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CHEN XING

Chen Xing Development Holdings Limited

辰興發展控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2286)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

FINANCIAL HIGHLIGHTS

- For the year ended 31 December 2024 (the “**Reporting Period**”), contracted sales of the Group amounted to approximately RMB217.9 million and the corresponding contracted gross floor area (“**GFA**”) amounted to approximately 33,070 sq.m., representing a decrease of approximately 56.3% and a decrease of approximately 48.3% comparing with the same period last year, respectively;
- Revenue of the Group for the Reporting Period amounted to approximately RMB1,198.6 million, of which approximately RMB1,197.3 million was revenue from property development;
- Gross profit of the Group for the Reporting Period amounted to approximately RMB118.1 million, of which approximately RMB116.7 million was gross profit from property development;
- Net loss of the Group for the Reporting Period amounted to approximately RMB130.4 million, of which approximately RMB162.2 million was net loss attributable to equity owners of the Company;
- Total GFA of land bank of the Group amounted to approximately 2,173,365 sq.m. and the average cost of land bank was approximately RMB875.6 per sq.m. as at the end of Reporting Period;
- Contracted average sales price (the “**Average Sales Price**”) of the Group for the Reporting Period was approximately RMB6,589.1 per sq.m.;
- Basic loss per share of the Company for the Reporting Period was approximately RMB0.27; and
- The Board has resolved not to declare a final dividend for the year ended 31 December 2024.

The board (the “**Board**”) of directors (the “**Directors**”) of Chen Xing Development Holdings Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”) hereby announces the audited annual results of the Group for the year ended 31 December 2024 together with the comparative figures for the year ended 31 December 2023.

Consolidated Statement of Profit or Loss

For the year ended 31 December 2024

	<i>Notes</i>	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
REVENUE	5, 6	1,198,596	300,374
Cost of sales		<u>(1,080,523)</u>	<u>(342,483)</u>
Gross profit/(loss)		118,073	(42,109)
Other income and gains	6	43,848	17,841
Selling and distribution expenses		(19,361)	(15,625)
Administrative expenses		(48,924)	(48,713)
Reversal of/(provision) on expected credit loss on financial assets		1,356	(858)
Other expenses		(66,887)	(19,317)
Finance costs	7	(160,954)	(76,008)
Share of profits and losses of:			
Joint ventures		<u>4,169</u>	<u>735</u>
LOSS BEFORE TAX	8	(128,680)	(184,054)
Income tax (expense)/credit	9	<u>(1,741)</u>	<u>38,301</u>
LOSS FOR THE YEAR		<u>(130,421)</u>	<u>(145,753)</u>
Attributable to:			
Owners of the parent		(162,190)	(151,837)
Non-controlling interests		<u>31,769</u>	<u>6,084</u>
		<u>(130,421)</u>	<u>(145,753)</u>
LOSSES PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted	10	<u>RMB(0.27)</u>	<u>RMB(0.25)</u>

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2024

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
LOSS FOR THE YEAR	<u>(130,421)</u>	<u>(145,753)</u>
OTHER COMPREHENSIVE INCOME		
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation to presentation currency	<u>981</u>	<u>702</u>
Items that will not be reclassified to profit or loss:		
Equity investments designated at fair value through other comprehensive income:		
Changes in fair value	<u>(1,664)</u>	16,509
Income tax effect	<u>416</u>	<u>(4,127)</u>
	<u>(1,248)</u>	<u>12,382</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	<u>(267)</u>	<u>13,084</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>(130,688)</u>	<u>(132,669)</u>
Attributable to:		
Owners of the parent	<u>(162,457)</u>	(138,753)
Non-controlling interests	<u>31,769</u>	<u>6,084</u>
	<u>(130,688)</u>	<u>(132,669)</u>

Consolidated Statement of Financial Position

As at 31 December 2024

	<i>Notes</i>	2024 RMB'000	2023 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		48,169	54,403
Investment properties		96,000	103,000
Right-of-use assets		1,052	1,097
Properties under development		266,275	245,647
Intangible assets		2	5
Investments in joint ventures		8,536	5,684
Equity investment designated at fair value through other comprehensive income	<i>12</i>	60,672	62,336
Deferred tax assets		256,573	228,048
Land development cost recoverable	<i>15</i>	1,197,788	—
Total non-current assets		1,935,067	700,220
CURRENT ASSETS			
Properties under development		4,655,403	4,825,851
Completed properties held for sale		1,045,640	915,170
Inventories		29,956	28,064
Trade receivables	<i>13</i>	2,184	2,164
Prepayments, other receivables and other assets	<i>14</i>	372,544	534,597
Land development cost recoverable	<i>15</i>	613,681	2,665,732
Tax recoverable		67,049	89,354
Pledged deposits		10,272	10,149
Restricted cash		5,656	42,919
Cash and cash equivalents		107,654	203,689
Assets of a disposal group classified as held for sale		—	3,186,357
Total current assets		6,910,039	12,504,046

Consolidated Statement of Financial Position (Continued)

As at 31 December 2024

	<i>Notes</i>	2024 RMB'000	2023 RMB'000
CURRENT LIABILITIES			
Trade and bills payables	16	863,299	824,136
Other payables and accruals		996,729	954,662
Contract liabilities		2,809,156	3,668,861
Interest-bearing bank and other borrowings	17	2,700,496	2,815,782
Tax payable		106,878	123,125
		7,476,558	8,386,566
Liabilities of a disposal group classified as held for sale		—	3,059,057
Total current liabilities		7,476,558	11,445,623
NET CURRENT (LIABILITIES)/ASSETS		(566,519)	1,058,423
TOTAL ASSETS LESS CURRENT LIABILITIES		1,368,548	1,758,643
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	17	30,000	42,000
Deferred tax liabilities		47,030	22,838
Other payables		63,500	63,600
Total non-current liabilities		140,530	128,438
Net assets		1,228,018	1,630,205

Consolidated Statement of Financial Position (Continued)

As at 31 December 2024

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
EQUITY		
Equity attributable to owners of the parent		
Share capital	4,855	4,855
Reserves	<u>1,065,207</u>	<u>1,385,273</u>
	<u>1,070,062</u>	<u>1,390,128</u>
Non-controlling interests	<u>157,956</u>	<u>240,077</u>
Total equity	<u><u>1,228,018</u></u>	<u><u>1,630,205</u></u>

NOTES TO FINANCIAL STATEMENTS

1. CORPORATE AND GROUP INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands on 3 November 2014. The registered office address of the Company is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business of the Company is located in 18 Anning Street, Yuci District, Jinzhong City, Shanxi Province, the People's Republic of China (the "PRC").

During the Reporting Period, the Group was principally engaged in property development.

In the opinion of the directors, the ultimate controlling shareholders of the Group are Mr. Bai Xuankui and Mr. Bai Guohua.

2. BASIS OF PREPARATION

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"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties and equity investments which have been measured at fair value. These financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

3. GOING CONCERN BASIS

The Group incurred a loss of approximately RMB130,421,000 for the year ended 31 December 2024 and as at 31 December 2024, the Group had net current liabilities of approximately RMB566,519,000 and the principal, interest payable and penalty payable of approximately RMB12,800,000, RMB8,547,000 and RMB117,000 respectively related to interest-bearing bank borrowings had not been repaid according to their scheduled repayment dates. As such, the entire principal of approximately RMB374,806,000 together with the interest payable and penalty payable of approximately RMB8,547,000 and approximately RMB117,000 respectively included in interest-bearing bank and other borrowings (note 17) were classified as current liabilities as at 31 December 2024.

The non-settlement of the above borrowings resulted in cross-default of certain other borrowings that triggered the repayable on demand clause of those borrowings and therefore the related principal of approximately RMB2,273,690,000 became immediately payable and was classified as current liabilities as at 31 December 2024.

In the preparation of the Group's working capital forecast, the Directors have given careful consideration to the Group's future liquidity and performance and its available sources of financing to continue as a going concern. The working capital forecast for the 18 months from the date of financial statements ("**Forecast Period**") have been prepared with the following major assumptions and events being taken into account:

- i. The lenders in respect of the borrowings that have the rights to demand for immediate repayment will not exercise their rights to demand immediate repayment of the relevant loans or prior to their scheduled contractual repayment dates;
- ii. the Group will be able to renew the existing borrowings that the maturity dates due during the Forecast Period;
- iii. the Company would receive the land development cost recoverable (details in note 15) in accordance with the expected repayment schedule; and
- iv. the market conditions in which the Group operates and/or invests in would not deteriorate materially from those of the present.

As a result of the borrowings that might be demanded for immediate repayment, the future operating cash inflow of the Group may not be sufficient to match the repayment schedule of borrowings and relevant interest payments.

The Board has continuously devoted effort to resolve the liquidity issue mentioned above. In view of these circumstances and to address the issue on working capital sufficiency, the Company has taken and propose to take the following measures:

- i. The Group verbally agreed with the Group's lenders not to enforce their rights of requesting for immediate repayment and to renew or extend the borrowings prior to their respective maturity dates. During the year ended 31 December 2024 and up to the date of this announcement, the Directors had not received any notices or requests from lenders for early repayment of the borrowings. The Director expected that the Group would be able to renew bank and other borrowings with an aggregate outstanding principal of approximately RMB2,700,496,000 that are repayable within one year for another year prior to their respective maturity dates.

- ii. The Group is in active negotiations with the lenders in respect of the borrowings that have the rights to demand for immediate repayment for a debt restructuring so as to settle the borrowings by using the proceeds from new borrowing plans.
- iii. The Directors of the Group have prepared a business strategy plan mainly focuses on the acceleration of the pre-sales and sales of its properties under development and completed projects in order to generate additional operating cash inflows and putting extra efforts on the collection of trade debtors, and the implementation of cost control measures.
- iv. The Company will continue to seek suitable opportunities to dispose of its equity interests in certain project development companies in order to generate additional cash inflows.

