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ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

HIGHLIGHTS

- Total operating revenue amounted to RMB19,831.0 million, representing a year-on-year increase of 49.4%, of which income from property development amounted to RMB14,544.9 million, representing a year-on-year increase of 88.8%, rental income from investment properties and related services income amounted to RMB4,176.2 million, representing a year-on-year decrease of 4.2% and income from hotel operations amounted to RMB868.8 million, representing a year-on-year decrease of 10.4%.
- Contracted sales amounted to RMB20,548.2 million, representing a year-on-year increase of 13.6%, and contracted sales area was 705,416.8 sq.m., representing a year-on-year decrease of 2.7%. The average unit selling price was RMB29,129 per sq.m., representing a year-on-year increase of 17%.
- In 2024, the Group's average borrowing cost was 4.10%, representing a decrease of 0.39 percentage points as compared to 2023 despite of the high USD interest rate, which was due to its good relationships with banks and its active efforts to expand financing channels and optimize financing structure.

The Board announces the audited consolidated results of the Group for the year ended 31 December 2024 together with the comparative figures for the year ended 31 December 2023. The audited consolidated results for the year ended 31 December 2024 have been reviewed by the Audit Committee.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

		Year ended 31 December	
	NOTE	2024	2023
		RMB'000	RMB'000
Revenue	3	19,831,005	13,272,094
Cost of sales and services rendered		<u>(14,191,649)</u>	<u>(7,630,603)</u>
Gross profit		5,639,356	5,641,491
Other income	4	366,566	454,529
Other gains and losses, net	5	140,557	867,086
Impairment losses under expected credit loss model, net of reversal		(462,277)	(974,289)
Distribution and selling costs		(1,022,513)	(861,985)
Administrative expenses		(820,648)	(911,327)
Fair value (loss)/gain on investment properties		(146,840)	85,473
Finance costs	6	(1,382,330)	(1,558,090)
Share of profits of associates		13,165	87,858
Share of profits of joint ventures		<u>218,933</u>	<u>832,268</u>
Profit before tax	7	2,543,969	3,663,014
Income tax expense	8	<u>(1,760,765)</u>	<u>(2,243,388)</u>
Profit for the year		<u>783,204</u>	<u>1,419,626</u>
(Loss)/profit for the year attributable to:			
Owners of the Company		(293,824)	340,027
Holders of perpetual capital instruments		215,444	294,326
Non-controlling interests		<u>861,584</u>	<u>785,273</u>
		<u>783,204</u>	<u>1,419,626</u>
Basic and diluted (loss)/earnings per share	10	<u>RMB(1.9) cents</u>	<u>RMB2.2 cents</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Profit for the year	<u>783,204</u>	<u>1,419,626</u>
Other comprehensive expense:		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation	(144,394)	(102,077)
Fair value loss on hedging instruments for cash flow hedges	<u>(127,846)</u>	<u>(43,360)</u>
Other comprehensive expense for the year net of income tax	<u>(272,240)</u>	<u>(145,437)</u>
Total comprehensive income for the year	<u><u>510,964</u></u>	<u><u>1,274,189</u></u>
Total comprehensive (expense)/income for the year attributable to:		
Owners of the Company	(566,064)	194,590
Holders of perpetual capital instruments	215,444	294,326
Non-controlling interests	<u>861,584</u>	<u>785,273</u>
	<u><u>510,964</u></u>	<u><u>1,274,189</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2024

	NOTE	At 31 December	
		2024	2023
		RMB'000	RMB'000
NON-CURRENT ASSETS			
Investment properties		55,645,208	56,949,328
Property, plant and equipment		2,765,556	2,893,040
Right-of-use assets		1,450,670	1,465,333
Intangible assets		103,797	106,919
Interests in associates		3,675,206	1,461,151
Interests in joint ventures		6,894,190	6,675,550
Loans to associates		372,062	663,875
Loans to non-controlling interests		834,060	751,740
Amounts due from non-controlling interests		18,493	11,573
Financial assets at fair value through profit or loss		510	510
Goodwill		184,297	184,297
Deposits		151,494	158,329
Deferred tax assets		356,800	337,445
		<u>72,452,343</u>	<u>71,659,090</u>
CURRENT ASSETS			
Inventories		13,469	14,006
Properties held for sale		6,654,121	5,152,062
Properties under development for sale		29,502,092	38,915,341
Accounts receivable	11	81,630	114,448
Contract costs		228,615	266,239
Deposits, prepayments and other receivables		3,564,157	3,734,972
Amounts due from fellow subsidiaries		18,245	24,940
Amounts due from associates		937,447	906,228
Amounts due from joint ventures		87,224	542,596
Amounts due from non-controlling interests		39,450	26,162
Loans to associates		1,554,553	1,752,028
Loans to non-controlling interests		342,373	278,211
Tax recoverable		556,539	557,482
Hedging instruments		3,982	131,177
Derivative financial instruments		—	63,306
Restricted bank deposits		65,744	46,188
Pledged deposits		2,410	2,406
Cash and bank balances		19,120,129	19,432,196
		<u>62,772,180</u>	<u>71,959,988</u>
TOTAL ASSETS		<u><u>135,224,523</u></u>	<u><u>143,619,078</u></u>

		At 31 December	
	<i>NOTE</i>	2024	2023
		RMB'000	RMB'000
CURRENT LIABILITIES			
Accounts payable	12	4,309,380	5,437,282
Other payables and accruals		6,463,911	6,676,020
Contract liabilities		14,484,718	19,447,315
Lease liabilities		65,703	47,606
Amount due to the ultimate holding company		4	4
Amount due to an intermediate holding company		690	611
Amounts due to fellow subsidiaries		437,144	210,763
Amounts due to associates		644,347	742,603
Amounts due to joint ventures		146,027	280,166
Amounts due to non-controlling interests		342,296	293,835
Loans from fellow subsidiaries		165,332	590,761
Loans from an associate		258,334	—
Loan from a joint venture		2,250,000	—
Loans from third parties		1,200,000	974,020
Bank borrowings		4,465,332	7,202,336
Income tax and land appreciation tax payables		569,516	1,378,735
Deferred income		3,916	1,794
Bonds payable		1,881,164	819,614
Derivative financial instruments		—	15,784
		<u>37,687,814</u>	<u>44,119,249</u>
NET CURRENT ASSETS		<u>25,084,366</u>	<u>27,840,739</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>97,536,709</u></u>	<u><u>99,499,829</u></u>

		At 31 December	
	<i>NOTE</i>	2024	2023
		RMB'000	RMB'000
NON-CURRENT LIABILITIES			
Other payables and accruals		571,994	572,458
Lease liabilities		256,634	77,615
Amounts due to a joint venture		58,800	539,000
Loans from fellow subsidiaries		60,131	2,940
Loans from associates		1,547,022	248,934
Loans from a joint venture		3,574,800	5,824,800
Loan from a non-controlling interest		—	94,856
Loans from third parties		1,200,000	6,924,780
Bank borrowings		25,372,083	18,347,571
Deferred tax liabilities		7,299,423	7,164,608
Bonds payable		2,198,546	3,264,939
		42,139,433	43,062,501
NET ASSETS			
		55,397,276	56,437,328
CAPITAL AND RESERVES			
Share capital	<i>13</i>	1,122,414	1,122,414
Reserves		28,410,081	28,793,950
Equity attributable to owners of the Company		29,532,495	29,916,364
Perpetual capital instruments		5,179,771	5,601,361
Non-controlling interests		20,685,010	20,919,603
TOTAL EQUITY			
		55,397,276	56,437,328

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

1. GENERAL INFORMATION

The Company was incorporated in Bermuda with limited liability and its ordinary shares are listed on the Main Board of the Stock Exchange of Hong Kong Limited.

