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GREENTOWN CHINA HOLDINGS LIMITED

綠城中國控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 03900)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024 AND APPOINTMENT OF AUTHORISED REPRESENTATIVE

HIGHLIGHTS

- Revenue amounted to approximately RMB158.546 billion, representing a year-on-year increase of 20.7%;
- Net profit attributable to owners amounted to approximately RMB1.596 billion;
- As at 31 December 2024, bank balances and cash (including pledged bank deposits) totaled approximately RMB73.0 billion; the ratio of cash to short-term debt remained high at 2.3x;
- Weighted average interest cost of total borrowings was 3.9%, representing a decrease of 40 bps as compared to 4.3% in 2023;
- As at 31 December 2024, net gearing ratio was 56.6%, representing a decrease of 7.2 percentage points as compared to 63.8% at the end of 2023;
- Total contracted sales achieved approximately RMB276.8 billion, ranking 3rd in the industry and total sales of self-investment projects achieved approximately RMB171.8 billion, ranking 6th; cash collection rate maintained at a high level of 104%;
- 42 projects were newly added, with a total GFA of approximately 4.18 million sqm and estimated saleable value of approximately RMB108.8 billion, 92% of which were located in 1st & 2nd tier cities, and the attributable ratio achieved 79%.

The board of directors (the “Board”) of Greentown China Holdings Limited (“Greentown”, “Greentown China” or the “Company”) is pleased to announce the audited consolidated annual results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 December 2024 (the “Year”) prepared in accordance with the International Financial Reporting Standards, together with comparative audited figures for the year ended 31 December 2023. The following financial information is extracted from the audited consolidated financial statements in the Group’s 2024 annual report which is to be published by the Group.

* For identification purposes only

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2024

	<i>Notes</i>	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
REVENUE	4	158,546,170	131,383,150
Cost of sales		<u>(138,320,873)</u>	<u>(114,310,289)</u>
Gross profit		20,225,297	17,072,861
Other income	5	2,932,608	2,857,022
Other gains	6	118,005	758
Selling expenses		(3,323,035)	(2,727,785)
Administrative expenses		(4,441,331)	(5,139,440)
Finance costs	7	(2,578,615)	(2,916,047)
Impairment losses under expected credit loss model, net		(1,025,173)	(230,054)
Impairment losses on non-financial assets, net		(4,038,810)	(1,390,501)
Loss from changes in fair value of investment properties, net		(185,600)	(352,008)
Gain on acquisition of subsidiaries, net		–	385,531
Gain/(loss) on disposal of subsidiaries, net		23,493	(389)
Share of results of associates		208,163	1,773,000
Share of results of joint ventures		<u>(841,150)</u>	<u>391,698</u>
PROFIT BEFORE TAXATION		7,073,852	9,724,646
Taxation	8	<u>(2,927,724)</u>	<u>(3,046,507)</u>
PROFIT FOR THE YEAR		<u>4,146,128</u>	<u>6,678,139</u>
Attributable to:			
Owners of the Company		1,596,426	3,117,684
Non-controlling interests		<u>2,549,702</u>	<u>3,560,455</u>
		<u>4,146,128</u>	<u>6,678,139</u>

	<i>Notes</i>	2024 RMB'000	2023 RMB'000
OTHER COMPREHENSIVE INCOME			
<i>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:</i>			
Fair value gains/(losses) on equity investments designated at fair value through other comprehensive income for the year, net of tax		<u>2,660</u>	<u>(328,285)</u>
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		<u>2,660</u>	<u>(328,285)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>4,148,788</u>	<u>6,349,854</u>
Attributable to:			
Owners of the Company		<u>1,600,961</u>	2,791,727
Non-controlling interests		<u>2,547,827</u>	<u>3,558,127</u>
		<u>4,148,788</u>	<u>6,349,854</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic	<i>10</i>	<u>RMB0.63</u>	<u>RMB1.22</u>
Diluted	<i>10</i>	<u>RMB0.63</u>	<u>RMB1.22</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2024

		31 December 2024	31 December 2023
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment		10,932,956	10,823,203
Investment properties		10,284,934	10,462,662
Right-of-use assets		1,108,124	1,083,143
Goodwill		981,761	981,761
Intangible assets		456,541	571,207
Interests in associates		25,920,427	28,210,949
Interests in joint ventures		10,507,081	12,113,523
Equity investments designated at fair value through other comprehensive income		1,011,753	1,093,062
Deferred tax assets		8,447,925	6,120,332
Amounts due from related parties	12	–	129,394
Other non-current assets		442,741	222,266
		<hr/>	<hr/>
Total non-current assets		70,094,243	71,811,502
CURRENT ASSETS			
Properties for development		12,318,837	10,883,425
Properties under development		193,478,320	235,911,626
Completed properties for sale		44,968,668	38,438,742
Inventories		1,249,938	1,279,303
Trade and other receivables, deposits and prepayments	11	11,500,867	10,273,655
Contract assets		4,311,747	3,838,856
Contract costs		837,190	773,104
Amounts due from related parties	12	78,119,637	69,619,604
Prepaid income taxes		9,521,539	9,394,274
Prepaid other taxes		8,341,216	8,656,514
Financial assets at fair value through profit or loss		–	42,324
Pledged bank deposits		4,125,993	3,686,193
Bank balances and cash		68,861,730	69,758,363
		<hr/>	<hr/>
Assets as held for sale		437,635,682	462,555,983
		55,046	1,169,489
		<hr/>	<hr/>
Total current assets		437,690,728	463,725,472

		31 December	31 December
		2024	2023
	<i>Notes</i>	RMB'000	RMB'000
CURRENT LIABILITIES			
Trade and other payables	13	56,354,178	57,449,257
Contract liabilities		146,958,603	159,812,710
Amounts due to related parties	12	27,260,572	28,236,762
Income taxes payable		8,061,494	8,036,928
Other taxes payable		15,002,173	16,793,405
Lease liabilities		53,816	94,833
Bank and other borrowings		13,623,383	19,201,042
Senior notes		5,598,267	1,170,550
Corporate debt instruments		12,441,508	12,175,191
Financial liabilities at fair value through profit or loss		151,034	–
		285,505,028	302,970,678
Liabilities as held for sale		–	277,401
Total current liabilities		285,505,028	303,248,079
NET CURRENT ASSETS		152,185,700	160,477,393
TOTAL ASSETS LESS CURRENT LIABILITIES		222,279,943	232,288,895
NON-CURRENT LIABILITIES			
Bank and other borrowings		91,142,176	88,013,173
Senior notes		–	8,035,244
Corporate debt instruments		14,381,462	17,546,593
Lease liabilities		454,998	487,828
Deferred tax liabilities		2,817,124	4,148,741
Financial liabilities at fair value through profit or loss		–	122,208
Total non-current liabilities		108,795,760	118,353,787
NET ASSETS		113,484,183	113,935,108
EQUITY			
Equity attributable to ordinary shareholders of the Company			
Share capital		242,684	242,475
Reserves		36,084,921	35,887,908
		36,327,605	36,130,383
Non-controlling interests		77,156,578	77,804,725
TOTAL EQUITY		113,484,183	113,935,108

NOTES TO FINANCIAL STATEMENTS

31 December 2024

1. CORPORATE AND GROUP INFORMATION

Greentown China Holdings Limited (the “Company”) was incorporated in the Cayman Islands on 31 August 2005 as an exempted company with limited liability under the Companies Law (2004 Revision) and its shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) with effect from 13 July 2006. The registered office of the Company is located at Maples Corporate Services Limited, PO Box 309, Uglund House, Grand Cayman KY1-1104 Cayman Islands.

The Company is an investment holding company. The principal activity of its subsidiaries (together with the Company referred to as the “Group”) is the development for sale of residential properties in the People’s Republic of China (“PRC”).

2.1 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised IFRS Accounting Standards for the first time for the current year’s financial statements.

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

The adoption of the above revised IFRS Accounting Standards has had no significant impact on the financial position or performance of the Group.

2.2 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised IFRS Accounting Standards, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and revised IFRS Accounting Standards, if applicable, when they become effective.

IFRS 18	<i>Presentation and Disclosure in Financial Statements</i> ³
IFRS 19	<i>Subsidiaries without Public Accountability: Disclosures</i> ³
Amendments to IFRS 9 and IFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i> ²
Amendments to IFRS 9 and IFRS 7	<i>Contracts Referencing Nature-dependent Electricity</i> ²
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ⁴
Amendments to IAS 21	<i>Lack of Exchangeability</i> ¹
<i>Annual Improvements to IFRS Accounting Standards – Volume 11</i>	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 ²

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

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

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

⁴ No mandatory effective date yet determined but available for adoption

The above new and revised IFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2025 and have not been early applied in preparing these consolidated financial statements. None of these is expected to have a significant impact on the Group’s financial statements.

3. OPERATING SEGMENT INFORMATION

The chief operating decision-maker of the Group has been identified as the executive directors and certain senior management (collectively referred to as the “CODM”). Operating segments are determined based on the Group’s internal reports which are submitted to the CODM for performance assessment and resources allocation. This is also the basis upon which the Group is organised and managed.

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

- (a) Property development
- (b) Hotel operations
- (c) Property investment
- (d) Project management, and
- (e) Others

For the property development reportable segment, the CODM reviews the financial information of each property development project, and hence each property development project constitutes a separate operating segment. However, the property development projects possess similar economic characteristics, and are with similar development and selling activities as well as similar customer bases. Therefore, all property development projects are aggregated into one reportable segment for segment reporting purposes.

For the hotel operations reportable segment, the CODM reviews the financial information of each hotel, and hence each hotel constitutes a separate operating segment. However, the hotels possess similar economic characteristics, and are with similar development and selling activities as well as similar customer bases. Therefore, all hotels are aggregated into one reportable segment for segment reporting purposes.

For the property investment reportable segment, the CODM reviews the financial information of each investment property, and hence each investment property constitutes a separate operating segment. However, the investment properties possess similar economic characteristics, and are with similar development and selling activities as well as similar customer bases. Therefore, all investment properties are aggregated into one reportable segment for segment reporting purposes.

For the project management reportable segment, the CODM reviews the financial information of each project management project, and hence each project management project constitutes a separate operating segment. However, the project management projects possess similar economic characteristics, and are with similar development and selling activities as well as similar customer bases. Therefore, all project management projects are aggregated into one reportable segment for segment reporting purposes.

3. OPERATING SEGMENT INFORMATION (continued)

Other operating segments include the sale of construction materials, design and decoration and other business. None of these segments meet the quantitative thresholds for the reportable segments in both current and prior year. Accordingly, these are grouped in “Others”.

Management monitors the results of the Group’s operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of adjusted post-tax profit/(loss) from continuing operations. The adjusted post-tax profit/(loss) from continuing operations is measured consistently with the Group’s post-tax profit/(loss) from continuing operations except that certain administrative expenses, other income, finance costs and taxation are excluded from such measurement.

All assets are allocated to operating segments other than certain bank balances and cash, pledged bank deposits, property, plant and equipment, equity investments designated at fair value through other comprehensive income (“FVTOCI”), trade and other receivables, deposits and prepayments, prepaid income taxes, intangible assets, deferred tax assets, prepaid other taxes and amounts due from related parties pertaining to non-operating group entities.

