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LOGAN

龙光集团

Logan Group Company Limited

龍光集團有限公司

(Incorporated in the Cayman Islands with limited liability)

**(Stock Code: 3380 and Debt Stock Codes: 40754, 40642,
40527, 40508, 40411)**

ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

RESULTS HIGHLIGHTS

- Attributable contracted sales amounted to RMB7.18 billion.
- Recognized revenue amounted to RMB23.26 billion.
- Net loss for the year amounted to RMB6.62 billion. The continuing loss is mainly due to (i) the gross profit margin remaining at a low level due to the continuing downturn of the real estate industry; and (ii) provision for impairment of inventories.

ANNUAL RESULTS

The board of directors (the “**Board**”) of Logan Group Company Limited (the “**Company**”), together with its subsidiaries, (the “**Group**”) announces the Group’s audited consolidated results for the year ended 31 December 2024, together with the comparative figures for the year ended 31 December 2023. The annual results have been reviewed by the audit committee of the Company.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2024

	<i>Notes</i>	2024 <i>RMB’000</i>	2023 <i>RMB’000</i>
REVENUE	5	23,264,613	47,166,787
Cost of sales		<u>(28,339,884)</u>	<u>(51,676,220)</u>
Gross loss		(5,075,271)	(4,509,433)
Other income and gains	5	128,454	284,524
Other expenses		(76,156)	(168,839)
Selling and marketing expenses		(813,178)	(1,452,599)
Administrative expenses		(515,886)	(892,507)
Fair value gains on investment properties, net		15,537	1,287,851
Fair value gains on derivative financial instruments, net		4,481	—
Share of profits/(losses) of associates and joint ventures, net		<u>5,462</u>	<u>(105)</u>
LOSS FROM OPERATIONS		(6,326,557)	(5,451,108)
Finance costs	6	<u>(1,104,841)</u>	<u>(1,620,802)</u>
LOSS BEFORE TAX	7	(7,431,398)	(7,071,910)
Income tax credit/(expense)	8	<u>812,914</u>	<u>(1,786,202)</u>
LOSS FOR THE YEAR		<u>(6,618,484)</u>	<u>(8,858,112)</u>
Attributable to:			
Owners of the parent		(6,298,354)	(8,934,542)
Non-controlling interests		<u>(320,130)</u>	<u>76,430</u>
		<u>(6,618,484)</u>	<u>(8,858,112)</u>
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (<i>RMB cents</i>)	10		
Basic		<u>(113.95)</u>	<u>(161.65)</u>
Diluted		<u>(113.95)</u>	<u>(161.65)</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2024

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
LOSS FOR THE YEAR	<u>(6,618,484)</u>	<u>(8,858,112)</u>
OTHER COMPREHENSIVE LOSS FOR THE YEAR		
Item that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of financial statements of group entities	<u>(947,171)</u>	<u>(303,555)</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	<u>(7,565,655)</u>	<u>(9,161,667)</u>
Attributable to:		
Owners of the parent	(7,245,525)	(9,238,097)
Non-controlling interests	<u>(320,130)</u>	<u>76,430</u>
	<u>(7,565,655)</u>	<u>(9,161,667)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2024

	<i>Notes</i>	2024 RMB'000	2023 <i>RMB'000</i>
NON-CURRENT ASSETS			
Investment properties		39,149,624	39,291,659
Other property, plant and equipment		260,612	297,232
Deferred tax assets		868,759	1,517,135
Investments in associates		3,437,966	3,798,204
Investments in joint ventures		11,142,819	10,982,752
		<u>54,859,780</u>	<u>55,886,982</u>
CURRENT ASSETS			
Inventories		121,795,178	149,905,175
Trade and other receivables, prepayments and other assets	<i>11</i>	24,463,237	25,567,080
Tax recoverable		2,813,940	3,851,278
Assets under cross-border guarantee arrangements	<i>12</i>	—	—
Cash and bank balances		8,653,773	13,171,546
		<u>157,726,128</u>	<u>192,495,079</u>
CURRENT LIABILITIES			
Trade and other payables	<i>13</i>	63,383,299	63,172,411
Contract liabilities		7,000,342	26,286,356
Liabilities under cross-border guarantee arrangements	<i>12</i>	818,896	829,074
Bank and other loans		49,798,737	34,068,321
Senior notes		17,926,284	11,134,222
Other current liabilities		16,611,845	19,409,908
Tax payable		2,221,347	8,489,362
		<u>157,760,750</u>	<u>163,389,654</u>
NET CURRENT (LIABILITIES)/ASSETS		<u>(34,622)</u>	<u>29,105,425</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>54,825,158</u>	<u>84,992,407</u>

