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渝太地產集團有限公司\*  
Y. T. REALTY GROUP LIMITED

(Incorporated in Bermuda with limited liability)  
(Stock Code: 00075)

**2024 Annual Results Announcement**

The board of directors (the “Board” or “Directors”) of Y. T. Realty Group Limited (the “Company”) is pleased to announce the consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2024. The results have been reviewed by the audit committee of the Company.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

For the year ended 31 December 2024

	<i>Notes</i>	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>REVENUE</b>	2, 3		
Sales of properties		4,224,465	7,246,188
Rental income		15,724	27,050
Interest income		1,142	1,130
Total revenue		<u>4,241,331</u>	<u>7,274,368</u>
Cost of sales		<u>(3,401,378)</u>	<u>(6,200,305)</u>
Gross profit		839,953	1,074,063
Other income and gains		33,630	54,068
Other expenses and losses		(1,242)	(232)
Selling and marketing expenses		(387,921)	(639,060)
Administrative expenses		(171,303)	(118,959)
Finance costs	4	(131,764)	(261,167)
Changes in fair value of investment properties		3,688	(132,881)
<b>PROFIT/(LOSS) BEFORE TAX</b>	5	<b>185,041</b>	(24,168)
Income tax expense	6	(163,782)	(49,626)
<b>PROFIT/(LOSS) FOR THE YEAR</b>		<u><b>21,259</b></u>	<u>(73,794)</u>
<b>Attributable to:</b>			
Equity holders of the Company		(3,954)	(30,094)
Non-controlling interests		25,213	(43,700)
		<u><b>21,259</b></u>	<u>(73,794)</u>
<b>LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY</b>			
Basic and diluted	8	<u><b>(HK0.5 cent)</b></u>	<u>(HK3.8 cents)</u>

**Per share information:**

- Proposed final dividend per share	Nil	Nil
- Consolidated net asset value attributable to equity holders of the Company per share	HK\$1.26	HK\$1.29

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

	2024 <i>HKS'000</i>	2023 <i>HKS'000</i>
<b>PROFIT/(LOSS) FOR THE YEAR</b>	<u>21,259</u>	<u>(73,794)</u>
<b>OTHER COMPREHENSIVE INCOME/(LOSS)</b>		
<i>Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:</i>		
Exchange differences on translation of foreign operations	(15,326)	13,292
Release of exchange fluctuation reserve upon disposal of subsidiaries	<u>8,414</u>	<u>(2,372)</u>
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	(6,912)	10,920
<i>Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:</i>		
Change in fair value of an equity investment designated at fair value through other comprehensive income	<u>(560)</u>	<u>(220)</u>
<b>OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR</b>	<u>(7,472)</u>	<u>10,700</u>
<b>TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR</b>	<u><u>13,787</u></u>	<u><u>(63,094)</u></u>
<b>Attributable to:</b>		
Equity holders of the Company	(17,906)	(23,944)
Non-controlling interests	<u>31,693</u>	<u>(39,150)</u>
	<u><u>13,787</u></u>	<u><u>(63,094)</u></u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

31 December 2024

	<i>Note</i>	<b>2024</b> <b>HK\$'000</b>	2023 HK\$'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		195,546	204,406
Investment properties		344,645	759,637
Goodwill		248,603	257,336
Other intangible asset		11,080	11,080
Equity investment designated at fair value through other comprehensive income		1,200	1,760
Deferred tax assets		159,083	134,905
Other receivables		61,655	61,388
Total non-current assets		<u>1,021,812</u>	<u>1,430,512</u>
<b>CURRENT ASSETS</b>			
Properties under development		12,003,558	9,831,941
Interests in land use rights for property development		1,272,175	40,921
Completed properties held for sale		1,645,969	1,841,803
Other receivables, deposits and prepayments		1,918,866	1,704,857
Prepaid income tax		124,365	117,681
Cash and bank balances		950,914	997,547
Total current assets		<u>17,915,847</u>	<u>14,534,750</u>
<b>CURRENT LIABILITIES</b>			
Trade and retention payables	9	2,754,635	1,519,781
Other payables and accrued expenses		1,770,473	1,269,100
Interest-bearing bank and other borrowings		434,783	219,539
Contract liabilities		8,309,714	10,176,114
Tax payable		293,824	118,834
Total current liabilities		<u>13,563,429</u>	<u>13,303,368</u>
<b>NET CURRENT ASSETS</b>		<u>4,352,418</u>	<u>1,231,382</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>5,374,230</u>	<u>2,661,894</u>
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities		30,127	46,819
Interest-bearing bank and other borrowings		4,506,160	1,790,308
Other payables		8,387	9,210
Total non-current liabilities		<u>4,544,674</u>	<u>1,846,337</u>
Net assets		<u>829,556</u>	<u>815,557</u>
<b>EQUITY</b>			
<b>Equity attributable to equity holders of the Company</b>			
Issued share capital		79,956	79,956
Reserves		931,235	949,141
		<u>1,011,191</u>	<u>1,029,097</u>
Non-controlling interests		<u>(181,635)</u>	<u>(213,540)</u>
Total equity		<u>829,556</u>	<u>815,557</u>

