景業名邦
JY GRANDMARK

JY GRANDMARK HOLDINGS LIMITED
景業名邦集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2231)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

The board (the "**Board**") of directors (the "**Directors**") of JY Grandmark Holdings Limited (the "**Company**" or "**JY Grandmark**") is pleased to announce the consolidated annual results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 December 2024 with the comparative figures for 2023 as follows:

The following discussion should be read in conjunction with the consolidated financial information of the Group, including the related notes, set forth in the financial information section of this announcement.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	Year ended 31 December 2024 RMB'000	2023 RMB'000
Revenue	*2*	**3,426,674**	513,462
Cost of sales	*3*	**(2,926,185)**	(467,403)
Gross profit before impairment losses on completed properties held for sale and properties under development		**500,489**	46,059
Net impairment losses on completed properties held for sale and properties under development	*3*	**(154,516)**	(1,666,138)
Gross profit/(loss) after impairment losses on completed properties held for sale and properties under development		**345,973**	(1,620,079)
Selling and marketing expenses	*3*	**(135,297)**	(56,034)
Administrative expenses	*3*	**(76,176)**	(86,824)
Net impairment losses on financial assets		**(95,588)**	(60,051)
Other income	*4*	**590**	10,869
Other expenses	*5*	**(20,094)**	(2,410)
Other losses – net	*6*	**(42,991)**	(162,970)
Operating loss		**(23,583)**	(1,977,499)
Finance costs	*7*	**(32,948)**	(13,916)
Finance income	*7*	**1,213**	4,027
Finance costs – net	*7*	**(31,735)**	(9,889)
Share of profit/(loss) of investments accounted for using the equity method		**94**	(9,167)
Loss before income tax		**(55,224)**	(1,996,555)
Income tax expense	*8*	**(77,351)**	(146,053)
Loss for the year		**(132,575)**	(2,142,608)
Loss attributable to:			
Owners of the Company		**(344,100)**	(1,835,407)
Non-controlling interests		**211,525**	(307,201)
		(132,575)	(2,142,608)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME *(Continued)*

	Notes	**Year ended 31 December** **2024** *RMB'000*	2023 *RMB'000*
Other comprehensive loss for the year			
Item that may be reclassified to profit or loss			
– Currency translation differences		**(38,358)**	(19,289)
Other comprehensive loss for the year, net of tax		**(38,358)**	(19,289)
Total comprehensive loss for the year		**(170,933)**	(2,161,897)
Total comprehensive loss attributable to:			
Owners of the Company		**(382,458)**	(1,854,696)
Non-controlling interests		**211,525**	(307,201)
		(170,933)	(2,161,897)
Losses per share (expressed in RMB per share)			
– Basic and diluted losses per share	*9*	**(0.21)**	(1.11)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 31 December	
	Notes	**2024**	2023
		RMB'000	*RMB'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**216,419**	289,448
Right-of-use assets		**84,612**	89,503
Investment properties		**50,200**	156,151
Intangible assets		**1,964**	2,774
Other receivables	*11*	**11,306**	11,578
Deferred income tax assets		**230,467**	261,917
Investments accounted for using the equity method		**739**	645
		595,707	812,016
Current assets			
Inventories		**515**	914
Contract costs		**64,633**	150,899
Properties under development		**2,805,918**	5,375,845
Completed properties held for sale		**2,178,066**	2,150,865
Trade and other receivables and prepayments	*11*	**961,806**	1,183,343
Prepaid taxes		**199,114**	165,973
Restricted cash		**133,757**	339,242
Cash and cash equivalents		**21,175**	125,006
		6,364,984	9,492,087
Asset classified as held for sale		**6,049**	–
		6,371,033	9,492,087
Total assets		**6,966,740**	10,304,103
EQUITY			
Equity attributable to owners of the Company			
Share capital	*12*	**14,746**	14,746
Other reserves		**1,171,954**	1,528,541
Accumulated losses		**(1,500,144)**	(1,150,873)
		(313,444)	392,414
Non-controlling interests		**1,428,801**	1,163,712
Total equity		**1,115,357**	1,556,126

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*

	Notes	As at 31 December 2024 RMB'000	2023 RMB'000
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		**294,883**	239,045
Bank and other borrowings		**580,000**	29,000
Lease liabilities		**63,704**	66,111
		938,587	334,156
Current liabilities			
Bank and other borrowings		**2,672,539**	3,173,236
Trade and other payables	*13*	**1,448,333**	1,520,889
Contract liabilities		**419,514**	3,330,169
Lease liabilities		**9,677**	4,639
Current income tax liabilities		**362,733**	384,888
		4,912,796	8,413,821
Total liabilities		**5,851,383**	8,747,977
Total equity and liabilities		**6,966,740**	10,304,103

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

(a) Compliance with HKFRS and the disclosure requirements of HKCO

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRS**") and requirements of the Hong Kong Companies Ordinance Cap. 622 ("**HKCO**").

(b) Historical cost convention

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties which are carried at fair value and financial assets at fair value through profit or loss.

(c) Going concern basis

For the year ended 31 December 2024, the Group recorded a net loss of RMB133 million. As at 31 December 2024, the Group had total bank and other borrowings of RMB3,253 million, of which RMB2,673 million were current bank and other borrowings repayable within 12 months, while the Group's cash and cash equivalents amounted to RMB21 million and restricted cash amounted to RMB134 million only.

As at 31 December 2024, certain borrowings of RMB552 million and interest payables of RMB29 million, relating to borrowings with a total principal amount of RMB736 million, were overdue (the "**Defaulted Borrowings**"). As a result of such default, the principal amount of borrowings of RMB588 million, were considered as cross-default. The aggregate principal amount of the aforesaid borrowings of RMB1,324 million would be immediately repayable if requested by the lenders. This amount included borrowings of RMB398 million with original contractual repayment dates beyond 31 December 2025 which have been reclassified as current liabilities as at 31 December 2024.

Subsequent to 31 December 2024, the Group failed to settle certain borrowings with aggregated principal amount of RMB544 million and breached certain of the terms of the bank loan, which are primarily related to an asset under forced auction by court of RMB211 million (the "**Subsequent Defaulted Borrowings**"). Such overdue amount also form part of the defaulted and cross defaulted borrowings mentioned above.

Due to the slow down of Mainland China property market in 2024, the Group's operations had experienced a decline in the business of property development and sales. The pre-sales and sales volumes, amounts and collection of pre-sale and sales proceeds continue to decrease which give rise to certain pressure on the Group's liquidity.

The business of the Group is subject to extensive governmental regulations and macro-economic control measures of the real estate sector implemented by the People's Republic of China ("**PRC**") government from time to time, and some of these policies and measures may have unfavourable impact to the working capital available to the Group. In addition, the Group has committed construction cost payable for the projects which have properties sold under pre-sale arrangement that is scheduled to delivery to the customers within next twelve months.

All of the above conditions indicated the existence of multiple uncertainties which cast significant doubt on the Group's ability to continue as a going concern.

In view of such circumstances, the directors of the Company (the "**Directors**") have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern. The following plans and measures have been taken to mitigate the liquidity pressure, to improve its financial position:

(i) In respect of Defaulted Borrowings and Subsequent Defaulted Borrowings, the Group has been actively negotiating with all the lenders for renewal and extension for repayments of the defaulted borrowings. Out of the Defaulted Borrowings, the Group has successfully extended the repayment terms of loans with principal amount of RMB105 million. The Directors are confident that such lenders will not exercise their rights to demand the Group's immediate repayment of the borrowings and the Group will reach final agreements and waiver with such lenders in due course;

(ii) The Group has maintained active communication with other relevant lenders in respect of the Defaulted Borrowings. Based on latest communication, the Directors are confident to convince the relevant lenders not to exercise their rights to demand immediate repayment of these borrowings prior to their scheduled contractual repayment dates;

(iii) In January 2025, the Group successfully exchanged its senior notes with an aggregate principal amount of US$159 million (equivalent to RMB1,145 million) due on 9 January 2025 with a newly issued senior note amounted to US$174 million due on 6 January 2026 (the "**New Senior Notes**").