The principle activities of the Company and its subsidiaries (the “**Group**”) are principally investment holding, property investment and development and hotel operation.

The immediate holding company of the Company, Grandjoy Holdings Group Co., Ltd (“**Grandjoy Holdings Group**”), a company established in the People’s Republic of China (the “**PRC**”) with its A shares listed on the Shenzhen Stock Exchange. In the opinion of the directors of the Company (the “**Directors**”), the ultimate holding company of the Company is COFCO Corporation, a company established in the PRC.

The consolidated financial statements are presented in Renminbi (“**RMB**”), the currency of the primary economic environment in which most of the group entities operate (the functional currency of the Company and most of the entities comprising the Group), and all values are rounded to the nearest thousand (’000) unless otherwise indicated.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the first time, the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), which are effective for the Group’s financial year beginning on 1 January 2024:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and the related amendments to Hong Kong Interpretation 5 (2020) Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

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

New and amendments to HKFRSs issued but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 18	Presentation and Disclosure in Financial Statements ³
HKFRS 19	Subsidiaries without Public Accountability: Disclosures ³
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 Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 ²
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.

The Directors anticipate that the application of the new and amendments to HKFRSs will have no material impact on the results and the financial position of the Group.

3. REVENUE AND SEGMENT INFORMATION

Revenue represents the net amounts received and receivable for goods sold and services rendered during the year.

The Group is organised into certain business units according to the nature of goods sold or services provided. The operating segments of the Group are determined by the Directors based on the business units by reference to the goods sold or services provided. These business units are the basis of internal reports provided to the Executive Directors, the chief operating decision maker (“CODM”), for the purpose of resource allocation and performance assessment.

The operating segments of the entities comprising the Group with similar economic characteristics and similar nature of goods sold or services provided have been aggregated into different reportable segments as follows:

Property investment	Property letting and related services
Property and land development	Development and sale of properties, and development of lands
Hotel operations	Hotel ownership and management
Output management project	Provision of output management services
Other services	Provision of miscellaneous services

An analysis of the Group’s revenue, which is also turnover of the Group, for the year is as follows:

	Year ended 31 December	
	2024	2023
	RMB’000	RMB’000
Property investment and development:		
Rental income from investment properties and related services	4,176,186	4,359,321
Sales of properties held for sale	14,544,851	7,705,374
Output management project	175,579	169,489
Other service income	65,584	68,160
	18,962,200	12,302,344
Hotel operations	868,805	969,750
Total revenue	19,831,005	13,272,094
Revenue from contract with customers	16,333,992	9,538,667
Leases	3,497,013	3,733,427
Total revenue	19,831,005	13,272,094

(i) Disaggregation of revenue from contracts with customers

For the year ended 31 December 2024

	Property investment <i>RMB'000</i>	Property and land development <i>RMB'000</i>	Hotel operations <i>RMB'000</i>	Output management project <i>RMB'000</i>	Other services <i>RMB'000</i>	Total <i>RMB'000</i>
Revenue from contracts with customers	679,173	14,544,851	868,805	175,579	65,584	16,333,992
Geographical markets						
Mainland China	661,700	14,544,851	868,805	132,017	59,697	16,267,070
Hong Kong	17,473	–	–	43,562	5,887	66,922
	679,173	14,544,851	868,805	175,579	65,584	16,333,992
Timing of revenue recognition						
A point in time	–	14,544,851	219,253	–	–	14,764,104
Over time	679,173	–	649,552	175,579	65,584	1,569,888
	679,173	14,544,851	868,805	175,579	65,584	16,333,992

Set out below is reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information.

	Property investment <i>RMB'000</i>	Property and land development <i>RMB'000</i>	Hotel operations <i>RMB'000</i>	Output management project <i>RMB'000</i>	Other services <i>RMB'000</i>	Total <i>RMB'000</i>
Revenue from contracts with customers						
External customers	679,173	14,544,851	868,805	175,579	65,584	16,333,992
Inter-segment	263,407	–	27	123,514	70,891	457,839
Total	942,580	14,544,851	868,832	299,093	136,475	16,791,831
Rental revenue	3,497,013	–	–	–	–	3,497,013
Inter-segment elimination	(263,407)	–	(27)	(123,514)	(70,891)	(457,839)
Revenue disclosed in segment information	4,176,186	14,544,851	868,805	175,579	65,584	19,831,005

For the year ended 31 December 2023

	Property investment <i>RMB'000</i>	Property and land development <i>RMB'000</i>	Hotel operations <i>RMB'000</i>	Output management project <i>RMB'000</i>	Other services <i>RMB'000</i>	Total <i>RMB'000</i>
Revenue from contracts with customers	<u>625,894</u>	<u>7,705,374</u>	<u>969,750</u>	<u>169,489</u>	<u>68,160</u>	<u>9,538,667</u>
Geographical markets						
Mainland China	608,947	7,705,374	969,750	126,046	65,126	9,475,243
Hong Kong	<u>16,947</u>	<u>—</u>	<u>—</u>	<u>43,443</u>	<u>3,034</u>	<u>63,424</u>
	<u>625,894</u>	<u>7,705,374</u>	<u>969,750</u>	<u>169,489</u>	<u>68,160</u>	<u>9,538,667</u>
Timing of revenue recognition						
A point in time	—	7,705,374	227,771	—	—	7,933,145
Over time	<u>625,894</u>	<u>—</u>	<u>741,979</u>	<u>169,489</u>	<u>68,160</u>	<u>1,605,522</u>
	<u>625,894</u>	<u>7,705,374</u>	<u>969,750</u>	<u>169,489</u>	<u>68,160</u>	<u>9,538,667</u>

Set out below is reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information.

	Property investment <i>RMB'000</i>	Property and land development <i>RMB'000</i>	Hotel operations <i>RMB'000</i>	Output management project <i>RMB'000</i>	Other services <i>RMB'000</i>	Total <i>RMB'000</i>
Revenue from contracts with customers						
External customers	625,894	7,705,374	969,750	169,489	68,160	9,538,667
Inter-segment	<u>180,636</u>	<u>—</u>	<u>17</u>	<u>194,872</u>	<u>126,765</u>	<u>502,290</u>
Total	<u>806,530</u>	<u>7,705,374</u>	<u>969,767</u>	<u>364,361</u>	<u>194,925</u>	<u>10,040,957</u>
Rental revenue	3,733,427	—	—	—	—	3,733,427
Inter-segment elimination	<u>(180,636)</u>	<u>—</u>	<u>(17)</u>	<u>(194,872)</u>	<u>(126,765)</u>	<u>(502,290)</u>
Revenue disclosed in segment information	<u>4,359,321</u>	<u>7,705,374</u>	<u>969,750</u>	<u>169,489</u>	<u>68,160</u>	<u>13,272,094</u>

(ii) Performance obligations for contracts with customers

Development and sales of properties (revenue recognised at a point in time)

For contracts entered into with customers on sales of properties, the relevant properties specified in the contracts are based on customer's specifications with no alternative use. Taking into consideration of the relevant contract terms, the legal environment and relevant legal precedent, the Directors concluded that the Group does not have an enforceable right to payment prior to transfer of the relevant properties to customers. Revenue from sales of residential properties is therefore recognised at a point in time when the completed property is transferred to customers, being at the point that the customer obtains the control of the completed property and the Group has present right to payment and collection of the consideration is probable.