Notes:

## 1 Basis of preparation and accounting policies

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong). These financial statements have been prepared on a going concern basis and under the historical cost convention, except for investment properties and an equity investment designated at fair value through other comprehensive income, which have been measured at fair value. These financial statements are presented in Hong Kong dollars (“HK\$”) and all values are rounded to the nearest thousand except when otherwise indicated.

The Group has adopted the following 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> <sup>(a)</sup>
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current</i> (the “2020 Amendments”) <sup>(b)</sup>
Amendments to HKAS 1	<i>Non-current Liabilities with Covenants</i> (the “2022 Amendments”) <sup>(b)</sup>
Amendments to HKAS 7 and HKFRS 7	<i>Supplier Finance Arrangements</i> <sup>(c)</sup>

The nature and the impact of the revised HKFRSs are described below:

- (a) Amendments to HKFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of HKFRS 16, the amendments did not have any impact on the financial position or performance of the Group.
- (b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

- (c) Amendments to HKAS 7 and HKFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity’s liabilities, cash flows and exposure to liquidity risk. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the Group’s financial statements.

## **1. Basis of preparation and accounting policies** *(continued)*

The Group has not early applied any new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements. However, the Group is in the process of making an assessment of the impact of the new and revised HKFRSs upon initial application, certain of which may be relevant to the Group's operation and may result in changes in the Group's accounting policies, and changes in presentation and measurement of certain items of the Group's financial information.

## **2 Operating segment information**

For management purposes, the Group is organised into business units based on its business activities and has three (2023: four) reportable operating segments as follows:

- (a) The property development and trading segment comprises the development and trading of properties;
- (b) The property investment segment invests in properties for rental income and potential capital appreciation; and
- (c) The treasury management segment invests in debt securities and time deposits for earning interest income.

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/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit/loss before tax except that general finance costs, unallocated other income and gains and corporate and other unallocated expenses and losses are excluded from this measurement.

Segment assets exclude property, plant and equipment related to head office, an equity investment designated at fair value through other comprehensive income, other intangible asset, certain unallocated cash and bank balances, unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude general interest-bearing bank and other borrowings, unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

## 2 Operating segment information (continued)

	Property development and trading <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Treasury management <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
<b>2024</b>				
<b>Segment revenue</b> <i>(note 3)</i>	<u>4,224,465</u>	<u>15,724</u>	<u>1,142</u>	<u>4,241,331</u>
<b>Segment results</b>	308,796	37,672	1,129	347,597
Specific finance costs	(119,031)	(9,667)	-	(128,698)
General finance costs				(3,066)
Unallocated other income and gains				2,071
Corporate and other unallocated expenses and losses				<u>(32,863)</u>
Profit before tax				185,041
Income tax expense	(161,231)	(2,551)	-	<u>(163,782)</u>
<b>Profit for the year</b>				<u><u>21,259</u></u>

	Property development and trading <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Treasury management <i>HK\$'000</i>	Corporate and others <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
<b>Assets and liabilities</b>					
Total assets	<u>18,515,024</u>	<u>345,809</u>	<u>-</u>	<u>76,826</u>	<u>18,937,659</u>
Total liabilities	<u>17,893,287</u>	<u>202,067</u>	<u>-</u>	<u>12,749</u>	<u>18,108,103</u>
<b>Other segment information:</b>					
Capital expenditure*	10,926	60,165	-	-	71,091
Depreciation	12,032	-	-	3,896	15,928
Fair value gains on investment properties	-	3,688	-	-	3,688
Gain on disposal of subsidiaries	-	20,118	-	-	20,118
Impairment of properties under development and completed properties held for sale	<u>14,220</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,220</u>

\* Capital expenditure consists of additions of property, plant and equipment and investment properties.

