# COUNTRY GARDEN HOLDINGS COMPANY LIMITED
# 碧 桂 園 控 股 有 限 公 司

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2007)**

## ANNUAL RESULTS
## FOR THE YEAR ENDED 31 DECEMBER 2024

### FINANCIAL HIGHLIGHTS

- For the year ended 31 December 2024, the Group together with its joint ventures and associates achieved contracted sales attributable to the shareholders of the Company of approximately RMB47.2 billion, contracted sales GFA attributable to the shareholders of the Company of approximately 4.92 million sq.m..

- During the Year, the Group recorded total revenue of approximately RMB252.8 billion, representing a year-on-year decrease of 37.0%.

- During the Year, the Group recorded a net loss of approximately RMB35.1 billion, and a loss attributable to the owners of the Company of approximately RMB32.8 billion.

- During the Year, the Group's selling and marketing costs and administrative expenses amounted to approximately RMB10.8 billion, representing a year-on-year decrease of 40.2%.

- As at 31 December 2024, the Group's total debt amounted to approximately RMB253.5 billion.

The board (the "**Board**") of directors (the "**Director(s)**") of Country Garden Holdings Company Limited (the "**Company**") hereby announces the audited consolidated results of the Company and its subsidiaries (collectively, the "**Group**" or "**Country Garden**") for the year ended 31 December 2024.

## BUSINESS REVIEW AND OUTLOOK

2024 was as challenging for the industry as ever. Although the market as a whole was still facing challenges such as declining sales rate and credit crunch in the market, we were excited to see some positive signals in the market. Benefitting from a raft of supportive policies from the government that promote sales, optimise supply and demand, and boost confidence, transaction volumes were gradually picking up in some core cities. Despite the constant pressure on the industry in general, these positive signals indicate that the industry is expected to usher in new development opportunities after the adjustment.

In the latest Report on the Work of the Government, the government reiterated its objective of "stemming the downturn and restoring stability", and that it would apply an appropriately accommodative monetary policy. Through measures such as introducing city-specific policies on adjusting or reducing property transaction restrictions, properly controlling the supply of new land for real estate projects, and facilitating the purchase of commodity housing stock, it is expected to better balance supply and demand in the market, provide stronger support for sound development of the industry, foster a new development model for the real estate sector, and meet people's demand for high-quality housing. Looking ahead to 2025, the external policy environment will continue to improve, and the Company will continue to work on the strategy of "guaranteeing delivery, stabilising capital and debt, and maintaining operation".

Guaranteeing delivery remains our top priority. For the year ended 31 December 2024 (the "**Year**"), the Group recorded approximately RMB252.8 billion in revenue, and the Group and its joint ventures and associates together delivered a total of over 380,000 housing units, with delivered GFA of approximately 46.08 million square meters, covering 242 cities in 31 provinces. The Company will continue to implement the operation strategy of extreme income and expenditure, and ensure the efficient use of available resources through rolling budget management, strict control of each and every expense, and monthly review and adjustment. Meanwhile, the Company will actively respond to various supportive policies of the national and local governments, and revitalise resources through all kinds of acquisition and reserve policies to support smooth delivery.

On stabilising capital and debt, the Company's utmost concern was the debt risk resolution. At the beginning of 2025, the Company announced a series of progress including the key terms of the offshore debt restructuring and made substantial breakthroughs in the offshore debt restructuring work. Moreover, the Company actively responded to the urban real estate financing coordination mechanism, continued to promote projects to enter the white list, and obtained new project financing and extension of existing loans, in order to gain more time and space for the project operation and delivery. Through the active communication with stakeholders to explore various proactive debt management initiatives, including the overall restructuring of offshore debts, the reasonable extension of debt maturity and the moderate reduction of finance costs, the Company is gradually realising a healthy and sustainable capital structure.

On maintaining operation, the Company continued its commitment to maintaining the stability and continuity of its operations, and its core management team was united, stable and of one mind. During the Year, the Group and its joint ventures and associates together achieved contracted sales attributable to the shareholders of the Company of approximately RMB47.2 billion, with contracted sales GFA attributable to the shareholders of the Company of approximately 4.92 million square meters. In respect of expense control, the Company adapted to the current market changes and operational focus, and continued to optimise its organisational structure. During the Year, the administrative expenses decreased by 27.4% as compared to last year, showcasing the sustainable improvement in operational efficiency. On the sales side, the Company adhered to the refined control of "one strategy for one real estate project", and formulated reasonable sales prices and supply plans by taking into account the actual situation of the local market as well as the respective capital and debt profile of projects. Such initiatives were to ensure that the projects maintain a reasonable rate of flow and maximise the asset value, and to manage its balance sheet in a proactive manner.

The real estate industry is undergoing a profound transformation. In the latest Report on the Work of the Government, the government explicitly mentioned the need to foster a new development model for the real estate sector, meet people's demand for high-quality housing, and build quality homes that are safe, comfortable, eco-friendly, and smart. In response to changes in market demand, the industry is gradually moving towards a new pattern of industrialised competition, which also puts forward higher requirements on the core competitiveness of developers.

In the process of industry transformation, the Company has developed a smart construction system that encompasses construction robots, a new type of prefabricated construction, smart equipment and digitalisation through building information modeling. The effort aimed at a perfect combination of safety, quality, environmental protection and efficiency, thereby steadily improving the cost control capability of the development business. Meanwhile, the Company has vigorously expanded its light asset escrow and agency construction business, continuously promoted product iterations and upgrades to meet demand for higher-quality housing, and provided strong support for market analysis and improvement of product system for the development business. At present, these two businesses have achieved independent market-oriented operation and closely followed the market dynamics in their respective fields, and are expected to synergise deeply and form a strong joint force with the development business. We firmly believe that the business layout of "One Core and Two Wings" can continuously enhance the Company's ability to reduce cost, improve product quality and provide better services, create a unique competitive advantage for the Company, and help the Company stand out in future market competition.