The Group receives 20%-100% (2023: 20%-100%) of the contract value as deposits from customers when they sign the sale and purchase agreement. This will give rise to contract liabilities until the completed property is transferred to the customers. In determining the transaction price, the Group adjusts the promised amount of consideration for the effects of the time value of money if the timing of payments agreed (either explicitly or implicitly) provides the customer or the Group with a significant benefit of financing the transfer of goods or services to the customer. In those circumstances, the contract contains a significant financing component. A significant financing component may exist regardless of whether the promise of financing is explicitly stated in the contract or implied by the payment terms agreed to by the parties to the contract.

The Group assesses the advance payment by contract whether it may contain significant financing component. If the effects of the financing component will materially change the amount of revenue at a contract level, accordingly the amount of consideration is adjusted for the effects of the time value of money taking into consideration the credit characteristics of the party receiving financing in the contract. As this accrual increases the amount of the contract liability during the period of construction, it increases the amount of revenue recognised when control of the completed property is transferred to the customer.

The Directors apply the practical expedient of expensing all incremental costs to obtain a contract if these costs would otherwise have been fully amortised to profit or loss within one year.

Property management related services, hotel room operation and other services

Revenue relating to the property management related services, hotel room operation and other services is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs, or at a point in time when the customer obtains control of the distinct good or service, as appropriate.

(iii) Transaction price allocated to the remaining performance obligation for contracts with customers

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2024 and 2023, and the expected timing of recognising revenue are as follows :

	Sales of properties	
	Year ended 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Within one year	13,408,819	14,816,236
More than one year	1,055,853	5,679,695
	<u>14,464,672</u>	<u>20,495,931</u>

All the property management related services, hotel room operation and other services are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

(iv) Leases

	Year ended 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Total revenue arising from operating lease		
Lease payments that are fixed or linked to the performance of lessees	<u>3,497,013</u>	<u>3,733,427</u>

Information regarding the segments is reported below.

Segment revenue and segment results

The following is an analysis of the Group's revenue and results by reportable segments.

Year ended 31 December 2024

	Property investment RMB'000	Property and land development RMB'000	Hotel operations RMB'000	Output management project RMB'000	Other services RMB'000	Segment total RMB'000	Inter- segment elimination RMB'000	Total RMB'000
Segment revenue								
External customers	4,176,186	14,544,851	868,805	175,579	65,584	19,831,005	–	19,831,005
Inter-segment revenue	263,407	–	27	123,514	70,891	457,839	(457,839)	–
Consolidated	<u>4,439,593</u>	<u>14,544,851</u>	<u>868,832</u>	<u>299,093</u>	<u>136,475</u>	<u>20,288,844</u>	<u>(457,839)</u>	<u>19,831,005</u>
Segment results	<u>3,098,227</u>	<u>690,570</u>	<u>40,805</u>	<u>221,551</u>	<u>51,031</u>	<u>4,102,184</u>	<u>–</u>	<u>4,102,184</u>
Unallocated corporate income and other gains								309,231
Unallocated corporate expenses and other losses								(263,898)
Finance costs								(1,382,330)
Share of profits of associates								13,165
Share of profits of joint ventures								218,933
Impairment loss recognised on loans to associates								(399,659)
Impairment loss recognised on loans to non-controlling interests								(4,438)
Impairment loss recognised on amounts due from associates								(9,430)
Impairment loss recognised on amount due from a joint venture								(40,226)
Reversal of impairment loss on amount due from a non-controlling interest								<u>437</u>
Profit before tax as presented in consolidated statement of profit or loss								<u><u>2,543,969</u></u>

Year ended 31 December 2023

	Property investment <i>RMB'000</i>	Property and land development <i>RMB'000</i>	Hotel operations <i>RMB'000</i>	Output management project <i>RMB'000</i>	Other services <i>RMB'000</i>	Segment total <i>RMB'000</i>	Inter-segment elimination <i>RMB'000</i>	Total <i>RMB'000</i>
Segment revenue								
External customers	4,359,321	7,705,374	969,750	169,489	68,160	13,272,094	–	13,272,094
Inter-segment revenue	180,636	–	17	194,872	126,765	502,290	(502,290)	–
Consolidated	<u>4,539,957</u>	<u>7,705,374</u>	<u>969,767</u>	<u>364,361</u>	<u>194,925</u>	<u>13,774,384</u>	<u>(502,290)</u>	<u>13,272,094</u>
Segment results	<u>2,698,218</u>	<u>339,314</u>	<u>58,187</u>	<u>284,454</u>	<u>38,171</u>	<u>3,418,344</u>	<u>–</u>	<u>3,418,344</u>
Unallocated corporate income and other gains								2,146,836
Unallocated corporate expenses and other losses								(305,565)
Finance costs								(1,558,090)
Share of profits of associates								87,858
Share of profits of joint ventures								832,268
Impairment loss recognised on loans to associates								(933,798)
Impairment loss recognised on amount due from a joint venture								(193)
Impairment loss recognised on amount due from a non-controlling interest								<u>(24,646)</u>
Profit before tax as presented in consolidated statement of profit or loss								<u><u>3,663,014</u></u>

Segment revenue and segment results

Inter-segment revenue was charged at prices agreed between group entities, which have no material differences as compared to the prices provided to the third parties.

Segment revenue represents revenue earned by each segment without rental adjustments for property letting relating to the recognition of rental income from operating lease on a straight-line basis over the term of the relevant lease. Segment results represent the profit earned/loss incurred by each segment without allocation of certain items incurred for management purpose, including certain other income, certain other gains and losses, certain administrative expenses, finance costs, share of profits/losses of associates and joint ventures, impairment loss recognised on loans to associates and amounts due to a joint venture and a non-controlling interest. The above is the measure reported to the Executive Director for the purposes of resource allocation and performance assessment.

Segment assets and liabilities

Segment assets and liabilities are not disclosed in the consolidated financial statements as they are not regularly provided to the Executive Director for the purposes of resource allocation and performance assessment.

Geographical information

The following table sets out information about the Group's revenue from external customers by geographical location. The geographical location of customers is based on the location at which the services were provided or the goods and properties were delivered.

	Year ended 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Mainland China	19,702,768	13,150,501
Hong Kong	128,237	121,593
	<u>19,831,005</u>	<u>13,272,094</u>

Information about the Group's non-current assets by location is detailed below.

	At 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Mainland China	68,114,602	67,035,941
Hong Kong	2,420,025	2,515,380
	<u>70,534,627</u>	<u>69,551,321</u>

Non-current assets exclude goodwill, deferred tax assets, financial instruments and deposits under non-current assets.

Other information

Amounts regularly provided to the CODM (included in the measure of segment profit or loss or segment assets) are as follows:

	Property investment <i>RMB'000</i>	Property and land development <i>RMB'000</i>	Hotel operations <i>RMB'000</i>	Output management project <i>RMB'000</i>	Other services <i>RMB'000</i>	Total <i>RMB'000</i>
Year ended 31 December 2024						
Impairment loss recognised/ (reversed) under expected credit loss model, net	8,645	(532)	(652)	319	1,181	8,961
Depreciation of property, plant and equipment	15,551	3,161	172,055	799	9,341	200,907
Depreciation of right-of-use assets	8,288	3,009	55,845	5,389	(4,324)	68,207
Loss on disposal of property, plant and equipment, net	9,600	147	2,867	1	310	12,925
Impairment loss on properties held for sale	–	365,175	–	–	–	365,175
Impairment loss on properties under development for sales	–	320,991	–	–	–	320,991
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Year ended 31 December 2023						
Impairment loss recognised under expected credit loss model, net	5,843	7,195	8	1,403	1,203	15,652
Depreciation of property, plant and equipment	18,688	3,663	158,177	859	9,452	190,839
Depreciation of right-of-use assets	8,780	1,013	57,872	439	860	68,964
Loss/(gain) on disposal of property, plant and equipment, net	2,941	411	(29)	166	(363)	3,126
Impairment loss on properties held for sale	–	130,890	–	–	–	130,890
Impairment loss on properties under development for sales	–	734,204	–	–	–	734,204
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Information about major customers

No individual customers contributed over 10% of the Group's revenue for the years ended 31 December 2024 and 2023.