## 2 Operating segment information (continued)

	Property development and trading <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Treasury management <i>HK\$'000</i>	Property management and related services <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>	
2023						
<b>Segment revenue</b> <i>(note 3)</i>	<u>7,246,188</u>	<u>27,050</u>	<u>1,130</u>	<u>-</u>	<u>7,274,368</u>	
<b>Segment results</b>	375,326	(108,398)	1,119	-	268,047	
Specific finance costs	(202,400)	(56,442)	-	-	(258,842)	
General finance costs					(2,325)	
Unallocated other income and gains					1,152	
Corporate and other unallocated expenses and losses					<u>(32,200)</u>	
Loss before tax					(24,168)	
Income tax credit/(expense)	(64,013)	14,387	-	-	<u>(49,626)</u>	
<b>Loss for the year</b>					<u><u>(73,794)</u></u>	
	Property development and trading <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Treasury management <i>HK\$'000</i>	Property management and related services <i>HK\$'000</i>	Corporate and others <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
<b>Assets and liabilities</b>						
Total assets	<u>15,149,999</u>	<u>766,892</u>	<u>-</u>	<u>-</u>	<u>48,371</u>	<u>15,965,262</u>
Total liabilities	<u>14,681,847</u>	<u>455,357</u>	<u>-</u>	<u>-</u>	<u>12,501</u>	<u>15,149,705</u>
<b>Other segment information:</b>						
Capital expenditure*	6,825	66,278	-	-	1,134	74,237
Depreciation	9,602	-	-	-	4,087	13,689
Fair value losses on investment properties	-	132,881	-	-	-	132,881
Reversal of impairment loss on other intangible asset	-	-	-	-	1,120	1,120
Gain on disposal of subsidiaries	42,266	-	-	-	-	42,266
Impairment of properties under development and completed properties held for sale	<u>166,789</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>166,789</u>

## 2 Operating segment information *(continued)*

### Geographical information

(a) Revenue from external customers

	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Mainland China	4,224,465	7,246,188
United Kingdom	15,724	27,050
Hong Kong	1,142	1,130
Total	<u>4,241,331</u>	<u>7,274,368</u>

The revenue information above is based on the locations of the customers.

(b) Non-current assets

	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Mainland China	783,266	747,171
United Kingdom	-	467,650
Hong Kong	16,608	17,638
Total	<u>799,874</u>	<u>1,232,459</u>

The non-current assets information above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

### 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 total revenue of the Group.



### 3 Revenue

An analysis of revenue is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Revenue from contracts with customers</b>		
Sales of properties	4,224,465	7,246,188
<b>Revenue from other sources</b>		
Gross rental income from investment property operating leases:		
Fixed lease payments	15,724	27,050
Interest income from time deposits	1,142	1,130
Subtotal	16,866	28,180
Total revenue	<u>4,241,331</u>	<u>7,274,368</u>

### 4 Finance costs

An analysis of finance costs is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Interest on bank and other borrowings	325,814	240,717
Interest expenses arising from revenue contracts	863,691	1,595,125
Interest on lease liabilities	1,013	915
Imputed interest on retention payables	56,956	55,609
Total interest expenses	1,247,474	1,892,366
Less: Interest capitalised	<u>(1,115,710)</u>	<u>(1,631,199)</u>
Total	<u>131,764</u>	<u>261,167</u>

