guangzhou was managed by another hotel management group. In the fourth quarter of 2024, the Group leased the property located at 181 Connaught Road West, Hong Kong to operate and manage Oasis Aurum 181 Hotel. The hotel opened in mid-December 2024.

During the year ended 31 December 2024, the average room rate of Sheraton Guangzhou Hotel was HK\$1,255 (2023: HK\$1,226) whereas the average room rate of the remaining six hotels was HK\$709 (2023: five hotels: HK\$737). The average occupancy rate of Sheraton Guangzhou Hotel was 93.0% (2023: 94.5%) and that of the other six hotels was 70.0% (2023 five hotels: 68.2%) for the year ended 31 December 2024.

The revenue of hotel ownership, operation and management business for the year ended 31 December 2024 decreased by 0.1% to HK\$648,379,000 (2023: HK\$648,780,000). The profit before tax for the year ended 31 December 2024, excluding changes in fair value of investment properties and net exchange differences, amounted to HK\$110,625,000 (2023: HK\$105,850,000), 4.5% higher than that in the last year.

Energy Projects

GDH Energy Project

Zhongshan Power (Hong Kong) Limited, a subsidiary of the Company, holds a 75% (2023: 75%) interest in 中山粵海能源有限公司 (Zhongshan GDH Energy Co., Ltd.▲) ("GDH Energy"). GDH Energy has two power generation units with a total installed capacity of 600 MW. Sales of electricity during the year ended 31 December 2024 amounted to 2,759 million kwh (2023: 2,912 million kwh), decreased by 5.3%. Due to the mixed impact of the decrease in sales of electricity, decrease in electricity tariff and the drop of exchange rate of Renminbi against Hong Kong dollars of 1.3% over the last year, revenue of GDH Energy project (including intersegment sales) generated from electricity sales and related operations for the year ended 31 December 2024 decreased by 11.8% to HK\$1,604,113,000 (2023: HK\$1,817,993,000). Benefited from the drop in coal price, the profit before tax of GDH Energy for the year ended 31 December 2024, excluding net finance costs, was HK\$138,817,000 (2023: HK\$99,722,000), an increase of 39.2%.

Guangdong Yudean Jinghai Power Generation Co., Ltd. ("Yudean Jinghai Power")

The Group's effective interest in Yudean Jinghai Power is 25% (2023: 25%). As at 31 December 2024, Yudean Jinghai Power had four power generation units with a total installed capacity of 3,200 MW. Sales of electricity for the year ended 31 December 2024 amounted to 15,747 million kwh (2023: 15,863 million kwh), a decrease of 0.7%. Due to the decrease in sales of electricity and electricity tariff, revenue for the year ended 31 December 2024 decreased by 14.9% to HK\$7,113,901,000 (2023: HK\$8,359,489,000). The profit before tax of Yudean Jinghai Power for the year ended 31 December 2024 was HK\$399,111,000 (2023: HK\$476,644,000). The Group's share of profit in Yudean Jinghai Power amounted to HK\$74,657,000 (2023: HK\$89,626,000) during the year ended 31 December 2024.

Road and Bridge

Xingliu Expressway

廣西粵海高速公路有限公司 (Guangxi GDH Highway Co., Ltd.▲) (“GDH Highway”) is principally engaged in the operation of the Xingliu Expressway. The Xingliu Expressway comprises a main line which is approximately 100 km in length and three connection lines (to Xingye, Guigang and Hengzhou) with an aggregate length of approximately 53 km.

The average daily toll traffic flow of the Xingliu Expressway decreased by 5.4% to 25,731 vehicle trips (2023: 27,208 vehicle trips). As a result of the impact of the depreciation of Renminbi against Hong Kong dollars by 1.3% over the last year, the toll revenue of GDH Highway during the year ended 31 December 2024 amounted to HK\$618,848,000 (2023: HK\$664,252,000), decreased by 6.8%. The profit before tax during the year ended 31 December 2024, excluding net finance costs, amounted to HK\$315,368,000 (2023: HK\$371,766,000), decreased by 15.2%.