(iv) The Group will continue to actively adjust pre-sales and sales activities to better respond to market needs, and make efforts to achieve the latest budgeted pre-sales and sales volumes and amounts. The Group will continue to implement plans and measures to accelerate the pre-sales and sales of its properties under development and completed properties held for sale, and to speed up the collection of outstanding sales proceeds;

(v) As at 31 December 2024, the Group's restricted cash amounted to RMB134 million, which mainly represented the restricted pre-sale proceeds in designated bank accounts and can be used to settle certain construction payables or project loans subject to the approval of the PRC State-Owned Land and Resource Bureau. The Group will closely monitor the process of construction of its property development projects to ensure that construction and related payments are fulfilled, the relevant properties sold under pre-sale arrangement are completed and delivered to the customers on schedule as planned, so that the Group is able to release restricted cash to meet its other financial obligations; and

(vi) The Group will also continue to seek for other alternative financing and borrowings to finance the settlement of its existing financial obligations and future operating expenditure.

The Directors have reviewed the Group's cash flow projections prepared by management, which cover a period of not less than twelve months from 31 December 2024. In the opinion of the Directors, in light of the above and taking into account the anticipated cash flows to be generated from the Group's operations as well as the above plans and measures, the Group will have sufficient working capital to meet its financial obligations as and when they fall due in the coming twelve months from 31 December 2024. Accordingly, the Directors consider that it is appropriate to prepare the consolidated financial information on a going concern basis.

Notwithstanding the above, multiple uncertainties exist as to whether the Group is able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend upon the Group's ability to generate adequate financing and operating cashflows through:

(i) Successful negotiations with the Group's existing lenders in respect of the borrowings that were either in default or otherwise in cross default, so that the relevant lenders will not exercise their contractual rights to demand immediate repayment of the relevant defaulted borrowings or cross-defaulted borrowings and grant the relevant waiver to the Group;

(ii) Continuous compliance the terms and conditions of the bank and other borrowings and, where applicable, successful negotiation with the lenders to obtain waiver or to revise the terms and conditions of the borrowings for the continuous compliance thereof as and when needed;

(iii) Successful and timely extension and renewal of its bank and other borrowings, upon maturity as well as obtaining new financing from financial institutions as and when needed. The Group's ability to obtain these financing depends on (1) current and ongoing regulatory environments and how the relevant policies and measures might affect the Group and/or the relevant financial institutions; (2) whether the lenders of existing borrowings agree the terms and conditions for such extension or renewal; and (3) the Group's ability to continuously comply with the relevant terms and conditions of its bank and other borrowings;

(iv) Successful adjustment of pre-sales and sales activities to achieve budgeted pre-sales and sales volumes and amounts, and successful implementation of the plans and measures to accelerate the pre-sales and sales of properties under developments and completed properties held for sale, and timely collection of the relevant sales proceeds;

(v) Successful completion and delivery of properties to the customers on schedule such that restricted pre-sale proceeds in the designated bank accounts will be released to the Group to meet its other financial obligations as planned; and

(vi) Successful in obtaining other additional sources of financing other than those mentioned above as and when needed.

Should the Group be unable to achieve the above-mentioned plans and measures and operate as a going concern, adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in these consolidated financial statements.

(d) New standards, amended standards and interpretation adopted by the Group

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The adoption of new and amended standards and interpretation did not have any material impact on the consolidated financial statements of the Group.

(e) New and amended standards and interpretations not yet adopted

The following amendments to accounting standards and interpretation have been published that are not mandatory for the year ended 31 December 2024 and have not been early adopted by the Group. These amendments are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

		Effective for accounting periods beginning on or after
Amendments to HKAS 21	Lack of Exchangeability	1 January 2025
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

2. REVENUE AND SEGMENT INFORMATION

(a) Description of segments and principal activities

The executive directors, as the chief operating decision-maker (the "**CODM**") of the Group, review the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The Group is organised into four business segments: property development and sales, commercial property investment, hotel operations and property management.

As the CODM considers most of the Group's consolidated revenue and results are attributable to the market in the PRC, and the Group's consolidated non-current assets are substantially located in the PRC, no geographical information is presented.

(b) Segment performance

The segment information provided to the executive directors for the reportable segments for the year ended 31 December 2024 is as follows:

	Property development and sales *RMB'000*	Commercial property investment *RMB'000*	Hotel operations *RMB'000*	Property management *RMB'000*	Total *RMB'000*
Segment revenue	**3,323,347**	**–**	**58,938**	**45,816**	**3,428,101**
Recognised at a point in time	**3,323,347**	**–**	**–**	**–**	**3,323,347**
Recognised over time	**–**	**–**	**58,938**	**45,816**	**104,754**
Revenue from other sources: rental income	**–**	**5,946**	**–**	**–**	**5,946**
Inter-segment revenue	**–**	**(3,481)**	**(329)**	**(3,563)**	**(7,373)**
Revenue from external customers	**3,323,347**	**2,465**	**58,609**	**42,253**	**3,426,674**
Gross profit/(loss) before impairment losses on completed properties held for sale and properties under development	**501,598**	**560**	**(982)**	**(687)**	**500,489**
Net impairment losses on completed properties held for sale and properties under development	**(154,516)**	**–**	**–**	**–**	**(154,516)**
Gross profit/(loss) after impairment losses on completed properties held for sale and properties under development	**347,082**	**560**	**(982)**	**(687)**	**345,973**
Selling and marketing expenses					**(135,297)**
Administrative expenses					**(76,176)**
Net impairment losses on financial assets					**(95,588)**
Other income					**590**
Other expenses					**(20,094)**
Other losses – net					**(42,991)**
Finance costs – net					**(31,735)**
Share of profit of investments accounted for using the equity method	**94**	**–**	**–**	**–**	**94**
Loss before income tax					**(55,224)**
Income tax expense					**(77,351)**
Loss for the year					**(132,575)**
Depreciation and amortisation recognised as expenses	**8,763**	**–**	**12,664**	**216**	**21,643**
Fair value losses on investment properties – net	**–**	**(12,249)**	**–**	**–**	**(12,249)**
Segment assets	**6,571,329**	**60,558**	**81,039**	**23,347**	**6,736,273**
Segment assets include:					
Investments accounted for using the equity method	**739**	**–**	**–**	**–**	**739**
Addition to non-current assets (other than financial instruments and deferred income tax assets)	**15**	**–**	**77**	**26**	**118**
Segment liabilities	**1,819,357**	**14,873**	**82,700**	**24,298**	**1,941,228**

The segment information provided to the executive directors for the reportable segments for the year ended 31 December 2023 is as follows:

	Property development and sales *RMB'000*	Commercial property investment *RMB'000*	Hotel operations *RMB'000*	Property management *RMB'000*	Total *RMB'000*
Segment revenue	402,226	–	72,414	43,096	517,736
Recognised at a point in time	402,226	–	–	–	402,226
Recognised over time	–	–	72,414	43,096	115,510
Revenue from other sources: rental income	–	13,431	–	–	13,431
Inter-segment revenue	–	(8,217)	(108)	(9,380)	(17,705)
Revenue from external customers	402,226	5,214	72,306	33,716	513,462
Gross profit/(loss) before impairment losses on completed properties held for sale and properties under development	43,201	3,886	(4,070)	3,042	46,059
Net impairment losses on completed properties held for sale and properties under development	(1,666,138)	–	–	–	(1,666,138)
Gross (loss)/profit after impairment losses on completed properties held for sale and properties under development	(1,622,937)	3,886	(4,070)	3,042	(1,620,079)
Selling and marketing expenses					(56,034)
Administrative expenses					(86,824)
Net impairment losses on financial assets					(60,051)
Other income					10,869
Other expenses					(2,410)
Other losses – net					(162,970)
Finance costs – net					(9,889)
Share of loss of investments accounted for using the equity method	(9,167)	–	–	–	(9,167)
Loss before income tax					(1,996,555)
Income tax expense					(146,053)
Loss for the year					(2,142,608)
Depreciation and amortisation recognised as expenses	13,432	–	13,860	251	27,543
Fair value losses on investment properties – net	–	(8,404)	–	–	(8,404)
Segment assets	9,623,293	156,151	239,675	23,067	10,042,186
Segment assets include:					
Investments accounted for using the equity method	645	–	–	–	645
Addition to non-current assets (other than financial instruments and deferred income tax assets)	54,878	–	404	45	55,327
Segment liabilities	4,858,068	1,135	24,577	38,028	4,921,808

Sales between segments are carried out at arm's length. The revenue from external parties reported to the CODM is measured in a manner consistent with that in the consolidated statement of comprehensive income.

For the years ended 31 December 2024 and 2023, no single external customer's transaction generated revenue accounting for 10% or more of the Group's total revenue.

(i) ***Segment assets***

The amounts provided to the executive directors with respect to segment assets are measured in a manner consistent with that of the financial statements. These assets are allocated based on the operations of the segment.

The Group's deferred income tax assets are not considered to be segment assets but rather are managed on a central basis.

Segment assets are reconciled to total assets as follows:

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Segment assets	**6,736,273**	10,042,186
Unallocated:		
– Deferred income tax assets	**230,467**	261,917
Total assets	**6,966,740**	10,304,103

(ii) ***Segment liabilities***

The amounts provided to the executive directors with respect to segment liabilities are measured in a manner consistent with that of the financial statements. These liabilities are allocated based on the operations of the segment.

The Group's current and deferred income tax liabilities and borrowings are not considered to be segment liabilities but rather are managed on a central basis.

Segment liabilities are reconciled to total liabilities as follows:

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Segment liabilities	**1,941,228**	4,921,808
Unallocated:		
– Current income tax liabilities	**362,733**	384,888
– Deferred income tax liabilities	**294,883**	239,045
– Short-term borrowings and current portion of long-term borrowings	**2,672,539**	3,173,236
– Long-term borrowings	**580,000**	29,000
Total liabilities	**5,851,383**	8,747,977

3. EXPENSES BY NATURE

Expenses by nature included in cost of sales, selling and marketing expenses, administrative expenses and net impairment losses on completed properties held for sale and properties under development are analysed as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Net impairment losses on completed properties held for sale and properties under development	**154,516**	1,666,138
Cost of properties sold – including construction cost, land cost and interest cost	**2,800,650**	350,007
Employee benefit expenses (including directors' emoluments)	**84,169**	91,508
Employee benefit expenditure – including directors' emoluments	**91,095**	102,087
Less: capitalised in properties under development	**(6,926)**	(10,579)
Commission fees	**115,976**	16,401
Hotel operations expenses	**31,984**	42,951
Taxes and levies	**22,130**	10,126
Advertising costs	**12,635**	22,267
Entertainment expenses	**4,061**	7,484
Depreciation and amortisation of property, plant and equipment, intangible assets and right-of-use assets	**21,643**	27,543
Professional consulting fees	**6,097**	2,695
Office and travelling expenses	**4,864**	5,719
Auditor's remuneration	**1,400**	3,200
– Audit services	**1,260**	2,700
– Non-audit services	**140**	500
Others	**32,049**	30,360
Total	**3,292,174**	2,276,399

4. OTHER INCOME

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Interest income from a related-party	**–**	9,485
Forfeited customer deposits	**100**	585
Government grants	**319**	100
Others	**171**	699
	590	10,869

5. OTHER EXPENSES

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Penalties	**818**	768
Compensation	**17,683**	646
Others	**1,593**	996
	20,094	2,410

6. OTHER LOSSES – NET

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Net impairment losses on right-of-use assets	**–**	(127,275)
Losses on disposals of investment properties	**(43,681)**	(37,866)
Gains on disposal of associates	**–**	34,315
Net impairment losses on property, plant and equipment	**–**	(18,570)
Fair value losses on investment properties	**(12,249)**	(8,404)
Net foreign exchange gains/(losses)	**3,365**	(5,802)
Gains on termination of leases	**–**	627
Interest on financial assets at fair value through profit or loss	**–**	12
Gains/(losses) on disposals of property, plant and equipment	**42,606**	(7)
Losses on disposals of intangible assets	**(74)**	–
Legal expenses related to the compulsory auction of a building	**(32,958)**	–
	(42,991)	(162,970)

7. FINANCE COSTS – NET

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Finance costs		
– Interest expense on bank and other borrowings	**258,783**	282,783
– Interest expense on leases	**5,823**	550
– Net exchange gains on foreign currency borrowings	**(2,047)**	(2,166)
Less:		
– Interest capitalised	**(229,611)**	(267,251)
	32,948	13,916
Finance income		
– Interest income from bank deposits	**(1,213)**	(4,027)
Finance costs – net	**31,735**	9,889

8. INCOME TAX EXPENSE

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Current income tax:		
– Corporate income tax	**2,545**	22,109
– Land appreciation tax	**(14,681)**	(2,709)
	(12,136)	19,400
Deferred income tax:		
– Corporate income tax	**89,487**	126,653
	77,351	146,053

(a) PRC corporate income tax

The income tax provision of the Group in respect of operations in Mainland China has been calculated at the applicable tax rate on the estimated assessable profits for the year, based on the existing legislation, interpretations and practices in respect thereof. The corporate income tax rate applicable to the Group entities located in Mainland China is 25%.

Pursuant to the Detailed Implementation Regulations for implementation of the Corporate Income Tax Law issued on 6 December 2007, dividends distributed from the profits generated by the PRC companies after 1 January 2008 to their foreign investors shall be subject to this withholding income tax of 10%, a lower 5% withholding tax rate can be applied when the immediate holding companies of the PRC subsidiaries are incorporated in Hong Kong and fulfil the requirements to the tax treaty arrangements between the PRC and Hong Kong. The Group has not accrued any withholding income tax for the undistributed earnings of its PRC subsidiaries as the Group does not have a plan to distribute these earnings out of the Mainland China in the foreseeable future.

(b) PRC land appreciation tax ("LAT")

Pursuant to the requirements of the Provisional Regulations of the PRC on LAT effective 1 January 1994, and the Detailed Implementation Rules on the Provisional Regulations of the PRC on LAT effective on 27 January 1995, all income from the sale or transfer of state-owned land use rights, buildings and their attached facilities in the PRC is subject to LAT at progressive rates ranging from 30% to 60% of the appreciation value, with an exemption provided for sales of ordinary residential properties if their appreciation values do not exceed 20% of the sum of the total deductible items.