## 5 Profit/(loss) before tax

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

	<b>2024</b>	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Gross rental income	<b>(15,724)</b>	(27,050)
Less: Outgoings	<u>50</u>	<u>80</u>
Net rental income	<u><b>(15,674)</b></u>	<u>(26,970)</u>
Cost of properties sold	<b>3,387,108</b>	6,033,436
Depreciation of owned assets	<b>11,805</b>	9,740
Depreciation of right-of-use assets	<u><b>4,378</b></u>	<u>4,175</u>
	<b>16,183</b>	13,915
Less: Amount capitalised	<u><b>(255)</b></u>	<u>(226)</u>
Total	<u><b>15,928</b></u>	<u>13,689</u>
Lease payments not included in the measurement of lease liabilities	<b>2,847</b>	1,933
Auditor's remuneration	<b>2,050</b>	2,450
Staff costs (including executive directors' remuneration):		
Wages and salaries	<b>123,489</b>	67,096
Discretionary bonuses	-	1,688
Pension scheme contributions*	<u><b>9,036</b></u>	<u>242</u>
Total	<u><b>132,525</b></u>	<u>69,026</u>
Foreign exchange differences, net**	<b>101</b>	163
Reversal of impairment loss on other intangible asset***	-	(1,120)
Gain on disposal of subsidiaries***	<b>(20,118)</b>	(42,266)
Impairment of properties under development and completed properties held for sale****	<u><b>14,220</b></u>	<u>166,789</u>

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

\*\* These items are included in "Other expenses and losses" in the consolidated statement of profit or loss.

\*\*\* These items are included in "Other income and gains" in the consolidated statement of profit or loss.

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

## 6 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 current and the prior years. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates. The corporation tax rate in the United Kingdom has increased from 19% to 25% from 1 April 2023.

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Current - United Kingdom		
Charge for the year	2,084	3,404
Over-provision in prior years	(93)	(20)
Current - Mainland China		
PRC corporate income tax	136,557	136,174
PRC land appreciation tax	69,996	34,687
	<u>208,544</u>	<u>174,245</u>
Deferred	(44,762)	(124,619)
Total tax expense for the year	<u><u>163,782</u></u>	<u><u>49,626</u></u>

## 7 Dividends

The Board does not recommend the payment of a final dividend in respect of the year ended 31 December 2024 (2023: Nil). No interim dividend was declared in respect of the current year (2023: Nil).

## 8 Loss per share attributable to ordinary equity holders of the Company

The calculation of the basic loss per share amounts is based on the loss for the year attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares in issue during the year.

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2024 and 2023.

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<u>Loss</u>		
Loss for the year attributable to ordinary equity holders of the Company	<u>(3,954)</u>	<u>(30,094)</u>
	<b>Number of shares</b>	
<u>Shares</u>	2024	2023
Weighted average number of ordinary shares in issue during the year	<u><u>799,557,415</u></u>	<u><u>799,557,415</u></u>

## 9 Trade and retention payables

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

	<b>2024</b>	2023
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Trade payables:		
Within 1 month	<b>1,415,589</b>	371,640
Over 1 month but within 2 months	<b>8,875</b>	8,704
Over 2 months but within 3 months	<b>313</b>	423
Over 3 months	<b>59,341</b>	77,277
Subtotal	<b>1,484,118</b>	458,044
Retention payables	<b>1,270,517</b>	1,061,737
Total	<b><u>2,754,635</u></b>	<u>1,519,781</u>

## **DIVIDENDS**

The Board does not recommend the payment of a final dividend for the year ended 31 December 2024 (2023: Nil). No interim dividend was paid during the year (2023: Nil).

## **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from Thursday, 22 May 2025 to Tuesday, 27 May 2025 (both days inclusive) for the purpose of determining the entitlement to attend and vote at the forthcoming annual general meeting of the Company (the “AGM”). During which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the AGM, all completed transfer documents accompanied by the relevant share certificate(s) must be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investors Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Wednesday, 21 May 2025.

## **NET ASSET VALUE**

The consolidated net asset value attributable to equity holders of the Company as at 31 December 2024 was HK\$1,011.2 million (2023: HK\$1,029.1 million). The consolidated net asset value attributable to equity holders of the Company per share as at 31 December 2024 was HK\$1.26 based on 799,557,415 shares in issue as compared to HK\$1.29 per share based on 799,557,415 shares in issue as at 31 December 2023.