4. OTHER INCOME

	Year ended 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Interest income from:		
Banks	206,069	191,545
A non-banking financial institution*	31,974	31,336
Loans to joint ventures	—	191
Loans to associates	—	153,294
Loan to non-controlling interests	42,608	26,667
Government grants (<i>Note</i>)	84,128	44,311
Others	1,787	7,185
	<u>366,566</u>	<u>454,529</u>

* The non-banking financial institution is COFCO Finance Corporation Limited (“**COFCO Finance**”), a fellow subsidiary of the Group.

Note: Various government grants have been received for developments in certain provinces in Mainland China. The government grants mainly related to discretionary awards granted by local governments to certain subsidiaries of the Group to award their contributions to the local development. There are no unfulfilled conditions or contingencies relating to these grants.

5. OTHER GAINS AND LOSSES, NET

	Year ended 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Loss on disposal of property, plant and equipment, net	(12,925)	(3,126)
Impairment loss on properties held for sale	(365,175)	(130,890)
Impairment loss on properties under development for sale	(320,991)	(734,204)
Gain on disposal of subsidiaries	618,784	1,644,899
Exchange gain, net	42,723	62,028
Others	178,141	28,379
	<u>140,557</u>	<u>867,086</u>

6. FINANCE COSTS

	Year ended 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Interest on:		
Bank borrowings	1,145,555	1,159,495
Loans from a non-banking financial institution*	3,678	25,501
Loans from other fellow subsidiaries	15,164	14,632
Loans from associates	9,897	9,940
Loans from a joint venture	137,762	219,525
Loan from a non-controlling interest	1,738	36,175
Bonds payable	132,844	137,320
Loans from third parties	268,295	389,261
Lease liabilities	19,319	8,251
Others	53,092	39,334
	<u>1,787,344</u>	<u>2,039,434</u>
Total interest expenses		
	<u>1,787,344</u>	<u>2,039,434</u>
Less: Interest capitalised:		
Investment properties under development	(11,124)	(77,709)
Properties under development for sale	(393,890)	(403,635)
	<u>(405,014)</u>	<u>(481,344)</u>
	<u><u>1,382,330</u></u>	<u><u>1,558,090</u></u>

* The non-banking financial institution represented COFCO Finance.

Borrowing costs capitalised to investment properties under development and properties under development for sale were based on actual borrowing costs incurred.

Borrowing costs were capitalised at rates ranging from 2.5% to 6.05% (2023: 2.35% to 6.91%) per annum.

7. PROFIT BEFORE TAX

	Year ended 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Profit before tax has been arrived at after charging/(crediting):		
Directors' emoluments	4,976	3,647
Depreciation and amortisation:		
Amortisation:		
– Intangible assets (included in cost of sales)	4,682	5,114
– Intangible assets (included in administrative expenses)	3,733	4,513
– Intangible assets (included in distribution and selling costs)	602	755
Depreciation of right-of-use assets	68,207	68,964
Depreciation of property, plant and equipment	200,907	190,839
Total depreciation and amortisation	278,131	270,185
Cost of sales and services rendered:		
Cost of properties sold	12,464,832	5,859,523
Direct operating expenses arising from investment properties that generated rental income	1,003,469	999,931
Direct operating expenses arising from provision of property management and other property related services	79,257	76,984
Direct operating expenses from hotel services provided	644,091	694,165
	14,191,649	7,630,603
Employee benefits expense (including directors' emoluments):		
Salaries, allowances and other benefits	856,451	1,050,336
Retirement benefit scheme contributions	75,126	88,900
	931,577	1,139,236
Less: Capitalised in properties under development for sale and investment properties under development	(84,330)	(156,210)
	847,247	983,026
Advertising and promotion expenses (included in distribution and selling costs)	252,604	224,361
Auditor's remuneration	2,250	2,250

8. INCOME TAX EXPENSE

	Year ended 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Current tax:		
PRC Enterprise Income Tax (“EIT”)	1,103,490	1,613,207
PRC Dividend Withholding Tax	6,853	60,635
Land Appreciation Tax (“LAT”)	152,954	182,893
Hong Kong Profits Tax	20,984	30,267
	<u>1,284,281</u>	<u>1,887,002</u>
Under/(over) provision in prior years:		
PRC EIT	18,099	11,338
LAT	(159,605)	—
	<u>(141,506)</u>	<u>11,338</u>
Deferred tax	<u>617,990</u>	<u>345,048</u>
Total	<u><u>1,760,765</u></u>	<u><u>2,243,388</u></u>

Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

The Directors considered the amount involved upon implementation of the two-tiered profits tax rates regime is insignificant to the consolidated financial statements. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

The subsidiaries in Mainland China are subject to PRC EIT at 25% for both years. Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The law of the PRC on EIT provides that qualified dividend income between two “resident enterprises” that have a direct investment relationship is exempted from income tax. Otherwise, such dividends will be subject to 5% to 10% withholding tax under the tax treaty or the domestic law. The Group is currently subject to withholding tax at 10% for both years.

The provision of LAT is estimated according to the requirements set forth in the relevant PRC tax laws and regulations. LAT is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including cost of land use right and all property development expenditures.

Pursuant to the rules and regulations of the British Virgin Islands, Bermuda and Samoa, the Group is not subject to any income tax in the British Virgin Islands, Bermuda and Samoa.

9. DIVIDENDS

Final dividend and special dividend in respect of the year ended 31 December 2023 of HK0.72 cents and HK0.72 cents per ordinary share has been proposed by the Directors on 28 March 2024 and was approved by the shareholders at the annual general meeting conducted on 13 June 2024 (the “**2023 Dividend**”). Pursuant to the approval of the shareholders, 2023 Dividend of approximately HK\$205 million or RMB183 million and HK\$16 million or RMB14 million were distributed to the ordinary shareholders and holders of the CPS respectively during the year ended 31 December 2024.

The Board of Directors does not declare any final dividend for the year ended 31 December 2024.

10. (LOSS)/EARNINGS PER SHARE

The calculation of the basic (loss)/earnings per share attributable to the ordinary shareholders of the Company is based on the following data:

	Year ended 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
(Loss)/earnings		
(Loss)/earnings for the purpose of basic earnings per share ((Loss)/Profit for the year attributable to owners of the Company)	<u>(293,824)</u>	<u>340,027</u>
	Year ended 31 December	2023
	2024	2023
Number of shares ('000)		
For the purpose of basic loss/earnings per share:		
Number of ordinary shares	14,231,125	14,231,125
Number of non-redeemable convertible preference shares	<u>1,095,301</u>	<u>1,095,301</u>
Number of shares for the purpose of basic earnings per share	<u>15,326,426</u>	<u>15,326,426</u>

The number of shares used for the purpose of calculating basic (loss)/earnings per share for the years ended 31 December 2024 and 2023 were calculated on the basis of the number of the ordinary shares of the Company and CPS in issue during the years.

The calculation of the diluted (loss)/earnings per share for the years ended 31 December 2024 and 2023 does not assume the exercise of the written put option on shares of a subsidiary as the dilution effect is not considered material.