All liabilities are allocated to operating segments other than certain trade and other payables, amounts due to related parties, income taxes payable, other taxes payable and deferred tax liabilities pertaining to non-operating group entities.

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

3. OPERATING SEGMENT INFORMATION (continued)

Year ended 31 December 2024

	Property development RMB'000	Hotel operations RMB'000	Property investment RMB'000	Project management RMB'000	Others RMB'000	Segment total RMB'000	Eliminations RMB'000	Total RMB'000
Segment revenue								
Revenue from contracts with customers	147,016,638	1,029,959	-	3,378,336	6,836,682	158,261,615	-	158,261,615
Rental income	-	-	284,555	-	-	284,555	-	284,555
Total external segment revenue	147,016,638	1,029,959	284,555	3,378,336	6,836,682	158,546,170	-	158,546,170
Inter-segment revenue	6,435	11,006	59,328	-	6,012,982	6,089,751	(6,089,751)	-
Total segment revenue	<u>147,023,073</u>	<u>1,040,965</u>	<u>343,883</u>	<u>3,378,336</u>	<u>12,849,664</u>	<u>164,635,921</u>	<u>(6,089,751)</u>	<u>158,546,170</u>
Segment results	<u>2,680,594</u>	<u>42,274</u>	<u>(94,342)</u>	<u>894,778</u>	<u>298,452</u>	<u>3,821,756</u>	<u>-</u>	<u>3,821,756</u>
Unallocated administrative expenses								(99,326)
Unallocated other income								52,583
Unallocated finance costs								(11,366)
Unallocated taxation								382,481
Profit for the year								<u>4,146,128</u>

Year ended 31 December 2023

	Property development RMB'000	Hotel operations RMB'000	Property investment RMB'000	Project management RMB'000	Others RMB'000	Segment total RMB'000	Eliminations RMB'000	Total RMB'000
Segment revenue								
Revenue from contracts with customers	120,580,281	1,046,025	-	3,134,806	6,395,869	131,156,981	-	131,156,981
Rental income	-	-	226,169	-	-	226,169	-	226,169
Total external segment revenue	120,580,281	1,046,025	226,169	3,134,806	6,395,869	131,383,150	-	131,383,150
Inter-segment revenue	99,757	7,734	32,980	126,328	4,090,076	4,356,875	(4,356,875)	-
Total segment revenue	<u>120,680,038</u>	<u>1,053,759</u>	<u>259,149</u>	<u>3,261,134</u>	<u>10,485,945</u>	<u>135,740,025</u>	<u>(4,356,875)</u>	<u>131,383,150</u>
Segment results	<u>5,592,257</u>	<u>76,613</u>	<u>(110,551)</u>	<u>1,029,713</u>	<u>332,358</u>	<u>6,920,390</u>	<u>-</u>	<u>6,920,390</u>
Unallocated administrative expenses								(240,346)
Unallocated other income								48,966
Unallocated finance costs								(14,387)
Unallocated taxation								(36,484)
Profit for the year								<u>6,678,139</u>

3. OPERATING SEGMENT INFORMATION (continued)

Segment assets

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Property development	458,561,216	482,501,389
Hotel operations	10,204,302	10,620,113
Property investment	10,779,092	11,566,891
Project management	6,151,467	6,137,119
Others	18,839,969	19,335,602
	<hr/>	<hr/>
Total segment assets	504,536,046	530,161,114
Unallocated	3,248,925	5,375,860
	<hr/>	<hr/>
Consolidated assets	<u>507,784,971</u>	<u>535,536,974</u>

Segment liabilities

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Property development	372,811,010	401,748,563
Hotel operations	966,578	1,340,844
Property investment	1,698,751	1,268,249
Project management	2,354,250	1,846,961
Others	14,341,998	13,225,909
	<hr/>	<hr/>
Total segment liabilities	392,172,587	419,430,526
Unallocated	2,128,201	2,171,340
	<hr/>	<hr/>
Consolidated liabilities	<u>394,300,788</u>	<u>421,601,866</u>

3. OPERATING SEGMENT INFORMATION (continued)

Other Segment information

Year ended 31 December 2024

	Property development RMB'000	Hotel operations RMB'000	Property investment RMB'000	Project management RMB'000	Others RMB'000	Segment total RMB'000	Unallocated RMB'000	Total RMB'000
Amounts included in the measure of segment profit or loss or segment assets:								
Addition to non-current assets*	1,829,570	84,559	517,056	27,416	234,350	2,692,951	16,010	2,708,961
Interests in associates	25,234,957	-	-	76,312	609,158	25,920,427	-	25,920,427
Interests in joint ventures	10,209,890	-	-	21,536	275,655	10,507,081	-	10,507,081
Impairment losses under expected credit loss model, net	818,982	20,460	32,898	98,363	54,256	1,024,959	214	1,025,173
Impairment losses on non-financial assets, net	3,925,256	43,769	-	51,149	18,636	4,038,810	-	4,038,810
Loss from changes in fair value of investment properties	-	-	185,600	-	-	185,600	-	185,600
Gain on disposal of subsidiaries, net	(23,493)	-	-	-	-	(23,493)	-	(23,493)
Depreciation of property, plant and equipment	155,430	290,469	1,328	9,155	46,561	502,943	7,273	510,216
Amortisation of right-of-use assets	74,903	14,061	3,623	7,867	27,492	127,946	11,060	139,006
Loss on disposal of property, plant and equipment and right-of-use assets	37,301	(473)	(13,213)	-	32,269	55,884	(827)	55,057
Interest income	(2,051,155)	(18,303)	(7,151)	(110,180)	(51,293)	(2,238,082)	(45,571)	(2,283,653)
Finance costs	2,276,037	43,628	96,091	(24,822)	176,315	2,567,249	11,366	2,578,615
Share of results of associates	(205,352)	-	-	(3,554)	743	(208,163)	-	(208,163)
Share of results of joint ventures	851,675	-	-	(660)	(9,865)	841,150	-	841,150
Taxation	3,177,047	(9,756)	(65,196)	246,520	(38,410)	3,310,205	(382,481)	2,927,724

3. OPERATING SEGMENT INFORMATION (continued)

Other Segment information (continued)

Year ended 31 December 2023

	Property development RMB'000	Hotel operations RMB'000	Property investment RMB'000	Project management RMB'000	Others RMB'000	Segment total RMB'000	Unallocated RMB'000	Total RMB'000
Amounts included in the measure of segment profit or loss or segment assets:								
Addition to non-current assets*	7,283,162	226,776	1,984,441	47,471	199,704	9,741,554	6,069	9,747,623
Interests in associates	27,518,557	-	-	99,014	593,378	28,210,949	-	28,210,949
Interests in joint ventures	11,849,790	-	-	16,296	247,437	12,113,523	-	12,113,523
Impairment losses under expected credit loss model, net	188,884	(8)	-	41,185	(7)	230,054	-	230,054
Impairment losses on non-financial assets, net	1,365,199	25,302	-	-	-	1,390,501	-	1,390,501
Loss from changes in fair value of investment properties	-	-	350,675	-	1,333	352,008	-	352,008
Loss on disposal of subsidiaries, net	389	-	-	-	-	389	-	389
Gain on acquisition of subsidiaries, net	(385,531)	-	-	-	-	(385,531)	-	(385,531)
Depreciation of property, plant and equipment	143,392	303,568	50,977	15,716	60,746	574,399	10,640	585,039
Amortisation of right-of-use assets	85,016	26,575	3,920	7,391	25,232	148,134	21,778	169,912
Loss on disposal of property, plant and equipment and right-of-use assets	(2,480)	(9)	-	(1,944)	(1,006)	(5,439)	(2,302)	(7,741)
Interest income	(1,981,361)	(13,160)	(5,558)	(113,386)	(54,767)	(2,168,232)	(20,790)	(2,189,022)
Finance costs	2,762,983	41,975	52,543	5,493	38,666	2,901,660	14,387	2,916,047
Share of results of associates	(1,772,641)	-	-	(3,154)	2,795	(1,773,000)	-	(1,773,000)
Share of results of joint ventures	(348,976)	-	-	(11,740)	(30,982)	(391,698)	-	(391,698)
Taxation	2,837,707	2,568	(69,725)	196,711	42,762	3,010,023	36,484	3,046,507

* Non-current assets mainly included property, plant and equipment, investment properties, right-of-use assets, intangible assets, interests in joint ventures and interests in associates and excluded financial instruments, goodwill and deferred tax assets.

Geographical markets

The Group's consolidated revenue and results are mainly attributable to the market in the PRC (country of domicile) and almost all of the Group's consolidated non-current assets are located in the PRC.

Information about a major customer

No sales to a single customer accounted for 10% or more of the Group's revenue for the year.

4. REVENUE

An analysis of revenue is as follows:

	2024 RMB'000	2023 <i>RMB'000</i>
Revenue from contracts with customers	158,261,615	131,156,981
Revenue from other sources:		
Rental income	284,555	226,169
Total	158,546,170	131,383,150

Revenue from contracts with customers

Disaggregated revenue information

Geographical markets

The Group's consolidated revenue is mainly attributable to the market in the PRC (country of domicile).

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

Year ended 31 December 2024

	Property development <i>RMB'000</i>	Hotel operations <i>RMB'000</i>	Property investment <i>RMB'000</i>	Project management <i>RMB'000</i>	Others <i>RMB'000</i>	Total <i>RMB'000</i>
Revenue disclosed in segment information						
External customers	147,016,638	1,029,959	284,555	3,378,336	6,836,682	158,546,170
Inter-segment	6,435	11,006	59,328	-	6,012,982	6,089,751
	<u>147,023,073</u>	<u>1,040,965</u>	<u>343,883</u>	<u>3,378,336</u>	<u>12,849,664</u>	<u>164,635,921</u>
Adjustment for property rental income	-	-	(284,555)	-	-	(284,555)
Eliminations	(6,435)	(11,006)	(59,328)	-	(6,012,982)	(6,089,751)
Revenue from contracts with customers	<u>147,016,638</u>	<u>1,029,959</u>	<u>-</u>	<u>3,378,336</u>	<u>6,836,682</u>	<u>158,261,615</u>

Year ended 31 December 2023

	Property development <i>RMB'000</i>	Hotel operations <i>RMB'000</i>	Property investment <i>RMB'000</i>	Project management <i>RMB'000</i>	Others <i>RMB'000</i>	Total <i>RMB'000</i>
Revenue disclosed in segment information						
External customers	120,580,281	1,046,025	226,169	3,134,806	6,395,869	131,383,150
Inter-segment	99,757	7,734	32,980	126,328	4,090,076	4,356,875
	<u>120,680,038</u>	<u>1,053,759</u>	<u>259,149</u>	<u>3,261,134</u>	<u>10,485,945</u>	<u>135,740,025</u>
Adjustment for property rental income	-	-	(226,169)	-	-	(226,169)
Eliminations	(99,757)	(7,734)	(32,980)	(126,328)	(4,090,076)	(4,356,875)
Revenue from contracts with customers	<u>120,580,281</u>	<u>1,046,025</u>	<u>-</u>	<u>3,134,806</u>	<u>6,395,869</u>	<u>131,156,981</u>