## **BUSINESS REVIEW**

In 2024, the global economy was challenging due to inflation and the pressure in the high-interest rate environment in the US and many major economies. In addition, geopolitical tension around the world, and the unresolved trade conflict between the US and China inevitably affected global economic recovery. To stimulate economic recovery, the US Federal Reserve had commenced interest rate cutting cycle in September 2024. However, the prospect of global economic recovery as at the end of 2024 remained uncertain.

In Mainland China, the Central Government continued to implement accommodative monetary policy and necessary fiscal stimulus to support economic recovery throughout the year. Despite the trade and political tension with the US continued, 5% growth in Growth Domestic Product (“GDP”) was recorded in 2024 according to the National Bureau of Statistics of China. The overall property market remained relatively weak as property sales and sales prices declined in most of the year. However, with the easing purchase restrictions and optimizing lending conditions introduced in 2024 to support the recovery of property market, there appeared signs of bottoming of the property market, especially in the first-tier cities and certain second-tier to third-tier cities towards the end of the year.

In the UK, the economy was still affected by high interest rate and there was no significant economic growth for the year. However, in anticipation of interest rate cut cycle in the 2nd half of 2024 and then interest rate cuts began to take place, the property market had shown signs of recovery but at slow pace. The property market in London, with its relatively ideal location in the UK had performed relatively better in 2024 than the prior year especially the private housing sectors.

In Hong Kong, despite the economy recorded moderate GDP growth in 2024 and unemployment rate remained at low level, private consumption expenditure was relatively weak according to the Census and Statistics Department. The overall property market remained weak due to relatively high interest rates and lack of demand and confidence in various key property sectors, especially the retails and office sectors.

## **BUSINESS REVIEW** *(continued)*

In 2024, the Group's total revenue amounted to HK\$4,241.3 million, representing a decrease of 41.7% from HK\$7,274.4 million recorded in 2023. Revenue from property sale decreased by 41.7% to HK\$4,224.5 million from HK\$7,246.2 million in 2023. Rental income from investment properties amounted to HK\$15.7 million, a decrease of 41.9% compared to HK\$27.1 million in 2023. Treasury management income amounted to HK\$1.1 million which is approximately the same as the prior year.

In 2024, the Group recorded a loss attributable to shareholders in the amount of HK\$4.0 million as compared to net loss of HK\$30.1 million in 2023. Loss per share for 2024 was HK0.5 cent (2023: loss per share HK3.8 cents).

In 2024, the revaluation of the Group's investment properties resulted in a gain of HK\$3.7 million (2023: loss of HK\$132.9 million). The change in value based on revaluation was reported in the consolidated statement of profit or loss.

### **Property Development and Trading**

In 2024, the Group had four pre-sales property projects in Sichuan, PRC. The aggregate contract sales in 2024 was approximately HK\$2,280.7 million (2023: HK\$4,075.8 million) and the revenue recognised amounted to HK\$4,224.5 million (2023: HK\$7,246.2 million) for the year.

The summary of contract sales in 2024 is as follows:

<b>Projects</b>	<b>Location</b>	<b>Contract Sales RMB'M</b>	<b>Contract Sales GFA Sqm</b>	<b>Average Selling Price RMB/Sqm</b>
Binjiang Wisdom City	Meishan, Sichuan	336.4	45,617	7,375
The City of Islands	Meishan, Sichuan	1,711.2	204,950	8,349
Joyous Time	Chengdu, Sichuan	31.6	1,876	16,855
Luhu Mansion of Value	Chengdu, Sichuan	28.1	542	51,826

### **Property Investment**

As at the end of 2024, the Group's major investment properties include investment properties under construction in Sichuan, PRC.

Gross rental income for the year amounted to HK\$15.7 million, a decrease of 41.9% as compared with last year's rental income of HK\$27.1 million.

### **Treasury Management**

In 2024, treasury management income amounted to HK\$1.1 million which is approximately the same as 2023.

### **Material Disposal**

On 30 May 2024, the Group entered into an agreement to dispose of the entire issued capital of Hillstar Corporate Limited ("Hillstar Corporate"), an indirect wholly-owned subsidiary of the Group. Hillstar Corporate indirectly held 100% interest of the Group's investment property known as 1 Harrow Place which is a hotel property in London, the UK. The total consideration for the disposal was HK\$33.75 million. Completion took place on 26 July 2024. Further details of the disposal were already disclosed in the relevant announcements dated 30 May 2024 and 28 June 2024 published by the Company.