11. ACCOUNTS RECEIVABLE

	At 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Lease receivables	69,989	108,621
Property management fee receivables	3,937	6,465
Receivables from hotel operations and related services	14,045	17,803
Others	16,740	4,737
Less: Allowance for credit losses	(23,081)	(23,178)
	<u>81,630</u>	<u>114,448</u>

At 31 December 2024, the gross amount of accounts receivable from contracts with customers amounted to RMB34,722,000 (2023: RMB29,005,000).

At 31 December 2024, accounts receivable with an aggregate carrying amount of RMB4,347,000 (2023: RMB2,756,000) were pledged to secure certain banking facilities granted to the Group.

The following is an aged analysis of accounts receivable at the end of the reporting period, excluding rental adjustments and net of allowance for credit losses, presented based on invoice date, except for lease receivables, which were presented based on the date of rental demand notice issued:

	At 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Less than 3 months	67,478	92,444
3 months to 1 year	6,952	13,155
1 to 2 years	5,383	7,709
2 to 3 years	1,817	1,140
	<u>81,630</u>	<u>114,448</u>

As at 31 December 2024, included in the Group's accounts receivable balance are debtors with aggregate carrying amount of RMB81,630,000 (31 December 2023: RMB76,809,000) which are past due as at the reporting date. Out of the past due balances, RMB14,152,000 (31 December 2023: RMB18,962,000) has been past due for 90 days or more and is not considered as in default due to historical repayment history from these customers. The Group does not hold any collateral over these balances.

12. ACCOUNTS PAYABLE

	At 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Trade payables	11,362	45,024
Accrued expenditures on construction	4,298,018	5,392,258
	<u>4,309,380</u>	<u>5,437,282</u>

Accounts payable, including trade payables, accrued expenditures on construction and accrued land cost, mainly comprise construction costs, land cost and other project-related expenses in relation to properties under development for sale which are payable based on project progress measured by the Group. Trade payables are generally with credit period of 60 to 90 days, except for the retention monies of certain construction costs of which the credit period is up to 2 years. The Group has financial risk management policies in place to ensure that all payables are within the credit timeframe.

The following is an aged analysis of trade payables at the end of the reporting period based on invoice date.

	At 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year	11,362	43,765
1 to 2 years	—	1,259
	<u>11,362</u>	<u>45,024</u>

13. SHARE CAPITAL

Ordinary share capital of the Company

	Number of shares	Amount <i>HK\$'000</i>	(RMB equivalent) <i>RMB'000</i>
Authorised:			
Ordinary shares of HK\$0.10 each			
At 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	<u>28,904,699,222</u>	<u>2,890,470</u>	<u>2,293,502</u>
Issued and fully paid:			
Ordinary shares of HK\$0.10 each			
At 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	<u>14,231,124,858</u>	<u>1,423,112</u>	<u>1,122,414</u>

SCOPE OF WORK OF SHINEWING (HK) CPA LIMITED

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in this announcement have been agreed by the Group’s auditor, SHINEWING (HK) CPA Limited (“SHINEWING”), to the amounts set out in the Group’s audited consolidated financial statements for the year ended 31 December 2024. The work performed by SHINEWING 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 SHINEWING in respect of the financial figures in this announcement.

MARKET REVIEW

In 2024, China’s national economy maintained a good momentum of recovery and growth, and its overall operation was stable. During the year, the state promptly introduced and deployed a package of incremental economic policies, effectively boosted social confidence and drove a significant economic recovery. The main objectives and tasks were completed successfully. In 2024, the GDP reached approximately RMB134.9 trillion, representing a growth of 5.0% over the previous year at constant prices. During the year, the policy of expanding domestic demand played an important role in stabilizing consumption, promoting economic growth and optimizing economic structure, and provided strong support for the sustained recovery and improvement of the economy. With the continuous manifestation of the effects of the policies, consumption scenarios continued to be enriched, residents’ willingness to consume was improved, and the consumption structure was further optimized. During the year, the total retail sales of consumer goods nationwide amounted to RMB48.8 trillion, representing a year-on-year increase of 3.5%.

In terms of the real estate industry, in 2024, China’s real estate industry as a whole showed a trend of adjustment. Under the effect of a series of easing policies in the second half of the year, the residential sales market has experienced positive changes, and market confidence has been gradually boosted since the fourth quarter. During the year, nationwide investment in real estate development amounted to approximately RMB10.03 trillion, representing a year-on-year decrease of 10.6%; among which, investment in commercial residential buildings amounted to approximately RMB7.6 trillion, representing a year-on-year decrease of 10.5%. In terms of market sales, during the year, the sales area of newly built commercial housing amounted to approximately 974,000,000 sq.m., representing a year-on-year decrease of 12.9%, and the sales amounted to approximately RMB9.68 trillion, representing a year-on-year decrease of 17.1%. In terms of housing prices, throughout the year, the overall trend was “first low and then high”. In the first three quarters, housing prices generally faced downward pressure. But after the central government clearly set the goal of “stopping the decline and recovering to a stable trend” on 26 September, policies were intensively introduced, market confidence gradually recovered, and there were positive changes in housing prices in the fourth quarter. In December 2024, the price index of newly built commercial residential buildings in 70 large-and medium-sized cities in China decreased by 5.7% year on year and decreased by 0.1% month on month, with the decline significantly narrowing compared to previous months.

In terms of commercial real estate, in 2024, China's commercial real estate market as a whole showed a trend of adjustment and transformation. During the year, both the number of newly opened commercial projects and the total volume of projects declined year on year. Approximately 430 commercial projects were newly opened nationwide, and a total volume of newly opened commercial projects amounted to approximately 34 million sq.m., representing a year-on-year decrease of 17.58% and 12.52% respectively as compared with 2023. With the change in the consumption model of residents, physical commercial operations faced significant challenges, particularly with a significant decline in sales at department stores and brand specialty stores. However, the demand for experiential consumption and community commerce has grown significantly and has become an important support for current commercial real estate. In the future, it is expected that commercial real estate will pay more attention to experiential consumption, creating an immersive shopping environment through unique space design and theme layout, enhancing enjoyment and memory points of the consumers. At the same time, the future development of commercial projects will more closely align with the trend preferences of young consumer groups and create new social scenarios. By developing space regions with social attributes and utilizing community economy to interact with content that young people enjoy, consumer loyalty to commercial projects will be strengthened, and shopping centers will be able to effectively expand their commercial influence and market competitiveness.

BUSINESS AND FINANCIAL REVIEW

Revenue and Gross Profit Margin

During the year, the Group gave full play to its strengths to ensure stable development of its four business segments, namely investment properties, property development, hotel operations, and output management and other services. The Group's revenue was RMB19,831.0 million (2023: RMB13,272.1 million), representing a year-on-year increase of 49.4%, mainly due to the effect of the changes in the settlement cycle of the property development segment, resulting in a year-on-year increase in revenue from property development. The Group's cost of sales and services rendered was approximately RMB14,191.6 million (2023: RMB7,630.6 million), representing a year-on-year increase of 86.0%. Overall gross profit margin was approximately 28.4%, representing a decrease of 14 percentage points as compared with 42.5% for the previous year, mainly due to a higher proportion of revenue from sales-type businesses this year, which reduced the overall gross profit margin.

Business Review on Investment Properties

During the year, the total rental income from investment properties and related services income was approximately RMB4,176.2 million, representing a decrease of 4.2% as compared with RMB4,359.3 million in the previous year. The gross profit margin of the investment properties was 76%, representing a year-on-year decrease of 1 percentage point. Shopping malls, office buildings and other income accounted for 88%, 10% and 2%, respectively.