Assuming the successful implementation of the above measures, the Directors are of the opinion that the Group would have had sufficient working capital to finance its operation and meet its financial obligations as and when they fall due within the next twelve months from 31 December 2024. Accordingly, the Directors are satisfied that it is appropriate to prepare the consolidation financial statements of the Group for the year ended 31 December 2024 on a going concern basis.

Notwithstanding the above, material uncertainties exist that may cast significant doubt on the Group's ability to continue as going concern, which depends on (i) whether it can successfully negotiate with the lenders on the extension or deferral of the repayment of the Group's borrowings, renewal of existing borrowings upon maturity and the new borrowing plans and (ii) the successful implementation of measures described above in the normal course of businesses.

Should the Group be unable to operate as a going concern, adjustments may 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.

4. CHANGES AND DISCLOSURE OF ACCOUNTING POLICIES

4.1 ADOPTION OF NEW OR REVISED HKFRSs EFFECTIVE FROM 1 JANUARY 2024

In the current year, the Group has applied for the first time the following new or revised standards, amendments and interpretations (the “**new or revised HKFRSs**”) issued by the HKICPA, which are relevant to and effective for the Group’s consolidated financial statements for the annual period beginning on 1 January 2024:

Amendments to HKAS 1	Classification of liabilities as Current or Non-current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKFRS 7	Supplier finance arrangements

None of these new or amended HKFRSs has a material impact on the Group’s results and financial position for the current or prior period. The Group has not early applied any new or amended HKFRSs that is not yet effective for the current accounting period.

4.2 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, that has been issued but are not yet effective, in these consolidated financial statements.

Amendments to HKAS 21	Lack of exchangeability ¹
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-Dependent Electricity ²
HKFRS 18	Presentation and Disclosure in Financial Statements ³
HKFRS 19	Subsidiaries without Public Accountability: Disclosures ³
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴

¹ Effective for annual periods beginning on or after 1 January 2025.

² Effective for annual periods beginning on or after 1 January 2026.

³ Effective for annual periods beginning on or after 1 January 2027.

⁴ Effective for annual periods beginning on or after a date to be determined by the HKICPA.

The Group is in the process of making an assessment of the impact of these new or revised HKFRSs upon initial application.

5. OPERATING SEGMENT INFORMATION

For management purposes, the Group has not organised its business units based on their products and services and only has one reportable operating segment. Management monitors the operating results of the Group' operating segments as a whole for the purpose of making decisions about resource allocation and performance assessment.

No geographical segment information is presented as the Group's revenue from the external customers was derived solely from its operations in the Mainland China and no non-current assets of the Group were located outside the Mainland China.

No information about major customers is presented as no revenue from sales to a single customer individually accounted for 10% or more of the Group's total revenue for the Reporting Period (2023: same).

6. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
<i>Revenue from contracts with customers</i>	1,197,272	298,181
<i>Revenue from other sources</i>		
Gross rental income from investment property under operating leases:		
Fixed lease payments	<u>1,324</u>	<u>2,193</u>
	<u>1,198,596</u>	<u>300,374</u>

Revenue from contracts with customers

(a) *Disaggregated revenue information*

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Types of goods		
Sale of properties	<u>1,197,272</u>	<u>298,181</u>
Total revenue from contracts with customers	<u><u>1,197,272</u></u>	<u><u>298,181</u></u>
Timing of revenue recognition		
Goods transferred at a point in time	<u>1,197,272</u>	<u>298,181</u>
Total revenue from contracts with customers	<u><u>1,197,272</u></u>	<u><u>298,181</u></u>

The following table shows the amounts of revenue recognised in the current Reporting Period that were included in the contract liabilities at the beginning of the Reporting Period:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Revenue recognised that was included in contract liabilities at the beginning of the Reporting Period:		
Sale of properties	<u><u>988,564</u></u>	<u><u>224,548</u></u>

(b) *Performance obligations*

Information about the Group's performance obligations is summarised below:

Sale of properties

The performance obligation is satisfied upon delivery of the properties and payment in advance is normally required.

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Amounts expected to be recognised as revenue:		
Within one year	226,875	1,078,766
After one year	2,582,281	2,590,095
	2,809,156	3,668,861
	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
<u>Other income</u>		
Bank interest income	914	2,848
Total interest income on financial assets not at fair value through profit and loss	914	2,848
Dividends from equity investments designed at fair value through other comprehensive income	5,000	—
Gross rental income from properties not classified as investment property	3,385	4,649
Gains on disposal of subsidiaries	33,835	—
Others	714	10,344
	43,848	17,841

7. FINANCE COSTS

	2024	2023
	RMB'000	RMB'000
Interest on bank loans	145,515	204,285
Interest on loans from related parties	27,197	22,660
Interest on loans from directors	8,780	7,806
Accretion on contract liabilities (<i>note 1</i>)	100,328	118,922
	<hr/>	<hr/>
Total interest expense on financial liabilities not at fair value through profit or loss	281,820	353,673
Less: Interest capitalised (<i>note 2</i>)	(120,866)	(277,665)
	<hr/>	<hr/>
	160,954	76,008
	<hr/> <hr/>	<hr/> <hr/>

Note 1: Represent adjustment to transaction price for certain transactions with significant financing component due to a significant difference between timing of cash receipt from and transfer of properties to buyers.

Note 2: Where funds have been borrowed generally, and used for the purpose of acquisition, construction, production for qualifying assets, a capitalisation rate ranging from 3.20% to 8.65% (2023: 5.23% to 8.65%) has been applied to the expenditure on the individual assets.

8. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Cost of properties sold	1,018,339	199,915
Loss on revising estimated timing of receipt of land development cost recoverable	56,407	—
Depreciation of property, plant and equipment	5,527	6,889
Depreciation of right-of-use assets	45	45
Amortisation of intangible assets*	3	3
Lease payments not included in the measurement of lease liabilities	1,361	344
Auditor's remuneration	2,380	2,380
Employee benefit expense (excluding directors' and chief executive's remuneration):**		
Wages and salaries	11,881	17,432
Staff welfare expenses	3,524	3,393
Pension scheme contributions	1,438	1,860
	<u>16,843</u>	<u>22,685</u>
Provision on expected credit loss on financial asset, net		
— Reversal of impairment of trade receivables	(44)	(717)
— (Reversal of)/impairment of other receivables	(2,471)	1,575
— Impairment of land development cost recoverable	1,159	—
	<u>(1,356)</u>	858
Changes in fair value of investment properties	7,000	18,000
Foreign exchange gains, net	(321)	(3,242)
Write-down of completed properties held for sale***	39,582	26,057
Write-down of properties under development***	<u>22,602</u>	<u>116,511</u>

* The amortisation of intangible assets is included in "Administrative expenses" in the consolidated statement of profit or loss.

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

*** Included in "Cost of Sales".

9. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate. Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group's subsidiaries incorporated in the Cayman Islands and the British Virgin Islands are not subject to any income tax.

Pursuant to the relevant tax law of the Hong Kong Special Administrative Region, Hong Kong profits tax is calculated based on a tax rate of 16.5% (2023: 16.5%) on the estimated assessable profits arising in Hong Kong during the Reporting Period. No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits in Hong Kong during the Reporting Period (2023: nil).

The provision for Mainland China current income tax is based on the statutory rate of 25% of the assessable profits of certain PRC subsidiaries of the Group as determined in accordance with the PRC Corporate Income Tax Law which was approved and became effective on 1 January 2008.

According to the requirements of the provisional regulations of the PRC on the land appreciation tax (“LAT”) effective from 1 January 1994 onwards, and the detailed implementation rules on the provisional regulations of the PRC on LAT effective from 27 January 1995 onwards, all income from the sale or transfer of state-owned leasehold interests on land, buildings and their attached facilities in Mainland China is subject to LAT at progressive rates ranging from 30% to 60% of the appreciation value, with an exemption provided for property sales of ordinary residential properties if their appreciation values do not exceed 20% of the sum of the total deductible items.

The Group has estimated, made and included in tax provision for LAT according to the requirements set forth in the relevant PRC tax laws and regulations. The actual LAT liabilities are subject to the determination by the tax authorities upon completion of the property development projects and the tax authorities might disagree with the basis on which the provision for LAT is calculated.

Major components of the Group's income tax expense/(credit) are as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Current tax:		
Income tax charge	12,009	21,762
Over provision in prior years	(7,686)	(46,928)
LAT	1,335	32,940
Deferred tax	(3,917)	(46,075)
	<hr/>	<hr/>
Total tax expense/(credit) for the year	<u>1,741</u>	<u>(38,301)</u>

10. LOSSES PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic losses per share amount is based on the loss for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 600,000,000 (2023: 600,000,000) in issue during the year.

The calculation of basic losses per share is based on:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
<u>Losses:</u>		
Loss attributable to ordinary equity holders of the parent used in the basic losses per share calculation	<u>(162,190)</u>	<u>(151,837)</u>

Number of shares

	2024 <i>'000</i>	2023 <i>'000</i>
<u>Shares:</u>		
Weighted average number of ordinary shares in issue during the year used in the basic losses per share calculation	<u>600,000</u>	<u>600,000</u>

Diluted losses per share is the same as basic losses per share because the Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2024 and 2023.

11. DIVIDENDS

The Directors resolved not to declare a final dividend for the year ended 31 December 2024 (2023: nil).