5. OTHER INCOME

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Interest income	2,283,653	2,189,022
Comprehensive service income	354,690	366,969
Dividends from equity instruments designated at FVTOCI	31,256	42,057
Government grants	28,497	61,973
Others	234,512	197,001
	<u>2,932,608</u>	<u>2,857,022</u>

6. OTHER GAINS

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Foreign exchange losses, net	(117,371)	(38,833)
(Loss)/gain on disposal of joint ventures and associates	(38,609)	89,640
(Loss)/gain on disposal of property, plant and equipment and right-of-use assets	(55,057)	7,741
Gain/(loss) from changes in fair value of financial assets measured at fair value through profit or loss	360,563	(29,252)
Loss from changes in fair value of financial liabilities measured at fair value through profit or loss	(28,307)	(33,341)
Others	(3,214)	4,803
	<u>118,005</u>	<u>758</u>

7. FINANCE COSTS

An analysis of finance costs from continuing operations is as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Interest on bank and other borrowings and amounts due to related parties	5,863,959	6,764,010
Interest on corporate debt instruments	1,042,580	1,108,016
Interest on senior notes	376,822	437,164
Interest on leases	23,109	26,526
Interest on receipts under securitisation arrangements	–	50,270
	<u>7,306,470</u>	<u>8,385,986</u>
Total borrowing costs		
Less: Interest capitalised in properties under development and construction in progress	<u>(4,727,855)</u>	<u>(5,469,939)</u>
Total	<u>2,578,615</u>	<u>2,916,047</u>

8. TAXATION

The major components of the Group's income tax expense are as follows:

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Current tax:		
PRC enterprise income tax	5,018,395	2,914,402
PRC land appreciation tax	1,504,596	1,366,115
Subtotal	<u>6,522,991</u>	<u>4,280,517</u>
Overprovision in prior years:		
PRC enterprise income tax	(3,080)	(12,986)
Deferred tax:		
PRC enterprise income tax	(3,578,578)	(1,186,231)
PRC land appreciation tax	(13,609)	(34,793)
Subtotal	<u>(3,592,187)</u>	<u>(1,221,024)</u>
Total tax charge for the year	<u>2,927,724</u>	<u>3,046,507</u>

No provision for income tax has been made for the Company's subsidiaries incorporated in Hong Kong as they had no assessable profits derived from Hong Kong during the year.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% or 15%.

Greentown Architectural Technology Group Co., Ltd., Greentown Construction Management Group Co., Ltd., Zhejiang Greentown Technology Home Furnishing Co., Ltd., Zhejiang Greentown building curtain wall engineering Co., Ltd., Greentown Housing Technology Co., Ltd., Zhejiang Greentown Future Digital Intelligence Technology Co., Ltd. and Zhejiang Greentown Shangli Construction Management Co., Ltd are high-tech enterprises and the applicable income tax rate is 15% for the years ended 31 December 2024 and 31 December 2023. Zhejiang Greentown Ideal Home Technology Co., Ltd. is a high-tech enterprise and the applicable income tax rate is 15% for the year ended 31 December 2024 due to associate converted to subsidiary. In addition, Beihai Leiyong Investment Co., Ltd. and Xi'an Fuyu Real Estate Development Co., Ltd. are also applicable to the income tax rate of 15% for year ended 31 December 2024 by engaging in encouraged industries in the western regions.

The EIT Law provides that qualified dividend income between two resident enterprises that have a direct investment relationship is exempted from income tax. Otherwise, such dividends will be subject to a 5% or 10% withholding tax under the EIT Law. A 5% or 10% withholding tax rate is applicable to the Group. At the end of the reporting period, the directors of the Company, based on the Group's operation and expansion plan, estimated that part of the retained earnings of subsidiaries in the PRC would be retained in Mainland China for use in future operations and investments. In the opinion of the directors, the earnings which will be distributed by these subsidiaries in the foreseeable future will be less than the amount which withholding tax liabilities have already been recognised at the end of the reporting period.

8. TAXATION (continued)

The Group recognised PRC land appreciation tax based on management's best estimates and in accordance with the requirements set forth in the relevant PRC tax laws and regulations. For the year ended 31 December 2024, the Group has estimated and made a provision for PRC land appreciation tax in the amount of RMB1,490,987,000 (2023: RMB1,331,322,000). The actual PRC land appreciation tax liabilities are subject to the determination by the tax authorities upon completion of the property development projects and the tax authorities might disagree with the basis on which the provision for PRC land appreciation tax is calculated.

A reconciliation of the tax expense applicable to profit before tax at the PRC statutory tax rates to the tax expense at the effective tax rate, and a reconciliation of the PRC statutory tax rate to the effective tax rate, are as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Profit before taxation	7,073,852	9,724,646
Tax at the PRC enterprise income tax rate of 25%	1,768,463	2,431,162
Effect of different tax rates	(159,605)	(149,900)
Tax effect of share of results of associates	(91,821)	(509,966)
Tax effect of share of results of joint ventures	210,725	(110,346)
Tax effect of income not taxable for tax purposes	(73,393)	(16,260)
Tax effect of expenses not deductible for tax purposes	467,746	467,542
Overprovision in respect of prior year	(3,080)	(12,986)
Tax effect of deductible temporary differences not recognised	796,368	228,111
Tax effect of tax losses not recognised	694,997	264,270
Recognition of deferred tax assets on tax losses and deductible temporary differences previously not recognised	(1,328,512)	(365,490)
Utilisation of tax losses previously not recognised	(58,668)	(164,903)
PRC land appreciation tax provision for the year	1,490,987	1,331,322
Tax effect of PRC land appreciation tax	(374,139)	(330,361)
Effect of tax rate changes on deferred taxes	(437,344)	–
Tax effect of undistributed profits	25,000	–
Tax effect of distribution from perpetual securities deductible for tax purpose	–	(15,688)
	<u>2,927,724</u>	<u>3,046,507</u>
Tax charge for the year	<u>2,927,724</u>	<u>3,046,507</u>

9. DIVIDENDS

On 31 July 2024, a final dividend of RMB0.43 per ordinary share, or RMB1,088,759,000 in total, for the year ended 31 December 2023 was paid to the Company's shareholders.

The proposed final dividend of RMB0.30 per ordinary share (2023: RMB0.43 per ordinary share) for the year ended 31 December 2024 has been proposed by the directors and is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

10. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of basic and diluted earnings per share attributable to ordinary equity holders of the Company is based on the following data:

	2024	2023
	RMB'000	RMB'000
Earnings:		
Profit for the year attributable to the owners of the Company	1,596,426	3,117,684
Attributed to perpetual securities	–	(25,954)
	<u>1,596,426</u>	<u>3,091,730</u>
Earnings for the purpose of basic earnings per share		
	<u>1,596,426</u>	<u>3,091,730</u>
Earnings for the purpose of diluted earnings per share		
	<u>1,596,426</u>	<u>3,091,730</u>
Number of shares	2024	2023
Shares:		
Weighted average number of ordinary shares for the purpose of the basic earnings per share calculation	2,532,339,955	2,531,998,690
Effect of dilutive potential ordinary shares:		
Share options and share award	–	714,829
	<u>2,532,339,955</u>	<u>2,532,713,519</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share		
	<u>2,532,339,955</u>	<u>2,532,713,519</u>

The calculation of the diluted earnings per share amount is based on the profit for the year ended 31 December 2024 and 31 December 2023 attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares outstanding during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued on the deemed exercise of all dilutive potential ordinary shares arising from share options granted by the Company. The computation of diluted earnings per share for the year ended 31 December 2024 does not take into account the exercise of all of the share options because the exercise price of these share options was higher than the average market price for shares for the year.

The computation of diluted earnings per share for the years ended 31 December 2024 and 31 December 2023 does not assume the immaterial impact of dilutive potential ordinary shares of Greentown Management Holdings Company Limited.

11. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Trade receivables	2,909,537	2,160,467
Less: Allowance for credit losses	(271,965)	(148,585)
	<hr/>	<hr/>
Net carrying amount of trade receivables	2,637,572	2,011,882
	<hr/>	<hr/>
Other receivables	8,538,431	8,363,686
Less: Allowance for credit losses	(720,762)	(812,455)
	<hr/>	<hr/>
Net carrying amount of other receivables	7,817,669	7,551,231
	<hr/>	<hr/>
Prepayments and deposits	1,045,626	710,542
	<hr/>	<hr/>
Total	11,500,867	10,273,655
	<hr/>	<hr/>

The Group allows an average credit period of 90 days to trade customers. The aged analysis of trade receivables, before allowance for credit losses, is based on the invoice date and stated as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Within 90 days	1,515,029	1,594,402
91 to 180 days	373,615	62,382
181 to 365 days	500,272	62,683
Over 365 days	520,621	441,000
	<hr/>	<hr/>
Total	2,909,537	2,160,467
	<hr/>	<hr/>

12. AMOUNTS DUE FROM RELATED PARTIES/AMOUNTS DUE TO RELATED PARTIES

As at the end of the reporting period, the Group had outstanding balances with related parties, which are all unsecured, as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Due from related parties:		
– associates	9,248,716	7,616,688
– joint ventures	13,299,540	12,394,070
– non-controlling shareholders	57,423,771	50,737,364
– Shareholder's companies	4,625	3,575
– directors	143,434	143,434
	<u>80,120,086</u>	<u>70,895,131</u>
Total		
Due to related parties:		
– associates	13,481,844	15,824,053
– joint ventures	5,616,200	4,614,929
– non-controlling shareholders	7,390,508	7,088,806
– Shareholder's companies	473,829	359,595
– directors	298,191	349,379
	<u>27,260,572</u>	<u>28,236,762</u>
Total		

At each reporting date, an impairment analysis is performed using the general approach to recognise the ECLs on the amounts due from the related parties. For those associates and joint ventures undertaking property development projects, if applicable, the loss allowance is measured at an amount equal to the lifetime ECL which would be calculated by taking into account the impairment losses of the properties under development and properties held for sale held by the associates and joint ventures. The ECLs reflect the current conditions and forecasts of future economic conditions, as appropriate. As at 31 December 2024, the loss allowance was assessed and recognised at an amount of RMB2,000,449,000 (2023: RMB1,146,133,000).

In respect of balances with related parties:

- (a) The trade balances due from Shareholder's companies are mainly construction receivables and trade receivables.

Construction receivables are billed according to the construction contracts and are settled within one to two months after the construction cost incurred are verified and agreed.

Trade receivables arise mainly from materials sales and are with a normal credit terms of two months.

- (b) The balances due from non-controlling shareholders and directors are mainly prepaid distributions.
- (c) The balances due from joint ventures/associates are mainly project advances to these joint ventures/associates and are within the project development cycle. In the opinion of the directors, these balances are repayable on demand.
- (d) The amounts due to Shareholder's companies arise mainly from construction payables to CCCG's subsidiaries.