The Group has made provision of LAT for sales of properties according to the aforementioned progressive rate, except for certain group companies which calculate the LAT based on deemed tax rates in accordance with the approved taxation method obtained from tax authorities.

(c) Overseas income tax

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Act, Cap 22 of Cayman Islands and accordingly, is exempted from Cayman Islands income tax. The Company's subsidiaries in the British Virgin Islands were incorporated under the BVI Business Companies Act of the British Virgin Islands and, accordingly, are exempted from British Virgin Islands income tax.

(d) Hong Kong profits tax

No provision for Hong Kong profits tax has been made in these consolidated financial statements as the group companies did not have assessable profit in Hong Kong for the year ended 31 December 2024 (2023: nil).

9. LOSSES PER SHARE

	Year ended 31 December	
	2024	2023
Loss attribute to owners of the Company *(RMB'000)*	**(344,100)**	(1,835,407)
Weighted average number of ordinary shares in issue *(in thousand)*	**1,646,173**	1,646,173
Losses per share – basic *(RMB per share)*	**(0.21)**	(1.11)
Losses per share – diluted *(RMB per share)*	**(0.21)**	(1.11)

The Company had no dilutive potential shares in issue, thus the diluted losses per share equals the basic losses per share.

10. DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 December 2024 (2023: nil).

11. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Included in current assets:		
Trade receivables – third parties *(Note (a))*	**40,878**	41,996
Trade receivables – related parties *(Note (a))*	**97**	110
Other receivables – third parties *(Note (b))*	**447,730**	272,161
Other receivables – non-controlling interests *(Note (b))*	**323,579**	609,641
Other receivables – related parties *(Note (b))*	**56,260**	51,943
Prepayments for acquisition of land use rights	**202,561**	202,561
Other prepayments	**75,363**	97,554
	1,146,468	1,275,966
Less: impairment	**(173,356)**	(81,045)
Total	**973,112**	1,194,921
Less: non-current portion	**(11,306)**	(11,578)
Current portion	**961,806**	1,183,343

As at 31 December 2024 and 2023, the fair value of trade and other receivables approximated their carrying amounts.

As at 31 December 2024, no trade receivables (31 December 2023: RMB1,097,000) were pledged as collateral for the Group's bank and other borrowings.

(a) Details of trade receivables are as follows:

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Trade receivables – third parties	**40,878**	41,996
Trade receivables – related parties	**97**	110
Less: allowance for impairment	**(22,273)**	(13,357)
Trade receivables – net	**18,702**	28,749

Ageing analysis of trade receivables based on invoice date is as follows:

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Within 1 year	**19,502**	20,383
Over 1 year	**21,473**	21,723
	40,975	42,106

Trade receivables mainly arise from rental income, provision of construction services and hotel operations. Proceeds from sale of properties are generally received in accordance with the terms stipulated in the sale and purchase agreements.

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9. As at 31 December 2024, a provision of RMB22,273,000 was made against the gross amounts of trade receivables (31 December 2023: RMB13,357,000).

(b) Details of other receivables are as follows:

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Deposits for acquisition of land use rights	**262,373**	104,958
Other receivables due from non-controlling interests	**323,579**	609,641
Other receivables due from a joint venture	**56,260**	51,943
Others	**185,357**	167,203
	827,569	933,745
Less: allowance for impairment	**(151,083)**	(67,688)
Other receivables – net	**676,486**	866,057

12. SHARE CAPITAL

	Number of ordinary shares	**Nominal value of ordinary shares**	**Equivalent nominal value of ordinary shares**	**Total**
Authorised				
As at 31 December 2024 and 2023	2,500,000,000			
Issued and fully paid				
As at 31 December 2024 and 2023	1,646,173,000	HK$16,462,000	RMB14,746,000	RMB14,746,000

13. TRADE AND OTHER PAYABLES

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Trade payables *(Note (a))*	**889,690**	901,025
Amounts due to non-controlling interests and their related parties	**55,303**	73,208
Outstanding consideration payables for acquisitions	**22,440**	22,440
Deposits payable	**15,784**	10,623
Factoring of trade payables	**56,638**	105,656
Accrued expenses	**34,379**	31,974
Salaries payable	**13,608**	8,929
Other taxes payable	**90,041**	199,979
Other payables	**220,319**	166,463
Provision of legal cases	**50,131**	592
	1,448,333	1,520,889

(a) Ageing analysis of trade payables based on recognition dates is as follows:

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Within 90 days	**250,003**	330,013
Over 90 days and within 365 days	**210,757**	131,047
Over 365 days	**428,930**	439,965
	889,690	901,025

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of JY Grandmark Holdings Limited ("**JY Grandmark**" or the "**Company**") and its subsidiaries (together with the Company, the "**Group**"), I wish to present the consolidated annual results review and prospects of the Group for the year ended 31 December 2024 to the shareholders of the Company (the "**Shareholders**").

Results Review

In 2024, the international situation remained complex and volatile, and the recovery progress of domestic economy of China was also fluctuated and stuck due to the combined effects of downward pressure and upward forces. Benefiting from a package of incremental policies, the market demand experienced a structural recovery in the fourth quarter, while the general economic growth still exposed to the potential effect of low inflation and the downturn in real estate industry and other issues.

The central government further strengthened the counter-cyclical adjustment of macroeconomic policies, positively stimulating both the supply and demand of the real estate market through policy stimulus. However, market bottom oscillations and deep structural adjustments in the industry remained as the main operating trend of the domestic real estate market throughout 2024.

The hardship of the industry's operation as well as the depth and duration of its adjustment had exceeded expectations. Amid the operating challenges and pressure arising from the sustained uncertainty of the market, leveraging on the support of policies, JY Grandmark continuously maintained its strategic stability and operational resilience, adhered to the principle of "stabilising operation, ensuring delivery, resolving risks", promptly adjusted its operating strategies, and proactively optimised its business structure, to create opportunities and space for survival and development, and made every effort to preserve the value of all its stakeholders.

The recovery of the real estate market is full of uncertainty. In order to appropriately cope with the short-term liquidity risks and capital pressures that have squeezed and impacted the operational space, actively mitigating the debt risks to ensure the stable and sound operation in general has become one of the core operating goals of the Group for the current stage.

During the year, through the implementation of a variety of measures, including the securing of new sources of financing, strengthening of the liquidation of funds, the extension of financing debts and the disposal of non-core assets, the Group was committed to taking the initiative to improve its debt structure, revitalise its assets, actively responding to operational challenges. Additionally, the Group optimised cash flow allocation and maintained the general stability of its debt interface by further strengthening the centralised and integrated management of cash flow, and flexibly adjusting its capital expenditure through tracking, calculating, and assessing in advance of the liquidity.

In January 2024, the Group successfully completed the exchange of senior notes due 2024 (in an aggregate principal amount of US$152 million) with the newly issued senior notes due 2025 (in an aggregate principal amount of US$159 million).

During the year, the project-level loans of the Group remained largely normal. For some financing that requires extension due to the market downturn, the Group actively negotiated with financial institutions to promote the formulation of comprehensive and long-term solutions, striving to reduce the existing finance costs and alleviate the interest burden.

Facing the existing debt issues and pressure, the Group continued to intensify its efforts to revitalise its own assets, and to improve the cash flow of the Company by actively identifying opportunities to realise non-strategic high-quality assets, such as self-owned investment properties and self-operated hotels, as well as enhancing the efficiency of the leasing of idled assets to external parties. To further improve the quality and efficiency of asset revitalisation, during the year, the Group implemented the organisational adjustment, establishing a new merchants centre at the group level to arrange for dedicated personnel to promote the realisation and disposal of idle assets. During the year, the Group suitably disposed its self-operated hotel, being Just Stay Hotel, to effectively supplement our operating funds.