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
NON-CURRENT LIABILITIES		
Bank and other loans	13,476,030	28,546,307
Corporate bonds	8,790,285	16,154,520
Deferred tax liabilities	7,753,672	7,558,169
	<hr/>	<hr/>
Total non-current liabilities	30,019,987	52,258,996
	<hr/>	<hr/>
Net assets	24,805,171	32,733,411
	<hr/>	<hr/>
EQUITY		
Equity attributable to owners of the parent		
Share capital	450,227	450,227
Perpetual capital securities	2,363,346	2,363,346
Reserves	17,423,848	24,669,373
	<hr/>	<hr/>
	20,237,421	27,482,946
Non-controlling interests	4,567,750	5,250,465
	<hr/>	<hr/>
Total equity	24,805,171	32,733,411
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NOTES

31 December 2024

1. CORPORATE AND GROUP INFORMATION

Logan Group Company Limited (the “**Company**”) is incorporated in the Cayman Islands as an exempted company with limited liability. The registered office address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company and its subsidiaries (collectively referred to as the “**Group**”) were principally engaged in property development and property operation in the People’s Republic of China (the “**PRC**” or “**Mainland China**”) during the year.

In the opinion of the directors, Junxi Investments Limited which is incorporated in the British Virgin Islands is the immediate holding company of the Company.

2. BASIS OF PRESENTATION

Since 7 August 2022, the Group had suspended the payment of interest of all its offshore USD denominated senior notes (the “**USD Senior Notes**”) and HKD denominated equity-linked securities (the “**HKD ELS**”). In addition, since 25 August 2022 and up to the approved date of the consolidated financial statements, the Group suspended the repayment of the principal amount of US\$300 million of senior notes due 2022 issued on 25 February 2019, the principal amount of US\$450 million of senior notes due 2023 issued on 23 May 2017 and the principal amount of US\$400 million of senior notes due 2023 issued on 16 July 2019, the principal amount of US\$100 million of senior notes due 2024 issued on 9 September 2019, the principal amount of US\$180 million of senior notes due 2024 issued on 17 January 2020, the principal amount of US\$100 million of senior notes due 2024 issued on 17 September 2020 and the principal amount of US\$60 million of senior notes due 2024 issued on 5 August 2021. As of 31 December 2024, the outstanding principal of the USD Senior Notes and HKD ELS amounted to US\$3,619 million (RMB26,077 million). On 6 January 2025, the Group made significant progress and announced the holistic restructuring proposal in respect of the offshore debt, and has reached an agreement with certain offshore creditors. On 10 January 2025, a holistic creditor support agreement, to which the terms were appended, was signed by the Group and the AHG. As at 27 February 2025, consenting creditors holding more than 80.8% of the aggregate principal amount of part of the Group’s offshore debt amounting to US\$6,207 million have acceded to the holistic creditor support agreement.

As disclosed in the Group’s announcement dated 16 February 2024, on 15 February 2024 (Cayman Islands time) and 16 February 2024, the Grand Court of the Cayman Islands and the High Court of Hong Kong have ordered that the Cayman Petition and the Hong Kong Petitions be dismissed respectively.

As of 31 December 2024, the total value of current assets of the Group amounted to RMB157,726 million, of which cash and cash equivalents amounted to RMB8,654 million. The total value of current liabilities of the Group amounted to RMB157,761 million. In view of the prevailing slow-down of the property market, coupled with the limited source of financing from the capital market, the Group may take longer time than expected to realise cash from the sale of its properties and/or have the cash from external financing to meet its loan repayment obligations. In addition, the Group is involved in different litigation and arbitration disputes for various reasons. In view of the aforesaid, the Group has given careful consideration to the future liquidity and business performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial sources to continue as a going concern. The following plans and measures are formulated to mitigate the liquidity pressure and to improve the financial position of the Group:

- (a) The Group is actively negotiating with financial institutions currently in business relationship and holders of senior notes and secured debt on the renewal of certain borrowings, senior notes and secured debt.
- (b) The Group will continue to implement measures to accelerate the pre-sale and sale of its properties under development and completed properties, and to speed up the collection of sales proceeds and other receivables.
- (c) The Group will continue to dispose of its assets when needed.
- (d) The Group will continue to take active measures to control administrative costs.

The Group has reviewed the Group's cash flow projections prepared by the management, which cover a period of not less than fifteen months from 31 December 2024. They are of the opinion that, taking into account the above mentioned plans and measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations or financial obligations upon agreement of the holistic liability management solution as and when they fall due in the foreseeable future.