12. EQUITY INVESTMENT DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	As at 31 December 2024 <i>RMB'000</i>	As at 31 December 2023 <i>RMB'000</i>
Listed equity investment, at fair value	<u>60,672</u>	<u>62,336</u>

The above equity investment was irrevocably designated at fair value through other comprehensive income as the Group considers this investment to be strategic in nature.

13. TRADE RECEIVABLES

	As at 31 December 2024 <i>RMB'000</i>	As at 31 December 2023 <i>RMB'000</i>
Trade receivables	5,199	5,223
Impairment	<u>(3,015)</u>	<u>(3,059)</u>
	<u>2,184</u>	<u>2,164</u>

The Group's trade receivables principally originated from its constructions materials business and its trading terms with its customers are mainly on credit. The credit period is generally one month to one year. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of the Reporting Period, based on the invoice date and net of loss allowance, is as follows:

	As at 31 December 2024 RMB'000	As at 31 December 2023 RMB'000
Within 3 months	—	—
3 to 6 months	—	—
Over 6 months	2,184	2,164
	2,184	2,164

The movements in the loss allowance for impairment of trade receivables are as follows:

	As at 31 December 2024 RMB'000	As at 31 December 2023 RMB'000
At beginning of year	3,059	3,776
Reversal of provision on impairment losses (note 8)	(44)	(717)
At end of year	3,015	3,059

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about current conditions and forecasts of future economic conditions.

14. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	<i>Notes</i>	2024 RMB'000	2023 RMB'000
Prepayments	<i>(a)</i>	58,369	134,841
Consideration receivables	<i>(b)</i>	89,697	89,697
Deposits and other receivables	<i>(c)</i>	134,882	130,786
Cost to obtain contracts	<i>(d)</i>	26,770	43,265
Due from related parties	<i>(e)</i>	2,269	32,178
Other tax recoverable		153,752	199,496
		465,739	630,263
Impairment allowance	<i>(f)</i>	(93,195)	(95,666)
		372,544	534,597

Notes:

- (a) The amounts mainly represent the prepayments to sub-contractors for the property construction.
- (b) On 30 October 2020, a wholly owned indirect subsidiary of the Company disposed 49% equity interests in an associate, Xishuangbanna Yunchen Real Estate Co., Ltd. to Xishuangbanna Global Sunac Tourism Development Co., Ltd. (“**Global Sunac**”) at a consideration of approximately RMB95.35 million. Global Sunac is a subsidiary of Sunac China Holdings Limited (“**Sunac China**”), which is listed in Main Board of the Hong Kong Stock Exchange Limited. Pursuant to the disposal agreement, the consideration is payable within 12 months from the date of the disposal agreement. As at 31 December 2022, amount of RMB89,697,000 was still outstanding, management of the Company are in doubt of the ability and the incentives of Sunac China Group to repay the outstanding balances and considered the possibility of recovery was remote. Therefore, a lifetime ECL (Stage 3) of RMB89,697,000 was recognised during the year ended 31 December 2022. During the year ended 31 December 2022, the Group has taken legal action against Sunac China Group for the settlement of the outstanding receivables. During the years ended 31 December 2023 and 2024, there is no repayment of any debt from Sunac China and the legal case is still in progress. Hence, there is no reversal of impairment or written off during these two years.
- (c) The amounts mainly represent deposits with suppliers and governments.
- (d) Cost to obtain contracts is initially recognised as an asset for revenue to be recognised upon transfer of completed properties held for sale. Included in cost to obtain contracts are sales commission and stamp duty. When the revenue from the related contract is recognised, the amount recognised as cost to obtain contracts is charged out to selling and distribution expenses and administrative expenses. As at 31 December 2024 and 2023, the loss allowance was assessed to be minimal.

As at 31 December 2024 and 2023, the cost to obtain contracts is expected to be recovered or settled within two years.

- (e) Due from related parties are unsecured, interest free and repayable on demand.
- (f) The movements in the loss allowance for impairment of other receivables are as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
At beginning of year	95,666	94,091
(Reversal of)/provision on impairment losses	<u>(2,471)</u>	<u>1,575</u>
At end of year	<u>93,195</u>	<u>95,666</u>

Deposits and other receivables mainly represent deposits with suppliers and governments. Expected credit losses are estimated by applying a loss rate approach with reference to the historical loss record of the Group. The loss rate is adjusted to reflect the current conditions and forecasts of future economic conditions, as appropriate. The loss rate applied as at 31 December 2024 and 2023 was assessed to be minimal.

The financial assets included in the above balances relate to receivables for which there was no recent history of default and past due amounts, except for the consideration receivables mentioned in above note (b).

15. LAND DEVELOPMENT COST RECOVERABLE

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Land development cost recoverable	1,812,628	2,665,732
Impairment losses	<u>(1,159)</u>	<u>—</u>
	<u>1,811,469</u>	<u>2,665,732</u>
Portion classified as current assets	613,681	2,665,732
Non-current portion	<u>1,197,788</u>	<u>—</u>
	<u>1,811,469</u>	<u>2,665,732</u>

During the year ended 31 December 2019, the Group entered into a contractual arrangement with a local government in the PRC and its related parties for a land development project. Land development cost recoverable represented all costs paid by the Group under the aforesaid land development contractual arrangement from 2019 to 2023 and finance costs of specific borrowing obtained for conducting the underlying land development project. Due to prolonged delay by the contracted parties, the Group has contractual right to exit from the project and to claim from a contracted party the land development cost recoverable. During the year ended 31 December 2023, the Group has exercised the aforementioned contractual right to claim the land development cost recoverable from a contracted party. The land development cost recoverable represents receivables from a local government-related party in the PRC. As at 31 December 2023, the loss allowance was assessed to be immaterial.

In September 2024, upon the Group's negotiation with the local government, the Group received a partial settlement of the land development cost recoverable. The local government communicated its plan to settle the remaining land development cost recoverable within two years. Due to the aforesaid circumstances in 2024, the Group revised its estimates of receipts of the remaining land development cost recoverable to align with the plan communicated by the local government.

As a result, the Group recognised a loss on revising the estimated timing of receipt of land development cost recoverable, which amounted to RMB56.4 million in September 2024 and an expected credit loss allowance during the year ended 31 December 2024.

16. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables as at the end of the Reporting Period, based on the payment due date, is as follows:

	As at 31 December 2024 RMB'000	As at 31 December 2023 RMB'000
Less than 1 year	89,766	188,785
1 to 2 years	174,709	272,331
2 to 3 years	245,323	220,431
3 to 4 years	216,927	82,576
4 to 5 years	76,911	275
Over 5 years	59,663	59,738
	863,299	824,136

The trade and bills payables are unsecured, interest-free and are normally settled based on the progress of construction.

17. INTEREST-BEARING BANK AND OTHER BORROWINGS

	2024			2023		
	Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000
Current						
Bank loans — secured	3.85–8.65	2025	2,546,796	5.00–8.65	2024	1,158,782
Bank borrowings — unsecured	3.85–6.50	2025	54,200	7.00–7.44	2024	1,601,500
Other borrowings — secured	3.20–5.50	2025	87,500	2.80	2024	16,000
Other borrowings — unsecured	15.00	2025	12,000	6.00–15.00	2024	39,500
			<u>2,700,496</u>			<u>2,815,782</u>
Non-current						
Other borrowings — secured	—	—	—	2.80	2025	35,000
Other borrowings — unsecured	15.00	2027	30,000	15.00	2025	7,000
			<u>30,000</u>			<u>42,000</u>
			<u>2,730,496</u>			<u>2,857,782</u>

Analysis per original maturity date are as follows:

	2024			2023		
	Effective	Maturity	RMB'000	Effective	Maturity	RMB'000
	interest rate (%)			interest rate (%)		
Current						
Bank borrowings — secured	5.50–8.65	2025	571,576	5.00–8.65	2024	881,094
Bank borrowings — unsecured	6.50	2025	44,900	7.00–7.44	2024	1,547,000
Other borrowings — secured	3.20–5.50	2025	87,500	2.80	2024	51,000
Other borrowings — unsecured	5.50	2025	5,000	6.00–15.00	2024	—
			<u>708,976</u>			<u>2,479,094</u>
Non-current						
Bank borrowings — secured	3.85–7.50	2026–2029	1,975,220	5.00–8.65	2025–2028	277,688
Bank borrowings — unsecured	3.85	2027	9,300			—
Other borrowings — secured	—	—	—	2.80	2025	54,500
Other borrowings — unsecured	15.00	2027–2028	37,000	15.00	2027	46,500
			<u>2,021,520</u>			<u>378,688</u>
			<u><u>2,730,496</u></u>			<u><u>2,857,782</u></u>

	As at 31 December 2024 RMB'000	As at 31 December 2023 RMB'000
Analysed into:		
Loans repayable:		
Within one year or on demand	2,700,496	2,815,782
In the second year	—	42,000
In the third to fifth years, inclusive	<u>30,000</u>	<u>—</u>
	<u>2,730,496</u>	<u>2,857,782</u>
	2024	2023
	RMB'000	RMB'000

Analysed into:

Bank and other borrowings per original maturity date (without default repayable):

Within one year	708,976	2,479,094
Over one year	<u>2,021,520</u>	<u>378,688</u>
	<u>2,730,496</u>	<u>2,857,782</u>

Notes:

- (a) As at 31 December 2024, the Group's bank and other borrowings are secured by:
- (i) mortgages over the Group's property under development, which had a net carrying value at the end of the Reporting Period of approximately RMB1,543,737,000 (2023: RMB2,151,288,000);
 - (ii) mortgages over the Group's completed properties held for sale, which had a net carrying value at the end of the Reporting Period of approximately RMB87,401,000 (2023: RMB84,163,000);
 - (iii) mortgages over the Group's property, plant and equipment, which had a net carrying value at the end of the Reporting Period of approximately RMB23,143,000 (2023: RMB24,705,000);
 - (iv) the guarantees provided by the Company, the subsidiary of the Group, the Director of the Company and the Company's controlling shareholder.

