SUNAC CHINA HOLDINGS LIMITED
融創中國控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01918)

AUDITED RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

RESULTS HIGHLIGHTS

For the year ended 31 December 2024:

- Contracted sales amount of the Group and its joint ventures and associates was approximately RMB47.14 billion;
- As at 31 December 2024, attributable land bank of the Group and its joint ventures and associates was approximately 87.565 million sq.m., of which approximately 63.01 million sq.m. was unsold;
- Revenue of the Group was approximately RMB74.02 billion, representing a decline of approximately 52% as compared to last year;
- Gross profit of the Group was approximately RMB2.89 billion, as compared to a gross loss of approximately RMB2.50 billion last year;
- Loss attributable to owners of the Company was approximately RMB25.70 billion, as compared to loss attributable to owners of the Company of approximately RMB7.97 billion last year; the significant increase in the loss attributable to owners of the Company for the year as compared with last year was primarily due to the gain recorded from offshore debt restructuring last year. When removing the impacts of gains from debt restructuring in both periods, the loss attributable to owners of the Company for the year represented a decrease as compared to last year;

- As at 31 December 2024, cash balance of the Group was approximately RMB19.75 billion, as compared to cash balance of approximately RMB24.62 billion as at the end of last year;

- As at 31 December 2024, the Group's total equity was approximately RMB55.15 billion, of which the equity attributable to owners of the Company was approximately RMB40.52 billion;

- As at 31 December 2024, total borrowings of the Group were approximately RMB259.67 billion, representing a decline of approximately RMB18.16 billion as compared to approximately RMB277.83 billion at the end of last year; and

- The Board did not recommend the payment of any final dividend for the year ended 31 December 2024.

The board (the "Board") of directors (the "Directors") of Sunac China Holdings Limited (the "Company") announces the audited consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2024 with comparative figures for the year ended 31 December 2023, as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

		Year ended 31 December	
	Note	**2024**	2023
		RMB'000	*RMB'000*
Revenue	*3*	**74,019,193**	154,230,892
Cost of sales	*9*	**(71,127,085)**	(156,733,635)
Gross profit/(loss)		**2,892,108**	(2,502,743)
Other income and gains	*10*	**16,429,425**	38,533,459
Selling and marketing costs	*9*	**(2,145,136)**	(4,871,869)
Administrative expenses	*9*	**(3,652,642)**	(5,494,204)
Other expenses and losses	*11*	**(21,132,520)**	(25,073,652)
Net impairment losses under expected credit loss model	*9*	**(3,327,283)**	(2,524,972)
Operating loss		**(10,936,048)**	(1,933,981)
Finance income	*12*	**149,978**	239,153
Finance expenses	*12*	**(11,831,772)**	(6,299,861)
Finance expenses – net		**(11,681,794)**	(6,060,708)
Share of post-tax (losses)/profits of associates and joint ventures accounted for using the equity method, net	*4*	**(1,631,036)**	2,860,769
Loss before income tax		**(24,248,878)**	(5,133,920)
Income tax expenses	*13*	**(3,155,149)**	(5,277,570)
Loss and total comprehensive loss for the year		**(27,404,027)**	(10,411,490)

	Note	Year ended 31 December 2024 RMB'000	2023 RMB'000
Loss and total comprehensive loss attributable to:			
– Owners of the Company		**(25,695,200)**	(7,968,963)
– Non-controlling interests		**(1,708,827)**	(2,442,527)
		(27,404,027)	(10,411,490)
Loss per share attributable to owners of the Company (expressed in RMB per share):	*14*		
– Basic		**(3.00)**	(1.43)
– Diluted		**(3.00)**	(1.43)

CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2024

		As at 31 December	
	Note	**2024**	2023
		RMB'000	*RMB'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**52,861,880**	65,613,235
Investment properties		**19,237,181**	22,098,863
Right-of-use assets		**12,262,315**	13,925,833
Intangible assets		**3,084,591**	2,949,617
Deferred tax assets		**32,972,177**	33,482,587
Investments accounted for using the equity method	*4*	**62,848,123**	69,251,089
Financial assets at fair value through profit or loss		**10,068,514**	11,397,419
Other receivables	*5*	**47,015**	50,758
Prepayments	*6*	**34,289**	530,887
Other non-current assets		**–**	50,000
		193,416,085	219,350,288
Current assets			
Properties under development		**407,393,056**	477,359,149
Completed properties held for sale		**108,413,849**	99,222,220
Inventories		**541,455**	567,532
Trade and other receivables	*5*	**52,171,432**	52,818,525
Contract costs		**4,026,070**	4,812,288
Amounts due from related companies		**72,238,795**	70,393,635
Prepayments	*6*	**13,102,047**	15,021,667
Prepaid income tax		**11,177,420**	13,057,567
Financial assets at fair value through profit or loss		**642,711**	628,210
Restricted cash		**12,014,562**	17,566,748
Cash and cash equivalents		**7,730,669**	7,056,374
Other current assets		**15,000**	–
		689,467,066	758,503,915
Total assets		**882,883,151**	977,854,203

	Note	As at 31 December 2024 RMB'000	2023 RMB'000
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital		**817,490**	734,205
Other reserves		**46,624,606**	42,893,656
(Accumulated losses)/retained earnings		**(6,920,988)**	18,801,056
		40,521,108	62,428,917
Non-controlling interests		**14,625,260**	21,356,948
Total equity		**55,146,368**	83,785,865
LIABILITIES			
Non-current liabilities			
Borrowings	*8*	**73,581,837**	96,633,862
Derivative financial instruments		**–**	2,108,145
Lease liabilities		**344,611**	430,313
Deferred tax liabilities		**10,773,159**	15,594,359
Other payables	*7*	**50,124**	55,624
		84,749,731	114,822,303
Current liabilities			
Trade and other payables	*7*	**264,713,015**	281,957,998
Contract liabilities		**157,208,070**	194,809,944
Amounts due to related companies		**51,028,240**	46,758,490
Current income tax liabilities		**72,512,109**	70,888,803
Borrowings	*8*	**186,085,847**	181,199,711
Derivative financial instruments		**3,430,262**	–
Lease liabilities		**100,443**	141,306
Provisions		**7,909,066**	3,489,783
		742,987,052	779,246,035
Total liabilities		**827,736,783**	894,068,338
Total equity and liabilities		**882,883,151**	977,854,203

NOTES

1 GENERAL INFORMATION

Sunac China Holdings Limited (the "Company") and its subsidiaries (together, the "Group") are principally engaged in the businesses of property development and investment, cultural and tourism city construction and operation, property management services and other services in the People's Republic of China (the "PRC").

The Company is a limited liability company incorporated in Cayman Islands. The address of its registered office is One Nexus Way, Camana Bay, Grand Cayman KY1-9005, Cayman Islands.

The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

These financial statements are presented in Renminbi ("RMB"), unless otherwise stated.

2 ACCOUNTING POLICIES

(i) Compliance with HKFRS and HKCO

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

(ii) Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except for financial assets at fair value through profit or loss ("FVPL"), derivative financial instruments and investment properties that are measured at fair value.

(iii) Going concern basis

The Group incurred a net loss of approximately RMB27.40 billion for the year ended 31 December 2024 and, as at 31 December 2024, the Group had net current liabilities of approximately RMB53.52 billion.

As at 31 December 2024, the Group's current and non-current borrowings amounted to approximately RMB186.09 billion and RMB73.58 billion respectively, while the Group had total cash (including cash and cash equivalents and restricted cash) amounting to approximately RMB19.75 billion. As at 31 December 2024, the Group had not repaid borrowings in principal amount of approximately RMB105.80 billion in aggregate according to their scheduled repayment dates, and as a result, borrowings in principal amount totalling of approximately RMB64.57 billion might be demanded for early repayment. Up to the date of approval of these consolidated financial statements, the Group had not repaid borrowings in principal amount of approximately RMB109.35 billion in aggregate according to their scheduled repayment dates and as a result, borrowings in principal amount totalling of approximately RMB56.44 billion might be demanded for early repayment. In addition, the Group was involved in various litigation and arbitration cases for various reasons.

On 10 January 2025, the Company received a winding-up petition (the "Petition") filed by China Cinda (HK) Asset Management Co., Limited (the "Petitioner") at the High Court of the Hong Kong Special Administrative Region (the "High Court") in relation to the non-repayment of the loan to the Petitioner as lender by Shining Delight Investment Limited (an indirect wholly owned subsidiary of the Company) as borrower and the Company as guarantor, in the aggregate principal amount of US$30,000,000 and accrued interests. The Petition may prompt other creditors of the Group to demand acceleration of payments or to pursue enforcement action of the relevant indebtedness, including senior notes, convertible bonds, mandatory convertible bonds and long-term borrowings with principal amounts of totalling approximately RMB50.69 billion, owed to them. At the hearing of the High Court on 24 March 2025, the High Court ordered the hearing of the Petition to be adjourned to 28 April 2025.

In light of the above, the Directors have carefully considered the Group's expected cash flow projections for the next 18 months from 31 December 2024 and have given due consideration to the matters that give rise to material doubt as to its ability to continue as a going concern, and accordingly, have proactively come up with debt solutions to alleviate the liquidity pressure. The Group has continued to implement the following plans and measures:

- During the period from December 2024 to January 2025, the restructuring plans in relation to the onshore corporate bonds and supply chain asset-backed plans (collectively, the "Bonds") issued by Sunac Real Estate Group Co., Ltd. ("Sunac Real Estate"), a wholly-owned subsidiary of the Group, have been considered and approved at the relevant meetings of bondholders, whereby the repayment arrangements in regard to the principal and interest of the Bonds will be adjusted, the repayment period has been extended 5 to 9.5 years with the interest rates for both historical accrued and unpaid interest and future interest reduced to 1% per annum, and restructuring plan options including bond repurchase (i.e. cash tender offer), payment via equity and/or equity economic income right and debt settlement with assets will be provided ("Onshore Debt Restructuring Plan"). As a next step, Sunac Real Estate will coordinate with the bondholders to select and allocate options under the restructuring plan based on the amount of Bonds they hold, in accordance with the relevant provisions of the bondholder meeting resolutions;

- Considering the impact of the Petition on the Company, and recognising that the current market conditions are significantly short of expectations set when the prior offshore debt restructuring plan was formulated, the Company will seek a more comprehensive and holistic offshore debt solution. As of the date of approval of these consolidated financial statements, the Company has commenced the offshore debt restructuring work and has appointed Houlihan Lokey (China) Limited and Sidley Austin as its financial and legal advisers in the offshore debt restructuring, respectively, to assist the Company in formulating a comprehensive and holistic offshore debt restructuring plan (the "Proposed Offshore Restructuring Plan"). The Company, together with its financial adviser, has always maintained active communication with the offshore creditors and endeavored to reach agreements with the relevant creditors on the Proposed Offshore Restructuring Plan as soon as possible. The Directors and the management of the Company are confident in obtaining the support from the relevant creditors and completing the Proposed Offshore Restructuring Plan;