Accordingly, the Group is satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis. Notwithstanding the above, significant 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 following:

- (a) the successful renewal of its debts including borrowings, senior notes and borrowings subject to guarantees, as and when needed, and the implementation of Holistic Liability Management Solution (as defined in the announcement of the Group dated 7 August 2022);
- (b) the successful and timely implementation of the plans to accelerate the pre-sale and sale of properties under development and completed properties, speed up the collection of outstanding sales proceeds and other receivables, and control costs so as to generate adequate net cash inflows; and
- (c) the successful disposal of assets, 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, providing for provisions that may be further incurred, 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.

3. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

These financial statements have been prepared in accordance with HKFRS Accounting Standards (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 principals generally accepted in Hong Kong and the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties and derivative financial instruments which have been measured at fair value.

These financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand (“RMB’000”) except when otherwise indicated.

The Group has adopted the following new and revised HKFRSs for the first time for the current year’s financial statements:

Amendments to HKFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current</i> (the “2020 Amendments”)
Amendments to HKAS 1	<i>Non-current Liabilities with Covenants</i> (the “2022 Amendments”)
Amendments to HKAS 7 and HKFRS 7	<i>Supplier Finance Arrangements</i>

The application of the new and amendments to HKFRSs in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

4. OPERATING SEGMENT INFORMATION

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

- (a) the property development segment comprised of (i) develops and sells residential and commercial properties, retail shops and office units; (ii) engages in construction of office premises and residential buildings; (iii) provides decoration services for external customers; and (iv) provides interior decoration services to property buyers; and
- (b) the property operation segment which is the leases office units, commercial centers, retail shops and hotels to generate rental income and to gain from the appreciation in the properties’ values in the long term.

The Group’s revenue from external customers from each operating segment is set out in note 4 to the financial statements.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit or loss, which is a measure of adjusted profit or loss before tax. The adjusted profit or loss before tax is measured consistently with the Group's profit or loss before tax except that depreciation, other income and gains, other expenses, finance costs, share of profits or losses of joint ventures and associates, fair value changes on investment properties and derivative financial instruments and head office and corporate expenses are excluded from such measurement. Segment assets and liabilities are not reported to the Group's chief operating decision maker regularly.

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

Information regarding the reportable segments is presented below.

	Property development RMB'000	Property operation RMB'000	Total RMB'000
Year ended 31 December 2024			
Revenue from external customers	22,964,107	300,506	23,264,613
Inter-segment revenue	—	52,413	52,413
Reportable segment revenue	<u>22,964,107</u>	<u>352,919</u>	<u>23,317,026</u>
Reportable segment (losses)/profit	<u>(6,460,075)</u>	<u>255,768</u>	<u>(6,204,307)</u>
	Property development RMB'000	Property operation RMB'000	Total RMB'000
Year ended 31 December 2023			
Revenue from external customers	46,781,883	384,904	47,166,787
Inter-segment revenue	—	48,056	48,056
Reportable segment revenue	<u>46,781,883</u>	<u>432,960</u>	<u>47,214,843</u>
Reportable segment (losses)/profit	<u>(6,974,561)</u>	<u>345,068</u>	<u>(6,629,493)</u>

Information about major customers

During the years ended 31 December 2024 and 2023, no revenue from transactions with a single external customer amounted to 10% or more of the Group's total revenue.

Reconciliation of reportable segment revenue and profit or loss

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Revenue		
Reportable segment revenue	23,317,026	47,214,843
Elimination of inter-segment revenue	<u>(52,413)</u>	<u>(48,056)</u>
Consolidated revenue	<u><u>23,264,613</u></u>	<u><u>47,166,787</u></u>
Loss		
Reportable segment losses	(6,204,307)	(6,629,493)
Elimination of inter-segment losses	<u>—</u>	<u>(8,605)</u>
Reportable segment losses derived from the Group's external customers	(6,204,307)	(6,638,098)
Other income and gains	128,454	284,524
Other expenses	(76,156)	(168,839)
Depreciation	(36,574)	(53,502)
Finance costs	(1,104,841)	(1,620,802)
Share of profits/(losses) of associates and joint ventures, net	5,462	(105)
Fair value gains on investment properties, net	15,537	1,287,851
Fair value gains on derivative financial instruments, net	4,481	—
Unallocated head office and corporate expenses	<u>(163,454)</u>	<u>(162,939)</u>
Consolidated loss before tax	<u><u>(7,431,398)</u></u>	<u><u>(7,071,910)</u></u>

Geographical information

Geographical information is not presented since over 90% of the Group's revenue from external customers was generated in Mainland China and over 90% of the segment assets of the Group are located in Mainland China. Accordingly, in the opinion of the directors, the presentation of geographical information would provide no additional useful information to the users of these financial statements.