- (e) The balances due to non-controlling shareholders and directors are mainly project advances from these non-controlling shareholders and directors and are within the project development cycle. In the opinion of the directors, these balances are repayable on demand.
- (f) The balances due to joint ventures/associates are mainly prepaid distributions by joint ventures/associates.

13. TRADE AND OTHER PAYABLES

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Trade payables	47,149,096	48,614,483
Other payables and accrued expenses	9,205,082	8,815,874
Consideration payables on acquisition of a subsidiary	–	18,900
Total	<u>56,354,178</u>	<u>57,449,257</u>

Trade payables principally comprise amounts outstanding for trade purchases and contractor payments. The aged analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Within 180 days	35,779,218	36,450,931
181 to 365 days	7,587,442	7,973,190
Over 365 days	3,782,436	4,190,362
Total	<u>47,149,096</u>	<u>48,614,483</u>

The trade and other payables are non-interest-bearing and are normally settled on 60-day terms.

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATION REVIEW

In 2024, driven by policies, the Chinese real estate market underwent deep adjustments. Aiming at stabilizing the real estate market, the central government policies evolved from loosening restrictions to introducing stimulus policies, leading to a “policy-driven” market. Sales of new properties in key cities have rebounded in the fourth quarter, but the regional differentiation has intensified with third- and fourth-tier cities continuing to face pressure, the overall market was yet bottoming out. The industry’s scale continued to shrink with the sales of new commercial properties falling below RMB10 trillion for the Year. Investment continued to slow down, with a year-on-year decrease of over 20% in both newly constructed and completed property area. The inventory of commercial properties rose to a historical high, the volume of land transactions remained on a downward trend, and the financing scale of the industry constantly contracted. Thus there are still significant challenges on the overall recovery and stabilization of the market.

Facing the deep adjustments in the industry, Greentown China adhered to the idea of “converging strength to deepen cultivation, working with partners to create synergy, endeavoring to execute reforms, and focusing on growth”. The Company firmly implemented the business strategy of “refining the inventories, optimizing the increments and reinforcing the variables”. By taking business safety as the bottom line, optimal operational results as the principle, and cash flow as the cornerstone, it actively responded to industry challenges.

In 2024, Greentown China focused on improving its management precision and work quality. The development momentum continued to be enhanced, as it maintained a 3rd place in the industry in terms of total sales while climbing to the 6th place in terms of both sales of self-investment projects and attributable sales. Its new investment was sufficient and of high quality, where the attributable land cost and saleable value both ranked 4th in the industry, indicating promising prospects. The development edges constantly to be prominent, as it has won the grand slam in product strength assessments by three major institutions for three consecutive years owing to its persistent refinement in products, and has attained the 1st place in customer satisfaction across 16 cities, in which it has presence, as well as leading the industry in delivery satisfaction. The foundation for development remained robust, as monetary funds remained at high level, operating cash flow significantly improved and the net gearing ratio decreased by 7.2 percentage points year-on-year. During the Year, Greentown China has been awarded the “Top10 among 100 Chinese Real Estate Enterprises by Comprehensive Strength” for 21 consecutive years, and has been listed on the Fortune China 500 for 15 consecutive years, ranking 177th. It has also won honors including the 7th place on the “2024 Comprehensive Strength List of Real Estate Listed Companies” and “Top10 Chinese Real Estate Enterprises by Brand Value in 2024”, with its brand value continuously rising to RMB118.8 billion, ranking 3rd in the industry.

Results: enhanced efficiency driven by internal strength despite of profit pressure

During the Year, the Group generated revenue of RMB158,546 million, representing an increase of RMB27,163 million or 20.7% from RMB131,383 million in 2023. During the Year, profit attributable to owners of the Company amounted to RMB1,596 million, representing a decrease of 48.8% from RMB3,118 million in 2023, which was mainly attributable to the provision for net losses on impairment and fair value changes on certain assets of RMB4,917 million (2023: RMB2,035 million) in view of the changes in market conditions. After deducting such effects, the profit attributable to owners of the Company for the Year recorded a year-on-year increase.

The Board has recommended the payment of a final dividend of RMB0.30 per share for the year ended 31 December 2024 (2023: RMB0.43 per share).

Marketing: steadily improved industry position from committing to destocking

In 2024, the Greentown Group (including Greentown China Holdings Limited and its subsidiaries, together with its joint ventures and associates) recorded a total contracted sales area of approximately 14.09 million sqm and a total contracted sales amount of approximately RMB276.8 billion. The self-investment projects contributed a total contracted sales area of approximately 5.91 million sqm and a contracted sales amount of approximately RMB171.8 billion, of which approximately RMB120.6 billion was attributable to the Greentown Group, and the attributable ratio has increased to 70%, maintaining at a high level. Projects under project management recorded a sales area of approximately 8.18 million sqm and sales amount of approximately RMB105 billion. Thanks to the precise marketing positioning and strategy, the sell-through rate of newly-launched self-investment properties for the Year reached 82%, maintaining at a high level, 64% of which realized price premium at first launches. Meanwhile, the sales amount in many projects achieved good results, as 9 projects recorded sales over RMB4 billion for each, in particular, Yiwu Fengqi Chaoming made huge successes in all eight launches and recorded a sales amount of nearly RMB5.6 billion, while Nanjing Jinling Yuehua achieved a sales amount of approximately RMB6.1 billion, ranking 1st in Jiangsu.

Strengthening capacity to help destocking. Greentown China continued to strengthen the capacity building of the marketing team, and refined its specialized capabilities such as digital marketing and value marketing with remarkable results. In terms of digital marketing, with the implementation of the digital channel model in various cities, the proportion of new media transactions has increased by 5.4 percentage points year-on-year to 12.1%, and the average fee rate recorded an industry-leading level. It deepened the implementation of value marketing with 100% coverage of newly added projects, accelerating sell-through to enhance operational performance by building core competitiveness.

Precise scheduling to tackle sales challenges. The Company promptly organized sales strategy meetings to thoroughly study the inventory and price. By implementing customized plans for each project and actively carrying out value enhancement initiatives for existing properties, the average sell-through rate of these projects has increased by 106%. Key breakthroughs were made in the sell-through of carpark units, and the carpark to residential sales ratio increased by 7% year-on-year to 1.39 times. During the Year, 26 projects were sold out of both carpark and residential units.

Consolidating advantages to guarantee high cash collection. The Company continued to consolidate its leading position in core cities and further optimized its sales structure, with the proportion of sales in first- and second-tier cities accounting for 79%, and the sales ranking reached Top5 in 18 core cities including Beijing, Shanghai, Hangzhou and Nanjing. Among which, it stood at Top1 for 5 consecutive years in Ningbo and Top1 for 3 consecutive years in Xi'an. The strategy of centralizing in high-tier cities has provided a strong support for rapid cash collection, with the cash collection rate amounting to 104%, accumulating favorable development momentum for the Company.

Investment: implementing precisely to strive for success in every project

In 2024, strictly abiding by its investment discipline, the Company adhered to the investment requirement of “success in every project” and differentiated investment strategies, deeply rooted in core cities and precisely grasped structural opportunities while ensuring security, highlighting liquidity and balancing profitability. During the Year, the Group acquired 42 new projects with a total GFA of approximately 4.18 million sqm. The costs borne by the Group amounted to approximately RMB48.4 billion, with an average land cost of approximately RMB14,383 per sqm. The newly-added saleable value was estimated to reach RMB108.8 billion, ranking 4th in the industry.

Strengthening investment research to provide support. On the basis of “one city, one policy”, the Company focused on promoting specialized and targeted city-by-city researches, and continued to optimize and iterate investment research tools and project evaluation methods such as portfolio models and city benchmarking models, such that the investment research becomes more systematic and practical.

Focusing on the core cities to ensure safety. In addition to consolidating its presence in Zhejiang, the Company has made progress in first-tier cities such as Beijing, Shanghai and Guangzhou, and entered high-quality second-tier cities such as Suzhou, Xi'an, Nanjing and Hefei, further concentrating on the safe areas in the market and achieving a saleable value of 92% in the first- and second-tier cities, of which 51% was contributed by Beijing, Shanghai and Hangzhou. This has effectively guaranteed the Company's ability to withstand risks in the future.

Enhancing equity interests to strengthen profit realization. The average attributable ratio of new projects increased to 79%, effectively uplifting the efficiency of project development. During the Year, 27 new projects were launched, accounting for 64% of the number of newly added land reserves, and realizing sales conversion of approximately RMB32.5 billion during the Year, of which 8 projects, including Hangzhou Qinbaihe, Suzhou Yilu and Xi'an Zitangyuan, were sold out. The overall investment realization rate exceeded 120 points, providing strong assurance to the realization of the Company's future profits.

Table of newly-added land bank in 2024

No.	Land/Project Name	Percentage of Equity	Paid by Greentown (RMB million)	Total GFA (sqm)
1	Hangzhou Chen'an Yinyue	93.2%	1,504	106,319
2	Hangzhou Yueyong Hefeng	90.5%	1,093	85,642
3	Hangzhou Xi Begonia	97.7%	809	104,191
4	Hangzhou Qinbaihe	49.2%	948	80,225
5	Hangzhou Xiaofeng Mingyue	85%	737	42,324
6	Hangzhou Xiaofeng Langyue	97.6%	1,544	56,117
7	Hangzhou Huqi Yunlu	95.7%	579	50,881
8	Hangzhou Yonghu Yunlu	43.5%	1,182	141,076
9	Hangzhou Runbaihe	67.1%	1,266	75,030
10	Hangzhou Qinglanxuan	51%	717	71,764
11	Hangzhou Ting'an Yinyue	95.7%	1,440	125,077
12	Hangzhou Xiting Xiaoyue	67.5%	486	54,431
13	Hangzhou Yulan Yuehua	88.8%	3,039	94,395
14	Hangzhou Hecui Lanyue	25%	416	209,173
15	Hangzhou Anzhi Dingxiang	100%	1,716	67,558
16	Ningbo Fuxiangyuan	51.4%	892	121,821
17	Jiaxing Hujing Yunlu	96.3%	702	115,477
18	Jiaxing Fuxiangyuan	93.9%	168	39,995
19	Yuyao Zhenyuan	95.4%	348	38,854
20	Cixi Qinbaihe	56.6%	327	128,008
21	Yiwu Fengqi Yilu	100%	1,784	145,608
22	Taizhou Wenling Project	100%	477	63,224
23	Shanghai Qinxiangyuan	100%	1,200	42,925
24	Shanghai Chaoming Oriental	100%	4,805	57,092
25	Suzhou Yilu	63.1%	522	38,495
26	Suzhou Rose Garden	49%	1,509	89,775
27	Nanjing Qinbaihe	65%	514	61,044
28	Wuxi Yilu	75%	211	26,927
29	Hefei Yongxi Yunlu	85%	355	42,355
30	Hefei Jin Begonia	85.1%	851	111,523
31	Beijing Heyue Yuming	100%	5,175	111,156
32	Tianjin Guiyue Yuncui	85.1%	588	138,771

No.	Land/Project Name	Percentage of Equity	Paid by Greentown (RMB million)	Total GFA (sqm)
33	Jinan Fengqi Heming	32.2%	606	393,213
34	Changsha Jade Begonia	100%	890	154,248
35	Changsha Jin Begonia	100%	902	114,539
36	Guangzhou Fuxiangyuan	100%	2,416	115,589
37	Guangzhou Jade Begonia	100%	508	43,283
38	Fuzhou Zhilan Yuehua	100%	2,031	99,285
39	Xi'an Zitangyuan	77.1%	384	80,258
40	Xi'an Guiyue Yuncui	77.1%	591	149,422
41	Xi'an Xi Begonia	100%	738	93,615
42	Xi'an Jin Begonia	86%	1,462	199,372
Total			48,432	4,180,077

Benefiting from the firm and effective implementation of investment strategy, the land reserves of the Group was appropriate in scale and could fully support the Company's stable development in the future. As at 31 December 2024, the Group had a total of 146 land reserve projects (including those under and pending construction) with a total GFA of approximately 27.47 million sqm, of which approximately 17.85 million sqm was attributable to the Group. The total saleable aboveground area was approximately 18.43 million sqm, of which approximately 11.80 million sqm was attributable to the Group. The average land cost per GFA was approximately RMB7,901 per sqm. The value of land reserve in first- and second-tier cities accounted for 76% of the total, the Yangtze River Delta Area accounted for 60%, and 10 strategic core cities such as Beijing, Shanghai, Hangzhou and Xi'an accounted for 53% of the total.