- The Group has been actively negotiating with other lenders on the extension of borrowings, and up to the date of approval of these consolidated financial statements, extension of loans of approximately RMB41.12 billion has been agreed. Due to the diverse lender base and changing market environment, it takes time to finalise the extension plans case-by-case. Having considered the market environment, the successful extension of certain loans, the Group's credit history and longstanding relationships with the relevant lenders, the Group is confident that it will have the extension agreements for relevant outstanding loans gradually signed or have the relevant issues gradually resolved in other comprehensive ways;

- The Group is actively seeking new financing or additional capital inflows through various channels, including but not limited to new financing from asset management companies or financial institutions, special loan for guaranteed home delivery and ancillary borrowings, business cooperation with partners, asset disposal, etc., and up to the date of approval of these consolidated financial statements, the Group has endeavoured to achieve certain business cooperation and has obtained additional financing or additional capital inflows for a number of projects in the above areas. On 24 September 2024, the People's Bank of China and the National Financial Regulatory Administration issued the Notice on Extending the Duration of Certain Real Estate Financial Policies (《關於延長部分房地產金融政策期限的通知》). The notice extends the applicable period of policies supporting reasonable extensions for existing financing — including development loans and trust loans — until 31 December 2026. Concurrently, it prolongs the validity of related policies outlined in the Notice of the General Office of the People's Bank of China and the General Office of the National Financial Regulatory Administration on Strengthening the Management of Commercial Property Loans (《中國人民銀行辦公廳國家金融監督管理總局辦公廳關於做好經營性物業貸款管理的通知》) to the same deadline. These measures aim to meet the reasonable financing needs of the real estate sector and promote stable and healthy market development. The Group will also endeavour to seize such opportunities to further seek new facilities or additional funds;

- The Group has been actively communicating with creditors to resolve the pending onshore lawsuits. Up to the date of approval of these consolidated financial statements, the Group has completed the settlement arrangements with certain creditors. The Group will continue to pursue diligently to reach an amicable settlement as soon as possible, taking account of the availability of financial resources to the Group, so as to deal with the litigations which have not yet come to a definitive conclusion at this stage;

- The Group has adjusted its organizational structure to be more flat to reduce the management levels, reduce the headcount, enhance management efficiency and effectively control costs and expenses;

- The Group will take measures to accelerate the pre-sale and sale of properties under development and completed properties. In addition, the Group will continue to implement initiatives to expedite the collection of sales proceeds and recovery of other receivables. The Group believes that with the intensifying policy support from the central government, coupled with the stabilization and recovery of the overall economy and the restoration of market confidence, the long-term supply and demand dynamics in the real estate market will rebalance, leading to a gradual stabilization of the market. Therefore, the Group will proactively adjust its sales and pre-sale strategies to respond to market changes and seize emerging demand opportunities; and

- The Group will always actively assume the primary responsibility, respond to the government's call for guaranteed home delivery, and continue to strive to complete the guaranteed home delivery. The government has been constantly adjusting and optimising its real estate regulation and control policies and introducing supportive policies, with a view to stabilising market expectations and facilitating the gradual recovery of the market. The Group will proactively keep up with the current policy window and make full use of the industry support policies, resolutely complete the task of guaranteed home delivery, and proactively resolve debt risks in an orderly manner.

In the Directors' opinion, in view of the above plans and measures, the Group will be able to adequately fund its ordinary operations and meet its financial obligations as and when they fall due within the next 18 months from 31 December 2024. Accordingly, the Directors consider that the preparation of the consolidated financial statements as at 31 December 2024 on a going concern basis is appropriate.

The management has formulated a number of plans and taken a number of measures, but the Group's ability to continue as a going concern still depends on:

(i) whether the Proposed Offshore Restructuring Plan can be formulated and completed;

(ii) whether it can successfully negotiate with the remaining lenders on the extension or deferral of the repayment of the Group's certain borrowings;

(iii) whether new and additional financing resources will be available as and when required;

(iv) whether deal with the litigations to reach an amicable settlement which have not yet come to a definitive conclusion and have a significant impact on operations; and

(v) whether asset value is realisable, sales targets are achievable and sales business will be more stable in the future.

The above conditions indicate the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern.

Since 2022, the real estate market in mainland China has gone through adjustment with duration and depth beyond previous expectations. There is uncertainty as to the stabilization and recovery of the Group's sales and the continued support from banks and the Group's lenders, hence, there is significant uncertainty as to the Group's ability to implement the above plans and measures.

If the Group is unable to achieve the above plans and measures and unable to continue as a going concern, adjustments must be made to reduce the carrying amount of the Group's assets to recoverable amounts, to provide for any future liabilities that may arise, and to reclassify non-current assets and non-current liabilities to current assets and current liabilities, respectively. The effect of these adjustments has not been reflected in the consolidated financial statements.

(iv) New standards, amendments and interpretation adopted by the Group

The Group has applied the following new standards, amendments and interpretation for the first time for its annual reporting period commencing 1 January 2024:

- *Classification of Liabilities as Current or Non-current* – Amendments to HKAS 1;
- *Non-current Liabilities with Covenants* – Amendments to HKAS 1;
- *Lease liability in a Sale and Leaseback* – Amendments to HKFRS 16;
- *Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause* – Amendments to Hong Kong Interpretation 5 (Revised); and
- *Supplier Finance Arrangements* – Amendments to HKAS 7 and HKFRS 7.

The new standards, amendments and interpretation listed above did not have any material impact on the amounts recognised in prior and current periods.

(v) New standards, amendments and interpretation not yet adopted

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2024 reporting periods and have not been early adopted by the Group. These standards, amendments or interpretations are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

	Effective for the financial year beginning on or after
Lack of Exchangeability – Amendments to HKAS 21 and HKFRS 1	1 January 2025
Contracts Referencing Nature – Dependent Electricity – Amendments to HKFRS 9 and HKFRS 7	1 January 2026
Amendments to the Classification and Measurement of Financial Instruments – Amendments to HKFRS 9 and HKFRS 7	1 January 2026
Annual Improvements to HKFRS – Volume 11	1 January 2026
Presentation and Disclosure in Financial Statements – HKFRS 18	1 January 2027
Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause – Amendments to Hong Kong Interpretation 5	1 January 2027
Subsidiaries without Public Accountability: Disclosures – HKFRS 19	1 January 2027
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to HKFRS 10 and HKAS 28	To be determined

3 SEGMENT INFORMATION

The executive directors of the Company review the Group's internal reporting in order to assess performance and allocate resources of the Group. The executive directors of the Company have determined the operating segments based on these reports.

The executive directors of the Company assess the performance of the Group organised as follows:

- Property development
- Cultural and tourism city construction and operation
- Property management
- All other segments

In 2024, the Group combined the fitting and decoration services into the property development segment to better reflect the Group's updated business strategies and the development phases of various businesses. The segment information of 2023 was restated correspondingly.

Other segments mainly include film and culture investment, office building rentals and other business. The results of these operations are included in the "all other segments" column.

The performance of above reportable segments is assessed based on a measure of profit before depreciation and amortisation, finance expenses and income tax expenses, which is defined as segment results. The segment results exclude the onshore and offshore debt restructuring gains, the fair value gains or losses on financial assets at FVPL and derivative financial instruments and disposal gains or losses on financial assets at FVPL, which are managed on a central basis.

Segment assets primarily consist of all assets excluding deferred tax assets, prepaid income tax and financial assets at FVPL, which are managed on a central basis. Segment liabilities primarily consist of all liabilities excluding derivative financial instruments, deferred tax liabilities and current income tax liabilities.

The Group's revenue is mainly attributable to the market in the PRC and over 90% of the Group's non-current assets are located in the PRC. No geographical information is therefore presented.

The Group has a large number of customers, none of whom contributed 10% or more of the Group's revenue.

The segment results are as follows:

	Year ended 31 December 2024				
	Property development *RMB'000*	Cultural and tourism city construction and operation *RMB'000*	Property management *RMB'000*	All other segments *RMB'000*	Total *RMB'000*
Total segment revenue	**61,234,808**	**5,208,104**	**6,969,501**	**697,262**	**74,109,675**
Inter-segment revenue	**–**	**–**	**(90,482)**	**–**	**(90,482)**
Revenue from external customers	**61,234,808**	**5,208,104**	**6,879,019**	**697,262**	**74,019,193**
Segment gross profit	**407,224**	**3,068,516**	**1,582,611**	**292,944**	**5,351,295**
Net impairment losses under expected credit loss model	**(2,998,541)**	**–**	**(328,742)**	**–**	**(3,327,283)**
Net fair value losses on investment properties	**–**	**(1,396,000)**	**(9,960)**	**(168,549)**	**(1,574,509)**
Interest income	**1,258,985**	**–**	**9,026**	**–**	**1,268,011**
Finance income	**105,776**	**4,364**	**39,505**	**333**	**149,978**
Share of post-tax losses of associates and joint ventures accounted for using the equity method, net	**(1,572,055)**	**(6,826)**	**(829)**	**(51,326)**	**(1,631,036)**
Segment results	**(10,462,387)**	**(5,841,647)**	**769,873**	**(442,645)**	**(15,976,806)**
Other information					
Capital expenditure	**2,207,058**	**853,309**	**63,579**	**128,027**	**3,251,973**

	As at 31 December 2024				
	Property development *RMB'000*	**Cultural and tourism city construction and operation** *RMB'000*	**Property management** *RMB'000*	**All other segments** *RMB'000*	**Total** *RMB'000*
Total segment assets	**730,789,184**	**74,878,607**	**13,472,514**	**8,882,024**	**828,022,329**
Investments accounted for using the equity method	**59,781,070**	**1,307,500**	**33,464**	**1,726,089**	**62,848,123**
Total segment liabilities	**707,373,681**	**23,576,977**	**4,847,634**	**5,222,961**	**741,021,253**

	Year ended 31 December 2023 (Restated)				
	Property development *RMB'000*	Cultural and tourism city construction and operation *RMB'000*	Property management *RMB'000*	All other segments *RMB'000*	Total *RMB'000*
Total segment revenue	140,795,561	5,915,164	7,009,517	919,646	154,639,888
Inter-segment revenue	–	–	(408,996)	–	(408,996)
Revenue from external customers	140,795,561	5,915,164	6,600,521	919,646	154,230,892
Segment gross (loss)/profit	(4,350,910)	3,123,875	1,738,427	(186,726)	324,666
Net impairment losses under expected credit loss model	(2,224,125)	–	(300,847)	–	(2,524,972)
Net fair value losses on investment properties	–	(3,895,516)	(14,847)	(36,509)	(3,946,872)
Interest income	1,496,193	–	27,110	–	1,523,303
Finance income	176,874	–	62,279	–	239,153
Share of post-tax profits/(losses) of associates and joint ventures accounted for using the equity method, net	2,918,596	(1,915)	5,319	(61,231)	2,860,769
Segment results	(12,036,409)	(14,753,345)	674,572	(543,404)	(26,658,586)
Other information					
Capital expenditure	884,379	3,521,583	114,007	22,157	4,542,126

	As at 31 December 2023 (Restated)				
	Property development *RMB'000*	Cultural and tourism city construction and operation *RMB'000*	Property management *RMB'000*	All other segments *RMB'000*	Total *RMB'000*
Total segment assets	804,604,846	93,350,588	12,998,348	8,334,638	919,288,420
Investments accounted for using the equity method	66,279,142	1,315,616	56,683	1,599,648	69,251,089
Total segment liabilities	771,747,108	23,866,852	4,904,335	4,958,736	805,477,031