5. REVENUE, OTHER INCOME AND GAINS

An analysis of the Group's revenue is as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i> (Represented)
Revenue from contracts with customers		
Property development	23,113,967	46,987,885
Revenue from other source		
Gross rental income from investment property operating leases:		
Other lease payments, including fixed payments	305,684	387,124
	<u>23,419,651</u>	<u>47,375,009</u>
Less: Sales related taxes	(155,038)	(208,222)
	<u><u>23,264,613</u></u>	<u><u>47,166,787</u></u>

Other income and gains

An analysis of the Group's other income and gains is as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Bank interest income	127,848	200,216
Interest income on amounts due from associates and joint ventures	2,396	168,475
Forfeiture income on deposits received	12,135	121,436
Government subsidies	1,502	16,859
Gain on disposal of subsidiaries, net	139	51,418
Gain on disposal of joint ventures, net	—	10,155
Loss on remeasurement of pre-existing interests in joint ventures to the date of obtaining control and acquisition, net	—	(265,420)
Others	(15,566)	(18,615)
	<u><u>128,454</u></u>	<u><u>284,524</u></u>

Revenue from contracts with customers

Disaggregated revenue information

For the year ended 31 December 2024

	Property development RMB'000
<i>Timing of revenue recognition:</i>	
At a point in time	22,804,329
Over time	159,778
	<hr/>
Total revenue from contracts with customers	22,964,107
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For the year ended 31 December 2023 (Represented)

	Property development RMB'000
<i>Timing of revenue recognition:</i>	
At a point in time	45,699,203
Over time	1,082,680
	<hr/>
Total revenue from contracts with customers	46,781,883
	<hr/> <hr/>

6. FINANCE COSTS

An analysis of finance costs is as follows:

	2024	2023
	RMB'000	RMB'000
Interest on bank and other borrowings	2,856,439	3,322,565
Interest on senior notes	1,458,698	1,349,702
Interest on corporate bonds	858,645	842,146
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	5,173,782	5,514,413
Less: Interest capitalised	(4,068,941)	(3,893,611)
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	1,104,841	1,620,802
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7. LOSS BEFORE TAX

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

	2024	2023
	RMB'000	RMB'000
Cost of properties sold	22,040,916	45,196,633
Depreciation of other property, plant and equipment	39,857	59,768
Less: Amount capitalised	(3,283)	(6,266)
	36,574	53,502
Lease payments not included in the measurement of lease liabilities	16,708	18,816
Auditor's remuneration	2,600	3,040
Employee benefit expenses (including directors' remuneration):		
Directors' fee	1,480	1,694
Salaries and other staff costs	420,338	727,803
Equity-settled share option expense	—	3,959
Pension scheme contributions	103,865	140,000
Less: Amount capitalised	(105,116)	(182,343)
	420,567	691,113
Foreign exchange differences, net	(1,383)	118,146
Write-down of inventories to net realisable value*	6,280,000	6,030,000
Net loss on disposal of items of other property, plant and equipment	213	339
Direct operating expenses arising on rental-earning investment properties	44,739	48,440

* This item is included in "Cost of sales" in the consolidated statement of profit or loss.

8. INCOME TAX

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the year (2023: Nil). Taxes on profits assessable in Mainland China have been calculated at the rates of tax prevailing in the cities in which the Group's subsidiaries operate.

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Current charge for the year:		
PRC corporate income tax ("CIT")	55,844	126,070
PRC land appreciation tax ("LAT")	433,845	1,078,346
Overprovision in prior years, net:		
PRC CIT	(1,508,890)	(264,903)
PRC LAT	(637,592)	—
Deferred	<u>(1,656,793)</u>	<u>939,513</u>
	<u>843,879</u>	<u>846,689</u>
Total tax (credit)/charge for the year	<u><u>(812,914)</u></u>	<u><u>1,786,202</u></u>

9. DIVIDENDS

The board of directors did not recommend the payment of a dividend for the years ended 31 December 2024 and 2023.

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

The calculation of the basic loss per share amount for the year ended 31 December 2024 is based on the loss for the period attributable to owners of the parent, adjusted for the distribution related to perpetual capital securities, and the weighted average number of ordinary shares in issue less the weighted average number of shares held under the share award scheme during the period.

The calculation of the diluted loss per share amount for the year ended 31 December 2024 is based on the loss for the period attributable to owners of the parent, adjusted for the distribution related to perpetual capital securities. The weighted average number of ordinary shares used in the calculation is the weighted average number of ordinary shares in issue less the weighted average number of shares held under the share award scheme during the period, as used in the basic loss per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise of all the dilutive potential ordinary shares into ordinary shares.