Meanwhile, closely following the direction of the industry's financing policies to actively promote the undertaking of new financing policies has also become one of the ways for the Group to "renew" its cash flow. During the year, the Group stepped up its efforts in financing of operating property loans to unleash the potential value of its assets in order to support the mitigation of debt risks.

While actively mitigating our debts pressure, in order to seek fundamental survival and development in a more stable manner, during the year, the Group seized the policy window period of "destocking and market stabilisation" from the central government, continuing to adopt prudent and positive strategies to accelerate property sales. For cities with high overall inventory and slow phasing out of inventory, the operation pace of the projects was slowed down temporarily to reduce the operation risk; for projects in cities where the market is recovering quickly, and for projects with a solid customer base and high traffic in the regional market, such as recreational vacation residence and health care as well as improved housing projects, the Group maximised the concentration of advantageous resources to provide support for their operation, development, and sales, enhanced the overall competitiveness of the projects in regional markets, and sought to maximise performance and benefits.

During the year, the Group also actively embraced the call of "parallel development of property renting and selling", seized the policy trends in the rental market and catered to the regional market demands of high-tier cities, transforming existing property assets of certain projects into long-term rental housing, optimising our business structure to manage inventory and revitalise assets. Concurrently, as for some improved properties with considerable long-term potential, we had opened up new business forms by adopting strategies such as converting them into holiday homestays and centralised rental elderly care apartments, and leveraged trial stays to foster long-term rental operations or property purchase.

The Group has always made “safeguarding people’s livelihoods, ensuring delivery, and guaranteeing quality” one of its core operating goals, actively responded to governmental requirements on delivery assurance, taken on our primary responsibilities, promoting our projects to apply for the delivery assurance “white list” to secure resources including specific borrowings and supporting financing for delivery assurance. In doing so, we can support the development, construction and delivery of our property projects, fulfill our corporate duties and bolster customer confidence. During the year, thanks to the relentless dedication of the Group, there were 12,043 households and 17,660,000 sq.m. of area under the management of the Group’s Zhuodu Property, performing the corporate commitment through actual actions.

Prospects and Expectation

It is expected that in 2025, the central government may enhance its macroeconomic policies to further stimulate the vitality and dynamism of economic operations and promote a general recovery and improvement of the national economy. The policies towards the property industry will continue to focus on the core aspects including “risk prevention and resolution” and “continuous promotion of stability and recovery”, along with a more positive and moderately relaxed environment for supporting policies. However, due to the lack of significant improvement in market expectations, the property market may still maintain a slow recovery under pressure.

The Group will continue to adhere to its developing position as an “eco-friendly and people-oriented comprehensive operator”, firmly implement a diversified and integrated development strategy and operation mode, and leverage cross-business synergy advantages to vigorously improve its capabilities in products, services and comprehensive operations. Grasping policy trends and aligning with new market needs, we will provide more residents with a more flexible and diverse range of improved housing products and health care housing products and lead a new model of humanistic livability.

In addition, the Group will continuously adhere to long-termism and lean management philosophy, focus on improvement of capabilities and prevention of risks, properly address the liquidity pressure, further reduce the gearing ratio and mitigate the risks, to realise the stabilisation and improvement of its operating results, and accumulate strength to seek for further development with a lighter footprint.

The Group has maintained active communications with various banks and creditors to seek an all-encompassing solution to our current cash flow issues, thus ensuring the long-term sustainability and feasibility of the Group’s operations with our commitment to the benefits of all stakeholders.

We firmly believe that by adhering to the “diversified and integrated” synergic business model and combining the efforts from all employees, the overall business will continue to develop in a balanced and constructive manner. We also promise to continue to assume corporate citizenship responsibilities and give back to society through actions.

Appreciation

On behalf of the Board, I hereby express my heartfelt appreciation to all Shareholders, investors, customers, partners, all employees and all sectors of society for their long-term attention and support to the development of the Group. We will respond to the industry trend, continuously improve management, and continue to strive for sustainable development.

CHAN Sze Ming Michael
Chairman of the Board

Guangzhou, the PRC, 26 March 2025

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS AND FINANCIAL REVIEW

Overall performance

During the year of 2024, the aggregated contracted sales of the Group, including those of the Group's joint venture and associates, was approximately RMB470.5 million, representing a decrease of 69.5% as compared to RMB1,541.5 million in 2023. The corresponding contracted gross floor area ("**GFA**") was approximately 51,000 sq.m., representing a decrease of 67.7% as compared to approximately 158,000 sq.m. in 2023. The significant decline in contracted sales is attributed to the downturn in Mainland China property market, reflected in the simultaneous drop in both selling price and GFA.

During the year of 2024, the Group's recognised revenue was RMB3,426.7 million, representing a significant year-on-year increase of 567.3% as compared to RMB513.5 million in 2023. Recognised revenue increased significantly is mainly because the project in Nanjing and Guangzhou were completed, filling and delivered in 2024 as scheduled. The operating loss was RMB23.6 million, as compared to operating loss of RMB1,977.5 million in 2023. Loss for the year was RMB132.6 million, as compared to loss for the year of RMB2,142.6 million in 2023.

Revenue

Our revenue represents consolidated revenue from (i) property development and sales; (ii) hotel operations; (iii) property management; and (iv) commercial property investment which are all derived in the PRC. During the year of 2024, revenue of the Group amounted to RMB3,426.7 million (2023: RMB513.5 million), representing a significant year-on-year growth of 567.3%.

Property development and sales

We focus on the development of quality residential properties with comfortable and convenient living environment. During the year of 2024, revenue from property development and sales business of the Group recorded a substantial growth of 726.3%, from RMB402.2 million in 2023 to RMB3,323.3 million in 2024, accounting for 97.0% of the Group's total revenue. The marked increase in revenue was mainly as a result of the growth in the aggregate GFA of properties delivered during the year of 2024.

The following table sets forth the breakdown of our revenue from property development and sales by geographical location for the years ended 31 December 2024 and 2023.

	Year ended 31 December 2024				Year ended 31 December 2023			
City	**Recognised revenue from sales of properties**	**% of total revenue from sales of properties**	**Total GFA delivered**	**Recognised average selling price**	Recognised revenue from sales of properties	% of total revenue from sales of properties	Total GFA delivered	Recognised average selling price
	RMB'000	**%**	***sq.m.***	***RMB/sq.m.***	*RMB'000*	%	*sq.m.*	*RMB/sq.m.*
Guangzhou	**1,438,953**	**43.3**	**100,987**	**14,249**	8,165	2.0	654	12,485
Zhaoqing	**6,318**	**0.2**	**1,552**	**4,071**	24,924	6.2	3,471	7,181
Qingyuan	**99,482**	**3.0**	**27,545**	**3,612**	226,389	56.3	52,207	4,336
Lingao	**5,309**	**0.2**	**855**	**6,209**	12,567	3.1	2,016	6,234
Tengchong	**60,527**	**1.8**	**5,300**	**11,420**	81,416	20.3	8,874	9,175
Zhuzhou	**7,678**	**0.2**	**2,721**	**2,822**	15,600	3.9	4,498	3,468
Nanjing	**1,702,965**	**51.2**	**98,225**	**17,337**	18,271	4.5	921	19,838
Other revenue *(Note)*	**2,115**	**0.1**	**N/A**	**N/A**	14,894	3.7	N/A	N/A
Total/overall	**3,323,347**	**100.0**	**237,185**	**14,003**	402,226	100.0	72,641	5,332

Note: Other revenue represented service income from property development and management.