All of the banking facilities were subject to the fulfilment of covenants commonly found in lending arrangements with financial institutions. If the Group was to breach the covenants, the borrowings would become repayable on demand. The Group regularly monitors its compliance with these covenants.

- (b) Pursuant to some of the Group's borrowings' agreements, any delay of the repayment in accordance of the repayment schedule will trigger the rights to request for immediate repayment, resulting in the relevant borrowings becoming repayable on demand. As at 31 December 2024, the Group failed to repay certain bank borrowings' principal and interest payable of an aggregate amount of approximately RMB12,800,000, RMB8,547,000 and RMB117,000 (2023: nil, RMB4,314,000 and nil) which causing bank loans of an aggregate principal amount of approximately RMB2,273,690,000 (2023: RMB2,438,465,000) have become repayable on demand. Hence, the entire amount of the bank borrowings became immediately payable and has been classified as current liabilities as at 31 December 2024.
- (c) None of the Group's banking facilities (including bank borrowings) are subject to the fulfilment of financial covenants as at 31 December 2024.

18. GUARANTEES

	As at 31 December 2024 RMB'000	As at 31 December 2023 RMB'000
Guarantees given to banks in respect of mortgage facilities granted to the purchasers of the Group's properties	<u>988,476</u>	<u>1,517,899</u>

The Group provided guarantees in respect of mortgage facilities granted by certain banks to the purchasers of the Group's completed properties held for sale. Pursuant to the terms of the guarantee arrangements, in case of default on mortgage payments by the purchasers, the Group is responsible for repaying the outstanding mortgage loans together with any accrued interest and penalty owed by the defaulted purchasers to those banks. The Group is then entitled to take over the legal titles of the related properties. The Group's guarantee period commences from the date of grant of the relevant mortgage loan and ends at the execution of individual purchaser's collateral agreement.

The Group did not incur any material losses during the Reporting Period in respect of the guarantees provided for mortgage facilities granted to the purchasers of the Group's completed properties held for sale. The Directors considered that in case of default on payments, the net realisable value of the related properties would be sufficient to repay the outstanding mortgage loans together with any accrued interest and penalty, and therefore no provision has been made in connection with the guarantees.

EXTRACT OF INDEPENDENT AUDITOR’S REPORT

The following is an extract of the independent auditor’s report on the Group’s audited consolidated financial statements for the year ended 31 December 2024.

OPINION

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

MATERIAL UNCERTAINTIES RELATED TO GOING CONCERN

We draw attention to Note 2.1 to the consolidated financial statements, which indicates that the Group incurred a loss of approximately RMB130,421,000 for the year ended 31 December 2024. As stated in Note 2.1, this event and condition, along with the other matters as set forth in Note 2.1 indicate that a material uncertainty exists that may cast significant doubt on the Group’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board, I present the annual results of the Group for the year ended 31 December 2024.

Review of Annual Results for 2024

In 2024, after deep adjustment and policy optimization in the previous years, the real estate market in the PRC gradually entered a more rational and stable stage of development. The overall market showed strong resilience. As the relationship between supply and demand in the market gradually became balanced, the demand for owner-occupied housing was steadily released. Government at all levels implemented a series of targeted regulatory policies for the real estate market on purchase restriction, loan restriction, sales restriction and optimisation of land supply, etc, to stabilize market expectations, prevent systematic risks and promote the long-term and healthy development of the market. The growth rate of housing prices in the market in first-tier cities continued to slow down and the housing prices in certain hot spot regions even showed a slight decline, while the overall market was becoming stable; the housing prices in second-tier and third-tier cities were clearly differentiated. In particular, the housing prices in certain cities with a sound economic foundation and large population inflow remained stable. However, the housing prices in some cities with less economic vitality were still under downward pressure. Overall, the cautious willingness of consumers to buy housings and the slow recovery of consumer confidence resulted in the failure to achieve significant growth in terms of total annual sales and sales area and the relatively slow recovery of the market.

In terms of the land market, the Government continued to optimise the land supply structure by increasing the supply proportion of land for affordable housings and rental housings, further reducing the land premium rate. Real estate enterprises paid more attention to risk control and project profitability in their land acquisition strategies and preferred land with superior location and high development potential. Thus, the land market competition tended to be rational. Meanwhile, the Government further standardized the order of the land market by improving land auction rules and strengthening market supervision, to avoid excessive competition and rapid rise in land prices.

In respect of financial policies, with the continuous enhancement of financial supervision over real estate, the growth rate of real estate loans remained low, and financial institutions provided more prudent credit support to real estate enterprises. The financing environment of real estate enterprises was still tight. Certain enterprises eased their financial pressure by optimizing the structure of assets and liabilities, accelerating destocking and diversifying financing, etc.

In general, in 2024, under the joint efforts of policy regulation and market mechanism in the Chinese real estate market, the Government encouraged real estate enterprises to explore new development models and promote the shift of the industry to high-quality development. With the further decrease of market bubbles and gradual recovery of consumer confidence, the real estate industry realized the change from high-speed growth to high-quality development.

In 2024, the real estate industry continued to make significant progress in technological innovation, business model optimization and service upgrading. Intelligent, green and personalized development remained the core trend of the industry. Real estate enterprises further increased investment in research and development to promote the comprehensive upgrade of products and services, in order to better adapt to changes in market demand. Digital transformation became the mainstream direction of the industry. Many enterprises improved the efficiency of project design, construction and operation using big data, artificial intelligence and Internet of Things (IoT) technologies, while providing consumers with a more personalized and intelligent living experience.

In this context, the Company also proactively responded to changes in the industry. Despite the impact of the overall market environment, the sales performance in 2024 still faced significant challenges. The sales market of the Company was mainly concentrated in the third-tier and fourth-tier cities. The real estate market in these cities gradually stabilized after the adjustments in previous years. As the inventory backlog was less and the new construction area throughout the year remained at a low level, although the total sales failed to meet the expected target, the overall risk was still under control.

Under the leadership of the Board and management, the Company timely adjusted its business strategy and further optimized its business structure. It sorted out and integrated non-core projects, and relieved operating pressure by selling certain non-key assets. In addition, the Company increased investment in green buildings and intelligent communities to meet the growing market demand for high-quality housings.

Overall, although the overall environment of the real estate market in 2024 remained complex, the Company maintained stable operation of the Group through flexible business strategies and positive business adjustments, laying a solid foundation for future sustainable development.

During the Reporting Period, the Group's contracted sales amounted to approximately RMB217.9 million, representing a decrease of approximately 56.3% as compared with the same period last year; the Group's total contracted GFA amounted to approximately 33,070 sq.m., representing a decrease of approximately 48.3% as compared with the same period last year.

During the Reporting Period, the Group recorded a revenue of approximately RMB1,198.6 million, representing an increase of approximately 299.0% as compared with the same period last year, among which, revenue from property development was approximately RMB1,197.3 million, representing an increase of approximately 301.5% as compared with the same period last year. Net loss attributable to equity owners of the Company was approximately RMB162.2 million, representing an increase of approximately 6.9% as compared with the same period last year, which was mainly attributable to the decrease of write-down of properties under development, resulting in a decrease in net loss, and the increase in expensing of interests and the impairment of land costs recoverable, resulting in an increase in net loss.

As at the end of the Reporting Period, the Group's land bank was approximately 2,173,365 sq.m.

Final Dividend

The Board has resolved not to declare a final dividend for the year ended 31 December 2024.

Prospect for 2025

In 2025, with the continuous deepening of policy regulation and the gradual construction of a new model of real estate development, the real estate market is expected to enter a more rational and healthy stage of development. Policies will continue to be steady and neutral. More targeted regulatory measures will be introduced to further optimise the supply and demand structure and meet the rigid demand of housing and consumer demand of housing for home upgrades. At the same time, the Government will strengthen supervision of the real estate market to prevent systemic risks and promote the shift of the industry to high-quality development.

In terms of supply and demand, with the guidance of policies and the improvement of market mechanisms, the supply and demand structure of the real estate market will become more balanced. The supply ratio of affordable housings and rental housings will increase significantly, and urban village renovation and urban renewal projects will become an important driver for the market. The housing for home upgrades is expected to experience rapid growth in demand and become the main growth point of the market. With the improvement of consumers' requirements for living quality, intelligent, green and personalized residential products will be more favored in the market.

In terms of financial policies, financial institutions will provide a more reasonable financing environment for real estate enterprises on the basis of risk prevention and control, to support the healthy development of high-quality enterprises. With the further acceleration of industry integration, resources will concentrate on enterprises with strong comprehensive strength and stable operation, and market competition will more focus on product quality and service capabilities. Real estate enterprises will improve their ability to resist risks by diversifying financing channels and optimizing the structure of assets and liabilities.

From the perspective of the market recovery process, with the gradual improvement of the macro economy and the continuous efforts of policies, the real estate market is expected to gradually pick up. However, due to the slow recovery of consumer confidence and limited purchasing power, the market recovery process will remain slow. The housing for home upgrades will become an important breakthrough in the industry. With the gradual saturation of the rigid demand market, the housing for home upgrades will usher in new development opportunities.

Based on the prediction of industry trends, in 2025, the Company will adapt to market changes with its core strategy focusing on destocking and development of the market of housing for home upgrades. It will enhance product competitiveness through optimization of product structure. The Company will closely follow policies to adjust its business strategy in a timely manner. While accelerating collection of receivables from sales, it will revitalize existing assets and dispose of inefficient projects, to further reduce business risks. Meanwhile, the Company will proactively seek diversified financing channels and strategic partners to enhance the stability of the capital chain.