The calculations of the basic and diluted loss per share are based on:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Loss		
Loss attributable to owners of the parent	(6,298,354)	(8,934,542)
Distribution related to perpetual capital securities	—	—
	<u> </u>	<u> </u>
Loss used in the basic and diluted loss per share calculations	<u><u>(6,298,354)</u></u>	<u><u>(8,934,542)</u></u>

	Number of shares	
	2024 <i>'000</i>	2023 <i>'000</i>
Shares		
Weighted average number of ordinary shares in issue less the weighted average number of shares held under the share award scheme during the year, used in the basic earnings per share calculation	5,527,178	5,527,178
Effect of dilution — weighted average number of ordinary shares:		
Share options	—	—
	<u> </u>	<u> </u>
Weighted average number of ordinary shares in issue during the year, used in the diluted loss per share calculation	<u><u>5,527,178</u></u>	<u><u>5,527,178</u></u>

No adjustment for dilution has been made to the basic loss per share presented for the year ended 31 December 2024 and 2023 as the Company's share options has anti-dilutive effect on the basic loss per share presented.

11. TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND OTHER ASSETS

The Group's trade receivables arise from the sale of properties, leasing of investment properties and provision of development management services.

Consideration in respect of sale of properties is payable by the purchasers in accordance with the terms of the related sale and purchase agreements. Consideration in respect of provision of development management services is payable by the customers in accordance with the terms of the related development management agreements. The Group normally requires its customers to make payment of monthly/quarterly charges in advance in relation to the leasing of investment properties.

Since the Group's trade receivables are related to a number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. All 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:

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Within 30 days	52,587	137,944
31 to 90 days	140,999	142,868
91 to 180 days	172,342	205,758
181 to 365 days	770,550	875,114
	<u>1,136,478</u>	<u>1,361,684</u>

12. ASSETS AND LIABILITIES UNDER CROSS-BORDER GUARANTEE ARRANGEMENTS

During the years ended 31 December 2024 and 2023, the Group had some cross-border guarantee arrangements with certain financial institutions, whereby certain onshore funding (i.e. in the PRC) and offshore funding (i.e. in Hong Kong) have been used as a pledge against advances to offshore (i.e. in Hong Kong) and onshore (i.e. in the PRC) for the Group's general working capital.

Pursuant to these arrangements which are made in compliance with the relevant rules and regulations promulgated by the State Administration of Foreign Exchange, funds are advanced to the Group's subsidiaries in Hong Kong by depositing a certain amount of funds in the relevant financial institutions by the Group's subsidiaries in the PRC or vice versa. The net cost of such arrangements is less than 1% per annum of the total funds advanced.

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Assets under cross-border guarantee arrangements	—	—
Portion classified as current assets	<u>—</u>	<u>—</u>
Non-current portion	<u>—</u>	<u>—</u>
Liabilities under cross-border guarantee arrangements	818,896	829,074
Portion classified as current liabilities	<u>(818,896)</u>	<u>(829,074)</u>
Non-current portion	<u>—</u>	<u>—</u>

13. TRADE AND OTHER PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Within 30 days	6,756,602	9,367,710
31 to 90 days	4,923,728	2,140,319
91 to 180 days	1,962,784	2,658,302
181 to 365 days	2,475,699	5,913,701
Over 365 days	7,158,378	9,715,583
	<u>23,277,191</u>	<u>29,795,615</u>

14. COMPARATIVE INFORMATION

Certain comparative figures have been reclassified to conform with the current year's presentation.

EXTRACT OF INDEPENDENT AUDITOR’S REPORT

The following is an extract of the independent auditor’s report on the Group’s 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 HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Material Uncertainty Related to the Going Concern

We draw attention to note 2 to the consolidated financial statements. The events and conditions stated in note 2 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 of directors (the “**Board**”) of Logan Group Company Limited, I hereby present the annual results of the Group for the year ended 31 December 2024.

BUSINESS REVIEW

In 2024, China’s real estate industry remained in an adjustment cycle. Investment in real estate development in the country decreased by 10.6% year-on-year to RMB10,028 billion; among which, investment in residential properties amounted to RMB7,604 billion, representing a year-on-year decrease of 10.5%. The sales area of commercial properties was 973.85 million square meters, representing a year-on-year decrease of 12.9%, with the sales area of residential properties decreasing by 14.1%. The sales revenue of commercial properties was RMB9,675 billion, down 17.1% from the previous year, with the sales of residential properties decreasing by 17.6%.

In the face of a tough year, the Group proactively responded to the challenges by timely adjusting its business strategies, continuously conducting refined management, implementing measures to bolster project sales and recoup capital for ensuring the development and operation of the projects. The Group made all efforts to achieve the goal of “stabilizing operations and ensuring housing project deliveries”. Throughout 2024, the Group successfully completed a total delivery of 70 batches of projects and over 28,000 units, fulfilling its corporate commitments and demonstrating its sense of responsibility.