Hotel operations

Apart from property development and sales, we also operate Just Stay Resort and Just Stay Inn under our hotel operations business. During the year of 2024, revenue from hotel operations of the Group amounted to RMB58.6 million, representing a significant decrease by 18.9% from RMB72.3 million in 2023. The downward trend was mainly due to the closure of Just Stay Hotel in November 2024. As a significant component of hotel business, the closure of the Just Stay Hotel has had a direct impact on the overall hotel operation revenue.

Property management

We also derived income from our property management services provided to purchasers of the residential properties. During the year of 2024, revenue from property management services of the Group reached RMB42.3 million, representing an increase of 25.5% as compared with RMB33.7 million in 2023, mainly driven by stable growth in total GFA of properties under management.

Commercial property investment

During the year of 2024, revenue from commercial property investment of the Group amounted to RMB2.5 million, with a year-on-year decrease of 51.9% as compared with RMB5.2 million in 2023. The decrease was primarily due to the sale of investment properties, resulting in a reduction in rental properties being leased.

Cost of sales

Cost of sales of the Group primarily represents costs of properties sold which are directly associated with the Group's property development activities, as well as costs incurred in relation to other businesses. During the year of 2024, cost of sales of the Group amounted to RMB2,926.2 million, representing an increase of 526.1% as compared with RMB467.4 million in 2023. The significant increase in cost of sales was in line with more properties being delivered in the year of 2024.

Gross profit and gross profit margin before impairment losses on completed properties held for sale and properties under development

During the year of 2024, the Group's gross profit before impairment losses on completed properties held for sale and properties under development amounted to RMB500.5 million, representing an increase of 985.7% as compared with RMB46.1 million in the corresponding period of 2023. The Group's gross profit margin before impairment losses on completed properties held for sale and properties under development increased to 14.61% from 9.0% for the same period of 2023.

During the year of 2024, the Group's gross profit margin before impairment losses on completed properties held for sale and properties under development from our property development and sales increased to 15.1% from 10.7% in 2023.

Analysing based on the gross profit margin before impairment losses on completed properties held for sale and properties under development by city, top three cities ranked by revenue including Nanjing, Guangzhou and Qingyuan attained an average gross profit margin before impairment losses on completed properties held for sale and properties under development of 17.3%, and the revenue of these three cities accounted for 97.5% of our total revenue from property development and sales during the year of 2024.

Net impairment losses on completed properties held for sale and properties under development

During the year of 2024, net impairment losses on completed properties held for sale and properties under development amounting to RMB154.5 million (2023: RMB1,666.1 million) was provided for in accordance with the remeasurement of net realisable value of the property projects based on the prevailing selling prices as well as other related market conditions.

Selling and marketing expenses

Our selling and marketing expenses consist primarily of commission fees, advertising costs, employee benefit expenses and other miscellaneous expenses. During the year, selling and marketing expenses of the Group amounted to RMB135.3 million, representing an increase of 141.6% as compared with RMB56.0 million in 2023. The upward trend was mainly attributable to the increase in commission fees recognised by RMB116.0 million year-on-year, as a result of the growth in recognised revenue from property development and sales. We have capitalised the commission fees incurred as contract costs and subsequently recognised the amounts as expenses when the related revenue are recognised. Excluding commission fees, other selling and marketing expenses during the year of 2024 decreased by 51.3% year-on-year, mainly attributable to the efforts on cost control measures over marketing activities throughout the period.

Administrative expenses

Administrative expenses primarily comprised of employee benefit expenses, depreciation and amortisation of property, plant and equipment, intangible assets and right-of-use assets, tax and other levies, entertainment expenses for our business, office and travelling expenses and other miscellaneous expenses. During the year of 2024, the Group's administrative expenses amounted to RMB76.2 million, representing a decrease of 12.2% as compared with RMB86.8 million in 2023. The decrease was also resulted from continuous cost control measures imposed.

Other income and other expenses

During the year of 2024, our other income amounted to RMB0.6 million as compared with RMB10.9 million in 2023. The decrease was resulted from the interest income from a related party which was disposal in 2023. Other expenses primarily represented penalties and compensation.

Other losses – net

During the year of 2024, our other losses – net primarily consisted of net impairment losses on right-of-use assets, losses on disposals of investment properties and property, plant and equipment, fair value losses on investment properties and net foreign exchange losses. The Group's other losses – net decreased from RMB163.0 million in 2023 to RMB43.0 million in 2024, mainly due to increase in gains on disposals of investment properties and property, plant and equipment by RMB42.6 million.

Finance costs – net

Finance costs – net comprised mainly interest expense on borrowings and leases net of capitalised interest expense, net exchange gains on foreign currency borrowings and interest income from bank deposits. The Group's finance costs – net increased from RMB9.9 million in 2023 to RMB31.7 million in 2024, mainly due to less interest income generated by lower average total cash balance and more interest expense on leases.

Share of profit/(loss) of investments accounted for using the equity method

During the year of 2024, the Group's share of profit/(loss) of investments accounted for using the equity method changed from loss of RMB9.2 million in 2023 to profit of RMB0.01 million in 2024, mainly due to the disposal of the Group's equity interests in Zhujiang Village Project in July 2023.

Income tax expense

Income tax expense included corporate income tax and land appreciation tax ("**LAT**"). During the year of 2024, corporate income tax expense amounted to RMB92.0 million (2023: RMB148.8 million), mainly due to the effect of losses not recognised as deferred income tax assets. LAT recorded tax credit of RMB14.7 million (2023: LAT credit of RMB2.7 million).

Loss for the year

As a result of the aforementioned, the Group recorded a net loss of RMB132.6 million in 2024, as compared to loss of RMB2,142.6 million in 2023. Loss attributable to owners of the Company amounted to RMB344.1 million, as compared to loss attributable to owners of the Company amounted to RMB1,835.4 million in 2023.

Basic and diluted losses per share for the year of 2024 was RMB0.21, as compared to basic and diluted losses per share of RMB1.11 in 2023.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

The Group funded and is expected to continue to fund its operations principally from cash generated from its operations, borrowings from financial institutions and proceeds from issuance of senior notes.

Cash positions and fund available

As at 31 December 2024, the total cash and bank balances of the Group were RMB154.9 million (31 December 2023: RMB464.2 million), of which RMB21.2 million (31 December 2023: RMB125.0 million) was cash and cash equivalents and RMB133.8 million (31 December 2023: RMB339.2 million) was restricted cash.

As at 31 December 2024, the Group had placed at designated bank accounts the pre-sale proceeds of properties received of RMB117.1 million (31 December 2023: RMB304.1 million) as the guarantee deposits for the constructions of related properties.

As at 31 December 2024, the Group's undrawn banking facilities were approximately RMB340.5 million (31 December 2023: RMB255.5 million).

Borrowings

As at 31 December 2024, the total interest-bearing borrowings and senior notes of the Group were RMB3,252.5 million (31 December 2023: RMB3,202.2 million), of which RMB580.0 million (31 December 2023: RMB29.0 million) was included in non-current liabilities and RMB2,672.5 million (31 December 2023: RMB3,173.2 million) was included in current liabilities of the Group, respectively.

(a) As at 31 December 2024, certain borrowings of RMB552 million and interest payables of RMB29 million, relating to borrowings with a total principal amount of RMB736 million, were overdue. As a result of such default, the principal amount of borrowings of RMB588 million were considered as cross default. The aggregate principal amount of the aforesaid borrowings of RMB1,324 million would be immediately repayable if requested by the lenders.