In terms of technological innovation, the Company will increase the application of new materials, new processes and intelligent technologies to improve building quality and living experience. High quality housing for home upgrades will become the focus of product development. The Company will focus on creating green building projects with high-end design, first-class quality and natural living environment to meet the needs of consumers for high-quality life. The introduction of energy-saving and environmental protection technologies and materials will further enhance the market competitiveness of the Company's products and comply with the sustainable development trend of the industry.

In addition, the Company will continue to focus on the development of the market of high-end housing for home upgrades and expand its share in the high-end market with the goal of meeting consumer demand for high-quality living environment. Furthermore, the Company will proactively explore diversified business models and strengthen brand building and service quality improvement, to comprehensively enhance its comprehensive competitiveness. Through industry consolidation and business optimization, the Company will seize market opportunities and achieve sound development, to create greater value for shareholders and customers.

ACKNOWLEDGMENT

Finally, I on behalf of the Board, would like to express my sincerest gratitude to the management and all employees of the Company for their hard work. Meanwhile, I would also like to thank the investors, customers and partners for their unfailing support and trust in the Group.

Bai Xuankui
Chairman

Shanxi, the PRC
26 March 2025

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

During the Reporting Period, the Group's contracted sales amounted to approximately RMB217.9 million, representing a decrease of approximately 56.3% as compared with the same period last year. During the Reporting Period, the Group's revenue amounted to approximately RMB1,198.6 million, representing an increase of approximately 299.0% as compared with the same period last year, among which, revenue from property development was approximately RMB1,197.3 million, representing an increase of approximately 301.5% as compared with the same period last year. During the Reporting Period, net loss of the Group amounted to approximately RMB130.4 million, of which net loss attributable to the equity holders of the Company was approximately RMB162.2 million.

Contracted Sales

The Group's contracted sales for the years ended 31 December 2024 and 2023 were approximately RMB217.9 million and approximately RMB499.1 million, respectively, representing a decrease of approximately 56.3%. The total contracted GFAs for the years ended 31 December 2024 and 2023 were approximately 33,070 sq.m. and 63,923 sq.m., respectively, representing a decrease of approximately 48.3%. By geographical location, the Group's contracted sales from Jinzhong, Taiyuan, Mianyang and Haikou, were approximately RMB23.2 million, RMB43.5 million, RMB138.3 million and RMB12.9 million, respectively, representing approximately 10.6%, 20.0%, 63.5% and 5.9% of the Group's total contracted sales, respectively.

The table below sets forth the Group's contracted sales for the year ended 31 December 2024 by geographic location:

	Contracted Sales for 2024 (RMB million)	Contracted Sales for 2023 (RMB million)	Contracted GFA for 2024 (sq.m.)	Contracted GFA for 2023 (sq.m.)	Average Contracted Sales Price for 2024 (RMB/sq.m.)	Average Contracted Sales Price for 2023 (RMB/sq.m.)
Jinzhong						
Chenxing Yijun (辰興頤郡)	21.2	26.4	3,553	4,475	5,965.4	5,907.5
Xin Xing International Cultural Town (新興國際文教城) (Phases III, IV and V)	2.0	1.6	372	261	5,388.0	6,100.0
Taiyuan						
Yosemite Valley Town -Taiyuan (龍城優山美郡) (Phase I)	15.9	45.9	1,577	5,479	10,106.2	8,370.6
Yosemite Valley Town -Taiyuan (龍城優山美郡) (Phase II)	3.6	6.0	750	1,615	4,738.1	3,686.6
Yosemite Valley Town -Taiyuan (龍城優山美郡) (Phase III)	24.0	36.6	5,924	7,495	4,047.9	4,888.2
Mianyang						
Yosemite Valley Town (優山美郡)	1.7	0.8	233	156	7,103.6	5,242.6
Elite Gardens (天禦)	0.1	4.2	88	751	1,300.2	5,598.2
Chang Xing Star Gardens (長興星城)	17.8	21.2	5,013	4,401	3,556.6	4,821.5
Chang Xing Jinhutingyuan (長興金湖庭院)	118.7	308.0	14,663	33,506	8,093.3	9,192.4
Hainan						
Chenxing Shangpinhui (辰興尚品匯)	3.9	38.2	138	4,666	28,196.2	8,185.1
Jiangdong Shangyuan (江東上院)	9.0	8.6	759	642	11,812.0	13,460.7
Total	217.9	497.5	33,070	63,447	6,589.1	7,841.2

Note:

Contracted Sales, Contracted GFAs and Average Contracted Sales Price in the above table also include the car parking spaces sold, if applicable.

Property Projects

The Group's property projects fall into the following three categories by the development stage: completed properties, properties under development and properties held for future development. As some projects are developed in several phases, a single project may fall into different development stages including completed, under development and held for future development.

As at the end of the Reporting Period, the Group had a completed total GFA of approximately 3,282,916 sq.m. and a land bank with a total GFA of approximately 2,173,365 sq.m., comprising (i) a total GFA of approximately 192,908 sq.m. which is completed but unsold; (ii) a total GFA of approximately 842,232 sq.m. which is under development; and (iii) a total planned GFA of approximately 1,138,225 sq.m. held for future development.

The Group selectively retains the ownership of most of self-developed commercial properties with a strategic value to generate sustainable and stable revenue. As at the end of the Reporting Period, the Group had investment properties with a total GFA of approximately 21,613 sq.m.

Property Portfolio Summary

Intended use⁽¹⁾	Total GFA completed (sq.m.)	GFA under development (sq.m.)	Total GFA held for future development (sq.m.)
Mid-rise	820,511	53,873	252,967
High-rise	1,258,097	183,857	189,597
Townhouses	78,453	84,699	255,327
Multi-story garden apartments	576,743	124,427	23,171
Retail outlets	249,260	107,838	84,467
SOHO apartments	6,931	15,984	—
Hotels	10,845	96,034	17,535
Parking spaces	275,793	159,593	298,906
Ancillary facilities ⁽²⁾	6,283	15,927	16,255
Total GFA	3,282,916	842,232	1,138,225
Attributable GFA⁽³⁾	3,222,474	842,232	1,037,227

Notes:

- (1) Includes the portion of GFA held by the Group as public facilities (not saleable or leasable).
- (2) Includes primarily public facilities which are not saleable or leasable.
- (3) Comprises the total GFA attributable to the Group based on the Group's actual interests in the relevant projects or project phases.

Completed Projects

The following table sets forth a summary of the information about the Group's completed projects and corresponding project phases, if any, as at 31 December 2024:

Project	Location	Project Type	Actual Completion Date	Site Area (sq.m.)	Completed GFA (sq.m.)	Saleable/Leasable GFA		GFA sold (sq.m.)	Other GFA ⁽¹⁾ (sq.m.)	Ownership Interest ⁽²⁾ (%)
						Remaining unsold (sq.m.)	GFA held for investment (sq.m.)			
Jinzhong (晉中)										
1. East Lake Mall (東湖井)	Jinzhong, Shanxi (山西省晉中市)	Retail Outlets	July 2000	1,330	17,886	—	10,610	7,276	—	100.00
2. Grand International Mall & Apartments (君豪國際)	Jinzhong, Shanxi (山西省晉中市)	Residential/Commercial	June 2007	7,465	65,544	9,081	8,241	48,222	—	100.00
3. Blossoms Gardens (錦綉新城)	Jinzhong, Shanxi (山西省晉中市)	Residential	April 2007	5,261	39,080	—	—	39,080	—	100.00
4. Xin Xing International Cultural Town (新興國際文教城)										
Phase I	Jinzhong, Shanxi (山西省晉中市)	Residential	December 2005	5,600	24,602	—	—	24,602	—	100.00
Phase II	Jinzhong, Shanxi (山西省晉中市)	Residential/Commercial	April 2012	17,968	93,061	—	—	92,910	151	100.00
Phase III	Jinzhong, Shanxi (山西省晉中市)	Residential/Commercial	December 2009	255,918	545,047	2,327	—	542,720	—	100.00
Phase IV	Jinzhong, Shanxi (山西省晉中市)	Residential/Commercial	July 2016	30,987	71,103	747	—	70,356	—	100.00
Phase V	Jinzhong, Shanxi (山西省晉中市)	Residential/Commercial	July 2016	22,578	50,438	3,266	—	46,137	1,035	100.00
5. Upper East Gardens (上東庭院)										
Phase I	Jinzhong, Shanxi (山西省晉中市)	Residential/Commercial	November 2006	19,361	47,926	—	—	47,926	—	100.00
Phase II	Jinzhong, Shanxi (山西省晉中市)	Residential/Commercial	December 2011	24,343	75,889	—	—	75,889	—	100.00
6. Riverside Gardens — Zuoquan (左權濱河嘉園)	Jinzhong, Shanxi (山西省晉中市)	Residential/Commercial	December 2007	73,035	98,545	—	—	97,990	555	100.00
7. SOLO Apartments (尚座公寓)	Jinzhong, Shanxi (山西省晉中市)	Commercial/Complex	September 2009	2,411	9,783	257	—	9,526	—	100.00
8. Riverside Gardens — Heshun (和順濱河小區)										
Stage I	Jinzhong, Shanxi (山西省晉中市)	Residential	June 2008	60,100	62,508	—	—	62,168	340	100.00
Stage II	Jinzhong, Shanxi (山西省晉中市)	Residential	October 2012	5,898	51,217	—	—	51,217	—	100.00
9. Mandarin Gardens — Taigu (太谷文華庭院)	Jinzhong, Shanxi (山西省晉中市)	Residential/Commercial	May 2011	30,690	51,525	—	—	51,525	—	100.00
10. Shuncheng Street Underground Space (順城街地下空間)	Jinzhong, Shanxi (山西省晉中市)	Retail Outlets	August 2015	—	897	—	—	897	—	100.00
11. Chenxing Yijun (辰興頤郡)										
Stage I (portion)	Jinzhong, Shanxi (山西省晉中市)	Residential/Commercial	January 2022	19,056	35,676	17,409	—	17,803	464	100.00