Regarding the offshore holistic debt restructuring, the Group and its financial advisors have been actively communicating with all creditors and treat all creditors in a fair and equitable manner. On 6 January 2025, the Group made significant progress and announced the holistic restructuring proposal in respect of the offshore debt, which seeks to ensure that the Company continues to operate as a going concern for the benefit of its stakeholders as a whole. On 10 January 2025, the Group has reached an agreement with the ad hoc group of holders of the existing notes in relation to the holistic restructuring proposal in respect of the offshore debt and entered into the creditor support agreement (the “Holistic CSA”), marking a significant milestone in relation to the holistic debt restructuring of the Group. As of 27 February 2025, consenting creditors holding more than 80.8% of the aggregate principal amount of part of the Group’s offshore debt amounting to US\$6,207 million (including the existing notes, the equity-linked securities (ELS), the existing loans, and the structured finance and guaranteed debts) have acceded to the Holistic CSA. Within just over a month after the announcement of such proposal, the Group has received widespread recognition and support from its creditors for the holistic restructuring proposal in respect of the offshore debt, which reflects that the Company has treated its creditors fairly with the utmost sincerity and protected the interests of its creditors as a whole.

As for the onshore debt restructuring, on 11 July 2024, the resolutions on adjustment to the payment arrangements for the principal and interest of 21 onshore corporate bonds and asset-backed securities (ABS) issued by Shenzhen Logan Holdings Co., Ltd.* (深圳市龍光控股有限公司), a wholly-owned subsidiary of the Group, were approved at relevant bondholders' meeting. This provides the Group with time to formulate a restructuring proposal that aligns with the actual conditions of the industry. On 17 March 2025, the Group published the holistic restructuring proposal in respect of the onshore debt to its investors. In line with the current market environment and the actual situation of the Company's business, such proposal provides diversified options taking into account the needs of different types of investors. The Company will actively communicate with its investors to obtain their support of and approval for the holistic restructuring proposal in respect of the onshore debt.

FUTURE PROSPECTS

Over the past year, China's central government put forward the goal of reversing the downturn of and stabilizing the real estate market, and continuously introduced policies in support of the real estate industry, such as measures for optimization of new housing supply and digestion of existing housing inventory, continuously relaxing purchase restrictions in core cities, lowering down payment requirements and mortgage interest rates, accelerating the implementation of the renovation of urban villages and dilapidated houses, and promoting the acquisition of existing commercial housing. However, the effects of these policies will take time to manifest. The Group will continue to focus on both operation and debt management. On one hand, the Group will persist in taking proactive measures to "ensure property deliveries and stabilize operations". On the other hand, the holistic restructuring proposal in respect of the offshore debt of the Group has been supported and approved by the majority of its creditors, which will accelerate the implementation of the holistic restructuring proposal in respect of the offshore debt. Besides, the Group will also continue to communicate with creditors across different classes on the onshore debt restructuring, making every effort to expedite the completion of onshore and offshore holistic debt restructuring.

ACKNOWLEDGEMENTS

On behalf of the Board, I express my heartfelt gratitude to all the Group's shareholders, investors, partners, customers, and the community for their support and trust. I would also like to extend my thanks to all employees for their dedication and overcoming difficulties in the industry together.

Kei Hoi Pang
Chairman
Hong Kong
27 March 2025

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Property Development

In 2024, China's economic development faced increased external pressures and more internal difficulties. The overall situation of the real estate sector remained complex and severe, and the market performance was sluggish in the first three quarters. On 26 September, China's central government clearly put forward the goal of "promoting the real estate market to stop falling and return to stability", pursuant to which, multiple departments have jointly introduced a series of policies. At the end of the year, there were initial signs of a recovery in sales in some core cities. However, the effectiveness of such policies still needs to be continuously observed. Against this backdrop, there was an inevitable decline in the sales of the Group for 2024 in line with lower industrial confidence. However, by exercising the flexibility in adjusting its marketing strategies and rationalizing the allocation of saleable resources, the Group strived to minimize the adverse impacts.

Contracted sales

For the year ended 31 December 2024, the Group achieved attributable contracted sales of approximately RMB7.18 billion. For the contracted sales in 2024, Greater Bay Area, Yangtze River Delta region, Southwest region and other regions accounted for approximately 52.1%, 14.9%, 9.2% and 23.8% respectively.