Reportable segment results are reconciled to total loss as follows:

	2024 *RMB'000*	2023 *RMB'000*
Total segment results	**(15,976,806)**	(26,658,586)
Depreciation and amortisation	**(2,981,520)**	(3,584,039)
Finance expenses	**(11,831,772)**	(6,299,861)
Other income and gains	**8,789,363**	32,835,946
Other expenses and losses	**(2,248,143)**	(1,427,380)
Income tax expenses	**(3,155,149)**	(5,277,570)
Loss for the year	**(27,404,027)**	(10,411,490)

Reportable segments' assets and liabilities are reconciled to total assets and liabilities as follows:

	31 December 2024 *RMB'000*	31 December 2023 *RMB'000*
Total segment assets	**828,022,329**	919,288,420
Deferred tax assets	**32,972,177**	33,482,587
Other assets	**21,888,645**	25,083,196
Total assets	**882,883,151**	977,854,203
Total segment liabilities	**741,021,253**	805,477,031
Deferred tax liabilities	**10,773,159**	15,594,359
Other liabilities	**75,942,371**	72,996,948
Total liabilities	**827,736,783**	894,068,338

4 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

The amounts recognised in the balance sheet are as follows:

	31 December 2024	31 December 2023
	RMB'000	*RMB'000*
Joint ventures	**47,334,307**	53,400,856
Associates	**15,513,816**	15,850,233
	62,848,123	69,251,089

The share of (losses)/profits from investments accounted for using the equity method recognised in the statement of comprehensive income is as follows:

	2024	2023
	RMB'000	*RMB'000*
Share of (losses)/profits of joint ventures, net	**(805,127)**	1,870,950
Share of (losses)/profits of associates, net	**(825,909)**	989,819
	(1,631,036)	2,860,769

4.1 Investments in joint ventures

An analysis of the movement of equity investments in joint ventures is as follows:

	2024	2023
	RMB'000	*RMB'000*
At beginning of year	**53,400,856**	58,327,840
Increasing:		
– New investments in joint ventures	**126,200**	940,530
– Subsidiaries becoming joint ventures	**787,123**	1,531,463
Decreasing:		
– Disposal and capital decreasing of joint ventures	**(4,385,154)**	(6,917,869)
– Impact on asset acquisition transactions	**(1,170,142)**	(372,935)
Share of (losses)/profits of joint ventures, net	**(805,127)**	1,870,950
Dividends from joint ventures	**(619,449)**	(1,979,123)
At end of year	**47,334,307**	53,400,856

4.2 Investments in associates

An analysis of the movement of equity investments in associates is as follows:

	2024	2023
	RMB'000	*RMB'000*
At beginning of year	**15,850,233**	17,375,156
Increasing:		
– New investments in associates	**206,000**	–
– Subsidiaries becoming associates	**348,692**	429,000
Decreasing:		
– Disposal and capital decreasing of associates	**(51,243)**	(746,555)
– Impact on asset acquisition transactions	**–**	(1,434,506)
Share of (losses)/profits of associates, net	**(825,909)**	989,819
Dividends from associates	**(13,957)**	(762,681)
At end of year	**15,513,816**	15,850,233

5 TRADE AND OTHER RECEIVABLES

The amounts recognised in the balance sheet are as follows:

	31 December 2024	31 December 2023
	RMB'000	*RMB'000*
Non-current –		
Other receivables *(iii)*	**48,461**	53,223
Less: loss allowance	**(1,446)**	(2,465)
	47,015	50,758
Current –		
Trade receivables from contracts with customers *(i)*	**4,645,881**	4,179,618
Amounts due from non-controlling interests and their related parties *(ii)*	**23,006,992**	25,821,874
Note receivables	**54,896**	49,718
Deposit receivables	**5,129,301**	6,105,497
Other receivables *(iii)*	**27,686,456**	22,292,493
	60,523,526	58,449,200
Less: loss allowance	**(8,352,094)**	(5,630,675)
	52,171,432	52,818,525

As at 31 December 2024 and 31 December 2023, the carrying amounts of the Group's trade and other receivables were all denominated in RMB and the carrying amounts of trade and other receivables approximated their fair values.

Notes:

(i) Trade receivables mainly arise from sales of properties and rendering of property management services. The consideration in respect of sales of properties is paid by customers in accordance with the credit terms agreed in the property sale contracts. Property management services income is received in accordance with the term of the relevant property service agreements and is due for payment upon rendering of service. The ageing analysis of trade receivables based on dates of delivery of goods and dates of rendering of services is as follows:

	31 December 2024 *RMB'000*	31 December 2023 *RMB'000*
Within 90 days	**1,065,304**	989,181
91–180 days	**525,135**	411,680
181–365 days	**922,553**	982,214
Over 365 days	**2,132,889**	1,796,543
	4,645,881	4,179,618

(ii) The amounts due from non-controlling interests and their related parties were unsecured, interest free and had no fixed repayment terms.

(iii) Other receivables mainly included the receivables from disposal of equity interests, receivables from project demolition, the cash advance for land use rights acquisition, payments on behalf of customers, interest receivables and amounts due from equity investment partners.

6 PREPAYMENTS

	31 December 2024 *RMB'000*	31 December 2023 *RMB'000*
Non-current –		
Prepayments for purchase of property, plant and equipment ("PP&E")	**34,289**	39,888
Prepayments for equity transactions	**–**	490,999
	34,289	530,887
Current –		
Prepaid value added taxes and other taxes	**5,119,207**	5,923,545
Prepayments for land use rights acquisitions	**5,080,217**	6,032,386
Prepayments for construction costs	**1,353,509**	1,489,733
Others	**1,549,114**	1,576,003
	13,102,047	15,021,667

7 TRADE AND OTHER PAYABLES

	31 December 2024	31 December 2023
	RMB'000	*RMB'000*
Non-current –		
Other payables *(iv)*	**50,124**	55,624
Current –		
Trade payables *(i)*	**104,168,889**	109,523,789
Interest payables	**39,217,760**	23,278,904
Note payables *(v)*	**22,985,100**	25,791,750
Amounts due to non-controlling interests and their related parties *(ii)*	**17,437,088**	24,505,637
Other taxes payables	**10,321,444**	11,378,425
Consideration payables for acquisition of equity investments	**4,506,566**	11,325,663
Payroll and welfare payables	**911,121**	1,218,486
Consideration payables arising from non-controlling shareholders' put option *(iii)*	**218,296**	1,354,701
Other payables *(iv)*	**64,946,751**	73,580,643
	264,713,015	281,957,998

Notes:

(i) At 31 December 2024, the ageing analysis of trade payables is performed based on the date of the liability recognition on accrual basis. The ageing analysis of the Group's trade payables is as follows:

	31 December 2024	31 December 2023
	RMB'000	*RMB'000*
Within 90 days	**6,681,254**	28,364,386
91-180 days	**5,200,003**	8,137,013
181-365 days	**9,247,031**	17,501,182
Over 365 days	**83,040,601**	55,521,208
	104,168,889	109,523,789

(ii) The amounts due to non-controlling interests and their related parties are unsecured and have no fixed repayment date.

(iii) Several put options were granted to the non-controlling shareholders of certain subsidiaries of the Group which have the right to sell their remaining equity interests in the relevant subsidiaries to the Group at any time. The financial liabilities being the present value of the redemption amount for the acquisition of the remaining equity interest upon the exercise of the put option were recognised and included in other payables.

(iv) As at 31 December 2024, other payables mainly included value-added tax relevant to pre-sale of properties amounting to RMB8.80 billion (as at 31 December 2023: RMB10.97 billion). The remaining balances mainly included deposits from customers, deposits on construction projects, deed tax and maintenance funds received on behalf of customers, amounts due to equity investment partners and accrued expenses.

(v) As at 31 December 2024, the amount of overdue note payables is RMB22.99 billion.

8 BORROWINGS

	31 December 2024 *RMB'000*	31 December 2023 *RMB'000*
Non-current		
Secured,		
– Bank and other institution borrowings	**214,151,765**	225,954,040
– Senior notes	**29,894,385**	25,626,047
– Corporate bonds	**4,807,288**	10,529,042
– Private domestic corporate bonds	**3,055,432**	4,085,366
– Convertible bonds	**500,812**	1,348,366
	252,409,682	267,542,861
Unsecured,		
– Bank and other institution borrowings	**2,074,617**	2,884,350
	254,484,299	270,427,211
Less: current portion of non-current borrowings	**(180,902,462)**	(173,793,349)
	73,581,837	96,633,862
Current		
Secured,		
– Bank and other institution borrowings	**3,907,893**	5,994,828
Unsecured,		
– Bank and other institution borrowings	**1,275,492**	1,411,534
	5,183,385	7,406,362
Current portion of non-current borrowings	**180,902,462**	173,793,349
	186,085,847	181,199,711
Total borrowings	**259,667,684**	277,833,573

8.1 Debt modification in respect of the onshore debt restructuring

With effective from the approval of the Onshore Debt Restructuring Plan at the relevant meetings of bondholders in December 2024 and January 2025, the repayment schedule of corporate bonds (“Corporate Bonds”), private domestic corporate bonds (“Private Bonds) and supply chain asset-backed special plan (“ABS Plan”) have been adjusted and extended by 5 to 9.5 years with the revised coupon interest rate at 1% per annum and the Onshore Debt Restructuring Plan provides options including bond repurchase (i.e. cash tender offer), payment via equity and/or equity economic income right and debts settlement with assets.

The onshore debt restructuring was regarded as a substantial modification under the relevant accounting standard. As the approval of the Onshore Debt Restructuring Plan for seven of the Bonds are obtained at the relevant meetings of bondholders in December 2024, the carrying amounts of certain Corporate Bonds, Private Bonds and ABS Plan of approximately RMB7.70 billion, RMB1.64 billion and RMB0.15 billion respectively together with the accrued interests of RMB1.25 billion were fully de-recognised. The following new financial liabilities were recognised at their fair values at the effective date of the onshore debts restructuring:

(1) Corporate Bonds with fair value of debt component, derivative component and equity component amounted to RMB1,982.79 million, RMB11.37 million and RMB75.14 million respectively;

(2) Private Bonds with fair value of debt component, derivative component and equity component amounted to RMB610.82 million, RMB3.41 million and RMB22.56 million respectively; and

(3) ABS Plan with fair value of debt component, derivative component and equity component amounted to RMB64.28 million, RMB0.37 million and RMB2.42 million respectively.

As a result of the abovementioned, gain on onshore debt restructuring of RMB7.97 billion was recognised and included in “other income and gains” of the consolidated statement of comprehensive income and equity component of RMB0.10 billion was recognised in “other reserves” in the consolidated statement of changes in equity for the year ended 31 December 2024.

Subsequent to the initial recognition, the carrying amounts of the debt component of the Corporate Bonds, Private Bonds and ABS Plan are measured at amortised cost and the carrying amounts of the derivative component are measured at fair value at the end of each of the reporting periods.