The Group's shopping malls recorded sales of approximately RMB38.4 billion, representing a year-on-year increase of 10.4%, and rental income of RMB3,023.0 million, representing an increase of 1% as compared with RMB2,997.7 million in the previous year.

The Group's office building business recorded rental income of approximately RMB360.0 million during the year.

The table below sets forth the rental income and occupancy rate of the major investment properties of the Group in 2024:

Project	City	Use	Rental income (RMB million)	Occupancy rate (%)
Beijing Xidan Joy City Shopping Mall	Beijing	Retail	597.5	95
Beijing Chaoyang Joy City Shopping Mall	Beijing	Retail	678.5	92
Tianjin Nankai Joy City Shopping Mall	Tianjin	Retail	452.7	98
Shanghai Jing'an Joy City Shopping Mall	Shanghai	Retail	241.2	96
Shenyang Joy City Shopping Mall	Shenyang	Retail	269.1	97
Yantai Joy City Shopping Mall	Yantai	Retail	69.3	93
Chengdu Joy City Shopping Mall**	Chengdu	Retail	190.7	99
Hangzhou Joy City Shopping Mall	Hangzhou	Retail	158.8	94
Suzhou Joy City Shopping Mall	Suzhou	Retail	151.4	96
Chongqing Joy City Shopping Mall	Chongqing	Retail	10.2	87
Wuhan Joy City Shopping Mall	Wuhan	Retail	119.1	96
Chengdu Tianfu Joy City Shopping Mall*	Chengdu	Retail	52.9	98
Xiamen Joy City Shopping Mall*	Xiamen	Retail	10.8	97
Sanya Joy City Shopping Mall*	Sanya	Retail	20.8	100
Beijing Xidan Joy Center***	Beijing	Office	38.8	94
Beijing COFCO Plaza Offices	Beijing	Office and Retail	256.7	88
Hong Kong COFCO Tower	Hong Kong	Office and Retail	64.5	87
Total			3,383.0	

*: Xiamen Joy City opened in September 2024, Sanya Joy City opened in October 2024 and Chengdu Tianfu Joy City opened in December 2023.

** : The financial results of Chengdu Joy City ceased to be incorporated into the Group's financial statements after 10 September 2024.

***: "Beijing Xidan Joy City Offices" was renamed as "Beijing Xidan Joy Center".

The table below sets forth the rental income and occupancy rate of the major investment properties of the Group in 2023:

Project	City	Use	Rental income (RMB million)	Occupancy rate (%)
Beijing Xidan Joy City Shopping Mall	Beijing	Retail	607.0	98
Beijing Chaoyang Joy City Shopping Mall	Beijing	Retail	665.0	97
Tianjin Nankai Joy City Shopping Mall	Tianjin	Retail	461.4	97
Shanghai Jing'an Joy City Shopping Mall	Shanghai	Retail	201.2	95
Shenyang Joy City Shopping Mall	Shenyang	Retail	256.7	98
Yantai Joy City Shopping Mall	Yantai	Retail	76.7	97
Chengdu Joy City Shopping Mall	Chengdu	Retail	322.7	98
Hangzhou Joy City Shopping Mall	Hangzhou	Retail	152.5	97
Suzhou Joy City Shopping Mall	Suzhou	Retail	137.1	98
Chongqing Joy City Shopping Mall	Chongqing	Retail	15.8	90
Wuhan Joy City Shopping Mall	Wuhan	Retail	101.5	97
Beijing Xidan Joy City Offices	Beijing	Office	39.5	85
Beijing COFCO Plaza Offices	Beijing	Office and Retail	277.8	91
Hong Kong COFCO Tower	Hong Kong	Office and Retail	58.2	84
COFCO • Landmark Tower*	Beijing	Office and Retail	137.9	86
Fraser Suites Top Glory Shanghai*	Shanghai	Serviced apartment	124.4	91
Total			<u>3,635.4</u>	

* As of the end of 2023, the sales of the entire equity interests of the Group's subsidiaries holding COFCO •Landmark Tower and Fraser Suites Top Glory Shanghai were completed.

Business Review on Property Development

During the year, the Group's operating revenue from the property development segment was RMB14,544.9 million, representing an increase of 88.8% from RMB7,705.4 million in the previous year. The settlement area of properties delivered was 604,119 sq.m., representing an increase of approximately 42% as compared to the previous year. The unit settlement price was RMB23,723 per sq.m., representing an increase of 38% as compared to the previous year. The gross profit margin of the property development segment was 14%, representing a decrease of 10 percentage points as compared to the previous year.

Impairment on properties held for sale under development was RMB686.2 million during the year, mainly due to increased downturn pressures on the real estate market, with projects such as Jinan Joy City, Nanjing OPUS Jiuzhang showing indicators of impairment.

The Group's contracted sales for the year increased by 13.6% year on year to approximately RMB20,548.2 million. Contracted sales area was 705,416.8 sq.m., representing a year-on-year decrease of 2.7%. The average unit selling price was approximately RMB29,129 per sq.m., representing a year-on-year increase of 17%.

As of the year of 2024, the contracted sales amount and contracted sales area of each region achieved by the Group are as follows:

Region*	Contracted sales amount		Contracted sales area	
	2024 (RMB million)	2023 (RMB million)	2024 (sq.m.)	2023 (sq.m.)
Northern China	3,766.7	5,989.4	215,215.7	279,370.9
Eastern China	12,069.0	5,934.8	320,674.9	185,268.4
Southern China	2,427.2	2,980.0	79,611.1	86,416.8
Southwest China	2,285.3	3,181.8	89,915.1	173,572.5
Total	<u>20,548.2</u>	<u>18,086.0</u>	<u>705,416.8</u>	<u>724,628.6</u>

* During the year, Northeast China, Northwest China and Shandong area of Nanjing combined into Northern China, collectively referred to as Northern China. Zhejiang and Nanjing area of Nanjing combined into Eastern China, collectively referred to as Eastern China. Hainan and Changsha in Central China combined into Southern China, collectively referred to as Southern China. Wuhan in Central China combined into Southwest China, collectively referred to as Southwest China.

Business Review on Hotel Operations

In 2024, the hotel operations recorded an operating revenue of approximately RMB868.8 million, representing a year-on-year decrease of 10.4%; and the average occupancy rate was 80.6%.

The table below sets forth the average occupancy rate, RevPAR and average room rate of the major hotels of the Group in 2024:

Project	City	Use	Average occupancy rate (%)	RevPAR (RMB)	Average room rate (RMB)
The St. Regis Sanya Yalong Bay Resort	Sanya	Resort	71	1,257	1,791
MGM Grand Sanya	Sanya	Resort	91	1,114	1,231
Waldorf Astoria Beijing	Beijing	Business Inn	70	1,820	2,638
Le Joy Hotel Beijing	Beijing	Hotel	77	593	767

* Cactus Resort Sanya by Gloria has temporarily suspended operations due to outdated assets, and its subsequent asset updates will be carried out.

The table below sets forth the average occupancy rate, RevPAR and average room rate of the major hotels of the Group in 2023:

Project	City	Use	Average occupancy rate (%)	RevPAR (RMB)	Average room rate (RMB)
The St. Regis Sanya Yalong Bay Resort	Sanya	Resort	68	1,446	2,131
MGM Grand Sanya	Sanya	Resort	83	1,330	1,595
Cactus Resort Sanya by Gloria	Sanya	Resort	47	125	270
Waldorf Astoria Beijing	Beijing	Business Inn	70	1,727	2,458
Le Joy Hotel Beijing	Beijing	Hotel	91	632	693

Business Review on Output Management

During the year, the total revenue from output management was approximately RMB175.6 million, representing a year-on-year increase of 3.6%.