Region	Attributable contracted sales in 2024				ASP (RMB/ sq.m.)
	Amount (RMB million)	Percentage	GFA ¹ (sq.m.)	Percentage	
Greater Bay Area	3,743	52.1%	172,318	34.5%	23,890
Yangtze River Delta region	1,065	14.9%	56,838	11.4%	17,863
Southwest region	661	9.2%	54,446	10.9%	11,623
Other regions	1,710	23.8%	215,676	43.2%	7,851
Total	<u>7,179</u>	<u>100.0%</u>	<u>499,278</u>	<u>100.0%</u>	<u>14,805</u>

1. Excluding car parking spaces

Newly commenced projects

For the year ended 31 December 2024, the Group had a total planned GFA of approximately 0.37 million sq.m..

Completed projects

For the year ended 31 December 2024, the Group had a total planned GFA of approximately 3.52 million sq.m..

Developing projects

As at 31 December 2024, the Group had a total planned GFA of approximately 7.63 million sq.m..

Land Reserves

For the year ended 31 December 2024, The Group did not acquire any new projects by means of “tender, auction and listing (招拍掛)” in the open market.

As at 31 December 2024, the total GFA of the Group's land reserves was approximately 23,614,119 sq.m.. Based on project value, the Greater Bay Area and Yangtze River Delta Region accounted for approximately 76% of the total land reserves.

Land reserves as at 31 December 2024

	GFA <i>(sq.m.)</i>	Percentage
Greater Bay Area	11,826,955	50.1%
Yangtze River Delta Region	1,682,768	7.1%
Southwest Region	5,878,423	24.9%
Other Regions	<u>4,225,973</u>	<u>17.9%</u>
 Total	 <u><u>23,614,119</u></u>	 <u><u>100.0%</u></u>

FINANCIAL REVIEW

Performance Highlights

	2024	2023	Changes
	<i>RMB'000</i>	<i>RMB'000</i>	%
Revenue	23,264,613	47,166,787	-50.7%
Among which: Property development	22,964,107	46,781,883	-50.9%
Property operation income	300,506	384,904	-21.9%
Gross loss	(5,075,271)	(4,509,443)	12.5%
(Loss)/profit for the year			
— Attributable to equity shareholders	(6,298,354)	(8,934,542)	-29.5%
— Attributable to non-controlling shareholders	(320,130)	76,430	-518.9%
— Total	(6,618,484)	(8,858,112)	-25.3%
Total assets	212,585,908	248,382,061	-14.4%
Cash and bank balances	8,653,773	13,171,546	-34.3%
Total equity	24,805,171	32,733,411	-24.2%
Total equity attributable to equity shareholders	20,237,421	27,482,946	-26.4%

(I) Revenue

Total revenue of the Group for the year ended 31 December 2024 decreased by approximately RMB23,902.2 million, or approximately 50.7% to RMB23,264.6 million, as compared with 2023. The decrease was mainly due to the decrease in revenue from property development as compared to 2023. Revenue from property development for the year ended 31 December 2024 amounted to approximately RMB22,964.1 million, representing a decrease of approximately 50.9% as compared to RMB46,781.9 million in 2023. Yangtze River Delta Region, Greater Bay Area, Southwest Region and other regions contributed to the revenue from property development in 2024, accounting for 37.5%, 35.5%, 14.5% and 12.5%, respectively.

	Revenue from property development in 2024	
	Amount (RMB Million)	Percentage
Yangtze River Delta Region	8,623	37.5%
Greater Bay Area	8,142	35.5%
Southwest Region	3,337	14.5%
Other regions	2,862	12.5%
Total	<u>22,964</u>	<u>100%</u>

(II) Cost of sales

Cost of sales of the Group for the year ended 31 December 2024 decreased by approximately RMB23,336.3 million to RMB28,339.9 million, or approximately 45.2%, as compared with 2023, primarily due to the decrease in revenue recognized as compared to 2023. In addition, the Group has made an inventory impairment provision of approximately RMB6,280.0 million due to the sharp decline in the industry in 2024. Key components of costs are as follows:

	2024 RMB'000	2023 RMB'000	Change per year %
Total cost of sales	28,339,884	51,676,220	-45.2%
— Property development	28,295,145	51,627,780	-45.2%
— Property operation	44,739	48,440	-7.6%

(III) Selling and marketing expenses and administrative expenses

The selling and marketing expenses of the Group for the year ended 31 December 2024 amounted to approximately RMB813.2 million (2023: RMB1,452.6 million). The relevant selling and marketing expenses decreased by approximately 44.0% as compared with 2023.

The administrative expenses of the Group for the year ended 31 December 2024 amounted to approximately RMB515.9 million (2023: RMB892.5 million), representing a decrease of approximately 42.2% as compared with 2023, which was mainly due to the decrease in staff costs.

(IV) Finance costs

The net finance costs of the Group for the year ended 31 December 2024 decreased to approximately RMB1,104.8 million (2023: RMB1,620.8 million).