9 EXPENSES BY NATURE

	2024	2023
	RMB'000	*RMB'000*
Costs of properties sold	**55,804,342**	132,544,336
Value-added tax surcharges	**367,292**	288,291
Staff costs	**4,935,744**	5,917,553
Write-down of properties under development and completed properties held for sale	**4,700,694**	11,519,476
Depreciation and amortisation*	**2,981,520**	3,584,039
Advertisement and promotion costs	**1,342,955**	3,340,940
Net impairment losses under expected credit loss model	**3,327,283**	2,524,972
Professional service expenses	**250,319**	371,976
Auditors' remunerations		
– Audit services	**21,690**	21,690
– Non-audit services	**160**	160

* Depreciation and amortisation expense of RMB2.46 billion (2023: RMB2.83 billion) has been charged to cost of sales.

10 OTHER INCOME AND GAINS

	2024	2023
	RMB'000	*RMB'000*
Gains from debt restructuring	**9,889,504**	31,511,766
Gains from disposal of subsidiaries	**4,072,171**	1,605,570
Interest income	**1,268,011**	1,523,303
Gains from disposal of joint ventures and associates	**97,426**	617,249
Net fair value gains on derivative financial instruments	**–**	1,299,322
Net gains on disposal of financial assets at FVPL	**–**	24,858
Others	**1,102,313**	1,951,391
	16,429,425	38,533,459

11 OTHER EXPENSES AND LOSSES

	2024	2023
	RMB'000	*RMB'000*
Impairment provisions for PP&E	**5,860,756**	11,602,617
Provision for litigation and other contingent liabilities	**4,744,919**	2,314,810
Losses from disposal of PP&E, investment properties, right-of-use assets and intangible assets	**2,200,825**	929,341
Losses from disposal of subsidiaries	**2,080,210**	1,220,115
Net fair value losses on derivative financial instruments	**1,680,509**	–
Net fair value losses on investment properties	**1,574,509**	3,946,872
Losses on project demolition	**790,127**	–
Losses from disposal of joint ventures and associates	**595,141**	2,058,293
Net fair value losses on financial assets at FVPL	**502,133**	1,427,380
Impairment provision for goodwill and other intangible assets	**471,829**	779,052
Net losses on disposal of financial assets at FVPL	**65,501**	–
Others	**566,061**	795,172
	21,132,520	25,073,652

12 FINANCE INCOME AND EXPENSES

	2024	2023
	RMB'000	*RMB'000*
Finance expenses:		
Interest expenses	**29,731,408**	25,890,731
Interest expenses for lease liabilities	**39,579**	50,896
Less: capitalised finance costs	**(18,464,276)**	(20,993,805)
	11,306,711	4,947,822
Net exchange losses	**525,061**	1,352,039
	11,831,772	6,299,861
Finance income:		
Interest income on bank deposits	**(149,978)**	(239,153)
	11,681,794	6,060,708

13 INCOME TAX EXPENSES

	2024	2023
	RMB'000	*RMB'000*
Corporate income tax		
– current income tax	**1,268,204**	5,899,927
– deferred income tax	**(3,021,967)**	(5,317,565)
	(1,753,763)	582,362
Land appreciation tax	**4,908,912**	4,695,208
	3,155,149	5,277,570

14 LOSSES PER SHARE

(a) Basic

Basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted-average number of ordinary shares in issue during the year, excluding shares purchased for the share award scheme.

	2024	2023
Loss attributable to owners of the Company *(RMB'000)*	**25,695,200**	7,968,963
Weighted-average number of ordinary shares in issue *(thousand)*	**8,640,287**	5,651,547
Adjusted for shares repurchased for share award scheme *(thousand)*	**(76,325)**	(76,325)
Weighted-average number of ordinary shares for basic earnings per share *(thousand)*	**8,563,962**	5,575,222

(b) Diluted

For the years ended 31 December 2024 and 2023, diluted loss per share was the same as the basic loss per share as potential ordinary shares arising from awarded shares were not treated as dilutive as the conversion to ordinary shares would not increase the loss per share.

15 DIVIDENDS

No dividend was paid in 2024 (2023: Nil). No final dividend was recommended in respect of the year ended 31 December 2024.

16 EVENTS AFTER THE BALANCE SHEET DATE

(a) The Existing Debt Restructuring Transaction to the Chongqing Bay Project Company

On 23 January 2025, the Group has entered into agreements including limited partnership agreement with certain independent investors, pursuant to which the Group shall subscribe for the junior limited partnership interest of Wuhu Changzhen Investment Center (Limited Partnership)* (蕪湖長真投資中心(有限合夥)) ("Wuhu Changzhen"), a limited partnership with senior, intermediate and junior limited partners, with the debts owing by Chongqing Sunshine 100 Real Estate Development Co., Ltd.* (重慶陽光壹佰房地產開發有限公司) ("Chongqing Bay Project Company"), a 70% owned subsidiary of the Group, and the certain equity interest in Chongqing Bay Project Company held by the Group.

Upon the completion of the transaction, Chongqing Bay Project Company would no longer be a subsidiary of the Group, the financial results of Chongqing Bay Project Company ceased to be consolidated in the consolidated financial statements of the Group and the junior limited partnership interest in Wuhu Changzhen owned by the Group would recognise as investments accounted for using the equity method.

(b) The Winding-up Petition and Its Latest Progress

The detail information of the Petition and its latest progress has been disclosed in note 2.1(iii) to the consolidated financial statements. Since the receipt of the Petition, the Company has been actively pursuing legal measures to resolutely oppose the Petition, and taking all necessary actions to protect its legal rights.

EXTRACT OF INDEPENDENT AUDITOR'S REPORT

The below sections set out an extract of the independent auditor's report by BDO Limited, the external auditor of the Company, regarding the consolidated financial statements of the Group for the year ended 31 December 2024:

DISCLAIMER OF OPINION

We do not express an opinion on the consolidated financial statements of the Group due to the potential interaction of the multiple uncertainties relating to going concern and their possible cumulated effects on the consolidated financial statements as described in the "Basis for Disclaimer of Opinion" section of our report. In all other respects, in our opinion, the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR DISCLAIMER OF OPINION

Multiple Uncertainties Relating to Going Concern

As disclosed in note 2.1(iii) to the consolidated financial statements, the Group incurred a net loss of approximately RMB27.40 billion for the year ended 31 December 2024 and, as at 31 December 2024, the Group had net current liabilities of approximately RMB53.52 billion. The Group's current and non-current borrowings amounted to approximately RMB186.09 billion and RMB73.58 billion as at 31 December 2024 respectively, while the Group had total cash (including cash and cash equivalents and restricted cash) amounting to approximately RMB19.75 billion. As at 31 December 2024, the Group had not repaid borrowings in principal amount of approximately RMB105.80 billion in aggregate according to their scheduled repayment dates, and as a result, borrowings in principal amount totalling of approximately RMB64.57 billion might be demanded for early repayment. Up to the date of this report, the Group had not repaid borrowings in principal amount of approximately RMB109.35 billion in aggregate according to their scheduled repayment dates and as a result, borrowings in principal amount totalling of approximately RMB56.44 billion might be demanded for early repayment. In addition, the Group was involved in various litigation and arbitration cases for various reasons as disclosed in note 36(B) to the consolidated financial statements.

Nevertheless, the consolidated financial statements have been prepared on a going concern basis. The Company has been undertaking a number of plans and measures to improve the Group's liquidity and financial position, and have developed debt solutions which are set out in note 2.1(iii) to the consolidated financial statements. The validity of going concern assumption on which the consolidated financial statements have been prepared depends upon the successful implementation of these plans and measures, which are subject to multiple uncertainties, including (i) whether the Proposed Offshore Restructuring Plan (as defined in note 2.1(iii) to the consolidated financial statements) can be formulated and completed; (ii) whether it can successfully negotiate with the remaining lenders on the extension or deferral of the repayment of the Group's certain borrowings; (iii) whether new and additional financing resources will be available as and when required; (iv) whether deal with the litigations to reach an amicable settlement which have not yet come to a definitive conclusion and have a significant impact on operations; and (v) whether asset value is realisable, sales targets are achievable and sales business will be more stable in the future.

The above conditions indicate the existence of material uncertainties that may cast significant doubt on the Group's ability to the continue as a going concern. As a result of these multiple uncertainties, the potential interaction of these uncertainties, and the possible cumulative effect thereof, we were unable to form an opinion as to whether the going concern basis of preparation is appropriate.

Should the Group fail to achieve the intended effects resulting from the plans and measures as mentioned in note 2.1(iii) to the consolidated financial statements, it might not be able to operate as a going concern, and adjustments would have to be made to write down the carrying amounts of the Group's assets to their net realisable amounts, to provide for any further liabilities that may arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effects of these adjustments have not been reflected in the consolidated financial statements.

We disclaimed our opinion on the consolidated financial statements for the year ended 31 December 2023 relating to the going concern basis of preparing the consolidated financial statements. The balances as at 31 December 2023 and the amounts for the year then ended are presented as corresponding figures in the consolidated financial statements for the year ended 31 December 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

1 REVENUE

For the year ended 31 December 2024, most of the Group's revenue came from sales of residential and commercial properties business, and the other revenue came from cultural and tourism city construction and operation, property management and other businesses.

As at 31 December 2024, the Group's real estate development business is mainly located in core cities in the Yangtze River Delta, Bohai Rim, South China, Central regions and Western regions, which are divided into 10 regional groups or companies for management, namely the Beijing region (including Beijing, Qingdao and Ji'nan, etc.), North China region (including Tianjin, Harbin and Dalian, etc.), Shanghai region (including Shanghai, Nanjing and Suzhou, etc.), Southeastern China region (including Hangzhou, Fuzhou and Hefei, etc.), Central China region (including Wuhan, Changsha and Nanchang, etc.), South China region (including Guangzhou and Sanya, etc.), Northwestern China region (including Xi'an and Taiyuan, etc.), Chengdu-Chongqing region (including Chongqing and Chengdu, etc.), Yun Gui region (including Kunming, Guiyang and Xishuangbanna, etc.) and Henan companies (including Zhengzhou and Luoyang, etc.).

Total revenue of the Group for the year ended 31 December 2024 amounted to approximately RMB74.02 billion, representing a decrease of approximately RMB80.21 billion (approximately 52.0%) compared with the total revenue of approximately RMB154.23 billion for the year ended 31 December 2023. For the year ended 31 December 2024, the total revenue of the Group and its joint ventures and associates was approximately RMB177.06 billion, representing a decrease of approximately RMB152.32 billion (approximately 46.2%) as compared with the total revenue of approximately RMB329.38 billion for the year ended 31 December 2023, of which approximately RMB103.36 billion was attributable to owners of the Company, representing a decrease of approximately RMB103.25 billion (approximately 50.0%) as compared to approximately RMB206.61 billion for the year ended 31 December 2023.

The decrease in revenue was mainly due to the decline in revenue from sales of properties. In recent years, the real estate industry has witnessed a continuous downturn, with the sales market experiencing a significant overall contraction. The debt issues emerging in several real estate companies have led to the lack of confidence of homebuyers for property under construction, further intensifying the difficulties in new houses sales. The Group is currently in the stage of concentrating resources to resolve guaranteed home delivery work and debt issues. The liquidity pressure from the contraction in new sales scale and the narrowing of external financing channels has temporarily restricted the delivery progress of sold properties and the development and delivery progress of new projects. The delivery area in 2024 decreased compared with the previous year, resulting in a significant decrease in the sales revenue of the Group compared with the previous year.