Yinping Project

In 2016, the Company entered into a cooperation agreement with 東莞市謝崗鎮人民政府 (Dongguan City Xiegang Town People’s Government) (the “Xiegang Government”) in respect of a public-private-partnership project (the “Yinping Project”) for the development of certain A-grade highways, connecting roads and municipal roads (not being toll roads) (each a “Project Road” and together, the “Project Roads”) and the related ancillary support services such as drainage, greening and lighting in 銀瓶創新區 (Yinping Innovation Zone) in Dongguan, Guangdong Province, the PRC. Each Project Road will be budgeted for and developed separately and subject to the approval of the Xiegang Government. The Company had established Dongguan Yuehai Yinping Development and Construction Limited (“Yuehai Yinping”), a wholly-owned subsidiary of the Company, to perform the Company’s obligations in the Yinping Project.

On 31 May 2023, Yuehai Yinping and the Xiegang Government entered into a supplemental agreement, pursuant to which the cooperation agreement was supplemented and amended to the effect that payments to be made for the Yinping Project would be subject to performance assessment. Details of the assessment were set out in the announcement of the Company published on 31 May 2023.

As at 31 December 2024, four Project Roads (2023: four Project Roads) were completed and one Project Road (2023: one Project Road) was under construction. As at 31 December 2024, the cumulative development costs in relation to the Yinping Project amounted to approximately RMB2,077 million (equivalent to approximately HK\$2,243 million) (2023: approximately RMB1,987 million (equivalent to approximately HK\$2,193 million)).

For the year ended 31 December 2024, the total interest, management fee and maintenance fee of the Yinping Project recognized decreased by 4.2% to HK\$156,432,000 (2023: HK\$163,367,000) and profit before tax decreased by 2.6% to HK\$130,297,000 (2023: HK\$133,734,000).

Discontinued Operations

As a result of the Proposed Distribution as disclosed in note 1 to the financial statements as set out in this announcement, the consolidated assets and liabilities of GD Land were classified as held for distribution as at 31 December 2024 and the consolidated results of GD Land for the year ended 31 December 2024 were presented in the consolidated statements as discontinued operations.

During the year, GD Land's properties recorded total contracted GFA (including completed properties held for sale and properties held for sale under development) and delivered GFA of approximately 314,000 sq.m. (2023: 274,000 sq.m.) and 310,000 sq.m. (2023: 222,000 sq.m.), respectively. Revenue of GD Land for the year increased by 74.3% to HK\$6,759,320,000 (2023: HK\$3,877,416,000), of which income from sales of properties amounted to HK\$6,720,693,000 (2023: HK\$3,842,660,000). The net loss arising from fair value adjustments for investment properties was HK\$25,272,000 (2023: net gain of HK\$230,115,000) and net gain on disposal of properties was Nil (2023: HK\$149,175,000). Affected by the continued downturn in the real estate market, transaction volume had shrunk, and sales prices had also declined. The Group made provision for inventory impairment of HK\$1,033,715,000 (2023: HK\$1,808,996,000) during the year.

The loss before tax of GD Land for the year ended 31 December 2024 was HK\$1,520,405,000 (2023: HK\$1,957,825,000). Due to savings on expenses, the loss before tax of GD Land for the year ended 31 December 2024, excluding changes in fair value of investment properties, net gain on disposal of properties, impairment of properties held for sale under development and completed properties held for sale and net finance costs, was HK\$113,869,000 (2023: HK\$295,552,000).

As at 31 December 2024, GD Land held completed properties for sale amounted to approximately HK\$13,457 million (2023: HK\$9,141 million) and properties for sale under development amounted to approximately HK\$12,652 million (2023: HK\$23,592 million), with a total amount of approximately HK\$26,109 million (2023: HK\$32,733 million). Amongst them, the sales amount of properties that have been contracted and received but have not yet been delivered was approximately HK\$9,386 million (2023: HK\$9,517 million), which was stated as contract liabilities and would be recognised as revenue upon delivery of the relevant properties.

As at the date of this announcement, GD Land's outstanding other borrowings to the Group (excluding GD Land) amounted to RMB500,000,000 (equivalent to approximately HK\$541,950,000) (31 December 2024: RMB1,200,000,000 (equivalent to approximately HK\$1,295,880,000)).

OTHER FINANCIAL ASSETS AT AMORTISED COST

As at 31 December 2024, other financial assets at amortised cost of the Group were HK\$3,385 million (2023: Nil), which represent deposits placed by the Group in a number of licensed banks in the PRC with the principal sums denominated in Renminbi that will be matured within three years with principal protected upon the maturity dates.