(b) On 11 January 2024, the Company issued the senior notes with nominal interest rate 9.5% due 9 January 2025 in an aggregate principal amount of US$159,284,612. The issue of the senior notes was related to the exchange offer of the existing senior notes amounting to US$152,100,000 due 11 January 2024 and capitalised interest accrued and unpaid. The senior notes were listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 12 January 2024.

The above senior notes are guaranteed by certain subsidiaries of the Group.

(c) As at 31 December 2024, the Group's borrowings were denominated in following currencies:

	As at 31 December 2024 *RMB'000*	As at 31 December 2023 *RMB'000*
RMB	**1,489,004**	1,600,310
HK$	**512,547**	491,024
US$	**1,250,988**	1,110,902
	3,252,539	3,202,236

(d) As at 31 December 2024, bank and other borrowings totalling RMB1,885.9 million (31 December 2023: RMB1,955.0 million) of the Group were secured by the pledge of the following assets together with the Group's shares of certain subsidiaries as collaterals:

	As at 31 December 2024 *RMB'000*	As at 31 December 2023 *RMB'000*
Lands	**11,090**	11,634
Property, plant and equipment	**129,800**	224,886
Investment properties	**–**	101,605
Properties under development	**1,025,241**	1,124,706
Completed properties held for sale	**1,199,241**	632,575
Trade receivables	**–**	1,097
Restricted cash	**144**	5,500
	2,365,516	2,102,003

Cost of borrowings

During the year of 2024, total cost of borrowings of the Group amounted to RMB258.8 million, representing a decrease of 8.1% from RMB282.8 million in 2023. The weighted average effective interest rate was 7.94% per annum (2023: 8.00% per annum).

Net gearing ratio

As at 31 December 2024, net gearing ratio* was at 277.7% (31 December 2023: 175.9%).

* *Net gearing ratio represents the ratio of net debts (total borrowings net of cash and cash equivalents and restricted cash) divided by total equity as at the end of the reporting period.*

Contingent liabilities

(a) The Group has arranged bank financing for certain purchasers of the Group's property units and provided guarantees to secure obligations of such purchasers for repayments. Such guarantees terminate upon the earlier of (i) issuance of the real estate ownership certificate, which will generally be available within an average period of two to three years upon the completion of guarantee registration; or (ii) the satisfaction of mortgaged loan by the purchasers of properties.

As at 31 December 2024, the outstanding guarantees were RMB3,353.8 million (31 December 2023: RMB2,070.9 million). Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible for repaying the outstanding mortgage principals together with accrued interest and penalty owed by the defaulted purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties. The Group's guarantee period starts from the dates of grant of the mortgages.

The Group considers that in case of default in payments by purchasers, the net realisable value of the related properties can cover the repayment of the outstanding mortgage principals together with the accrued interest and penalty and therefore no provision has been made in the financial statements for the guarantees.

(b) As at 31 December 2024, the Group had provided guarantees for borrowings of the Group's joint venture amounting to RMB344.7 million (31 December 2023: RMB355.4 million), with a provision amounting to RMB25.3 million being made in the financial statements for the guarantee.

Commitments

As at 31 December 2024, the commitments of the Group for property development expenditure amounted to RMB276.1 million (31 December 2023: RMB1,123.1 million).

Currency risks

The Group's businesses are principally conducted in Renminbi ("**RMB**"). The monetary assets and liabilities of the Group's subsidiaries in the PRC are mainly denominated in RMB and the foreign exchange risk is immaterial. The non-PRC subsidiaries' functional currency is Hong Kong Dollar ("**HK$**"). As at 31 December 2024 and 31 December 2023, major non-HK$ assets and liabilities of the non-PRC subsidiaries are cash and cash equivalents, restricted cash, other receivables, borrowings and other payables, which are denominated in RMB or US Dollar ("**US$**"). Fluctuation of the exchange rate of HK$ against RMB or US$ could affect the Group's results of operations.

The Group has not entered into any forward exchange contracts to hedge its exposure to foreign exchange risk. However, management of the Group monitors foreign exchange risk exposure and will consider hedging significant foreign exchange risk exposure should the need arise.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As at 31 December 2024, the Group did not have plan for material investments and capital assets.

SIGNIFICANT INVESTMENTS, MAJOR ACQUISITIONS AND DISPOSALS

The Group did not hold significant investments, or conduct material acquisitions or disposals of subsidiaries, associates or joint ventures during the year ended 31 December 2024.

EMPLOYEES AND REMUNERATIONS

As at 31 December 2024, the Group had a total of 552 employees (2023: 743 employees). For the year ended 31 December 2024, the Group has recognised staff costs of RMB91.1 million (2023: RMB102.1 million). The Group provided employees with salaries and benefits that, in its opinion, were competitive with market standards and regularly reviewed the remuneration policies based on employees' contributions and industry standards. The Company maintains a share option scheme for the purpose of providing incentives and rewards to the participants for their contribution to the Group. The Group also contributed to medical insurance, pension insurance, maternity insurance, unemployment insurance, work-related injury insurance and housing provident funds for our employees and paid relevant insurance premiums. In addition, the Group was committed to cultivating all-level skilled employees. The Group provided training programs based on the positions and expertise of our employees to enhance their understanding and apprehension of the property industry and related fields. Besides internal training, the Group also engaged external experts to provide training courses for its employees from time to time.

CORPORATE GOVERNANCE

The Board and the management of the Company are committed to the maintenance of good corporate governance practices and procedures. The Company has adopted the corporate governance code (the "**Corporate Governance Code**") contained in Part 2 of Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") as its own code on corporate governance. To the best knowledge of the Directors, the Company has complied with all applicable code provisions under the Corporate Governance Code in the year ended 31 December 2024.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the "**Model Code**") as its code of conduct regarding the securities transactions by the Directors. All Directors have confirmed, following specific enquiry by the Company, that they have complied with the Model Code in the year ended 31 December 2024.

PURCHASE, SALE OR REDEMPTION OF LISTING SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) in the year ended 31 December 2024.

SUFFICIENCY OF PUBLIC FLOAT

Rule 8.08 of the Listing Rules requires there to be an open market in the securities for which listing is sought and a sufficient public float of an issuer's listed securities to be maintained. This normally means that at least 25% of the issuer's total issued share capital must at all times be held by the public. Based on the information that is publicly available to the Company and to the knowledge of the Directors as at the date of this announcement, the Company has maintained a sufficient public float as required under the Listing Rules.

AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**") consists of three members, namely Mr. WU William Wai Leung, Mr. MA Ching Nam and Mr. LEONG Chong, each of whom is an independent non-executive Director. The chairman of the Audit Committee is Mr. WU William Wai Leung who possesses appropriate accounting and related financial management expertise. The Audit Committee has considered and reviewed the Group's annual results for the year ended 31 December 2024, the accounting principles and practices adopted by the Company and the Group and discussed matters in relation to internal control and financial reporting with the management. The Audit Committee considers that the annual financial results for the year ended 31 December 2024 are in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been duly made. The Audit Committee has, in conjunction with the external auditor of the Company, D & Partners CPA Limited, reviewed the consolidated financial statements for the year ended 31 December 2024, including the accounting policies of the Group.

SCOPE OF WORK OF D & PARTNERS CPA LIMITED

The figures in respect of the Group's consolidated statement of comprehensive income, consolidated statement of financial position, and the related notes thereto for the year ended 31 December 2024 as set out in this announcement have been agreed by the Company's auditor, D & Partners CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by the Company's auditor in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by D & Partners CPA Limited on this announcement.