Amid multiple challenges from the external market and internal issues in recent years, the Group has proactively adopted various response initiatives, continuously prioritizing completion and delivery of property projects to fulfill its primary responsibility in guaranteed home delivery, proactively executing debt risk mitigation and asset revitalization efforts, optimizing the management and control system and reducing the administrative expenses. Meanwhile, the Group concentrated on policy dynamics to strengthen product competitiveness aligned with current sales market, ensuring stable operations and long-term sustainability of the Group.

(1) The Group actively advances financial support through special loans for guaranteed home delivery, ancillary financing and “whitelist” applications, ensuring the development and construction of property projects and the smooth completion and delivery of property projects.

(2) The Group has been proactive in debt risk mitigation, among which, the Group has explored comprehensive restructuring plans such as debt-to-equity swaps for onshore and offshore public debts, substantially reducing debt pressure and optimizing capital structure of the Group. For certain project-level debts, the Group has been actively engaging with financial institutions on a case-by-case basis to explore solutions, including extending repayment periods, reducing principal and interest and lowering interest rates on existing loans, as well as leveraging project resources to mitigate project-level debt risks.

(3) For the Group’s core projects, the Group proactively introduced funds from financial institutions including asset management companies to restructure project-level debt, optimize the debt structure, and revitalize projects.

(4) The Group has implemented a series of measures to control management costs and expenses, including optimizing control system, adjusting organizational structure, simplifying management levels and reducing daily administrative expenses, thereby improving management efficiency.

(5) The Group continuously monitors products policy changes. By elevating the importance of design, marketing, construction and delivery of major product, the Group has improved product quality and captured scarce demand in the existing market.

The following table sets forth certain details of the revenue:

	For the year ended 31 December			
	2024		2023	
	RMB billion	***%***	*RMB billion*	*%*
Revenue from sales of properties	**61.23**	**82.8%**	140.80	91.3%
Cultural and tourism city construction and operation income	**5.21**	**7.0%**	5.91	3.8%
Property management income	**6.88**	**9.3%**	6.60	4.3%
Revenue from other business	**0.70**	**0.9%**	0.92	0.6%
Total	**74.02**	**100.0%**	154.23	100.0%
Total gross floor area delivered during the year *(in million sq.m.)*	**4.624**		12.782	

The majority of the Group's revenue came from revenue of sales of properties, accounting for approximately 82.8% of total revenue. For the year ended 31 December 2024, revenue from sales of properties decreased by approximately RMB79.57 billion (approximately 56.5%) as compared with that for the year ended 31 December 2023. Total area of delivered properties decreased by 8.158 million square meters ("sq.m.") (approximately 63.8%) as compared with that for the year ended 31 December 2023, the decrease in revenue from sales of properties was basically consistent with the decrease in the delivered area. As mentioned above, due to the continued downturn in the real estate market, the contraction in new sales and the liquidity pressure faced by the Group, property delivery area of the Group for this year decreased compared to the previous year with a corresponding reduction in property sales revenue.

2 *COST OF SALES*

Cost of sales mainly includes the costs incurred directly in the course of property development for the Group's properties sold.

For the year ended 31 December 2024, the Group's cost of sales was approximately RMB71.13 billion, representing a decrease of approximately RMB85.60 billion (approximately 54.6%) as compared to the cost of sales of approximately RMB156.73 billion for the year ended 31 December 2023, mainly due to the decrease in the delivery area of the properties.

3 *GROSS PROFIT/(LOSS)*

For the year ended 31 December 2024, the Group's gross profit was approximately RMB2.89 billion, representing an increase of approximately RMB5.39 billion as compared with the gross loss of approximately RMB2.50 billion for the year ended 31 December 2023. The increase in gross profit was mainly due to the impact of the high proportion of high margin projects carried forward from the Group's property sales revenue this year compared to the previous year and the reduction in the provision for impairment of properties recognised by the Group during the year compared to the previous year.

For the year ended 31 December 2024, the Group's gross profit margin was approximately 3.9%, representing an increase as compared to approximately minus 1.6% for the year ended 31 December 2023.

For the year ended 31 December 2024, the adjustments of revaluation surplus related to gains from business combination for the properties acquired led to the reduction of the Group's gross profit in the amount of approximately RMB1.49 billion. The Group's gross profit would have been approximately RMB5.81 billion and gross profit margin would have been approximately 7.8% for the year ended 31 December 2024 without taking into account such impact of fair value adjustments and provision for impairment of properties on gross profit.

4 SELLING AND MARKETING COSTS AND ADMINISTRATIVE EXPENSES

The Group's selling and marketing costs decreased by approximately 55.9% from approximately RMB4.87 billion for the year ended 31 December 2023 to approximately RMB2.15 billion for the year ended 31 December 2024. The decrease in selling and marketing costs was in line with the decreased trend in the Group's contracted sales for the year ended 31 December 2024.

The Group's administrative expenses decreased by approximately RMB1.84 billion from approximately RMB5.49 billion for the year ended 31 December 2023 to approximately RMB3.65 billion for the year ended 31 December 2024. The reduction in administrative expenses was primarily attributable to the Group's proactive measures to consistently control management costs and expenditures under the current market conditions. Taking into account the entity's operational status and debt pressure, the Group actively optimized organizational structure, reduced headcount and reduced routine administrative expenses, thereby enhancing management efficiency.

5 OTHER INCOME AND GAINS

For the year ended 31 December 2024, the Group recognised other income and gains of approximately RMB16.43 billion, which mainly comprised gains from debt restructuring of approximately RMB9.89 billion, gains from the disposal of subsidiaries, joint ventures and associates of approximately RMB4.17 billion, and interest income received from joint ventures and associates, etc. of approximately RMB1.27 billion. The Group recorded a decrease in other income and gains of approximately RMB22.10 billion as compared with that of approximately RMB38.53 billion for the year ended 31 December 2023, mainly due to the higher restructuring income from offshore debt recognised in the previous year.

6 OTHER EXPENSES AND LOSSES

For the year ended 31 December 2024, other expenses and losses recognised by the Group amounted to approximately RMB21.13 billion, mainly including the provision for impairment of long-term assets of approximately RMB6.33 billion, the provision for litigations and other contingent liabilities of approximately RMB4.74 billion, the losses of approximately RMB2.68 billion from the disposal of subsidiaries, joint ventures and associates, losses from disposal of various assets of approximately RMB2.27 billion, net fair value losses on derivative financial instruments of approximately RMB1.68 billion, losses from fair value changes of investment properties of approximately RMB1.57 billion, the losses on project demolition of approximately RMB0.79 billion and net fair value losses from financial assets at FVPL of approximately RMB0.50 billion.

For the year ended 31 December 2023, other expenses and losses recognised by the Group amounted to approximately RMB25.07 billion, mainly including the provision for impairment of long-term assets of approximately RMB12.38 billion, net fair value losses of investment properties of approximately RMB3.95 billion, the losses of approximately RMB3.28 billion from the disposal of subsidiaries, joint ventures and associates, the provision for litigations and other contingent liabilities of approximately RMB2.31 billion, net fair value losses from financial assets at FVPL of approximately RMB1.43 billion and the loss of approximately RMB0.93 billion from the disposal of various assets.

7 NET IMPAIRMENT LOSSES UNDER EXPECTED CREDIT LOSS MODEL

For the year ended 31 December 2024, the Group made provisions for expected credit losses of approximately RMB3.33 billion on amounts due from related companies, amounts due from non-controlling interests and their related parties and other receivables, representing an increase of approximately RMB0.81 billion as compared with that of approximately RMB2.52 billion for the year ended 31 December 2023.

8 OPERATING LOSS

Concluding from the above analysis, the Group's operating loss increased by approximately RMB9.01 billion from approximately RMB1.93 billion for the year ended 31 December 2023 to the operating loss of approximately RMB10.94 billion for the year ended 31 December 2024, mainly due to the combined effect of the following reasons:

(i) gross profit increased by approximately RMB5.39 billion;

(ii) selling and marketing costs and administrative expenses decreased by approximately RMB4.56 billion;

(iii) net impairment losses under expected credit loss model increased by approximately RMB0.81 billion; and

(iv) other income and gains decreased by approximately RMB22.10 billion and other expenses and losses decreased by approximately RMB3.94 billion.

9 FINANCE INCOME AND EXPENSES

The Group's finance expenses increased by approximately RMB5.53 billion from approximately RMB6.30 billion for the year ended 31 December 2023 to approximately RMB11.83 billion for the year ended 31 December 2024, and finance income decreased by approximately RMB0.09 billion from approximately RMB0.24 billion for the year ended 31 December 2023 to approximately RMB0.15 billion for the year ended 31 December 2024 at the same time, mainly due to the following reasons: (i) a decrease in proportion of capitalised interests in total interest expenses in line with the develop process of the Group's property development projects as compared to that of the year ended 31 December 2023, which led to an increase of approximately RMB6.36 billion in expensed interest from approximately RMB4.95 billion for the year ended 31 December 2023 to approximately RMB11.31 billion for the year ended 31 December 2024; and (ii) due to the change in trend of foreign exchange rates fluctuations, the exchange gain or loss of the Group decreased by approximately RMB0.82 billion from a net exchange loss of approximately RMB1.35 billion for the year ended 31 December 2023 to a net exchange loss of approximately RMB0.53 billion for the year ended 31 December 2024.

10 SHARE OF POST-TAX (LOSSES)/PROFITS OF INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD, NET

The Group's recognised share of post-tax losses of investments accounted for using the equity method, net decreased by approximately RMB4.49 billion from recognised share of post-tax profits of approximately RMB2.86 billion for the year ended 31 December 2023 to recognised share of post-tax losses of approximately RMB1.63 billion for the year ended 31 December 2024, mainly due to the decrease in revenue and operating profit of the Group's joint ventures and associates and increasing provision of impairment for investment accounted for using the equity method recognised by the Group during the year compared to the previous year.

11 LOSS

Loss of the Group attributable to owners of the Company increased by approximately RMB17.73 billion from approximately RMB7.97 billion for the year ended 31 December 2023 to loss of approximately RMB25.70 billion for the year ended 31 December 2024.

The table below sets out loss attributable to owners of the Company and non-controlling interests for the stated years:

	For the year ended 31 December	
	2024	2023
	RMB billion	*RMB billion*
Loss during the year	**27.40**	10.41
Attributable to:		
Owners of the Company	**25.70**	7.97
Non-controlling interests	**1.70**	2.44
	27.40	10.41

12 CASH STATUS

The Group operates in a capital-intensive industry and the Group's liquidity requirements relate to meeting its working capital requirements, funding the development of its new property projects and servicing its debt. The funding sources of the Group mainly include proceeds from the pre-sale and sale of properties, and to a lesser extent, capital contributions from shareholders, share issuances and loans.