Project	Location	Project Type	Actual Completion Date	Site Area (sq.m.)	Completed GFA (sq.m.)	Saleable/ Leasable GFA		GFA held for investment (sq.m.)	GFA sold (sq.m.)	Other GFA ⁽¹⁾ (sq.m.)	Ownership Interest ⁽²⁾ (%)
						Remaining unsold (sq.m.)					
Taiyuan (太原)											
1. Yosemite Valley Town — Taiyuan (龍城優山美郡)											
Southern District, Phase I	Taiyuan, Shanxi (山西省太原市)	Residential/ Commercial	December 2014	117,128	406,165	13,451	—	392,714	—	100.00	
Northern District, Phase I	Taiyuan, Shanxi (山西省太原市)	Residential/ Commercial	November 2016	108,005	397,867	11,155	—	316,333	70,379	100.00	
Phase II (portion)	Taiyuan, Shanxi (山西省太原市)	Residential/ Commercial	June 2020	86,318	246,891	12,944	—	233,947	—	100.00	
Mianyang (綿陽)											
1. Yosemite Valley Town (優山美郡)											
	Mianyang, Sichuan (四川省綿陽市)	Residential/ Commercial	May 2012	74,124	126,329	5,288	—	119,196	1,845	100.00	
2. Elite Gardens (天禦)											
	Mianyang, Sichuan (四川省綿陽市)	Residential/ Commercial	September 2014	68,529	116,816	1,265	—	114,864	687	100.00	
3. Star Gardens (星城)											
Phase I	Mianyang, Sichuan (四川省綿陽市)	Residential/ Commercial	June 2017	68,150	288,450	408	—	286,721	1,321	100.00	
Phase II	Mianyang, Sichuan (四川省綿陽市)	Residential/ Commercial	November 2020	36,158	122,271	184	—	121,156	931	100.00	
4. Jinhutingyuan (金湖庭院)											
Phase I	Mianyang, Sichuan (四川省綿陽市)	Residential/ Commercial	June 2024	62,672	151,104	28,830	—	122,274	—	60.00	
Haikou											
1. Shangpinhui (尚品匯)											
	Haikou City, Hainan Province (海南省海口市)	Commercial	April 2024	43,795	86,296	86,296	—	—	—	100.00	
Total				1,246,880	3,282,916	192,908	18,851	2,993,449	77,708		
Total Attributable GFA⁽³⁾				1,221,811	3,222,474	181,376	18,851	2,944,539	77,708		

Notes:

- (1) Includes the GFA held by the Group as public facilities (not saleable or leasable).
- (2) Calculated based on the Group's actual ownership interests in the respective project companies.
- (3) Comprises the total GFA attributable to the Group based on the Group's actual interests in the relevant projects or project phases.

Properties under Development and Properties Held for Future Development

The following table sets forth a summary of the information about the Group's projects under development and corresponding project stages, if any, and properties held for future development as at 31 December 2024:

Project	Location	Project Type	Site Area (sq.m.)	Actual/Estimated Completion Date	GFA under development (sq.m.)	Saleable/ Leasable GFA (sq.m.)	Pre-sold GFA (sq.m.)	Planned GFA (sq.m.)	GFA with the land use		Ownership interest ⁽¹⁾ (%)
									certificate	not obtained yet	
Jinzhong (晉中)											
1. Chenxing Yijun (辰興頤郡)			178,230		95,348	92,599	54,280	356,400	—	—	100.00
Stage I (portion)	Jinzhong, Shanxi (山西省 晉中市)	Residential/ Commercial	37,545	May 2025	95,348	92,599	54,280	—	—	—	100.00
Stage II	Jinzhong, Shanxi (山西省 晉中市)	Residential/ Commercial	37,462	December 2026	—	—	—	99,500	—	—	100.00
Stage III	Jinzhong, Shanxi (山西省 晉中市)	Residential/ Commercial	85,669	December 2026	—	—	—	209,300	—	—	100.00
Stage IV	Jinzhong, Shanxi (山西省 晉中市)	Residential/ Commercial	17,554	December 2026	—	—	—	47,600	—	—	100.00
2. Shiguang Zhicheng (時光之城)	Jinzhong, Shanxi (山西省 晉中市)	Commercial	28,296	December 2025	112,383	53,880	—	—	—	—	100.00
3. Jinxiu SOHO (錦綉中心)	Jinzhong, Shanxi (山西省 晉中市)	Commercial	3,461	December 2025	20,506	—	—	—	—	—	100.00
Taiyuan (太原)											
1. Yosemite Valley Town — Taiyuan (龍城優山美郡)			107,038		349,196	324,980	271,373	—	—	—	100.00
Phase II (portion)	Taiyuan, Shanxi (山西省 太原市)	Residential/ Commercial	24,917	June 2025	129,448	118,086	89,549	—	—	—	100.00
Phase III	Taiyuan, Shanxi (山西省 太原市)	Residential/ Commercial	60,273	November 2025	207,129	206,894	181,824	—	—	—	100.00
Phase IV	Taiyuan, Shanxi (山西省 太原市)	Primary School	21,848	September 2025	12,619	—	—	—	—	—	100.00

Project	Location	Project Type	Site Area (sq.m.)	Actual/Estimated Completion Date	GFA under development (sq.m.)	Saleable/ Leasable GFA (sq.m.)	Pre-sold GFA (sq.m.)	Planned GFA (sq.m.)	GFA with	Ownership interest ⁽¹⁾ (%)
									the land use certificate not obtained yet (sq.m.)	
2. Beigunian Project (北固碾項目)			139,169		—	—	—	299,881		100.00
Phase I	Taiyuan, Shanxi (山西省太原市)	Residential/ Commercial	64,604	May 2026	—	—	—	147,113	—	100.00
Phase II	Taiyuan, Shanxi (山西省太原市)	Residential/ Commercial	74,565	May 2026	—	—	—	152,768	—	100.00
Haikou (海口)										
1. Jiangdong Shangyuan (江東上院)	Haikou, Hainan (海南省海口市)	Residential/ Commercial	57,446	December 2025	56,425	10,844	1,401	17,240	—	100.00
Wuzhishan (五指山)										
1. Yijun (頤郡)			92,522		136,422	12,293	—	—	—	100.00
Phase I	Wuzhishan, Hainan (海南省五指山市)	Commercial	28,745	November 2025	48,013	1,559	—	—	—	100.00
Phase II	Wuzhishan, Hainan (海南省五指山市)	Residential	23,827	May 2026	35,274	—	—	—	—	100.00
Phase III	Wuzhishan, Hainan (海南省五指山市)	Residential	18,244	May 2026	26,666	10,734	—	—	—	100.00
Phase IV	Wuzhishan, Hainan (海南省五指山市)	Residential	21,706	May 2026	26,469	—	—	—	—	100.00

Project	Location	Project Type	Site Area (sq.m.)	Actual/Estimated Completion Date	GFA under development (sq.m.)	Saleable/ Leasable GFA (sq.m.)	Pre-sold GFA (sq.m.)	Planned GFA (sq.m.)	GFA with	Ownership interest ⁽¹⁾ (%)
									the land use certificate not obtained yet (sq.m.)	
Xishuangbanna (西雙版納)										
1. Chenxing			223,889		71,952	—	—	212,208	—	100.00
		International Health City (辰興國際健康城)								
Stage I	Xishuangbanna Dai Autonomous Prefecture, Yunnan (雲南省西雙版 納傣族自治州)	Residential/ Commercial	14,049	December 2025	17,831	—	—	—	—	100.00
Stage II	Xishuangbanna Dai Autonomous Prefecture, Yunnan (雲南省西雙版 納傣族自治州)	Residential/ Commercial	127,466	December 2026	54,121	—	—	107,659	—	100.00
Stage III	Xishuangbanna Dai Autonomous Prefecture, Yunnan (雲南 省西雙版納傣 族自治州)	Residential/ Commercial	82,374	December 2027	—	—	—	104,549	—	100.00
Mianyang (綿陽)										
1. Jinhutingyuan			91,695		—	—	—	252,496	—	60.00
		(金湖庭院)								
Phase II	Mianyang, Sichuan (四川省 綿陽市)	Residential/ Commercial	91,695	December 2026	—	—	—	252,496	—	60.00
Total			921,746		842,232	494,596	327,054	1,138,225	—	
Total Attributable GFA⁽²⁾					842,232	494,596	327,054	1,037,227	—	

Notes:

- (1) Calculated based on the Group's actual ownership interests in the respective project companies.
- (2) Comprises the total GFA attributable to the Group based on the Group's actual interests in the relevant projects or project phases.