Product: iterative upgrading to safeguard continuous leadership

Since its establishment thirty years ago, commitment to product excellence has been serving as the fundamental principle of the Company. In 2024, insisting on the strategic pivot points of "best understanding of products and best understanding of customers", it kept iterating and upgrading on the basis of the original leading product strength, taking product quality as the "No. 1 Project" and customer satisfaction as the "No. 1 Standard".

Improving quality and efficiency through pre-investment management and control. By way of linking product, investment and customer research functions, the Company established a joint working mechanism specifically for customers and products that operates on a routine basis, strengthened the quality control of pre-investment proposals and carried out preliminary research on project design in all aspects. The construction costs before and after land acquisition were basically the same with the deviation rate reduced by 0.2 percentage points year-on-year, whilst the design efficiency remained high and stable with the duration of process control continuing to shorten.

Establishing standards and upgrading technology. The Company participated in the compilation of the industry standard “Evaluation Procedures for High-Quality Residential Properties (《高品質住宅測評規程》)”, empowering the development of the industry. It also released the first enterprise standard of “Good Houses” in the industry and co-edited with the China Institute of Building Standard Design & Research while releasing 3 technical atlases of high-quality residential properties, promoting the institutional output of Greentown’s good products and leading the industry standardization. Meanwhile, the Company continued to upgrade its technologies and practiced the four core technical systems, namely, high-quality enclosure structure system, constant comfort system, smart system and industrial interior decoration, landing a number of technologies and the sample of “Good Houses”.

R&D innovation for product leadership. The Company continued to enhance its R&D capability and gradually formed customer-oriented product thinking. Throughout the Year, it completed 58 innovative programmes, such as special items of fine decoration and clubhouses. R&D achievements were rapidly applied, for instance, the core landscape IPs such as “A Nature Dialog under the Sky (心林物語)” and “Three-dimensional Landscape (立體景觀)” were launched successively, with the overall application rate of new projects reaching as high as 92.7%. Due to the iteration of the product line, 7 major product series such as Fengqi Series, Rose Garden Series, Yuehua Series and 14 local product series such as Zhejiang Fuxiangyuan have been formed, among which Yuehua Series was awarded the “Top10 Luxury Residential Product Series of China in 2024” and Begonia Series was awarded the “Top10 Quality and Beautiful Residential Product Series of China in 2024”. The Company has been honored with more than 100 prestigious design awards both domestically and internationally for the whole year.

Operations: refined management to improve efficiency

In 2024, the Company continued to improve the general operation system by constantly iterating offline planning and risk control systems, etc., as well as applying online tools such as operation command platform to realize in-depth empowerment. Meanwhile, the Company performed more accurate scheduling by making strategies in advance to yield first-mover advantages and conducting efficient and high-quality decision-making through refined control.

Maintaining a leading position in operation efficiency within the industry. The Company improved development efficiency by refining strategies and plans, as the development cycle of projects newly acquired in the Year further accelerated. The periods from land acquisition to commencement of construction, to first launch and to positive operation cash flow were shortened to 1.7, 4.7 and 12.3 months respectively, which consistently places the Company among first-tier companies in the industry. In particular, a batch of projects broke records again. For example, it only took 24 days for Hangzhou Huqi Yunlu to commence construction from land acquisition, 63 days for Tianjin Guiyue Yuncui to realize its first launch, and 145 days for Xi’an Zitangyuan to achieve positive operation cash flow.

Good and fast delivery and realization. The Company stuck to the bottom line of quality delivery, and completed the delivery of 241 projects on schedule with high quality in both self-investment and project management segments during the Year, with approximately 153,600 households and an area of approximately 30.6 million sqm delivered. Among them, approximately 13.15 million sqm was delivered 96 days ahead of contractual timelines on average. The delivery satisfaction reached 91 points, representing a year-on-year improvement of 2 points, maintaining at a high level and the Company ranked No.1 among “2024 Top30 Chinese Real Estate Enterprises by Delivery Capacity”.

Remarkable results in cost reduction and efficiency improvement. By further strengthening cost control and tamping dynamic cost, the average construction costs reduced by approximately RMB114 per sqm. It achieved a price reduction of over 14% in key categories through the increase of centralized procurement and the improvement of the assessment system on suppliers’ contract fulfillment performance. The Company also enhanced its cost competitiveness by implementing the front-end cost control policy, strengthening cost-to-value alignment and enhancing the precision of “tailored valuation for each city”.

Systems: enhancing quality operations driven by mechanisms

Benefiting from a stable governance structure, the Company has continuously optimized its institutional mechanisms in recent years, effectively supporting high-quality development. Firstly, the governance mechanism has become more market-oriented. Based on a mixed-ownership structure, the Company has steadily improved an orderly and efficient market-oriented control model. Secondly, the management mechanism has been refined. During the Year, we optimized 92 management systems, making the standard framework more scientific, reasonable, and practical with orderly, aligned, efficient and high-quality management of accountability and authorities, providing a solid foundation for the efficient business operations. Thirdly, the decision-making mechanism has been made more scientific. We have deepened the implementation of the business committee systems, breaking down professional barriers and effectively enhancing decision-making efficiency. Lastly, performance evaluation and incentive mechanisms have been made more precise. The Company has stimulated momentum through a rigorous evaluation mechanism, and strengthened the alignment of employees’ and the Company’s interests, so as to achieve mutual benefit and shared responsibility.

Organizational structure: deepening execution of reforms to streamline and achieve higher efficiency

In 2024, Greentown China continued to promote the streamlining of administration and the delegating power to lower levels, and further implemented the two-level management structure “Group-City”, with two-level control units accounting for 81%. Meanwhile, the Company upgraded the talent structure of its team by actively promoting the talent recruitment and internal training for core positions. We successfully recruited over 120 core talents, and achieved vibrant flow of internal talent rotations of over 650 employees, which further enhanced talent level and contributed to a more reasonable distribution. Remarkable results have been achieved by streamlining personnels and reducing expenses as the efficiency per capita continued to improve. The area under construction for non-sales staff per capita

exceeded 12,800 sqm, representing a year-on-year increase of 6.7% and taking the lead in the industry. In 2024, the Company achieved an organizational engagement score of 92%, maintaining above 80 percent level in the industry for several consecutive years.

Financing: solid financial position with smooth financing channels

In 2024, leveraging its high creditworthiness, steady business development and precise cash flow management, the Group received continued support from financial institutions. The Company maintained a sound financial position and secured structure, providing a solid foundation for the sustainable development of the Group. As at the end of 2024, the weighted average financing cost of total borrowings decreased to 3.7%, representing a decrease of 40 bps compared to 4.1% at the end of 2023, while debts due within one year accounted for 23.1% of the total debts of the Group remaining at a low level.

With smooth financing channels in the capital market, in 2024, the Group issued RMB12.531 billion of domestic bonds (including resale of corporate bonds of RMB1 billion) in the primary market, which comprises of medium- to long-term unsecured credit bonds of RMB9 billion and 1-year supply chain ABN of RMB3.531 billion. They were well recognized by the market. In the secondary market, the Company has strengthened valuation management, with the bond yield declining steadily since the beginning of the Year, which experienced some fluctuations in October and November due to market impacts, but returned to normal level after prompt repurchase. In terms of offshore financing, the Group has completed offshore refinancing of approximately USD820 million. The Company proactively repurchased approximately USD520 million of its USD bonds, continuously optimizing its debt structure. The proportion of offshore debt remained stable, staying at a reasonable level.

Project management business: enhancing capability for sustained leadership

Greentown Management Holdings Company Limited (“Greentown Management”), a subsidiary of the Company, has continued to consolidate its leading position in the industry with a market share of more than 20% for nine consecutive years. It has been awarded “Top1 of Leading Enterprises in Real Estate Project Management Operation” by China Index Academy for nine consecutive years and won more than 30 Top1 honors in the industry throughout the Year. In 2024, Greentown Management actively participated in the development of industry associations to spearhead a new real estate development model. Meanwhile, it joined hands with well-known asset management companies to actively engage in non-performing bailout projects, making the first batch of bailout projects successfully delivered in the Year and setting benchmarks for bailout projects. And it continued to improve its project management strength by enhancing capabilities, products and services, achieving high satisfaction rate of 91% for home buyers and 96% for clients.

In 2024, Greentown Management demonstrated strong business expansion capabilities, with newly contracted GFA reaching approximately 36.49 million sqm for the Year, representing a year-on-year increase of 3.4%. As of 31 December 2024, Greentown Management had total contracted GFA of approximately 125.6 million sqm, representing a year-on-year increase of 5.0%, while the delivered area was approximately 16.56 million sqm, accounting for 52% of Top10 delivered area.

Greentown+: achieving multiple breakthroughs with intensive development

In 2024, the “Greentown+” segment continued to develop and established an industrial ecosystem to collaborate and empower the main business. Following the integration and reorganization, living technology business has established its development strategy to focus on mid-to-high-end home renovation for C-end owners as its strategic core business. During the Year, the contract value of the retrofitting business reached RMB970 million, achieving a significant breakthrough in scale. For traditional construction businesses such as batch fine decoration and EPC general contracting, which have been serving as foundational businesses, 271 construction projects were delivered on schedule with high-quality during the Year. Regarding commercial operations, the Company promoted the intensive management of operational assets to reduce costs and increase efficiency. It also launched a new brand “Greentown Commercial” to enhance its brand influence. Seizing the critical milestones of project launches, the Company successfully delivered the opening of several projects, including the Four Seasons Hotel in Hangzhou Center and Qingdao GT PLAZA. In terms of health and wellness service, “Universal Love (大愛天下)” and “Greentown Double Kindness (綠城雙慈)” were honored as “Top10 Chinese Healthcare and Wellness Brands in 2024”. The town operation business continued to expand its brand management footprint, with new projects such as the Hangzhou Fuyang Fuchunli Commercial Block added within the Year. The cumulative area under brand management reached approximately 66,000 sqm. Additionally, the Company retained its title as the “Top1 Chinese Town Operator by Comprehensive Strength in 2024”. In terms of future digital intelligence business, by the end of 2024, the Company had applied for over 150 intellectual property rights and served more than 500 future communities, with market share exceeding 40%.