(V) Tax

Taxes of the Group for the year ended 31 December 2024 included CIT and LAT. Taking into account the impact of the relevant changes in deferred tax, the net CIT and LAT amounted to approximately a reversal of RMB609.2 million and a reversal of RMB203.7 million, respectively (2023: approximately RMB707.9 million and RMB1,078.3 million).

(VI) Liquidity and financial resources

As at 31 December 2024, total assets of the Group amounted to approximately RMB212,585.9 million (2023: approximately RMB248,382.1 million), of which current assets amounted to approximately RMB157,726.1 million (2023: approximately RMB192,495.1 million). Total liabilities amounted to approximately RMB187,780.7 million (2023: approximately RMB215,648.7 million), of which non-current liabilities amounted to approximately RMB30,020.0 million (2023: approximately RMB52,259.0 million). Total equity amounted to approximately RMB24,805.2 million (2023: approximately RMB32,733.4 million), of which total equity attributable to owners of the parent amounted to RMB20,237.4 million (2023: approximately RMB27,482.9 million).

As at 31 December 2024, certain of the Group's bank and other loans are secured by the Group's equity interests in certain subsidiaries, bank deposits, investment properties, and inventories.

ANNUAL GENERAL MEETING

The annual general meeting of the Company (the “AGM”) is scheduled to be held on Thursday, 19 June 2025. A notice convening the AGM will be published and issued to the shareholders of the Company in the manner required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) in due course.

FINAL DIVIDEND

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

CLOSURE OF REGISTER OF MEMBERS

To ascertain the shareholders’ entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Monday, 16 June 2025 to Thursday, 19 June 2025, both days inclusive. In order to qualify for attending and voting at the AGM, all transfer documents should be lodged for registration with the Company’s Hong Kong branch share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Friday, 13 June 2025.

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

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) for the year ended 31 December 2024.

As at 31 December 2024, the Company did not hold any treasury shares.

CORPORATE GOVERNANCE PRACTICES

The Company has adopted, applied and complied with the Corporate Governance Code as set out in Appendix C1 to the Listing Rules during the year ended 31 December 2024.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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. Having made specific enquiries, the Company confirmed that all the directors have complied with the required standard set out in the Model Code during the year ended 31 December 2024.

AUDIT COMMITTEE AND REVIEW OF ANNUAL RESULTS

The audit committee of the Company comprises three independent non-executive directors, namely Ms. Liu Ka Ying, Rebecca, Mr. Zhang Huaqiao and Mr. Cai Suisheng. The audit committee of the Company has reviewed with the management the accounting principles and practices adopted by the Group and discussed auditing, risk management, internal control and financial reporting matters including the review of the 2024 annual results announcement and the consolidated financial statements for the year ended 31 December 2024, and also fully discussed with Prism Hong Kong Limited, the auditor of the Company on its audit work.

SCOPE OF WORK OF PRISM HONG KONG LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in this preliminary announcement have been agreed by the Company's auditors, Prism Hong Kong Limited, to the amounts set out in the Group's draft 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 the Company's auditor on the preliminary announcement.

FORWARD-LOOKING STATEMENTS

This announcement includes forward-looking statements. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believe", "estimate", "anticipate", "expect", "intend", "may", "will" or "should" (or of related nature), or, in each case, their negative or other variations or similar terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this announcement and include statements regarding the Group's intentions, beliefs or current expectations concerning, among other things, the Group's results of operations, financial condition, liquidity, prospects and growth strategies, and the industries in which the Group operates. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. The Group cautions you that forward-looking statements are not guarantees of future performance and that the Group's actual results of operations, financial condition and liquidity, and the development of the industry in which the Group operates may differ materially from those made in, or suggested by, the forward-looking statements contained in this announcement. In addition, even if the Group's results of operations, financial condition and liquidity, and the development of the industry in which the Group operates are consistent with the forward-looking statements contained in this announcement, those results or developments may not be indicative of results or developments in subsequent periods.

PUBLICATION OF ANNUAL REPORT

The 2024 annual report of the Company containing all the applicable information required by the Listing Rules will be published on the websites of The Stock Exchange of Hong Kong Limited (<http://www.hkexnews.hk>) and the Company (<http://www.logangroup.com>) in due course.

By Order of the Board
Logan Group Company Limited
Kei Hoi Pang
Chairman

Hong Kong, 27 March 2025

As at the date of this announcement, the executive directors of the Company are Mr. Kei Hoi Pang, Mr. Lai Zhuobin, Ms. Huang Xiangling, Mr. Chen Yong and Mr. Zhou Ji; and the independent non-executive directors of the Company are Mr. Zhang Huaqiao, Ms. Liu Ka Ying, Rebecca, Mr. Cai Suisheng and Dr. Liu Yongping.