The table below sets forth a summary of the information about the Group's investment properties as at 31 December 2024:

Project	Property type	Held for investment	Effective leased	Occupancy rate	Rental income for the year ended	
		Total GFA	GFA		31 December 2024	2023
		(sq.m.)	(sq.m.)	(%)	(RMB million)	
Grand International Mall & Apartments (君豪國際)	Retail Outlets	8,241	—	—	0.01	0.03
East Lake Mall (東湖井)	Retail Outlets	10,610	559	5.3	0.07	0.41
Office Building of West Yingbin Street (迎賓西街辦公樓)	Retail Outlets	2,762	2,762	100.0	1.24	1.75
Total		21,613	3,321	—	1.32	2.19

The table below sets forth the Group's land bank as at 31 December 2024 by geographic location:

	Completed saleable/ leasable GFA remaining unsold (sq.m.)	Under development	For future development	Total land bank ⁽¹⁾	Percentage of total land bank	Average land cost
		GFA under development (sq.m.)	Planned GFA (sq.m.)	Total GFA (sq.m.)	(%)	(RMB/sq.m.)
Jinzhong	33,087	228,237	356,400	617,724	28.4	798.3
Taiyuan	37,550	349,196	299,881	686,627	31.6	653.9
Mianyang	35,975	—	252,496	288,471	13.3	1,085.5
Haikou	86,296	56,425	17,240	159,961	7.3	2,344.8
Wuzhishan	—	136,422	—	136,422	6.3	1,145.2
Xishuangbanna	—	71,952	212,208	284,160	13.1	987.3
Total	192,908	842,232	1,138,225	2,173,365	100.0	875.6

Note:

- (1) Land bank equals to the sum of (i) saleable/leasable GFA remaining unsold, (ii) total GFA under development and (iii) total planned GFA held for future development.

The table below sets forth the Group's land bank as at 31 December 2024 by property type:

	Completed saleable/ leasable GFA remaining unsold (sq.m.)	Under development GFA under development (sq.m.)	For future development Planned GFA (sq.m.)	Total land bank⁽¹⁾ Total GFA (sq.m.)	Percentage of total land bank (%)
Mid-rise	18,133	53,873	252,967	324,973	15.0
High-rise	13,806	183,857	189,597	387,260	17.8
Townhouses	10,712	84,699	255,327	350,738	16.1
Multi-story garden apartments	3,408	124,427	23,171	151,006	7.0
Available-for-sale office/ commercial properties	87,565	107,838	84,467	279,870	12.9
SOHO apartments	58	15,984	—	16,042	0.7
Hotels	10,845	96,034	17,535	124,414	5.7
Parking spaces	48,381	159,593	298,906	506,880	23.3
Ancillary facilities ⁽²⁾	—	15,927	16,255	32,182	1.5
Total	<u>192,908</u>	<u>842,232</u>	<u>1,138,225</u>	<u>2,173,365</u>	<u>100.0</u>

Notes:

- (1) Land bank equals to the sum of (i) saleable/leasable GFA remaining unsold, (ii) total GFA under development and (iii) total planned GFA held for future development.
- (2) Includes primarily public facilities which are not saleable.

FINANCIAL REVIEW

Revenue

During the Reporting Period, the Group's revenue amounted to approximately RMB1,198.6 million, representing an increase of approximately 299.0% as compared with approximately RMB300.4 million in the same period last year. The increase was mainly due to the delivery of housing of Phase I project of Jinhutingyua.

During the Reporting Period, the Group's revenue from property development amounted to approximately RMB1,197.3 million, representing an increase of approximately 301.5% as compared with the same period last year. The increase was mainly due to the delivery of housing of Phase I project of Jinhutingyuan.

Sales and Services Cost

The Group's sales and services cost increased by approximately 215.5% from approximately RMB342.5 million for the year ended 31 December 2023 to approximately RMB1,080.5 million for the Reporting Period, the increase of which was mainly due to the recognition of revenue cost for the delivery of housing of Phase I project of Jinhutingyuan.

Gross Profit

During the Reporting Period, the Group's gross profit was approximately RMB118.1 million, representing an increase of approximately 380.4% as compared with gross loss of approximately RMB42.1 million in the same period last year. During the Reporting Period, the Group's gross profit margin was approximately 9.9%, while the gross loss margin was approximately 14.0% in the same period last year.

During the Reporting Period, the Group's gross profit from property development was approximately RMB116.7 million, as compared with the gross loss from property development of approximately RMB44.3 million in the same period last year. The increase in the Group's gross profit from property development by approximately 363.5% was mainly due to the substantial increase in revenue during the Reporting Period.

During the Reporting Period, the Group's gross profit margin of property development was approximately 9.75%, while the gross loss margin from property development was approximately 14.9% in the same period last year.

Other Income and Gains

During the Reporting Period, the Group's other income and gains were approximately RMB43.8 million, representing an increase of approximately 145.8% as compared with approximately RMB17.8 million in the same period last year, which was mainly due to the increase in gains from disposal of subsidiaries.

Net Loss Attributable to Owners of the Parent of the Company

During the Reporting Period, the net loss attributable to owners of the Parent of the Company was approximately RMB162.2 million, representing a increase of approximately 6.9% from approximately RMB151.8 million in the same period last year. The increase in the net loss attributable to owners of the Company was mainly due to the decrease of write-down of properties under development, resulting in a decrease in net loss, and the increase in expensing of interests and the loss on revising estimated timing or receipt of land development costs recoverable, resulting in an increase in net loss.

Change in Fair Value of Investment Properties

The fair value of the Group's investment properties decreased by approximately 6.8% from approximately RMB103.0 million for the year ended 31 December 2023 to approximately RMB96.0 million for the year ended 31 December 2024, and the decrease was primarily due to the decrease of fair value of Grand International Mall & Apartments, East Lake Mall and Office Building of West Yingbin Street.

Selling and Distribution Expenses

The Group's selling and distribution expenses increased by approximately 24.4% from approximately RMB15.6 million for the year ended 31 December 2023 to approximately RMB19.4 million for the Reporting Period, and the increase was primarily due to the recognition of sales agent fees for Phase I project of Jinhutingyuan during the Reporting Period.

Administrative Expenses

The Group's administrative expenses slightly increased by approximately 0.41% from approximately RMB48.7 million for the year ended 31 December 2023 to approximately RMB48.9 million for the Reporting Period.

Finance Costs

The Group's financing expenses increased by approximately 111.8% from approximately RMB76.0 million for the year ended 31 December 2023 to approximately RMB161.0 million for the Reporting Period, and the increase was primarily due to the expensing of interests of Beigunian Project.

Income Tax Expense

The Group's income tax credit decreased by approximately 104.5% from approximately RMB38.3 million for the year ended 31 December 2023 to income tax expenses of approximately RMB1.7 million for the Reporting Period. The decrease was mainly due to decrease in deferred tax credit regarding impairment of properties under development and impairment of completed properties held for sale.

Total Loss and Comprehensive Income for the Reporting Period

As a result of the foregoing, the Group's total loss and comprehensive income for the Reporting Period decreased by approximately 1.5% from approximately RMB132.7 million for the year ended 31 December 2023 to approximately RMB130.7 million for the Reporting Period.

Cash Position

As at the end of the Reporting Period, the Group's cash and cash equivalents were approximately RMB107.7 million, representing a decrease of approximately 47.1% as compared to approximately RMB203.7 million as at 31 December 2023, and the decrease was primarily due to repayment of certain bank borrowings by the Company.

Net Operating Cash Flow

The Group recorded a positive operating cash flow of approximately RMB61.0 million as at the end of the Reporting Period, while the positive operating cash flow was approximately RMB156.8 million as at 31 December 2023.

Borrowings

The Group had outstanding bank borrowings and borrowings from related parties of approximately RMB2,730.5 million and RMB189.7 million, respectively, as at the end of the Reporting Period while the Group had outstanding bank borrowings and borrowings from related parties of approximately RMB2,857.8 million and RMB216.3 million as at 31 December 2023.

Pledged Assets

Certain of the Group's borrowings were secured by properties under development held for sale, investment properties and property, plant and equipment, or combinations of the above. As at the end of the Reporting Period, the assets pledged to secure certain borrowings granted to the Group amounted to approximately RMB1,654.3 million.

Financial Guarantees and Contingent Liabilities

In line with the market practice, the Group has entered into agreements of arrangements with various banks for the provision of mortgage financing to its customers. The Group does not conduct any independent credit checks on customers, but relies on the credit checks conducted by mortgagee banks. As with other PRC property developers, the banks usually require the Group to guarantee its customers' obligations to repay the mortgage loans on the properties. The guarantee period normally lasts until the bank receives the strata-title building ownership certificate (分戶產權證) from the customer as security of the mortgage loan granted. As at the end of the Reporting Period, the Group's outstanding guarantees in respect of the mortgages of its customers amounted to approximately RMB988.5 million.

During the Reporting Period, the Group had no material contingent liabilities.

Gearing Ratio

As at the end of the Reporting Period, based on the Group's total debt of approximately RMB2,730.5 million and total equity of approximately RMB1,228.0 million, the gearing ratio of the Group was approximately 222.4% (31 December 2023: approximately 175.0%). Gearing ratio is calculated by dividing total debt over total equity, and total debt includes interest-bearing bank and other borrowings. The increase in gearing ratio was mainly due to the decrease in total equity as a result of the acquisition of non-controlling interests during the Reporting Period.

Foreign Currency Risk

The Group operates primarily in the PRC and most of its revenues and expenses are settled in RMB. The Group is exposed to foreign currency risks because its bank balances are denominated in HK dollar and the value of which will fluctuate with exchange rate fluctuations. The exchange rate between RMB and HK dollar may fluctuate as a result of various factors, such as changes in China's political and economic conditions. The Board expects that the fluctuation of the RMB exchange rate will not have a material adverse effect on the Group. The Group does not have a hedging policy in relation to the foreign currency risk.