LIQUIDITY, GEARING AND FINANCIAL RESOURCES

As at 31 December 2024, cash and bank balances of the Group from continuing operations were HK\$12,154 million (2023: HK\$12,594 million, of which HK\$4,084 million were from GD Land), of which 97.84% was denominated in Renminbi, 2.15% in Hong Kong dollars and 0.01% in United States dollars.

As at 31 December 2024, the Group's financial borrowings from continuing operations (18.9% was denominated in Hong Kong dollars and 81.1% in Renminbi) were HK\$23,862 million (2023: HK\$42,428 million, of which HK\$15,617 million were from GD Land), of which borrowings denominated in Hong Kong dollars were HK\$4,500 million (2023: HK\$7,274 million, of which HK\$900 million were from GD Land), including loans from the ultimate holding company, fellow subsidiaries and an associate of HK\$3,489 million (2023: HK\$9,577 million, of which HK\$5,470 million were from GD Land). Of the Group's total financial borrowings from continuing operations, HK\$7,330 million is repayable within one year while the remaining balances of HK\$6,106 million and HK\$10,426 million are repayable within two to five years and beyond five years from the end of the reporting period, respectively. Furthermore, as at 31 December 2024, the interest rate structure of the Group's total financial borrowings from continuing operations consisted of 92.1% floating rate borrowings, 7.0% fixed rate borrowings and 0.9% non-interest-bearing borrowings.

The Group maintained a credit facility from continuing operations of HK\$9,349 million as at 31 December 2024 (2023: HK\$12,287 million, of which HK\$4,436 million were from GD Land).

As at 31 December 2024, the Group's gearing ratio from continuing operations (i.e. net financial indebtedness/net asset value (excluded non-controlling interests)) was 30.9% (2023: 77.3%) due to the transfer of GD Land's net financial borrowings to assets/liabilities held for distribution. The Group was in a healthy debt servicing position with the EBITDA/finance cost incurred as at 31 December 2024 being 10.5 times (2023: 9.4 times (restated)).

Net cash inflows from operating activities for the year ended 31 December 2024 amounted to approximately HK\$11,086 million (2023: HK\$10,711 million). GD Land recorded net cash inflows from operating activities for the year amounting to approximately HK\$1,936 million (2023: HK\$3,607 million). The existing cash resources of the Group, together with steady cash flows generated from the Group's operations, are sufficient to meet the Group's payment obligation and business requirements.

PLEDGE OF ASSETS AND CONTINGENT LIABILITIES

As at 31 December 2024, except for (i) bank deposits of HK\$1,619 million from GD Land (2023: Nil); (ii) certain property assets of HK\$9,599 million from GD Land (2023: HK\$9,090 million, of which HK\$8,742 million were from GD Land); (iii) certain revenue entitlement under service concession arrangements of water distribution, sewage treatment and toll road operations as security for bank and other loans of HK\$12,413 million (2023: HK\$12,838 million); (iv) equity interest in a subsidiary of the Group, which were pledged to secure certain bank and other loans, none of the property, plant and equipment, concession rights for water distribution, sewage treatment and toll road operations (comprising operating concession rights and receivables under service concession agreements) were pledged to secure bank and other loans granted to the Group.

Except for the guarantees made to certain banks in relation to the mortgages of properties sold of HK\$4,714 million, of which HK\$4,709 million were from GD Land (2023: HK\$4,676 million, of which HK\$4,666 million were from GD Land) as disclosed in note 15 to the financial statements as set out in this announcement, there was no other material contingent liability as at 31 December 2024 and 2023.

CAPITAL EXPENDITURE

The Group's capital expenditure during the year ended 31 December 2024 amounted to HK\$1,857 million (2023: HK\$7,696 million) which was principally related to property, plant and equipment and leasehold land, the construction and asset acquisition cost for water supply and sewage treatment plants (including operating concession rights and receivables under service concession arrangements), development cost for investment property projects and acquisitions of subsidiaries.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE AND INTEREST RATES AND RELATED HEDGES

As at 31 December 2024, total Renminbi borrowings from continuing operations amounted to HK\$19,356 million (2023: HK\$35,146 million, of which HK\$14,717 million were from GD Land). Exchange rate risk might result from the fluctuation of Renminbi exchange rate. The Group did not use derivative financial instruments to hedge its foreign currency risk as there was a natural hedging mechanism. Meanwhile, the Group dynamically monitored the foreign exchange exposure and made necessary adjustments in accordance with the change in market environment.