The Group's cash balances (including restricted cash) decreased to approximately RMB19.75 billion as at 31 December 2024 from approximately RMB24.62 billion as at 31 December 2023, of which non-restricted cash increased to approximately RMB7.73 billion as at 31 December 2024 from approximately RMB7.06 billion as at 31 December 2023.

Currently, the Group remains focused on the completion and delivery of its property projects and the improvement of sales performance, while taking the actively advancing risk mitigation efforts to ensure business stability and sustainable operations of the Group. In 2024, the Group continued to apply to local governments for special loans for guaranteed home delivery to support projects facing delivery challenges. Simultaneously, it has actively pursued ancillary bank financing and "whitelist project" financing to secure the necessary capital for project development and construction. As of the date of this announcement, the Group and its joint ventures and associates have obtained special loans for guaranteed home delivery approved by local governments with an aggregate amount of approximately RMB21.8 billion, ancillary bank financing approvals of approximately RMB10.4 billion, and received "whitelist project" financing approvals of approximately RMB2.3 billion. Additionally, the Group secured funding approvals with an aggregate amount of approximately RMB6.1 billion through the implementation of collaborative development projects with asset management companies in 2024. Furthermore, the Group raised approximately HKD1.192 billion in net proceeds through placing shares in the overseas capital markets in 2024. The funds raised were mainly used to support the implementation of long-term solutions for onshore corporate bonds and for general working capital purposes. Moving forward, the Group will continue to secure operational funding through methods such as property sales proceeds, applications for special loans for guaranteed home delivery, ancillary bank financing, "whitelist project" financing and collaborations with financial institutions.

13 BORROWINGS AND SECURITIES

As at 31 December 2024, the total borrowings of the Group were approximately RMB259.67 billion, representing a decrease of approximately RMB18.16 billion as compared to approximately RMB277.83 billion as at 31 December 2023. Approximately RMB256.32 billion (as at 31 December 2023: approximately RMB273.54 billion) of the Group's total borrowings were secured or jointly secured by the Group's properties under development, completed properties held for sale, etc. (total amount was approximately RMB373.85 billion (as at 31 December 2023: approximately RMB414.03 billion)) and equities or assets disposal gains of certain of the Group's subsidiaries.

The Group will continue to secure additional financing through methods such as applications for special loans for guaranteed home delivery, ancillary bank financing, "whitelist project" financing and collaborations with financial institutions.

14 GEARING RATIO

The gearing ratio is calculated by dividing the net debt by total capital. Net debt is calculated as total borrowings (including current and non-current borrowings) and lease liabilities less cash balances (including restricted cash). Total capital is calculated by adding total equity and net debt. As at 31 December 2024, the Group's gearing ratio was approximately 81.3%, representing an increase as compared to approximately 75.2% as at 31 December 2023.

The Group's gearing ratio experienced fluctuations, mainly due to the significant reduction in the recognised revenue as a result of the market downturn, provision for impairment of assets and the provision for contingent liabilities at the same time.

15 INTEREST RATE RISK

As the Group has no material interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

The Group's interest rate risk arises from long-term borrowings. Long-term borrowings include borrowings issued at variable rates and borrowings issued at fixed rates, of which borrowings issued at variable rates expose the Group to cash flow interest-rate risk which is partially offset by cash held at variable rates while borrowings issued at fixed rates expose the Group to fair value interest-rate risk. Interest rate fluctuations may result in higher interest rates on the Group's floating-rate borrowings, thereby exposing the Group to the risk of increased financing costs.

The table below sets out the Group's exposure to interest rate risks. Included in the table are the liabilities stated at carrying amounts, categorised by maturity dates.

	As at 31 December 2024	As at 31 December 2023
	RMB billion	*RMB billion*
Floating interests		
Less than 12 months	**48.10**	46.27
1-5 years	**5.41**	12.35
Over 5 years	**0.36**	2.61
Subtotal	**53.87**	61.23
Fixed interests		
Less than 12 months	**137.99**	134.93
1-5 years	**56.91**	70.75
Over 5 years	**10.90**	10.92
Subtotal	**205.80**	216.60
Total	**259.67**	277.83

The Group's interest rate risk management measures include optimizing the debt structure, reducing the interest rates, decreasing the debt size and using financial instruments related to interest rate. By constantly paying attention to interest rate risk and aligning closely with policy directions and maintaining proactive communication with financial institutions and other creditors, the Group leverages opportunities to negotiate interest rate reductions and exemptions on borrowings, thereby minimizing the impact of interest rate risks on its operations.

16 FOREIGN EXCHANGE RISKS

As most of the Group's operating entities are located in China, the Group operates its business mainly in RMB. Given that some of the Group's bank deposits, financial assets at FVPL, derivative financial instruments, senior notes, convertible bonds and other borrowings are denominated in US dollars or Hong Kong dollars, the Group is exposed to foreign exchange risks. The potential impacts of foreign exchange risks on the Group may include the following:

(1) Increased direct repayment costs: The Group needs to purchase foreign exchange using RMB to repay foreign currency principal and interest. If foreign currencies appreciate against the RMB, the Group will incur higher RMB expenditures, leading to increased financial costs;

(2) Cash flow pressure: Sharp exchange rate fluctuations may require the Group to raise additional RMB funds within a short period, resulting in liquidity strain; and

(3) Translation risk: At the end of an accounting period, foreign currency liabilities must be converted into RMB at the spot exchange rate. If foreign currencies appreciate, the book value of liabilities will rise, potentially increasing the asset-liability ratio and reducing net assets, among other effects.

For the year ended 31 December 2024, the Group recorded an exchange loss in the amount of approximately RMB0.53 billion due to fluctuations in foreign exchange rates. However, the Group's operating cash flow and liquidity were not significantly affected by fluctuations in foreign exchange rates.

The Group's measures to manage foreign exchange risks include monitoring exchange rate fluctuations, adjusting foreign currency deposits in a timely manner, using financial instruments for hedging and working with lenders to convert foreign currency debt into local currency debt, etc. The Group will prudently monitor foreign exchange risks, and control foreign exchange risks in line with its current operational realities according to the aforementioned measures in a timely manner to minimise their impact on the Group.

17 *FINANCIAL GUARANTEES AND LITIGATION*

(a) Financial guarantees

The Group provides guarantees to banks for the mortgage loans of certain property purchasers to ensure that the purchasers perform their obligations of mortgage loan repayment. The amount of such guarantees was approximately RMB61.08 billion as at 31 December 2024 as compared with approximately RMB79.98 billion as at 31 December 2023. Such guarantees will terminate upon the earlier of (i) the transfer of the real estate ownership certificate to the purchasers which will generally occur within an average period of six months after the properties' delivery dates; or (ii) the satisfaction of mortgage loans by the purchasers of the properties. The period of guarantee provided by the Group starts from the date when the mortgage is granted.

(b) Litigation

Up to the date of approval of these consolidated financial statements, various parties have filed litigation against the Group for the settlement of unpaid borrowings, outstanding construction and daily operation payables, delayed delivery of projects and other matters. Among them, there were about 414 cases with individual amounts exceeding RMB50 million, and the aggregated amounts of these cases amounted to approximately RMB165.08 billion, which mainly includes unpaid borrowings and outstanding construction payables. The Group has assessed the impact of the above litigation matters and accrued provision for litigations and interest payables on the consolidated financial statements for the year ended 31 December 2024. The Group is also actively communicating with relevant creditors and seeking various ways to resolve these litigations.

Chairman's Statement

Dear Shareholders and Investors,

In 2024, the real estate market continued to face challenges. The Political Bureau Meeting of the CPC Central Committee proposed to promote the "stabilization and recovery" of the real estate market and the relevant government departments launched a series of initiatives intensively, leading to gradual recovery in sentiment and confidence within the real estate markets of core cities. The Group continued to make every effort to implement various tasks such as guaranteed home delivery, revitalizing assets and resolving debt risks, and has made proactive progress.

The Group has always made guaranteed home delivery as its primary operational objective, actively responding to the government's requirements for guaranteed home delivery, actively implementing its primary responsibilities, and actively utilising its financing resources such as special loans for guaranteed home delivery, ancillary financing and application for "whitelist" to support the development and construction of property projects and the smooth completion and delivery of property projects. In 2024, the Group completed the delivery of approximately 170,000 houses in 84 cities by unremitting efforts, ranking among the industry leaders. Over the past three years, the Group has cumulatively delivered approximately 668,000 houses. In 2025, we will continue to spare no effort to deliver 60,000 houses, substantially completing all guaranteed home delivery tasks.

In 2024, the Group continued to proactively address debt risks with marked progress. Given the market recovery fell significantly short of expectations, the Group developed a comprehensive market-driven restructuring plan for onshore public market debts tailored to its specific circumstances and supported by multiple parties. As of now, the onshore public market debts restructuring plans have all been considered and approved at the relevant meetings of bondholders, and the Group will use best efforts to implement and execute the same in 2025. While prudently addressing onshore public market debt risks, the Group has engaged financial and legal advisors to further explore more holistic offshore debt solutions for its offshore debts, striving to achieve complete risk mitigation of offshore debts in the next phase.

Regarding project-level financing, the Group has maintained proactive engagement with financial institutions to negotiate extension arrangements for loans facing repayment difficulties due to market contraction. Concurrently, the Group is advancing collaborations with asset management companies and other financial institutions to formulate a more complete and comprehensive project revitalization and debt restructuring plan. Since 2024 to date, the Group has successfully secured additional funding for its projects including Chongqing Bay* (重慶灣), One Sunac Opus Project in Beijing* (北京融創壹號院), Meijiang One Sino Park Phase II in Tianjin* (天津梅江壹號院二期) and Original Couryards of Orient in Wuhan* (武漢桃花源), mitigating existing debt risks while simultaneously revitalizing high-quality assets. In 2024, the Group's One Central Park Project in Shanghai* (上海壹號院項目) sold out upon launch and One Sino Park Project in Shanghai* (上海外灘壹號院項目) recorded three consecutive sell-outs after each launch, exemplifying the Group's collaboration with asset management companies in revitalizing high-quality projects and reflecting the market-leading product competitiveness and strong market reputation of the Group. In 2025, we will continue to intensify our collaboration with asset management companies and other financial institutions that can provide incremental funds to further resolve project debt exposures and revitalize high-quality projects, thereby supporting the gradual recovery of the Group's operation.

In 2024, the Group's revenue was approximately RMB74.02 billion, representing a decrease of approximately 52.0% as compared to last year, while its gross profit was approximately RMB2.89 billion as compared to a gross loss of approximately RMB2.50 billion last year. The loss attributable to owners of the Company was approximately RMB25.70 billion. The total equity of the Group at the end of 2024 was approximately RMB55.15 billion, of which the equity attributable to owners of the Company was approximately RMB40.52 billion, indicating that the asset base was stable.

At the end of 2024, the Group, together with its joint ventures and associates, had a total land bank of approximately 127.76 million square meters (attributable land bank was approximately 87.565 million square meters), of which the unsold land bank was approximately 93.42 million square meters (attributable land bank was approximately 63.01 million square meters). Adequate land bank is a solid foundation to support the Group's gradual resumption of normal operations.