ESG: green development and quality practices

While steadily developing its business, Greentown China continues to fulfill its environmental, social and corporate governance responsibilities. By anchoring on the strategic goal of sustainable development to “create a quality green lifestyle”, the Company advances business operations with the guidance of sustainable development concept, and advocates a return to the essence of a “good enterprise”, actively contributing to the sustainable development of the industry.

Active fulfillment of environmental responsibility. Greentown China takes “green” and “healthy” as its long-term development concept for green buildings, thus it continuously improves the product quality in such aspect. As at 31 December 2024, there had been a total of 327 green building projects. During the Year, there was an additional area of approximately 2.28 million sqm achieving green building certification, and almost about 80% of the projects under construction applied the prefabricated technology. The Company is dedicated to building low energy consumption buildings and achieving energy saving, emission reduction and low-carbon transformation in the use of buildings. For 10 consecutive years, we have been carrying out the “Spreading Spring Breeze” desert oasis co-construction campaign, planting over 150,000 saxaul trees to form an oasis in Minqin, Gansu to combat desertification.

Proactively assuming social responsibility. Relying on the Greentown Charity Foundation, we have been continuously promoting the “Greentown Charity” brand by supporting poverty alleviation, education, elderly care and sports events, showing how little acts of kindness can bring great love. Through “No Depression in China (無鬱中國行)”, approximately 65,000 individuals have been cured. The Company also actively involved in the construction of resettlement housing, shared-ownership housing, public rental housing and other affordable housing to enhance urban living quality. As at the end of 2024, the Company had delivered a total of approximately 63.9 million sqm under government project management business, improving living conditions for about 428,000 original households. The cumulative area of relief projects implemented has exceeded 10 million sqm.

Well recognized corporate governance. Greentown China continued to optimize its governance structure and enhance resilience by adding four new ESG policies in 2024 to further improve its system. It continuously optimized internal control and risk management system through carrying out 116 audit projects and organizing 88 anti-corruption training sessions in 2024, with 100% employee coverage. The Company’s ESG governance efforts have earned industry recognition, with an MSCI (an international rating institution) ESG rating of BBB, maintaining a leading position in the industry, and Wind (a domestic authoritative institution) ESG rating of A, ranking top 5% in the industry. In addition, it has been awarded certain accolades such as “CLS ESG Pioneer Enterprise Award”, “2024 Outstanding Performance in ESG Governance”, “2024 Chinese Real Estate ESG Pioneer Enterprises”, and “Top1 in the 2024 China Green and Low-Carbon Real Estate Index”.

PROSPECTS

The year 2025 marks the 30th anniversary of Greentown and a pivotal year for transformation and development. It is expected that the central regulatory policies will continue to bring effects to halt the downturn and stabilize the real estate market. As the government launches city-specific policies to adjust and reduce restrictive measures, first- and second-tier cities are anticipated to rebound from their bottom, and the market should see a structural recovery. At the same time, the significantly increasing market demand for high-quality housing provides the Company with opportunities to fully leverage its product advantages. However, in view of key factors that have been affecting the industry development, like the pre-indicators of real estate remaining at a low level, the contraction and downward trend of the industry is unlikely to fundamentally reverse in the short term.

Faced with such complex market environment where both challenges and opportunities exist, Greentown China will maintain its strategic principle, mindset of bottom line, and consciousness of change, and adhere to the concept of “meticulous cultivation for survival, transformation for advancement, innovation for long-term development, and relentless efforts for success” to further solidify foundation for its development, and promote high-quality development to a higher level by focusing on nine major aspects.

First, focusing on destocking to accumulate strength for development. We will make diverse efforts on many aspects with multi-pronged approaches to optimize the value structure; enhance iteration of capabilities, implement the classified value marketing policies for new and old projects, and strengthen the capacity building of digital marketing and sell-through of specialized items like carpark as well as commercial properties.

Second, focusing on cash security to solidify foundation for development. We will improve our fund management capability and enhance internal cash flow management; optimize the debt structure with reasonable planning and timely adjustments; maintain the low financing costs to save finance expenditure; and strengthen the expense management to help improve efficiency.

Third, focusing on precise investment to reinforce basis for development. Under the premise of ensuring security, highlighting liquidity and balancing profitability, we will continue to master our pace, and precisely select lands with high standards and high requirements; constantly conduct post-investment reviews and enhance our analytical capabilities, thereby improving pricing competency and the fulfillment level of investments.

Fourth, focusing on product upgrading to consolidate edges in development. We will continue to refine the standard construction practices and technical atlas that center around the six major elements of “Good Houses” to enhance technical support and contribute to the promotion and application of the achievements from “Good Houses” practices. A new product strength system will be established to strengthen preliminary research and development and revitalize the product series.

Fifth, focusing on cost cutting and potential exploring to improve efficiency for development. We will improve the cost management and control system of the whole value chain from the perspective of operation, and promote refined cost management with enhanced global mindset by expansion of centralized procurement, building a resource database, and upgrading supply chains, in a bid to help the construction of good houses.

Sixth, focusing on innovation to invigorate vitality for development. We will accelerate the transformation of marketing models, enhance the capability packages of value marketing, and strengthen the construction of digital channels to form an innovative digital marketing model suitable for the Company; deepen digital empowerment by extensively integrating into the business scenarios, to enhance management efficiency and support operational decision-making.

Seventh, focusing on upgrading in project management business to broaden horizons of development. We will reinforce transformation mindset and broaden business scope to consolidate first-mover advantages; expedite the alignment of capacity building with the real estate development segment to speed up the interoperability of operation, product and marketing strength, and improve realization of profitability.

Eighth, focusing on business priorities to seek breakthroughs for development. We will strengthen our strategic mindset by systematically considering the layout of business segments; enhance our synergistic awareness and concentrate superior resources to focus on the sustained growth of cash flow and profitability for Greentown+ segment, while forging core competencies based on our business scenarios.

Ninth, focusing on strategy upgrades to realize leap-forward development. We will comprehensively plan our Strategy 2030, which clarifies the Company's regional layout, business layout and capacity layout for the next five years, to focus on key issues and key aspects, and give full play to the value of strategic leadership.

In 2025, the saleable value of self-investment projects of Greentown China is approximately RMB200.2 billion (excluding the value of projects newly acquired after January 2025 that could be launched within the Year), with a saleable area of approximately 6.28 million sqm, which is mainly concentrated in high-tier core cities with safe structure as the saleable value in first- and second-tier cities accounting for 83%. The Company will give full play to its own advantages and firmly enhance the premium ability, by seizing structural opportunities and refined operation to strengthen the stock premium, and at the same time, set premium target in advance and guide the whole process such as investment and products to increase the incremental premium, so as to improve the overall operation performance. The Group expects that the total GFA of completed projects/phases throughout 2025 to be approximately 7.5 million sqm. As of 31 December 2024, the Group recorded an accumulated unbooked sales of approximately RMB190.5 billion (attributable: approximately RMB142.1 billion), with an attributable ratio of 75%, showing a year-on-year increase.

Entering the “era of stockpiling”, Greentown China will maintain our determination, embrace challenges, and continue to execute the “reform, rebuilding and refinement”. In the process of transformation from “quantity” to “quality”, we will enhance our ability from “good” to “excellent”, and constantly promote the “comprehensively high-quality and sustainable” development.

FINANCIAL ANALYSIS

Revenue

The revenue of the Group mainly derives from sales of properties, as well as from project management, design and decoration, and holding properties for operation and others. During the Year, the revenue of the Group amounted to RMB158,546 million, among which revenue from sales of properties accounted for 92.7%, design and decoration revenue accounted for 2.0%, project management revenue accounted for 2.1% and revenue from holding properties for operation and others accounted for 3.2%, representing an increase of 20.7% from RMB131,383 million in 2023, which was mainly due to the increase in revenue from sales of properties.

During the Year, the Group's revenue from sales of properties amounted to RMB147,017 million, representing an increase of 21.9% from RMB120,580 million in 2023. During the Year, the area of properties with recognized revenue amounted to 6,352,079 sqm, representing an increase of 2.5% from 6,197,536 sqm in 2023. The average selling price of properties with recognized revenue was RMB23,145 per sqm, representing an increase of 19.0% from RMB19,456 per sqm in 2023, which was mainly due to the higher average selling prices of Hangzhou Laurel Oriental, Beijing Qinyuan and Shanghai Qiantan Baiheyuan, which accounted for a higher percentage of sales among the projects with recognized revenue during the Year.

Properties with revenue recognized by subsidiaries in 2024 are as follows:

Name of project	Type of property	Area sold (<i>sqm</i>) (<i>Note</i>)	Sales revenue (<i>RMB</i>) (<i>hundred million</i>)	% of sales	Average selling price (<i>RMB</i>) (<i>per sqm</i>)
Hangzhou Laurel Oriental	High-Rise Apartment	294,788	133.78	9.1%	45,382
Beijing Qinyuan	High-Rise Apartment, Commercial	226,092	87.48	6.0%	38,692
Xi'an National Games Village	High-Rise Apartment, Low-Rise Apartment, Commercial	547,357	86.59	5.9%	15,820
Hangzhou Fuxiangyuan	High-Rise Apartment	195,318	74.59	5.1%	38,189
Shanghai Qiantan Baiheyuan	Low-Rise Apartment, Villa	40,517	53.89	3.7%	133,006
Hangzhou Xiaoyue Yingcui	High-Rise Apartment	96,739	42.73	2.9%	44,170
Hangzhou Yueying Xingyu	High-Rise Apartment	208,028	42.54	2.9%	20,449
Hangzhou Yueying Begonia	High-Rise Apartment	155,159	41.14	2.8%	26,515
Beijing Xishan Yunlu	Villa	85,184	41.04	2.8%	48,178
Hangzhou Yanyu Begonia	High-Rise Apartment	150,326	41.03	2.8%	27,294
Others		4,352,571	825.36	56.0%	18,963
Total		6,352,079	1,470.17	100.0%	23,145

Note: Areas sold include aboveground and underground areas.

During the Year, projects in Zhejiang area achieved property sales revenue of RMB75,866 million, accounting for 51.6% of the total sales revenue and ranking 1st place. Projects in the Beijing area achieved property sales revenue of RMB17,322 million, accounting for 11.8% and ranking 2nd place. Projects in Shaanxi area achieved property sales revenue of RMB14,296 million, accounting for 9.7% and ranking 3rd place.

During the Year, the Group's revenue from sales of high-rise apartments, low-rise apartments, serviced apartments, etc. amounted to RMB132,747 million, accounting for 90.3% of the total; sales revenue from villas amounted to RMB11,813 million, accounting for 8.0%; and that from offices and others amounted to RMB2,457 million, accounting for 1.7%.