Profit and Core Net Profit

During the year, the Group's profit amounted to approximately RMB783.2 million (2023: RMB1,419.6 million), representing a year-on-year decrease of 44.8%, of which the loss attributable to the owners of the Company amounted to approximately RMB293.8 million (2023: a profit of RMB340.0 million), mainly due to the impacts of the settlement and development cycle of several cooperative property development projects of the Group, resulting in a decrease in the share of profits of associates and joint ventures compared to 2023 financial year; and a gain before tax from the disposal of subsidiaries of the Group in 2023 while a year-on-year decrease in the related income during the reporting period. Excluding the after-tax fair value losses on investment properties attributable to owners of the Company and the net exchange gains attributable to owners of the Company, adding after-tax fair value gains on investment properties realised from disposal of subsidiaries attributable to the owners of the Company, the core net profit attributable to owners of the Company (non-HKFRSs) was approximately RMB846.2 million (2023: RMB991.3 million).

The reconciliation between the (loss)/profit attributable to owners of the Company and the core net profit attributable to owners of the Company (non-HKFRSs):

Item	For the year ended 31	
	December	
	2024	2023
	<i>RMB million</i>	<i>RMB million</i>
(Loss)/Profit for the period attributable to owners of the Company	(293.8)	340.0
Excluding:		
After-tax fair value (losses)/gains on investment properties*	(227.6)	66.3
Exchange gains, net**	60.2	122.2
	<u>(167.4)</u>	<u>188.5</u>
Adding:		
After-tax fair value gains on investment properties realised from the disposal of subsidiaries***	972.6	839.8
Core net profit attributable to owners of the Company (non-HKFRSs)	<u><u>846.2</u></u>	<u><u>991.3</u></u>

* The amount is calculated based on the fair value (losses)/gains on investment properties for the relevant subsidiaries less related deferred income tax and the Group's proportion of equity interest(s) in the respective subsidiaries.

** The amount is calculated based on the net exchange gains for the relevant subsidiaries and the Group's proportion of equity interest(s) in the respective subsidiaries.

*** The adjustments related to the gain on disposal of subsidiaries as comprised in other gains and losses, net.

The core net profit attributable to owners of the Company would be a meaningful measure of the Group's financial performance as it makes adjustments to reflect the relevant economic interest attributable to owners of the Company and the actual economic impact borne by the Group. Although such financial measure is commonly used by property developers and holding companies in commercial properties in the PRC and therefore useful for comparison purposes, the basis may or may not be the same as there is no standard meaning for a non-HKFRS measure.

Other Gain and Losses, net

In 2024, the Group's other gains and losses, net amounted to a gain of approximately RMB140.6 million (2023: RMB867.1 million), representing a year-on-year decrease of RMB726.5 million, mainly due to the pre-tax gain realised from the disposal of subsidiaries in 2023, with related gains decreasing year-on-year.

Impairment Losses under Expected Credit Loss Model, Net of Reversal

In 2024, the Group's impairment losses under expected credit loss model, net of reversal, amounted to approximately RMB462.3 million (2023: RMB974.3 million), representing a year-on-year decrease of RMB512.0 million.

Share of Profits of Associates and Joint Ventures

In 2024, the Group's share of profits of associates and joint ventures amounted to RMB232.1 million in total (2023: RMB920.1 million), representing a year-on-year decrease of RMB688.0 million, mainly due to the impact of settlement and development cycle of several cooperative properties and development projects.

Income Tax Expense

Income tax expense comprises PRC enterprise income tax, land appreciation tax, dividend withholding tax and Hong Kong profits tax. The Group's tax expenses was RMB1,760.8 million (2023: RMB2,243.4 million), representing a year-on-year decrease of RMB482.6 million.

Liquidity and Financial Position

	As at 31 December	
	2024	2023
	RMB (million)	RMB (million)
Total assets	135,224.5	143,619.1
Cash and cash equivalents		
(including restricted bank deposits and pledged deposits)	19,188.3	19,480.8
Total interest-bearing borrowings*	44,172.7	44,295.6
Total equity	55,397.3	56,437.3
Current ratio	1.67	1.63
Net debt to total equity ratio**	45.1%	44.0%
Weighted average borrowing cost	4.10%	4.49%

- *: Total interest-bearing borrowings include bank borrowings, borrowings from fellow subsidiaries, associates, joint ventures and third parties, and corporate bonds.
- ** : The net debt to total equity ratio is calculated as net debt divided by total equity, in which the net debt is calculated as total interest-bearing borrowings less cash and bank balances, and restricted and pledged bank deposits.

Net Debt to Total Equity Ratio

As at 31 December 2024, the Group had total assets of approximately RMB135,224.5 million (31 December 2023: approximately RMB143,619.1 million). The total equity was approximately RMB55,397.3 million, representing a decrease of approximately 1.8% as compared to RMB56,437.3 million as at 31 December 2023.

As at 31 December 2024, the bank and other interest-bearing borrowings amounted to approximately RMB44,172.7 million, representing a decrease of 0.3% from RMB44,295.6 million as at 31 December 2023. The net debt to total equity ratio was approximately 45.1%, representing an increase of 1.1 percentage points as compared to 44.0% as at 31 December 2023. Among the interest-bearing borrowings, approximately 80% were denominated in RMB while approximately 20% were denominated in HKD and USD.

Finance Costs

The Group is committed to optimizing its capital structure and reducing financing costs. COFCO Commercial Property Investment Co., Ltd., a non-wholly owned subsidiary of the Company, issued unsecured corporate bonds of RMB700 million on the Shenzhen Stock Exchange in January 2024 with a term of five 3 + 2 years and a coupon interest rate of 3.13%, and with options for the issuer to adjust the coupon rate and bondholders to sell back the bonds at the end of the third year.

In 2024, the Company maintained good relationships with banks and actively broadened financing channels to optimize its financing structure. Despite the US dollars interest rate remains high, the average financing cost stood at 4.10%, which decreased by 0.39 percentage point as compared with the beginning of the year.

Facilities

As at 31 December 2024, the Group had banking facilities of RMB61,388 million, of which unused facilities amounted to RMB22,252 million, all denominated in RMB, HKD and USD, indicating that Group had adequate access to financing and sufficient credit facilities.

In view of the Group's current cash and bank balances, the management of the Company believes that the Group's financial resources are sufficiently available for its future development.

Foreign Exchange Risk

The daily transaction currency for the principal business operations of the Group is Renminbi. Save for certain bank deposits, bank and other borrowings denominated in foreign currencies, the Group is not exposed to any material risk directly arising from the volatility of exchange rate. The Group will pay close attention to the change of financial environment. As for the exchange rate risk caused by the fluctuation of RMB exchange rate, the Group locks such risks through forward and other tools in due course.