EXTRACT OF INDEPENDENT AUDITOR'S REPORT

The following is an extract of the auditor's report for the year ended 31 December 2024 from the external auditor of the Company:

Disclaimer of Opinion

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

Basis for Disclaimer of Opinion

Multiple Uncertainties Related to Going Concern

We draw attention to Note 2.1(c) to the consolidated financial statements, which states that, for the year ended 31 December 2024, the Group recorded a net loss of RMB133 million and a net cash outflow of RMB104 million. As at 31 December 2024, the Group's total borrowings was RMB3,253 million of which the Group's current borrowings amounted to RMB2,673 million while its cash and cash equivalents amounted to RMB21 million and restricted cash amounted to RMB134 million only. As at 31 December 2024, certain borrowings of RMB552 million and interest payables of RMB29 million, relating to borrowings with a total principal amount of RMB736 million, were overdue (the "**Defaulted Borrowings**"). As a result of such default, the principal amount of borrowings of RMB588 million, were considered as cross-default. The aggregate principal amount of the aforesaid borrowings of RMB1,324 million would be immediately repayable if requested by the lenders. This amount included borrowings of RMB398 million with original contractual repayment dates beyond 31 December 2025 which have been reclassified as current liabilities as at 31 December 2024.

Subsequent to 31 December 2024, the Group failed to settle certain borrowings with aggregated principal amount of RMB544 million and breached certain of the terms of the bank loan, which are primarily related to an asset under forced auction by court of RMB211 million (the "**Subsequent Defaulted Borrowings**"). Such overdue amount also form part of the defaulted and cross defaulted borrowings mentioned above.

Due to the slow down of Mainland China property market in first half of 2024, the Group's operations had experienced a decline in the business of property development and sales. The pre-sales and sales volumes, amounts and collection of presale and sales proceeds continue to decrease which give rise to certain pressure on the Group's liquidity.

The business of the Group is subject to extensive governmental regulations and macro-economic control measures of the real estate sector implemented by the PRC government from time to time, and some of these policies and measures may have unfavourable impact to the working capital available to the Group. In addition, the Group has committed construction cost payable for the projects which have properties sold under pre-sale arrangement that is scheduled to delivery to the customers within next twelve months.

These events or conditions, along with other matters as set forth in Note 2.1(c) to the consolidated financial statements, indicate that multiple uncertainties exist that cast significant doubt on the Group's ability to continue as a going concern.

The directors of the Company have been formulating a number of plans and measures to mitigate the liquidity pressure, to improve the financial position of the Group, and to remediate the overdue loan repayments, which are set out in note 2.1(c) to the consolidated financial statements. The consolidated financial statements have been prepared on a going concern basis, the validity of which depends on the outcome of these plans and measures, which are subject to multiple uncertainties, including:

(i) Successful negotiations with the Group's existing lenders in respect of the borrowings that were either in default or otherwise in cross default, so that the relevant lenders will not exercise their contractual rights to demand immediate repayment of the relevant defaulted borrowings or cross-defaulted borrowings and grant the relevant waiver to the Group;

(ii) Continuous compliance the terms and conditions of the bank and other borrowings and, where applicable, successful negotiation with the lenders to obtain waiver or to revise the terms and conditions of the borrowings for the continuous compliance thereof as and when needed;

(iii) Successful and timely extension and renewal of its bank and other borrowings, upon maturity as well as obtaining new financing from financial institutions as and when needed. The Group's ability to obtain these financing depends on (1) current and ongoing regulatory environments and how the relevant policies and measures might affect the Group and/or the relevant financial institutions; (2) whether the lenders of existing borrowings agree the terms and conditions for such extension or renewal; and (3) the Group's ability to continuously comply with the relevant terms and conditions of its bank and other borrowings;

(iv) Successful adjustment of pre-sales and sales activities to achieve budgeted pre-sales and sales volumes and amounts, and successful implementation of the plans and measures to accelerate the pre-sales and sales of properties under developments and completed properties held for sale, and timely collection of the relevant sales proceeds;

(v) Successful completion and delivery of properties to the customers on schedule such that the restricted pre-sale proceeds in the designated bank accounts will be released to the Group to meet its other financial obligations as planned; and

(vi) Successful in obtaining other additional sources of financing other than those mentioned above as and when needed.

As a result of these multiple uncertainties, the potential interaction of these uncertainties, and the possible cumulative effect thereof, we were unable to form an opinion as to whether the going concern basis of preparation is appropriate.

Should the Group be unable to achieve the above-mentioned plans and measures and operate as a going concern, adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in these consolidated financial statements.

SIGNIFICANT EVENTS AFTER 31 DECEMBER 2024

On 7 January 2025, the Company issued the New Senior Notes with nominal interest rate 9.5% due 6 January 2026 in an aggregate principal amount of US$174,332,581. The issuance of the New Senior Notes included an exchange offer of the senior notes due on 9 January 2025 amounting to US$159,284,612 and capitalised interest accrued and unpaid. The New Senior Notes are wholly held by certain relatives of Mr. Chan Sze Ming Michael, an executive Director and the chairman of the Company. The aforesaid persons are connected persons (as defined under the Listing Rules) of the Company.

Subsequent to 31 December 2024, the Group failed to settle certain borrowings with aggregated principal amount of RMB544 million and breached certain of the terms of the bank loan, which are primarily related to an asset under forced auction by court of RMB211 million (the "**Subsequent Defaulted Borrowings**"). Such overdue amount also form part of the defaulted and cross defaulted borrowings mentioned above.

One of the subsidiaries of the Group failed to repay a loan from a third party, resulting one of the villa in the completed properties held for sale with a carrying amount of RMB3.8 million and one of the buildings (a hotel located in Just Stay Resort, No. 288 Yuquan Avenue, Conghua District, Guangzhou City, Guangdong Province, the PRC) in the property, plant and equipment with a carrying amount of RMB163 million as at 31 December 2024 being subject to forced auction by the court on 15 January 2025. The management considered that the fair value of the villa is RMB4.5 million with no impairment required and the fair value of the hotel will be impaired to RMB130 million due to the forced auction, resulting in a potential loss of RMB33 million on the asset.

Apart from the above mentioned potential loss, the future financial performance of the Group might be affected as the hotel generated annual revenue of RMB38 million and reported a loss of RMB10 million for the year ended 31 December 2024 together with a net cash outflow of RMB24 million.

ANNUAL GENERAL MEETING

Annual general meeting of the Company will be held on Thursday, 5 June 2025 (the "**AGM**"). The notice of the AGM will be published and despatched to the Shareholders in accordance with the requirements of the Listing Rules in April 2025.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 2 June 2025 to Thursday, 5 June 2025 (both days inclusive), during which period no transfer of shares of the Company will be registered. In order to determine the identity of members who are entitled to attend and vote at the AGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, 30 May 2025.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the websites of the Company (www.jygrandmark.com) and the Stock Exchange (www.hkexnews.hk). The annual report of the Company for the year ended 31 December 2024 will be despatched to the Shareholders and made available on the above websites in April 2025.

By Order of the Board
JY Grandmark Holdings Limited
Chan Sze Ming Michael
Chairman

Guangzhou, the PRC, 26 March 2025

As at the date of this announcement, the Board comprises Mr. Chan Sze Ming Michael, Mr. Liu Huaxi, Ms. Zheng Catherine Wei Hong and Mr. Wu Xinping as executive Directors, Mr. Ma Ching Nam, BBS, CStJ, J.P., Mr. Leong Chong and Mr. Wu William Wai Leung as independent non-executive Directors.