During the Year, the Group's revenue from project management service amounted to RMB3,378 million, representing an increase of 7.8% from RMB3,135 million in 2023, mainly because the Group maintained its leading position in the project management industry.

During the Year, the Group recorded RMB3,113 million in the revenue from design and decoration business, representing a decrease of 7.8% from RMB3,376 million in 2023, mainly due to our proactive selection of high-quality customers for cooperation in order to control project risks as a whole in the context of overall downturn in the real estate market.

During the Year, the Group's revenue from hotel operations amounted to RMB1,030 million, generally on par with RMB1,046 million in 2023. During the Year, the Group's rental income from investment properties amounted to RMB285 million, representing an increase of 26.1% from RMB226 million in 2023, mainly due to the gradual commencement of operation of new investment properties.

Gross profit and gross profit margin

During the Year, the Group recorded a gross profit of RMB20,225 million, representing an increase of 18.5% from RMB17,073 million in 2023, mainly due to the increase in gross profit from property sales during the Year.

During the Year, the Group achieved a gross profit margin of 12.8%, representing a decrease of 0.2 percentage points from 13.0% in 2023. In particular, the gross profit margin of property sales was 11.7%, representing an increase of 0.4 percentage points from 11.3% in 2023, mainly due to the higher gross profit margin of Shanghai Qiantan Baiheyuan, Xi'an National Games Village, which accounted for a higher percentage of recognized revenue during the Year.

Other income

During the Year, the Group recorded other income of RMB2,933 million, which mainly comprised interest income, comprehensive service income, dividends from equity instruments designated at fair value through other comprehensive income and government grants, etc., representing an increase of RMB76 million or 2.7% from RMB2,857 million in 2023, which was mainly due to the increase in the interest income from bank deposits.

Administrative expenses

Administrative expenses include human resources costs, daily operating expenses and other expenses, such as product research and development expenses. During the Year, the Group incurred administrative expenses of RMB4,441 million, representing a year-on-year decrease of RMB698 million or 13.6% from RMB5,139 million in 2023. Human resources costs are the largest single expense among administrative expenses. During the Year, the Group incurred human resources costs of RMB2,374 million (2023: RMB2,647 million), representing a year-on-year decrease of RMB273 million or 10.3%. In recent years, the Group proactively responded to the changes in the industry, continuously optimized the organizational structure and enhanced its refined management, further improving the efficiency of its staff. During the Year, the Group incurred daily operating expenses of RMB1,605 million (2023: RMB1,795 million), representing a year-on-year decrease of RMB190 million or 10.6%, mainly due to the the Group's further streamlining of the management of various expenses.

Selling expenses

Selling expenses mainly include human resources costs, marketing activities expenses and daily operating expenses. During the Year, the Group incurred selling expenses of RMB3,323 million, representing an increase of RMB595 million or 21.8% from RMB2,728 million in 2023. During the Year, the Group incurred human resources costs of RMB1,059 million (2023: RMB937 million), representing a year-on-year increase of RMB122 million or 13.0%. During the Year, the Group incurred marketing activities expenses of RMB1,776 million (2023: RMB1,417 million), representing a year-on-year increase of RMB359 million or 25.3%. The increases in human resources costs and marketing activities costs were, on the one hand, due to the need to amortize internal and external sales commissions included in contract costs in accordance with IFRS 15 – Revenue from Contracts with Customers, and the recognized revenue for the Year recording an increase, resulting in an increase in the amortized sales commission and sales agents expenses of RMB327 million, and, on the other hand, given the change in the external market, the Company proactively and moderately increased efforts in marketing activities.

Finance costs

During the Year, the Group's interest expenses included in the consolidated statement of profit or loss and other comprehensive income amounted to RMB2,579 million, representing a decrease of RMB337 million from RMB2,916 million in 2023. Interest expenses of the Group for the Year totalled RMB7,306 million, representing a decrease of RMB1,080 million from RMB8,386 million in 2023. Weighted average interest cost was 3.9% during the Year, representing a decrease of 40 bps as compared to 4.3% in 2023. During the Year, with substantial support from financial institutions and recognition in capital markets, financing channels were smooth for the Group to continue its optimization of debt structure, allowing us to maintain the finance costs at a consistently lower level.

Share of results of joint ventures and associates

During the Year, the Group's share of results of joint ventures was a loss of RMB841 million and its share of results of associates was a gain of RMB208 million, which amounted to an aggregate loss of RMB633 million, representing a decrease of RMB2,798 million from a gain of RMB2,165 million in 2023, mainly due to the decrease in gross profit margin as a result of the impact of the real estate industry downturn and provision of impairment loss.

Taxation expenses

During the Year, taxation included land appreciation tax of RMB1,491 million (2023: RMB1,331 million) and enterprise income tax of RMB1,437 million (2023: RMB1,715 million). During the Year, land appreciation tax accounted for 0.9% of revenue, generally on par with 1.0% in 2023. During the Year, the year-on-year decrease in enterprise income tax was mainly attributable to the decrease in profit before taxation and the decrease in the withholding tax rate of the Group's subsidiaries due to the recognition as an enterprise with Hong Kong resident status.

Gain from changes in fair value of investment properties

Investment properties are properties held for the purpose of earning rentals, and should be measured at fair value. The Group has appointed valuers to carry out valuation on certain investment properties located in Hangzhou, Dalian, Zhuji etc. According to the valuation results, the loss from changes in fair value of investment properties for 2024 was RMB186 million (2023: a loss of RMB352 million), mainly due to the decline in the fair value of office buildings and self-owned residences resulting from the downturn of the leasing market.

Provision and reversal of impairment losses for certain assets

In view of the everchanging market conditions, the Group has appointed valuers to carry out valuation on certain of its properties. According to the valuation and impairment test results, the impairment loss provision for non-financial assets of RMB4,039 million (2023: RMB1,391 million) was made for the Year, mainly due to the lower-than-expected selling prices of certain types of properties such as Wuhan Guiyu Chaoyang, Yancheng Xiaofeng Yinyue, Taizhou Guiyu Tinglanxuan and Fuzhou Wenlan Mingyue, resulting from the overall downturn of the real estate market. In addition, during the Year, the Group applied IFRS 9 and provided for an impairment loss of RMB1,025 million (2023: RMB230 million) after considering the credit risk of the receivables based on the expected credit loss impairment model in conjunction with the subjects, ageing and other factors of the receivables, which was mainly due to the impairment provision made for the amounts due from joint ventures and associates resulting from the downturn of the real estate market.

Contract liabilities

Contract liabilities mainly represent the amounts received from the pre-sale of properties. As at 31 December 2024, the balance of contract liabilities of the Group was RMB146,959 million, representing a decrease of RMB12,854 million or 8.0% from RMB159,813 million as at 31 December 2023, which was mainly due to a significant increase in the recognized revenue during the Year. The tax pending for written off in respect of the contract liabilities of the Group as at 31 December 2024 was RMB13,389 million, representing a decrease of RMB1,917 million from RMB15,306 million as at 31 December 2023.

As at 31 December 2024, the balance of contract liabilities of joint ventures and associates was RMB26,292 million, representing a decrease of RMB32,956 million or 55.6% from RMB59,248 million as at 31 December 2023, which was due to the decrease in the number of new joint ventures and associates resulting from the increase in the equity percentage of newly-developed projects.

Material disposals

On 3 December 2024, Greentown Real Estate Group Co., Ltd. (“Greentown Real Estate”) entered into an agreement with Ningbo Global Real Estate Co., Ltd. (“Ningbo Global”), in relation to the disposal of 100% equity interest in Hangzhou Chengling Lvlong Enterprise Management Co., Ltd. (“Chengling Lvlong”) to Ningbo Global at a consideration of RMB482.3 million. All debts related to the operating property loan of RMB785 million will be assumed by Chengling Lvlong and Ningbo Global. Greentown Real Estate will no longer assume any obligations related to the operating property loan. The transaction was completed in December 2024. The consideration was settled in the following manner: (a) Ningbo Global would pay 20% of the Initial Consideration (approximately RMB96.46 million) to Greentown Real Estate within 7 working days after the Agreement becomes effective; (b) Ningbo Global shall pay 79% of the Initial Consideration (approximately RMB381 million) to Greentown Real Estate within 7 working days after delivery to Ningbo Global of the signed supplemental lease agreement to be entered into between the Chengling Lvlong and the Operating Company regarding the prospective lease arrangement of the Target Property; and (c) Ningbo Global shall pay 1% of the Consideration (approximately RMB4.82 million) to Greentown Real Estate within 7 working days after (i) the registration of the transfer of the Target Interest is completed, (ii) the value of Consideration Adjustment is agreed and confirmed, pursuant to the terms of the Agreement, and (iii) the Operating Company assigns to the Chengling Lvlong all of its rights and obligations arising from the lease agreements with the lessees of the Chengling Lvlong, pursuant to the terms of the Agreement. Such disposal contributed a net gain of approximately RMB8 million to the Company. For details of the disposal agreement, please refer to the announcement of the Company dated 3 December 2024.

Financial resources and liquidity

As at 31 December 2024, the Group had bank balances and cash (including pledged bank deposits) of RMB72,988 million (31 December 2023: RMB73,445 million), among which regulated pre-sale funds amounted to RMB24,031 million (31 December 2023: RMB23,879 million). Total borrowings amounted to RMB137,187 million, representing a decrease of RMB8,955 million from RMB146,142 million as at 31 December 2023. Net liabilities (total borrowings less bank deposits and cash) amounted to RMB64,199 million, representing a decrease of RMB8,498 million from RMB72,697 million as at 31 December 2023. Net gearing ratio (net liabilities divided by total equity) was 56.6%, representing a decrease of 7.2 percentage points from 63.8% as at 31 December 2023, which was mainly attributable to the Group’s proactive reduction of interest-bearing liabilities by further strengthening internal cash flow. Balance of borrowings due within one year amounted to RMB31,663 million, accounting for 23.1% of the total borrowings, generally on par with 22.3% as at 31 December 2023. The closing balance of bank deposits and cash was 2.3 times the balance of borrowings due within one year, generally on par with that as at 31 December 2023. The Group has relatively ample cash flow, coupled with a reasonable debt structure, providing strong support for the future development of the Company.

Risks of foreign exchange fluctuation

The principal place of operation of the Group is in the PRC, and the majority of its income and expenditure is settled in RMB. As the Group had deposits in foreign currencies, amounts due from and to related parties and third parties denominated in foreign currencies, as well as bank borrowings in foreign currencies and overseas senior notes, the Group was exposed to foreign exchange risks. Among which, the Group made early replacement of offshore US dollar loans by withdrawal of offshore RMB loans equivalent to US\$560 million during the Year. The Company did not enter into any hedging arrangements for the remaining parts. In 2025, the Company will continue to closely monitor the foreign exchange market change and proactively discuss foreign exchange hedging proposals with all banks. Net foreign exchange loss of RMB117 million (2023: RMB39 million) was incurred during the Year.