As at 31 December 2024, the Group's total floating rate borrowings from continuing operations amounted to HK\$21,975 million (2023: HK\$31,618 million, of which HK\$7,152 million were from GD Land). Interest rate risk might result from the fluctuations in bank and other loan interest rate. The Group did not use interest rate hedging to manage its interest rate risk. The Group would continue to review the market trend as well as its business operation's needs, so as to arrange the most effective risk management tools.

PRINCIPAL RISKS AND UNCERTAINTIES

Macroeconomic Risk

As a diversified conglomerate with investments in different business segments, the financial and operating performance of the Company is inextricably linked to the macroeconomic environment.

Internationally, the global economic outlook remains highly uncertain amid global debt risks, geopolitical disputes, rising trade protectionism and the pressure to cope with climate change. Domestically, the overall economic performance maintained a long-term stable and improving growth trend. However, the economic fundamentals are still subject to certain challenges and impacts due to the combined effects of increasing adverse impacts brought about by changes in the external environment and pressure on the Renminbi exchange rate and insufficient domestic effective demand, the economic fundamentals remain challenging. Consequently, the Company will closely monitor and track changes in macroeconomic conditions, capital markets and business operating environments, and provide regular market analysis and updates while promptly putting forward countermeasures to management according to existing company procedures in order to ensure the corporate development strategies keeps pace with the times and is effective, which can maintain its corporate competitiveness under the impact of the external economic environment and achieve steady development.

Foreign Currency Risk

As most of the Company's business operations are located in Mainland China, the Company faces foreign currency risks due to exchange gain/loss from exchange rate fluctuations as well as currency conversion risk due to converted net asset value fluctuations of investment projects in Mainland China. To effectively manage foreign currency risk, the Company closely monitors foreign exchange markets, and utilises multiple strategic approaches, such as optimising cash management strategy and deploying project finance instruments, to contain foreign exchange risk.

Market Competition Risk

As market competition intensifies, the Company faces difficulties in its expansion efforts and a further decline in project investment returns in the sectors it operates in. In this regard, the Company seeks to explore new sources of revenue and reduce operating costs through product improvement, operating efficiency enhancement, implementing refined management and optimising human resource allocation team so as to enhance the profitability of its projects.

Project Safety Management Risk

Project safety management risk encompasses product safety management risk as well as personnel safety management risk. With respect to product safety risk, on the one hand, the Company will conduct the relevant risk management and control work based on standardisation, standard process and systemisation so as to allow risk management and control to be based on unified standards in the future. On the other hand, the Company will strengthen production quality control by performing regular safety inspections on its production and operational facilities as a preventive measure, and by accepting market supervision actively and taking timely actions to rectify existing problems to avoid greater impact.

With respect to personnel safety risk, each investment project in the Company's investment portfolio has a customised safety liability mechanism best suited to its operating environment. These safety liability mechanisms clearly define the assignment of duty and responsibility, and serve as the related performance evaluation guidelines. On top of that, the Company also provides regular operational safety training to its employees, and puts in place contingency plans to emergency events in order to ensure that such risks are effectively controlled.

EMPLOYEE AND REMUNERATION POLICY

As at 31 December 2024, the Group had a total of 10,759 employees (2023: 11,495 employees). Among the employees, 376 were employed by GD Land, 10,139 were employed by subsidiaries in Mainland China and 244 were employed by the head office and subsidiaries in Hong Kong. Total remuneration paid for the year was approximately HK\$2,337,464,000, of which HK\$141,408,000 were from GD Land (2023: approximately HK\$2,502,471,000 of which HK\$292,090,000 were from GD Land).

In 2024, the Group has made concerted efforts to transform and strengthen itself, in conjunction with the goal of high-quality development, it has been striving for “organisational excellence”, encouraged its staff to take on responsibilities, improve efficiency and create value. The Group has improved the incentive and protection mechanism by strengthening the commitment of management personnel and employees at all levels, perfected the supporting systems and performance appraisal system, promoted the orientation of “advancing the capable, rewarding the excellent, demoting the mediocre, and eliminating the inferior”. By cultivating a committed workforce, optimising its operation and management and strengthening its core competencies, the Group continuously enhances its competitiveness and improves its corporate governance.