## **BUSINESS REVIEW** *(continued)*

### **LIQUIDITY AND FINANCIAL RESOURCES**

As at 31 December 2024, the Group had net borrowing of HK\$3,990.0 million (2023: HK\$1,012.3 million), consisting of cash and bank balances of HK\$950.9 million (2023: HK\$997.5 million) and total borrowings of HK\$4,940.9 million (2023: HK\$2,009.8 million). The gearing ratio of the Group was 394.6% (2023: 98.4%). The gearing ratio is calculated as the ratio of net borrowings to shareholders' funds.

As at 31 December 2024, the total cash and bank balances amounted to HK\$950.9 million (2023: HK\$997.5 million), approximately 98.7% (2023: 96.7%) was denominated in Renminbi ("RMB"), 1.1% (2023: 1.6%) in Hong Kong dollar ("HKD"), 0.1% (2023: 1.1%) in U.S. dollar, and 0.1% (2023: 0.6%) in British Pound Sterling ("GBP").

As at 31 December 2024, the Group's total borrowings amounted to HK\$4,940.9 million (2023: HK\$2,009.8 million). Certain borrowings are secured by the pledge of certain property interest and equity interests in certain subsidiaries of the Group. 100% of the total borrowings was denominated in RMB. (2023: Approximately 77.8% of total borrowings was denominated in RMB and 22.2% in HKD). The Group proactively managed its financial resources and devised appropriate funding plan for working capital and capital expenditure.

The maturity profile of the Group's bank and other borrowings as at 31 December 2024 is as follows:

	<i><b>HK\$'M</b></i>	<i><b>Percentage</b></i>
Repayable:		
Within one year or on demand	434.8	8.8%
In the second year	3,426.7	69.4%
In the third to fifth years, inclusive	1,079.4	21.8%
	<hr/>	<hr/>
Total	<u>4,940.9</u>	<u>100.0%</u>

As at 31 December 2024, the Group has its major property business operations in PRC. Therefore, it is primarily subject to foreign exchange rate fluctuation of RMB.

### **CONTINGENT LIABILITIES / FINANCIAL GUARANTEES**

As at 31 December 2024, the Group provided financial guarantees to certain banks in respect of mortgage facilities provided for certain purchasers of the Group's properties in the PRC amounting to HK\$7,419.7 million (2023: HK\$7,338.2 million).

Save as disclosed above, the Group did not have any contingent liabilities as at 31 December 2024 (2023: Nil).

## **PROSPECTS AND STRATEGIES**

Looking ahead, the global economy is expected to remain challenging and volatile. Even though inflation for the US and many major economies had decreased from its high and the interest rate cut cycle had commenced in 2024, the magnitude and frequency of rate cuts remain unclear and sustainable global economic recovery will take time to materialize.

In Mainland China, sustainable economic growth will depend on various key factors such as domestic policies, global economic conditions, new tariffs imposed by the US. It is expected that the Central Government will continue its effort to provide proactive and accommodative monetary policy and fiscal stimulus to ensure stable economic growth. Necessary supportive policies and measures by the Central Government as well as local government are expected to continue to support recovery of the property market which is vital to the overall economy. It is anticipated that the property market will pick up momentum and gradually recover and improve in the long run.

In the UK, the economic growth will depend on the magnitude of interest rate cuts and the overall economic conditions around the world. It is anticipated that the property market may improve if the interest rate is reduced to substantial level to stimulate economic expansion and property investment activities. After completion of the disposal of the Group's London investment property on 26 July 2024, the Group has no investment project in the UK. However, the Group will continue to monitor market conditions in the UK and assess the viability of the UK property market for future investment opportunities.

In Hong Kong, it is anticipated that the pace of economic growth will be moderate and continue to be affected by the interest rate cycle of the US and key factors such as tourism, local consumer spending, and the economic growth of Mainland China. It is expected that the property market across sectors will remain weak until substantial interest rate decrease takes place and market confidence is restored to encouraging level.