Contingent liabilities

The Group provided guarantees in respect of certain banks' mortgages granted to the buyers of the Group's properties. As at 31 December 2024, such guarantees for mortgage facilities amounted to RMB24,295 million (31 December 2023: RMB32,452 million).

Pledge of assets

As at 31 December 2024, the Group pledged right-of-use assets, investment properties, properties for development, properties under development, completed properties for sale, property, plant and equipment, equity investments designated at FVTOCI, pledged bank deposits, etc, with an aggregate carrying value of RMB135,507 million (31 December 2023: RMB130,808 million) to secure general credit facilities granted by banks and other parties to the Group.

Capital commitments

As at 31 December 2024, the Group had contracted, but not provided for, capital expenditure commitments of RMB914 million (31 December 2023: RMB732 million) in respect of investment properties and construction in progress.

CAPITAL EXPENDITURE PLAN

In consideration of the complicated and highly uncertain economic environment, the Group takes a prudent approach towards the use of funds to secure the capital chain. Currently, the Group has no material capital expenditure plan.

EVENTS AFTER THE BALANCE SHEET DATE

Provision of decoration and installation services to CCCC Southeast Engineering

On 10 January 2025, Greentown Architectural Technology Group Co., Ltd. (綠城建築科技集團有限公司) (“Greentown Architectural”, a wholly-owned subsidiary of the Company) entered into two decoration and installation agreements (“Decoration and Installation Agreement I” and “Decoration and Installation Agreement II”, respectively, and together the “Decoration and Installation Agreements”) with CCCC Fourth Highway Southeast Engineering Co., Ltd.* (中交建築集團東南建設有限公司) (“CCCC Southeast Engineering”, an indirect non-wholly owned subsidiary of China Communications Construction Group (Limited) (“CCCCG”)). Pursuant to the Decoration and Installation Agreements, Greentown Architectural agreed to provide CCCC Southeast Engineering with the aluminium alloy doors, windows, and railings installation works for certain buildings of the phase I of an urban renewal project located in Henggou Village, Haikou City, Hainan Province, with a total site area of approximately 108,500 sqm and a total gross floor area of approximately 296,700 sqm. Pursuant to the terms of the Decoration and Installation Agreement I and the Decoration and Installation Agreement II, the consideration shall be approximately RMB14,817,131 and RMB22,137,940, respectively, based on the specifications of the contracted construction works as at the date of the announcement of the Company dated 10 January 2025, and the final settlement amount will be further determined based on the actual works completed. Subject to the actual works and barring any unforeseen circumstances, as at the date of the announcement, the Company expected that the final settlement amount under the Decoration and Installation Agreement I and the Decoration and Installation Agreement II shall not exceed RMB16,000,000 and RMB24,000,000, respectively. Please refer to the announcement of the Company dated 10 January 2025 for further details of the Decoration and Installation Agreements.

Construction framework agreement with CCCG

On 22 January 2025, the Company entered into a construction framework agreement with CCCG in respect of the provision of construction services by CCCG or its subsidiaries to the Group from time to time for a term of three financial years ending 31 December 2027 (the “2025 Construction Framework Agreement”). The maximum amounts to be incurred for the transactions contemplated under the 2025 Construction Framework Agreement for each of the years ending 31 December 2025, 2026 and 2027 are RMB1,040 million. Please refer to the announcement of the Company dated 22 January 2025 for further details of the 2025 Construction Framework Agreement.

Offer to purchase previously issued senior notes

On 13 July 2020, the Company issued 5.65% senior notes due 2025 (ISIN: XS2193529562) (the “2025 July Notes”) in the aggregate principal amount of US\$300,000,000. On 29 October 2020 and 24 February 2022 respectively, the Company issued 4.7% senior notes due 2025 (ISIN: XS2247552446) (the “2025 April Notes”) in the aggregate principal amount of US\$450,000,000.

On 13 February 2025, the Company announced an offer to purchase (the “Offer to Purchase”) for cash the 2025 April Notes and 2025 July Notes, and on 26 February 2025, announced the acceptance and repurchase of US\$312,187,000 in aggregate principal amount of the 2025 April Notes and US\$139,676,000 in aggregate principal amount of the 2025 July Notes. The repurchased 2025 April Notes and 2025 July Notes have been cancelled. Immediately after the settlement of the Offer to Purchase, US\$134,313,000 in aggregate principal amount of the 2025 April Notes and US\$154,824,000 in aggregate principal amount of the 2025 July Notes remain outstanding. For details of the Offer to Purchase and cancellation of the repurchased 2025 April Notes and 2025 July Notes, please refer to the announcements of the Company dated 13 February 2025, 24 February 2025 and 26 February 2025.

Issue of US\$500,000,000 8.45% Senior Notes due 2028

On 24 February 2025, the Company issued 8.45% senior notes due 2028 (ISIN: XS2971601336) (the “2028 Notes”) in the aggregate principal amount of US\$500,000,000. For details of the issue of the 2028 Notes, please refer to the announcements of the Company dated 14 February 2025 and 18 February 2025.

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

Partial redemption and cancellation of bonds

On 27 January 2022, the Company issued 2.30% credit enhanced bonds due 2025 (ISIN: XS2434935875) in the aggregate principal amount of US\$400,000,000 (the “2.30% Bonds”), which is listed on the Stock Exchange (stock code: 04463).

During the Year, the Company had repurchased from the open market an aggregate principal amount of US\$300,000,000 of the 2.30% Bonds (the “Repurchased 2.30% Bonds”). The Repurchased 2.30% Bonds have been cancelled. For details of the repurchase and cancellation of the Repurchased 2.30% Bonds, please refer to the announcements of the Company dated 5 June 2024 and 21 June 2024. During the Year, the Company also announced an invitation to tender (the “Tender Offer”) the outstanding 2.30% Bonds, and accepted and repurchased an aggregate principal amount of US\$73,350,000 of the 2.30% Bonds (the “Accepted 2.30% Bonds”). The Accepted 2.30% Bonds have been cancelled. After the settlement of the Tender Offer, US\$26,650,000 in aggregate principal amount of the 2.30% Bonds remains outstanding. For details of the Tender Offer and cancellation of the Accepted 2.30% Bonds, please refer to the announcements of the Company dated 27 August 2024, 11 September 2024 and 13 September 2024.

Repurchase and cancellation of senior notes

On 22 December 2021, the Company issued 5.95% senior notes due 2024 (ISIN: XS2390472202) (the “2024 Notes”) in the aggregate principal amount of US\$150,000,000. As of 5 July 2024, the Company had repurchased all of the outstanding 2024 Notes. The repurchased 2024 Notes have been cancelled according to their terms. After the cancellation of the repurchased 2024 Notes, there was no outstanding amount on 2024 Notes.

For details of the repurchase and cancellation of the 2024 Notes, please refer to the announcement of the Company dated 5 July 2024.

Save as disclosed above, during the Year, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities.

HUMAN RESOURCES

As at 31 December 2024, the Group employed a total of 8,765 employees (31 December 2023: 9,403). The employees of the Group were remunerated on the basis of their performance, experience and prevailing industry practices. The Group’s remuneration policies and packages were reviewed by the remuneration committee of the Company and the Board on a regular basis. As an incentive for the employees, bonuses, cash awards and share options or awards may also be granted to the employees based on their individual performance evaluation.

CORPORATE GOVERNANCE CODE OF THE LISTING RULES

In the opinion of the Board, the Company had complied with the requirements of all the applicable code provisions set out in the Corporate Governance Code contained in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) throughout the Year.

MODEL CODE OF THE LISTING RULES

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix C3 to the Listing Rules as the Company’s code for dealing in securities of the Company by the Directors. Having made specific enquiry to each of the Directors, they have confirmed that they have complied with the Model Code throughout the Year. Relevant employees who are likely to be in possession of unpublished inside information of the Group are also subject to compliance with the written guidelines on same terms as the Model Code.

AUDIT COMMITTEE

The audit committee of the Company (the “Audit Committee”) has reviewed the accounting principles and practices adopted by the Group and discussed on the audit objectives, the scopes and the report of the internal audit department of the Group. The results of the Group for the year ended 31 December 2024 have been reviewed by the Audit Committee.

FORWARD LOOKING STATEMENTS

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

ANNUAL GENERAL MEETING

The forthcoming annual general meeting of the Company (the “AGM”) is proposed to be held on 20 June 2025 (Friday). A notice convening the AGM will be published on the websites of The Stock Exchange (www.hkexnews.hk) and the Company (www.chinagreentown.com) and dispatched to the shareholders of the Company (the “Shareholders”) in the manner as required by the Listing Rules and in accordance with the Company’s electronic communications regime in due course.

DIVIDENDS

The Board recommends the payment of a final dividend of RMB0.30 per share for the year ended 31 December 2024 (the “2024 Final Dividend”) to the ordinary Shareholders whose names appear on the Company’s register of members as of 2 July 2025 (Wednesday) (2023: RMB0.43 per share). Subject to approval of the Shareholders at the AGM, the 2024 Final Dividend is expected to be paid on or before 31 July 2025, and the currency of payment for the 2024 Final Dividend and the relevant exchange rate will be announced in due course.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed during the following periods:

- (i) From 17 June 2025 (Tuesday) to 20 June 2025 (Friday), both days inclusive, during which period no transfer of shares will be registered, for the purpose of ascertaining Shareholders’ entitlement to attend and vote at the AGM. In order to be eligible to attend and vote at the AGM, all transfers accompanied by the relevant share certificates must be lodged with the Company’s branch share register in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Center, 183 Queen’s Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on 16 June 2025 (Monday); and

- (ii) From 27 June 2025 (Friday) to 2 July 2025 (Wednesday), both days inclusive, during which period no transfer of shares will be registered, for the purpose of ascertaining Shareholders' entitlement to the 2024 Final Dividend, if approved by the Shareholders at the AGM. In order to be eligible to the 2024 Final Dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share register in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Center, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on 26 June 2025 (Thursday).

PUBLICATION OF ANNUAL REPORT

The annual report of the Group for the year ended 31 December 2024 containing all the information required by the Listing Rules will be dispatched to the Shareholders and published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.chinagreentown.com).

APPRECIATION

The Board would like to take this opportunity to express gratitude to our Shareholders, customers, suppliers, banks, professional parties and employees for their continuous patronage and support.

APPOINTMENT OF AUTHORISED REPRESENTATIVE

The Board hereby announces that Mr LIU Chengyun, the chairman of the Board and a non-executive Director, has been appointed as an authorised representative pursuant to Rule 3.05 of the Listing Rules with effect from 28 March 2025.

By order of the Board
Greentown China Holdings Limited
LIU Chengyun
Chairman

Hangzhou, the PRC
28 March 2025

As at the date of this announcement, the Board comprises Mr LIU Chengyun as chairman and non-executive director, Mr GUO Jiafeng, Mr GENG Zhongqiang, Mr LI Jun and Ms HONG Lei as executive directors, Mr Stephen Tin Hoi NG and Mr Andrew On Kiu CHOW as non-executive directors and Mr JIA Shenghua, Mr HUI Wan Fai, Mr QIU Dong and Mr ZHU Yuchen as independent non-executive directors.