In 2024, the Group's property management sector, Sunac Services Holdings Limited ("Sunac Services", stock code: 01516.HK), achieved solid development with continuous optimization in business structure. Sunac Services achieved the revenue of approximately RMB6.970 billion, in which, the revenue from third-party was approximately RMB6.802 billion, representing a year-on-year increase of approximately 5.6% and accounting for approximately 98% of the total revenue. The management scale of Sunac Services grew steadily, with gross floor area under management of approximately RMB290 million square meters, representing a year-on-year increase of approximately 7%.

In 2024, the Group's cultural tourism sector (theme park, commercial, hotel and ice and snow) achieved the revenue of approximately RMB5.21 billion, demonstrating solid operational performance, while the Group actively pursued new breakthroughs and growth opportunities. The theme park sector continued its transformation from equipment-based theme park to an ecosystem platform based on content co-creation and experience-driven, with newly-created entertainment content receiving positive market feedback; the commercial sector maintained its long-term strategy of sustained sales growth, achieving year-on-year increases in both visitor traffic and sales in 2024; the ice and snow sector further solidified its industry leadership, with the successful opening of the ninth indoor ski resort managed by it (Wuhan Urban Construction Project). Preparations for the Suzhou, Zhengding and Shenzhen projects have officially commenced, with operations scheduled to launch officially in 2025.

Looking forward, with the Government's continuous introduction of supportive policies for the overall economy and the real estate sector, the Group anticipates that core cities and premium locations will gradually stabilize. However, the overall recovery of the real estate market may take a longer time and process. The Group will remain steadfast in its long-term confidence and make all-out efforts to complete delivery tasks and resolve onshore public market debt risks with the support of all parties in 2025, while striving to achieve substantive and critical progress in addressing offshore debt risks. Concurrently, taking the enhancement of net equity assets of each project as the basic purpose of daily management, the Group will steadily advance project debt risk mitigation and asset revitalization initiatives, thereby paving the way for its gradual return to sound development in the future.

Summary of Land Bank

As at 31 December 2024, the Group and its joint ventures and associates had a total land bank of approximately 127.76 million sq.m. and attributable land bank of approximately 87.565 million sq.m.. The breakdown of land bank by city is as follows:

Urban circle	**City**	**Attributable land bank** *0'000 sq.m.*	**Total land bank** *0'000 sq.m.*
Yangtze River Delta	Wenzhou	189.3	227.2
	Shanghai	157.2	216.3
	Hangzhou	136.4	241.2
	Xuzhou	118.2	132.8
	Wuxi	114.3	181.6
	Shaoxing	92.6	174.5
	Haiyan	65.3	67.5
	Changzhou	63.5	90.1
	Nantong	63.3	91.7
	Ningbo	50.2	75.6
	Suzhou	49.4	84.8
	Hefei	42.0	50.2
	others	215.6	494.1
	Subtotal	**1,357.3**	**2,127.6**

Urban circle	City	Attributable land bank *0'000 sq.m.*	Total land bank *0'000 sq.m.*
Bohai Rim	Qingdao	578.3	723.9
	Tianjin	502.4	548.7
	Taiyuan	178.6	262.8
	Harbin	156.1	171.8
	Dalian	143.7	144.1
	Jinan	130.0	176.7
	Shenyang	91.8	164.1
	Tangshan	87.4	107.1
	Beijing	83.4	108.3
	Langfang	77.7	90.0
	Yantai	60.3	101.7
	Zhangjiakou	49.5	62.1
	Weihai	42.8	42.8
	others	68.0	88.0
	Subtotal	**2,250.0**	**2,792.1**
Southern China	Jiangmen	183.0	197.2
	Qingyuan	126.8	135.9
	Hainan Province	112.1	131.5
	Huizhou	68.1	71.6
	Zhongshan	60.9	61.5
	Zhaoqing	59.4	59.4
	Guangzhou	43.5	143.0
	Zhuhai	41.6	41.6
	others	126.9	188.6
	Subtotal	**822.3**	**1,030.3**

Urban circle	City	Attributable land bank *0'000 sq.m.*	Total land bank *0'000 sq.m.*
Western regions	Meishan	735.8	1,069.6
	Chongqing	731.9	1,162.4
	Xishuangbanna	213.7	254.0
	Guiyang	197.3	275.9
	Kunming	176.4	319.6
	Xi'an	147.9	248.9
	Chengdu	132.4	193.5
	Dali	101.2	168.7
	Guilin	99.9	105.8
	Nanning	93.9	136.3
	Yinchuan	82.2	92.5
	others	368.3	793.5
	Subtotal	**3,080.9**	**4,820.7**
Central regions	Wuhan	571.2	997.5
	Zhengzhou	177.6	263.0
	Changsha	166.9	221.6
	Xinxiang	121.3	121.3
	Ezhou	43.7	99.9
	Xianning	42.0	81.3
	others	123.3	220.7
	Subtotal	**1,246.0**	**2,005.3**
	Total	**8,756.5**	**12,776.0**

OTHER INFORMATION

Final Dividend

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

Purchase, Sale or Redemption of Company's Listed Securities

The Company has adopted a share award scheme (the "Share Award Scheme") on 8 May 2018 (the "Adoption Date"), details of which are set out in the announcement of the Company dated 8 May 2018. During the period from the Adoption Date to 30 June 2019, the trustee of the Share Award Scheme purchased on the open market a total of 94,653,000 shares of the Company (the "Shares") at the total consideration of approximately HK$2.57 billion pursuant to the rules of the Share Award Scheme and the terms of the trust deed. Since 30 June 2019 and for the year ended 31 December 2024, the trustee of the Share Award Scheme did not purchase any Shares.

Save as the aforesaid, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) during the year ended 31 December 2024. As at 31 December 2024, the Company did not hold any treasury shares.

Placing of Existing Shares and Subscription of New Shares during the Year

On 17 October 2024, the Company, Sunac International Investment Holdings Ltd (the "Vendor") and China International Capital Corporation Hong Kong Securities Limited (the "Placing Agent") entered into a placing and subscription agreement, pursuant to which the Placing Agent agreed to place on a best efforts basis, up to 489,000,000 existing Shares at a price of HK$2.465 per Share on behalf of the Vendor, and the Vendor conditionally agreed to subscribe for up to 489,000,000 new Shares at the placing price of HK$2.465 per Share (the "Subscription"). The gross proceeds from the Subscription were HK$1.205 billion and the net proceeds therefrom were HK$1.192 billion. The net proceeds from the Subscription will be used by the Company in accordance with its plan of supporting the long-term solutions for its onshore corporate bonds, as well as for general working capital purposes. Details of the placing of existing Shares and the subscription for new Shares are set out in the announcement of the Company dated 17 October 2024.

Significant Investment, Material Acquisitions and Disposals

1. ***Restructuring Cooperation of the Target Company***

On 8 February 2024, Sunac Real Estate Group Co., Ltd.* (融創房地產集團有限公司), Global Sunac Exhibition & Travel Group Co., Ltd.* (環球融創會展文旅集團有限公司), Chengdu Minglu Enterprise Management Consulting Co., Ltd.* (成都銘篚企業管理諮詢有限公司) (collectively, the "Sunac Parties"), Guotou Zhongdian (Xianyang) Science Park Co., Ltd.* (國投中電(咸陽)科技園有限公司) ("GTZD") and certain other parties entered into an agreement, pursuant to which, GTZD agreed to take up 70% equity interest in and the debts of Sichuan Sancha Lake International Tourism Resort Co., Ltd.* (四川三岔湖長島國際旅遊度假中心有限公司) (the "Target Company"), which holds certain real estate development projects (including residential, commercial, etc.), by way of the restructuring cooperation at the total consideration of approximately RMB3,974 million, comprising (i) the consideration for the 70% equity interest in the Target Company (approximately RMB3,129 million); and (ii) the consideration for the debts owed by the Target Company and Chongqing Yujinhong Enterprise Management Partnership (Limited Partnership)* (重慶渝錦鴻企業管理合夥企業(有限合夥)) to the Sunac Parties (approximately RMB845 million). Immediately following completion of the restructuring cooperation, the Target Company ceased to be a subsidiary of the Company. Please refer to the announcement of the Company dated 9 February 2024 for details.

2. ***Disposal of Shijiazhuang Central Business District Project***

On 18 March 2024, Shijiazhuang Heya Real Estate Development Co., Ltd.* (石家莊和雅房地產開發有限公司) (a wholly-owned subsidiary of the Company), Shijiazhuang Zhengtai Construction Development Co., Ltd.* (石家莊正太建設發展有限公司) (the "Cooperation Partner") and Shijiazhuang Central Business District Development Co., Ltd.* (石家莊市中央商務區開發有限公司) ("Central Business District") entered into an agreement, pursuant to which, the Cooperation Partner agreed to take up 80% equity interest in Central Business District, which holds a real estate development project, at the consideration of approximately RMB814 million. Approximately RMB148 million of the consideration was offset by the Group's debts owed to the Cooperation Partner, and the remaining approximately RMB666 million (subject to adjustments) was settled in cash by the Cooperation Partner. Such cash consideration would be utilised by the Group mainly for constructing and guaranteeing the delivery of properties in Shijiazhuang. Please refer to the announcement of the Company dated 18 March 2024 for details.

3. Disposal of the Chongqing College Town Project

On 7 April 2024, Chongqing Sunac Real Estate Co., Ltd.* (重慶融創地產有限公司) and Hainan Baochuang Investment Co., Ltd.* (海南葆創投資有限責任公司) (each a subsidiary of the Company), Chongqing Xiangyu Real Estate Co., Ltd.* (重慶象嶼置業有限公司) ("Xiangyu Real Estate") and its related party, AVIC Trust Co., Ltd.* (中航信託股份有限公司) and its subsidiary Zhaoqing Yixin Enterprise Management Co., Ltd.* (肇慶市翼新企業管理有限公司), Chongqing Qixinzecheng Enterprise Management Partnership (Limited Partnership)* (重慶齊信澤成企業管理合夥企業(有限合夥)) and Xiang Rong He (Chongqing) Real Estate Co., Ltd.* (象融合(重慶)置業有限公司) (the "Target Project Company") signed an agreement, pursuant to which, Xiangyu Real Estate and its related party shall ultimately acquire the 51% equity interest of the Target Project Company and the related debts through the transaction arrangement as stated in the agreement, at a total consideration of RMB540 million. Please refer to the announcement of the Company dated 8 April 2024 for details.