EMPLOYEE AND REMUNERATION POLICY

The Group attaches great importance to the selection, employment, training and retainment of talents. In this regard, the Group keeps improving its selection and employment mechanisms, and expands recruitment channels, with the aim to build a diversified talent team and maintain a harmonious and consistent labor relationship with its employees. At present, the Group has established core training projects, including “Core Team Training Camp”, “Golden Helmsman”, “Golden Seed”, “Class 3040”, “Sword Casting Plan”, “New Joy Training Camp”, “Future Star Training Camp” and “Joy Seminar” and so on. It explores the internal courses of the Group, and revitalizes internal training resources by establishing a professional and systematic internal training lecturer team and improving online learning systems to create an all-round talent training system. Through internal recruitment, rotation training and basic training of young beginners and other forms, the Group facilitates internal talents exchange and the talent transfer and promotion. The Group provided employees with competitive salaries and comprehensive benefits by reference to prevailing market pay levels, further optimized its incentive system and adopted a performance-oriented approach to motivate its employees. These efforts have enabled the Group to create a human resources management system with a focus on achieving “common development of employer and employees” and build a competent and efficient workforce to provide strong talent support for the Group in achieving its strategic objectives. As of 31 December 2024, the Group had a total of 3,524 employees.

The employees of the Group’s subsidiaries which operate in the mainland China are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of its payroll costs to the central pension scheme. Further, the Group’s principal retirement benefits scheme available to its Hong Kong employees, namely the Mandatory Provident Fund, is also a defined contribution scheme which is administered by independent trustees. The Group is required to contribute to the Mandatory Provident Fund based on a certain percentage of its employees’ salaries. The contributions made by the Group to the defined contribution schemes above are charged to the statement of profit or loss as they become payable in accordance with the rules of the respective defined contribution schemes. The only obligation of the Group with respect to such defined contribution schemes is to make the specified contributions. There was no forfeited contributions under the defined contribution schemes above. Accordingly, there was no forfeited contribution used by the Group or available for the Group to reduce its existing level of contributions during the year.

DIVIDEND

The Board does not recommend the payment of any final dividend in respect of the year.

ANNUAL GENERAL MEETING

The 2025 AGM will be held on Thursday, 5 June 2025. Notice of 2025 AGM will be published on the websites of the Company at www.joy-cityproperty.com and the Stock Exchange at www.hkexnews.hk and, where applicable, will be sent to Shareholders in due course.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of ascertaining the Shareholders' rights to attend and vote at the 2025 AGM, the register of members of the Company will be closed from Friday, 30 May 2025 to Thursday, 5 June 2025, both days inclusive, during which period no transfer of Shares will be registered. In order to qualify for the right to attend and vote at the 2025 AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration, by no later than 4:30 pm on Thursday, 29 May 2025.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the year ended 31 December 2024, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities (including sale of treasury shares, if any) of the Company. As at 31 December 2024, the Company did not held any treasury shares.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

Throughout the year ended 31 December 2024, the Company has applied the principles and complied with all applicable code provisions and certain recommended best practices of the CG Code, except for the separate roles of chairman and the general manager of the Company since 28 June 2024, as detailed below.

Prior to 28 June 2024, Mr. CHEN Lang served as the Chairman and Mr. YAO Changlin held the position of the General Manager. The Company was in full compliance with the code provisions of the CG Code during this period. Following Mr. CHEN's resignation as the Chairman on 28 June 2024, Mr. YAO undertook the dual roles of the Chairman and the General Manager. While this arrangement deviates from the code provision C.2.1 that recommends these positions should not be held by the same individual to maintain a balance of power and authority, the Board justifies this decision based on Mr. YAO's extensive experience of over 30 years with the COFCO Group and his comprehensive knowledge of the Company's business and strategy since its listing. His leadership and managerial competencies ensure the seamless and continuous execution of the Group's strategies, thus enhancing operational effectiveness. The Board emphasizes that power and authority are not concentrated solely in Mr. YAO's hands, as significant decisions are collectively made with the involvement of the Board, its

committees and senior management. In addition, the Board is composed of eight Non-executive Directors, with three of them holding independent positions, thereby offering a range of expertise and unbiased perspectives to maintain a well-balanced governance structure. The Audit Committee and Remuneration Committee are overseen by Independent Non-executive Directors. While the majority of members in the Remuneration Committee and Nomination Committee consist of Independent Non-executive Directors, the Audit Committee comprises solely Independent Non-executive Directors, reinforcing oversight and ensuring checks and balances. These measures are in place to ensure that management functions are executed effectively with the appropriate level of accountability, thereby safeguarding the interests of the Company and its Shareholders. Consequently, the Board is confident that the current structure maintains a balance of power and authority while protecting the operations and governance of the Group.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct for dealings in the securities of the Company by its Directors (the “**Securities Dealings Code**”) that is based on the Model Code. The terms of the Securities Dealings Code are no less exacting than the required standards set out in the Model Code. All Directors have confirmed, following specific enquiry by the Company, that they have complied with the Securities Dealings Code throughout the year ended 31 December 2024.

REVIEW OF FINANCIAL RESULTS BY THE AUDIT COMMITTEE

The Audit Committee has reviewed together with the management and the auditor of the Company, the accounting policies adopted by the Group and the audited consolidated financial statements of the Group for the year ended 31 December 2024.

EVENTS AFTER THE END OF THE YEAR UNDER REVIEW

There has been no important event or transaction affecting the Group and which is required to be disclosed by the Company to its Shareholders after 31 December 2024 and up to the date of this announcement.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the websites of the Company at www.joy-cityproperty.com and the Stock Exchange at www.hkexnews.hk. The 2024 Annual Report containing all the information required by the Listing Rules will be published on the above websites and, where applicable, printed copies will be dispatched to the Shareholders in due course.

DEFINITIONS

In this announcement, the following expressions have the following meanings unless the context requires otherwise:

“2025 AGM”	the annual general meeting of the Company (or any adjournment thereof) to be held on Thursday, 5 June 2025 at 11:00 a.m.;
“Audit Committee”	the audit committee of the Company;
“Board”	the board of Directors;
“CG Code”	Corporate Governance Code contained in Part 2 of Appendix C1 to the Listing Rules;
“COFCO Corporation”	COFCO Corporation (中糧集團有限公司), a state-owned enterprise incorporated in the PRC in September 1952 under the purview of the State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會), the holding company of Grandjoy Holdings Group and thus an indirect controlling shareholder of the Company;
“Company”	Joy City Property Limited (大悅城地產有限公司), a company incorporated under the laws of Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 207);
“CPS”	non-redeemable convertible preference shares of HK\$0.10 each in the share capital of the Company;
“Director(s)”	director(s) of the Company;
“Grandjoy Holdings Group”	Grandjoy Holdings Group Co., Ltd.* (大悅城控股集團股份有限公司), a company established in the PRC whose A shares are listed on the Shenzhen Stock Exchange (stock code: 000031.SZ) and a controlling shareholder of the Company;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time);

“Model Code”	the Mode Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules;
“PRC or China”	the People’s Republic of China which, for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan;
“RevPAR”	revenue per available room, which is calculated by dividing the total hotel room revenue by the total number of room nights available for sale in a given period;
“RMB”	Renminbi, the lawful currency of the PRC;
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company;
“Shareholder(s)”	registered holder(s) of the Shares;
“sq.m.”	square metre(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong; and
“%”	per cent.

The English names of Chinese entities marked with “” are translations of their Chinese names and are included in this announcement for identification purpose only, and should not be regarded as their official English translation. In the event of any inconsistency, the Chinese name prevails.*

By order of the Board
Joy City Property Limited
YAO Changlin
Chairman

The PRC, 27 March 2025

As at the date of this announcement, the Board comprises Mr. YAO Changlin as Chairman and executive Director; Mr. CHEN Lang, Mr. ZHANG Hongfei, Ms. DONG Baoyun, Mr. ZHANG Mingrui and Mr. WU Lipeng as non-executive Directors; and Mr. LAU Hon Chuen, Ambrose, GBS, JP, Mr. LAM Kin Ming, Lawrence and Mr. CHAN Fan Shing as independent non-executive Directors.