In this challenging economic environment, the Group will continue to adopt prudent and proactive approach for its business operations and development. The Group will look for business opportunities in property markets with stable and economic prospects for sustainable growth to enhance the returns for our shareholders in the long run. The Group will continue its efforts in the property business in Mainland China which is expected to improve gradually under the continuous supportive policies and measures by the Central Government and local government authorities.

## **STAFF**

As at 31 December 2024, the Group employed 391 staff members. Staff remuneration is reviewed by the Group from time to time. In addition to salaries, the Group provides staff benefits including medical insurance, pension scheme and discretionary vocational tuition/training subsidies. Share options and bonuses are also available to employees of the Group at the discretion of the Directors depending upon the financial performance of the Group.

## **CORPORATE GOVERNANCE CODE**

Throughout the year ended 31 December 2024, the Company complied with the code provisions of the Corporate Governance Code in force (the "CG Code") set out within Appendix C1 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited save for the deviations from C.2.1 and C.3.3 as described below.



## **CORPORATE GOVERNANCE CODE***(continued)*

The Company has deviated from C.2.1 of the CG Code to the extent that the roles of chairman and chief executive are performed by Mr. Wong Hy Sky (“Mr. Wong”). Having considered the existing structure and composition of the Board and operations of the Group, the Board believes that vesting the roles of both chairman and managing director in Mr. Wong facilitates the effective implementation and execution of its business strategies by, and ensure a consistent leadership for, the Group. Further, a balance of power and authority between the Board and management can be ensured by the operation of the Board, whose members (including the three independent non-executive Directors of the Company) are individuals of high calibre with ample experience, such that the interests of shareholders can be safeguarded. The Company will continue to review the structure and composition of the Board from time to time to ensure that a balance of power and authority between the Board and management is appropriately maintained for the Group.

Except for Wong Hy Sky, Li Li and Lai Degang who have entered into formal letters of appointment setting out the key terms and conditions of their appointment, the Company has not entered into formal letter of appointment with other Directors which deviated from C.3.3 of the CG Code. This notwithstanding, every Director, including those appointed for a specific term, shall be subject to retirement by rotation, removal, vacation or termination of the office as a director, and disqualification to act as a director in the manner specified in the Company’s bye-laws, applicable laws and the Listing Rules. Shareholders are sent (at the same time as the notice of the relevant general meeting) a circular containing all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the ordinary resolution to approve the re-election of each retiring Director who stands for re-election at the meeting, including the information required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

## **MODEL CODE FOR SECURITIES TRANSACTIONS**

The Company has adopted codes of conduct regarding securities transactions by Directors and by relevant employees (within the meaning of the CG Code) on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers set out within Appendix C3 to the Listing Rules (the “Model Code”).

All Directors confirmed that they had complied with the required standard set out within the Model Code and the Company’s code of conduct regarding directors’ securities transactions throughout the year.

## **AUDIT COMMITTEE REVIEW**

The audit committee of the Company (the “Audit Committee”) comprises three members, including Mr. Luk Yu King, James (Chairman of the Audit Committee), Mr. Leung Yu Ming, Steven and Mr. Lai Degang, all being independent non-executive Directors. The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, financial control, internal controls system, risk management and financial reporting matters including the review of the consolidated financial statements of the Company for the year ended 31 December 2024.

## **SCOPE OF WORK OF ERNST & YOUNG (“EY”)**

The figures in respect of the preliminary announcement of the Group’s consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 December 2024 as set out in the preliminary announcement have been agreed by the Company’s auditors, EY, to the amounts set out in the Group’s draft consolidated financial statements for the year. The work performed by EY in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by EY on the preliminary announcement.

## **PURCHASE, SALE OR REDEMPTION OF SHARES**

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any shares in the Company during the year.

On behalf of the Board  
**Wong Hy Sky**  
*Chairman and Managing Director*

Hong Kong, 27 March 2025

*As at the date hereof, the Board comprises Wong Hy Sky, Liu Jie and Li Li who are executive Directors; and Luk Yu King, James, Leung Yu Ming, Steven and Lai Degang, who are independent non-executive Directors.*

*\*For identification purposes only*