The remuneration policy of the Group is designed to ensure that the remuneration package is competitive and in line with the development objectives and business performance of the Group. The remuneration package includes fixed salary, discretionary bonus, insurance and fringe benefits. The remuneration standards are based on factors such as qualifications, experience, job responsibility and performance of individual employees and market conditions. Discretionary bonus is subject to the performance-based incentive policy.

In respect of staff training, the Group aims to build a learning organisation, and encourage staff to pursue continuous learning and lifelong learning. The Group also organises legal compliance, investment development, financial management, sustainable development and other multi-dimensional professional trainings in a targeted manner as per the compliance requirements and business development requirements and on an as-needed basis in order to constantly enhance the overall quality and professional competence of its staff.

CORPORATE GOVERNANCE AND OTHER INFORMATION

CORPORATE GOVERNANCE CODE

The Group recognises the importance of achieving the highest standard of corporate governance consistent with the needs and requirements of its businesses and the best interest of all of its stakeholders and is fully committed to doing so. It is also with these objectives in mind that the Group has applied the principles of the Corporate Governance Code (the “CG Code”) contained in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

In the opinion of the Directors of the Company, the Company had complied with the code provisions set out in the CG Code for the year ended 31 December 2024 and, where appropriate, the applicable recommended best practices of the CG Code, save as disclosed below:

Due to other urgent business commitment, the Chairman of the Board, who is also the Chairman of the Nomination Committee, was unable to attend the annual general meeting of the Company held on 18 June 2024 (the “2024 AGM”) as required by Code Provision F.2.2. With the consent of other Directors present, Mr. Lin Tiejun, the Vice Chairman, chaired the 2024 AGM. The chairmen and members of the Audit Committee and the Remuneration Committee as well as members of the Nomination Committee attended the 2024 AGM.

REVIEW OF ANNUAL RESULTS

The annual results of the Group for the year ended 31 December 2024 have been reviewed by the Audit Committee of the Company.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended 31 December 2024, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s securities listed on The Stock Exchange of Hong Kong Limited.

ANNUAL GENERAL MEETING

The annual general meeting of the Company will be held at Concord Room, 8th Floor, Renaissance Harbour View Hotel Hong Kong, One Harbour Road, Wanchai, Hong Kong on Tuesday, 17 June 2025 at 3:30 p.m. (the “2025 Annual General Meeting”).

In order to qualify for attending and voting at the 2025 Annual General Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s share registrar, Tricor Investor Services Limited, at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Wednesday, 11 June 2025.

ENTITLEMENT FOR FINAL DIVIDEND

The Board has resolved to recommend the payment of a final dividend of HK 7.27 cents per ordinary share for the year ended 31 December 2024 which is expected to be paid on or about Thursday, 24 July 2025 to the shareholders of the Company whose names appear on the register of members of the Company at the close of business on Friday, 27 June 2025 subject to the final approval at the 2025 Annual General Meeting.

For the purpose of determining shareholders' entitlements to the proposed final dividend for the year ended 31 December 2024, the register of members of the Company will be closed on Friday, 27 June 2025 and no transfer of shares will be registered on that day. In order to qualify for the proposed final dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Investor Services Limited, at the above address not later than 4:30 p.m. on Thursday, 26 June 2025.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement is published on the websites of the Company (www.gdi.com.hk) and The Stock Exchange of Hong Kong Limited (www.hkexnews.hk). The annual report of the Company for the year ended 31 December 2024 containing all the information required by the Listing Rules will be despatched to the shareholders of the Company and, together with the Environmental, Social and Governance Report, will be made available on the abovementioned websites in due course.

▲ *The English names are translations of their Chinese names, and are included herein for identification purposes only. In the event of any inconsistency, the Chinese names shall prevail.*

By Order of the Board
BAI Tao
Chairman

Hong Kong, 24 March 2025

As at the date of this announcement, the Board of the Company comprises five Executive Directors, namely, Ms. BAI Tao, Mr. LIN Tiejun, Mr. WEN Yinheng, Mr. TSANG Hon Nam and Ms. LIANG Yuanjuan; two Non-Executive Directors, namely, Mr. CAI Yong and Mr. FENG Qingchun; and four Independent Non-Executive Directors, namely, Dr. CHAN Cho Chak, John, Mr. FUNG, Daniel R., Dr. the Honourable CHENG Mo Chi, Moses and Mr. LI Man Bun, Brian David.