4. Splitting of the Projects with Zhangtai Group

On 1 November 2024, Sunac Southwest Real Estate Development Group Co., Ltd.* (融創西南房地產開發(集團)有限公司,"Sunac Southwest Group", a wholly-owned subsidiary of the Company), Nanning Rongrui Real Estate Development Co., Ltd.* (南寧融瑞房地產開發有限公司, "Nanning Rongrui", a subsidiary of the Company) and Guilin Zhangtai Enterprise Group Limited* (桂林彰泰實業集團有限公司, "Zhangtai Group") entered into a supplemental agreement (the "Supplemental Agreement") to the formal agreement on the restructuring arrangement of the 52 property development projects (the "Restructuring Target Projects"), pursuant to which, (i) Zhangtai Group will be transferred 80% equity interest in the joint venture acting as the platform company for the joint development of property projects (the "Joint Venture") held by Nanning Rongrui for a consideration of RMB3.2 billion, after which Zhangtai Group and its related parties will hold 100% equity interest in the Joint Venture; (ii) Nanning Rongrui will hold 12 Restructuring Target Projects and their corresponding target equity, shareholder debt interest and related interests by itself or through its designated wholly-owned subsidiaries with a total consideration of RMB2.854 billion; and (iii) Zhangtai Group will hold 40 Restructuring Target Projects and their corresponding target equity, shareholder debt interest and related interests by itself or through the Joint Venture. According to the relevant terms of consideration settlement and payment mechanism in the Supplemental Agreement, the Group does not need to allocate any financial resources to pay any amount under the Supplemental Agreement, and the Group will not receive any net payment after completion of the transactions under the Supplemental Agreement. Immediately following completion of the joint venture transfer, the Group ceased to own any interest in the Joint Venture and the Joint Venture and its subsidiaries ceased to be subsidiaries of the Company. Please refer to the announcements of the Company dated 16 April 2021, 7 May 2021 and 1 November 2024 for details.

5. Disposal of Equity Interest of Ice and Snow World

On 29 November 2024, Harbin Sunac Culture & Tourism Industry Co., Ltd.* (哈爾濱融創文旅產業有限公司,"Harbin Sunac Culture & Tourism", a wholly-owned subsidiary of the Company), Harbin Sun Island Group Co., Ltd.* (哈爾濱太陽島集團有限公司，"Sun Island Group"), and Harbin Ice and Snow World Co., Ltd.* (哈爾濱冰雪大世界股份有限公司, "Ice and Snow World"), entered into an agreement, pursuant to which, Sun Island Group agreed to purchase the 46.67% equity interests in Ice and Snow World held by Harbin Sunac Culture & Tourism ("Target Equity Interests") at the consideration of approximately RMB1,021 million. Approximately RMB202.6 million of the consideration would be utilised to repay the amounts owed to Ice and Snow World by the Group, approximately RMB414 million would be utilised to repay the pledged loan related to the Target Equity Interests, and the remaining approximately RMB404.6 million would be remitted to the government-regulated special account for guaranteeing the delivery of properties in the Group's property development projects in Harbin. Upon completion of the transaction, the Group ceased to hold any equity interest in Ice and Snow World. Please refer to the announcement of the Company dated 29 November 2024 for details.

Important Events after the Reporting Period

1. The Existing Debt Restructuring and New Financing Revitalization Project in Relation to the Chongqing Bay Project

On 23 January 2025, the Group and Great Wall (Tianjin) Equity Investment Fund Management Co., Ltd.* (長城（天津）股權投資基金管理有限責任公司, "Great Wall Investment Fund"), Wuhu Great Wall Real Estate Risky Assets Revitalization Investment Center (Limited Partnership)* (蕪湖長城房地產風險資產盤活投資中心（有限合夥）, "Great Wall Risky Assets Revitalization Investment Center"), CITIC Trust Co., Ltd.* (中信信託有限責任公司, "CITIC Trust"), China CITIC Financial Asset Management Co., Ltd* (中國中信金融資產管理股份有限公司，"China CITIC Financial Asset") and Sunshine 100 Real Estate Group Co., Ltd.* (陽光壹佰置業集團有限公司, "Sunshine 100 Real Estate") entered into relevant agreements including a limited partnership agreement, pursuant to which (1) Great Wall Risky Assets Revitalization Investment Center as the senior limited partner proposed to make capital contribution to Wuhu Changzhen Investment Center (Limited Partnership)* (蕪湖長真投資中心（有限合夥）) of not exceeding RMB2.476 billion in cash, of which, in principle, ① not more than RMB1.326 billion would be mainly used for the development and construction of the Chongqing Bay Project (a project located in Chongqing, the PRC for the development of residential and commercial properties for sale) and other funding requirements that may affect the development of the Chongqing Bay Project, and ② not less than RMB1.15 billion (subject to the actual amount eventually purchased by Great Wall Risky Assets Revitalization Investment Center) will be used to purchase the intermediate limited partnership interest held by CITIC Trust; (2) CITIC Trust shall subscribe for the intermediate limited partnership interest with the debts owing by Chongqing Sunshine 100 Real Estate Development Co., Ltd.* (重慶陽光壹佰房地產開發有限公司) (the "Project Company") to the trust scheme managed by CITIC Trust of approximately RMB5.0 billion for a consideration of approximately RMB3.174 billion; (3) China CITIC Financial Asset shall subscribe for the junior limited partnership interest with the debts owing by the Project Company to it; (4) Sunshine 100 Real Estate shall subscribe for the junior limited partnership interest with the debts owing by the Project Company to it or in cash; and (5) the Group shall subscribe for the junior limited partnership interest with the debts owing by the Project Company to it and its certain equity interests in the Project Company. Upon completion of the transaction, the Project Company would no longer be a subsidiary of the Company. Please refer to the announcement of the Company dated 23 January 2025 for details.

2. The Winding-up Petition and Its Latest Progress

On 10 January 2025, the Company received a winding-up petition (the "Petition") filed by China Cinda (HK) Asset Management Co., Limited (the "Petitioner") at the High Court of the Hong Kong Special Administrative Region (the "High Court") in relation to the non-repayment of the loan to the Petitioner as lender by Shining Delight Investment Limited (an indirect wholly owned subsidiary of the Company) as borrower and the Company as guarantor, in the aggregate principal amount of US$30,000,000 and accrued interests.

At the hearing of the High Court on 24 March 2025, the High Court ordered the hearing of the Petition to be adjourned to 28 April 2025. Since the receipt of the Petition, the Company has been actively pursuing legal measures to resolutely oppose the Petition, and taking all necessary actions to protect its legal rights.

3. The Progress of Onshore Debt Restructuring

Sunac Real Estate Group Co., Ltd.* (融創房地產集團有限公司) ("Sunac Real Estate", a wholly-owned subsidiary of the Company) has restructured a total of ten onshore corporate bonds and supply chain asset-backed special plans (collectively, the "Bonds") issued by it (the "Onshore Debt Restructuring").The restructuring plans of the ten Bonds have all been considered and approved at the relevant meetings of bondholders, whereby the repayment arrangements in regard to the principal and interest of the ten Bonds will be adjusted by Sunac Real Estate, and restructuring plan options including bond repurchase (i.e. cash tender offer), payment via equity and/or equity economic income right and debt settlement with assets have been provided by Sunac Real Estate. As of the date of this announcement, Sunac Real Estate is arranging bondholders for the selection and distribution regarding the restructuring plan options with respect to the amount of Bonds held by them, in accordance with the relevant provisions of the bondholder meeting resolutions. Further information on the Onshore Debt Restructuring is available on the websites of the Shanghai Stock Exchange (http://www.sse.com.cn) and the Shenzhen Stock Exchange (https://www.szse.cn).

4. *Offshore Debt Restructuring*

Given the impact of the Petition on the Company, and considering that the current market conditions are significantly below the expectations when the prior offshore debt restructuring plan was formulated, the Company will seek a more comprehensive holistic offshore debt solution based on the actual situation. The Company is committed to equitable treatment of all creditors by respecting their existing legal standing and inter-creditor payment priorities. The Company has commenced the offshore debt restructuring work and has appointed Houlihan Lokey (China) Limited and Sidley Austin as its financial and legal advisors in offshore debt restructuring, respectively, to assist the Company in formulating a comprehensive holistic offshore debt plan to address its current offshore debt risks.

Employee and Remuneration Policy

As at 31 December 2024, the Group had a total of 36,364 employees (as at 31 December 2023: 39,228 employees). The Group's employee remuneration policy is determined by reference to factors such as remuneration standard of the local market, the overall remuneration standard in the industry, inflation level, corporate operating efficiency and employee performance. The Group conducts two performance appraisals for its employees every year, the results of which are applied in annual salary and promotional assessment. Social insurance is paid by the Group for its employees in Mainland China in accordance with the relevant PRC regulations. The Group also operates insurance and mandatory provident fund schemes for Hong Kong employees. The Group also makes contributions to social security or other retirement schemes for its overseas employees (if any) in accordance with local regulations.

Compliance with the Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix C3 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") as the guidelines for the Directors' dealings in the securities of the Company. Following specific enquiries of all the Directors, all the Directors confirmed that they had complied with the required standards as set out in the Model Code in relation to their securities dealings during the year ended 31 December 2024, if any.

Compliance with the Corporate Governance Code

The Company has adopted the Corporate Governance Code (the "Corporate Governance Code") contained in Appendix C1 to the Listing Rules as its own code on corporate governance and had, throughout the year ended 31 December 2024, complied with all applicable code provisions under the Corporate Governance Code.

The Board recognises the importance and benefits of good corporate governance practices and has adopted certain corporate governance and disclosure practices for achieving a higher standard of transparency and accountability. The Board members have regular discussions about the business strategies and performance of the Group. They, together with the relevant senior executives of the Group, have also attended regular training on the Listing Rules and other regulatory requirements. The Company has established an internal reporting practice throughout the Group in order to monitor the operation and business development of the Group.

Audit Committee

The Company has established an audit committee (the "Audit Committee") with written terms of reference in compliance with the Listing Rules. The Audit Committee currently consists of four independent non-executive Directors, namely, Mr. Poon Chiu Kwok, Mr. Zhu Jia, Mr. Ma Lishan and Mr. Yuan Zhigang, and is chaired by Mr. Poon Chiu Kwok who possesses the qualification of professional accountant. The primary duties of the Audit Committee are to assist the Board to fulfill the functions of reviewing and monitoring the financial reporting procedure, internal control and risk management systems of the Company, to review the corporate governance policies and practices and to perform other duties and responsibilities as assigned by the Board.

The Audit Committee has reviewed the accounting principles and practices adopted by the Company and discussed matters concerning the audit, internal control and risk management systems and financial reporting, including reviewing the Group's results for the year ended 31 December 2024.

Review of Results Announcement

The figures in respect of the Group's consolidated balance sheet, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in this results announcement have been agreed by the Group's auditor, BDO Limited, to the figures set out in the Group's audited consolidated financial statements for the year. The work performed by BDO Limited 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 BDO Limited on this announcement.

Publication of the Annual Results Announcement and Annual Report

This announcement is published on the website of the Stock Exchange (www.hkexnews.hk) as well as the website of the Company (www.sunac.com.cn). The Company's 2024 annual report, the annual general meeting ("AGM") circular, the notice of AGM, the proxy form for use at the AGM and relevant documents will be published on the aforementioned websites in due course.

Holders of securities and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By order of the Board
Sunac China Holdings Limited
SUN Hongbin
Chairman

Hong Kong, 28 March 2025

As at the date of this announcement, the executive directors of the Company are Mr. SUN Hongbin, Mr. WANG Mengde, Ms. MA Zhixia, Mr. TIAN Qiang, Mr. HUANG Shuping and Mr. SUN Kevin Zheyi; the non-executive director of the Company is Mr. LAM Wai Hon; and the independent non-executive directors of the Company are Mr. POON Chiu Kwok, Mr. ZHU Jia, Mr. MA Lishan and Mr. YUAN Zhigang.

* *For identification purpose only*