Material Acquisitions and Disposal and Material Investments

On 29 December 2023, Chenxing Real Estate Development Co., Ltd.* (辰興房地產發展有限公司) (“**Chenxing Real Estate**”), an indirect wholly-owned subsidiary of the Company, and Jinzhong Development Zone Development and Construction Group Co., Ltd.* (晉中開發區開發建設集團有限公司) (“**Jinzhong Development and Construction**”) entered into an equity transfer agreement. Pursuant to the terms and conditions of the equity transfer agreement, Chenxing Real Estate has conditionally agreed to sell, and Jinzhong Development and Construction has conditionally agreed to purchase, 51% of the equity interest in Jinzhong Development Zone Real Estate Development Co., Ltd.* (晉中開發區房地產開發有限公司) (“**Jinzhong Development**”), which in turn owns and controls approximately 67% of the equity interest in Jinzhong Xiya Real Estate Development Co., Ltd. (“**Jinzhong Xiya**”) (the “**Disposal**”), at a total consideration of RMB100,600,000. On 25 January 2024 and 26 January 2024, the Company received consideration of RMB34,789,000 for the Disposal. During the Reporting Period, investment income of RMB33,835,000 was recognized for the disposal of subsidiaries. Upon completion of the Disposal, Jinzhong Development and Jinzhong Xiya have ceased to be subsidiaries of the Company and their financial results would no longer be consolidated into the financial statements of the Group.

For details of the Disposal, please refer to the announcements of the Company dated 29 December 2023, 22 January 2024, 31 January 2024, 29 February 2024 and 1 March 2024 and the circular of the Company dated 28 March 2024.

On 8 January 2024, the Chenxing Real Estate and Sichuan Changxing Industrial (Group) Company Limited* (四川長興實業(集團)有限公司) (“**Sichuan Changxing**”) entered into an equity transfer agreement. Pursuant to the terms of the equity transfer agreement, the Chenxing Real Estate has conditionally agreed to purchase and Sichuan Changxing has conditionally agreed to sell the 16.1074% equity interest in Sichuan Chenxing (the “**Acquisition**”) at the consideration of RMB45,000,000. Upon completion of the Acquisition, Sichuan Chenxing has become an indirect wholly-owned subsidiary of the Company.

On 8 January 2024, Sichuan Changxing and Sichuan Chenxing made capital injection of RMB136,000,000 and RMB154,000,000 into the registered capital of Mianyang Chenxing Yazhi Real Estate Development Co., Limited* (綿陽辰興雅致房地產發展有限公司) (“**Mianyang Chenxing**”), respectively (the “**Capital Injection**”). Pursuant to the equity transfer agreement and capital injection agreement, part of the capital injection made by Sichuan Changxing shall be set off by the consideration for the acquisition of RMB45,000,000. Upon completion of the Capital Injection, Sichuan Changxing and Sichuan Chenxing will hold 40% and 60% equity interest in Mianyang Chenxing, respectively, and Mianyang Chenxing will remain a subsidiary of the Company.

For details of the Acquisition and Capital Injection, please refer to the announcements of the Company dated 8 January 2024, 29 January 2024, 31 January 2024, 7 February 2024, 29 February 2024 and 1 March 2024 and the circular of the Company dated 28 March 2024.

Save as disclosed in this announcement, the Group did not have any other material acquisition or disposal of subsidiaries or associates during the Reporting Period.

Other Significant Matters during the Reporting Period

On 23 September 2024, Taiyuan Chen Nga Real Estate Development Company Limited* (太原市辰雅房地產開發有限公司) (“**Taiyuan Chen Nga**”), an indirect wholly-owned subsidiary of the Company, has successfully won the online bids to two parcels of land located in Jiancaoping District at Taiyuan city (太原市尖草坪區) (“**Land Parcel A**” and “**Land Parcel B**” together, the “**Jiancaoping Land Parcels**”) (the “**Online Bidding**”) and entered into the Confirmation Letters for the Transaction of State-owned Construction Land Use Rights (國有建設用地使用權成交確認書) (the “**Confirmation Letters**”) with Taiyuan Municipal Planning and Natural Resources Bureau (太原市規劃和自然資源局) (“**Taiyuan MPNR Bureau**”). On 10 October 2024, Taiyuan Chen Nga has entered into the Contracts for the Transfer of State-owned Construction Land Use Rights (國有建設用地使用權出讓合同) (the “**Land Use Rights Agreement(s)**”) with Taiyuan MPNR Bureau. The total consideration payable by Taiyuan Chen Nga in respect of Land Parcel A and Land Parcel B are approximately RMB253.1 million and RMB291.0 million respectively, and shall be settled with reimbursement from the local government.

For relevant details, please refer to the announcement of the Company dated 21 October 2024.

Significant Events after the Reporting Period

As at the date of this announcement, the Group had no significant events after the Reporting Period.

Future Plans for Material Investments or Capital Assets

The Company will continue to invest in property development projects and acquire suitable land parcels in selected cities as appropriate. Internal resources and bank borrowings are expected to be sufficient to meet the necessary funding needs. Save as disclosed in the prospectus and above, the Group has no future plans of material investment as at the date of this announcement.

Employees and Remuneration Policies

As at the end of the Reporting Period, the Group had 194 employees. During the Reporting Period, the Group had incurred the employee costs of approximately RMB22.7 million. Employee compensations generally include salaries and quarterly performance bonuses. As required by applicable PRC laws and regulations, the Group participates in various employee benefit plans of the municipal and provincial governments, including housing provident funds, pension, medical, maternity, occupational injury and unemployment benefit plans.

ANNUAL GENERAL MEETING

The forthcoming annual general meeting of the Company will be convened on Friday, 30 May 2025, a notice of which will be published on the websites of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Company in due course.

FINAL DIVIDEND

The Board has resolved not to declare a final dividend for the year ended 31 December 2024 (2023: nil).

CORPORATE GOVERNANCE PRACTICES

The Company is always committed to maintaining high standards of corporate governance with a view to ensuring the professional conduct of the Company's management and protect the interests of all shareholders. The Company is fully aware that transparency and accountability in corporate governance are crucially important to the shareholders. The Board considers that sound corporate governance creates most interests for the shareholders.

The Company has adopted the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the Rules (the “**Listing Rules**”) Governing the Listing of Securities on the Stock Exchange as its own code of corporate governance. During the Reporting Period, the Company had complied with all applicable code provisions under the CG Code.

To ensure that the Company complies with the CG Code, the Company will constantly review and strengthen its corporate governance practices and enhance its internal control through the assistance of its legal advisors as to PRC and Hong Kong laws.

The Board consists of four executive Directors and three independent non-executive Directors. The Board is responsible for the operation and coordination of the development of the Company and monitoring the Company's business, strategic decisions and performance, and has full and timely access to all relevant information in relation to the Company's businesses and affairs, while the day-to-day management is delegated to the management of the Company. The independent non-executive Directors possess professional qualifications and related management experience in the areas of financial accounting, corporate governance, etc. and contribute to the Board with their professional opinions.

Mr. Bai Xuankui (“**Chairman Bai**”) is an executive Director and the chairman of the Board. He is responsible for the management of the Board and the overall strategic planning, business development and corporate governance functions. The Company believes that Chairman Bai's servicing as Director and chairman since its establishment is conducive to the Company's formulating a correct development strategy. Regarding business operations, the Company's senior management, which comprises experienced and high caliber individuals from various sectors, will ensure decisions made by the Board be thoroughly implemented.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as its own code of conduct for securities transactions by Directors. Having made specific enquiries with all Directors, each of them has confirmed that he/she has complied with the Model Code during the Reporting Period.

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

During the Reporting Period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities, including sales of treasury shares.

As at the end of the Reporting Period, the Company did not hold any treasury shares.

SUFFICIENCY OF PUBLIC FLOAT

As of the date of this announcement, based on information publicly available to the Company and to the knowledge of the Directors, the Company has maintained the prescribed amount of public float as required by the Stock Exchange.

AUDIT COMMITTEE

The Company has established an audit committee (the “**Audit Committee**”) with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph D.3 of the code provision of the CG Code. The Audit Committee consists of three independent non-executive Directors, namely Mr. Tian Hua, Mr. Qiu Yongqing and Ms. Gao Jianhua. The Audit Committee is chaired by Mr. Tian Hua.

The Audit Committee has reviewed, with the management and the Board, the accounting principles and policies adopted by the Company, as well as relevant laws and regulations, and discussed risk management, internal control and financial reporting matters of the Group, including the review of the annual results of the Group for the year ended 31 December 2024. The Audit Committee considers that the annual results are in compliance with the applicable accounting principles and policies, laws and regulations, and that the Company has made appropriate disclosures thereof.

SCOPE OF WORK OF BDO LIMITED

The figures in respect of the Group's consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of financial position and the related notes thereto for the Reporting Period as set out in the annual results announcement have been agreed by the Company's auditor, BDO Limited ("BDO"), to the amounts set out in the Group's audited consolidated financial statements for the Reporting Period. The work performed by BDO 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 HKICPA and consequently no assurance has been expressed by BDO in the annual results announcement.

PUBLICATION OF THE ANNUAL RESULTS AND THE ANNUAL REPORT

In accordance with the requirements under the Listing Rules, this results announcement has been published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.chen-xing.cn), respectively.

In accordance with the requirements under the Listing Rules, the annual report for the year ended 31 December 2024 containing information about the Company will be published on the websites of the Stock Exchange and the Company, respectively in due course.

By order of the Board
Chen Xing Development Holdings Limited
Bai Xuankui
Chairman

Shanxi, the PRC, 26 March 2025

As at the date of this announcement, the executive Directors are Mr. Bai Xuankui, Mr. Bai Wukui, Mr. Bai Guohua and Mr. Dong Shiguang and the independent non-executive Directors are Mr. Tian Hua, Mr. Qiu Yongqing and Ms. Gao Jianhua.