Faith guides the way in a boundless journey! No matter how great the difficulties are, we firmly believe that as long as we stay confident and actively find a way out, we can strive ahead. Even though the road ahead may not be smooth, the Company can grow amidst twists and turns and move forward through challenges. The advancement of Country Garden cannot be separated from the guidance and support of regulatory authorities, the trust and assistance of financial institutions, the joint efforts with partners, the trust and companionship of investors, and, most importantly, the care and understanding of all homeowners. The Company would like to express our heartfelt gratitude and highest respect to everyone!

## IMPORTANT EVENTS AFTER THE FINANCIAL YEAR END DATE

### Debt restructuring

As disclosed in the announcement of the Company dated 10 October 2023, the Group has been facing phased liquidity pressure and expected that it would not be able to meet all of its offshore payment obligations when due or within the relevant grace periods. Such non-payment might lead to relevant creditors of the Group demanding acceleration of payment of the relevant indebtedness owed to them or pursuing enforcement action. Since then, the Company has actively pursued offshore liability management measures and is in the process of developing a holistic solution in a fair and equitable manner to achieve a sustainable capital structure, while respecting the existing legal status and ranking in right of payment of all creditors.

As disclosed in the announcement of the Company dated 9 January 2025, the Company is pleased to announce the key terms of its restructuring proposal (the "**Restructuring Proposal**"), such proposal forms the framework for further negotiations and detailed documentation and aims at implementing a successful restructuring of the Group's offshore indebtedness. If successfully implemented, the Restructuring Proposal will enable the Group to achieve significant deleveraging, with a targeted reduction of indebtedness up to USD11.6 billion, a maturity extension of up to 11.5 years and a targeted decrease in the weighted average borrowing cost from approximately 6% per annum before the restructuring to approximately 2% per annum post-restructuring. As a result, the Group will have a more sustainable capital structure, allowing it to focus on delivering housing units, continuing its business operations, preserving asset value, and implementing a business and asset disposal strategy which it believes has the best potential to maximise value for all stakeholders. For further details of the offshore indebtedness of the Group and the Restructuring Proposal as a holistic solution to address the Group's offshore indebtedness, please refer to the announcements of the Company dated 10 October 2023, 16 January 2024, 28 February 2024, 4 March 2024, 28 March 2024, 7 April 2024, 17 May 2024, 6 June 2024, 27 June 2024, 29 July 2024, 30 September 2024, 31 December 2024, 9 January 2025, 20 January 2025 and 21 January 2025.

**Winding-up petition**

A winding-up petition dated 27 February 2024 was filed by Ever Credit Limited (the "**Petitioner**") at the High Court of the Hong Kong Special Administrative Region (the "**High Court**") against the Company, in relation to the non-payment of a term loan facility between the Petitioner as lender and the Company as borrower in the principal amount of approximately HK$1.6 billion, plus accrued interest. The Company has been opposing the petition vigorously and proactively communicating with the Petitioner on its debt restructuring plan. The hearing of the petition has been adjourned several times to 26 May 2025. No winding-up order has been granted by the High Court to wind up the Company as at the date of this announcement. For further details of the winding-up petition, please refer to the announcements of the Company dated 28 February 2024, 4 March 2024, 17 May 2024, 6 June 2024, 29 July 2024, 9 January 2025 and 20 January 2025.

**Suspension and resumption of trading in the Shares**

Due to the continuous volatility of the industry and the Group's ongoing debt restructuring work, the Group needed more time to collect information to make appropriate accounting estimates and judgments and to carefully assess its current and future financial resources and financial obligations for the finalisation of the Group's results for the financial year ended 31 December 2023 (the "**2023 Annual Results**"). As such, the Company was not able to publish the 2023 Annual Results by 31 March 2024 in compliance with the Rules Governing the Listing of Securities (the "**Listing Rules**"), and trading in the shares of the Company (the "**Share(s)**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") was be suspended with effect from 2 April 2024. The Company was also unable to publish the interim results of the Group for the six months ended 30 June 2024 (the "**2024 Interim Results**") by 31 August 2024 pursuant to the Listing Rules. The 2023 Annual Results and the 2024 Interim Results were subsequently published on 14 January 2025.

On 21 January 2025, the Company has fulfilled all requirements prescribed under the resumption guidance from the Stock Exchange dated 24 June 2024 (including, (i) publication of all outstanding financial results required under the Listing Rules and address any audit modifications; (ii) demonstrating the Company's compliance with Rule 13.24 of the Listing Rules; and (iii) informing the market of all material information for the Company's shareholders and other investors to appraise the Company's position), and trading in the Shares on the Stock Exchange has since resumed. For further details on the fulfilment of the resumption guidance, please refer to the announcement of the Company dated 21 January 2025.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | | As at 31 December | |
|---|---|---|---|
| | | **2024** | 2023 |
| | *Note* | ***RMB million*** | *RMB million* |
| **Non-current assets** | | | |
| Property, plant and equipment | | **21,077** | 22,694 |
| Investment properties | | **15,687** | 16,625 |
| Intangible assets | | **776** | 1,004 |
| Right-of-use assets | | **6,317** | 5,671 |
| Properties under development | | **9,751** | 13,282 |
| Investments in joint ventures | | **29,621** | 31,023 |
| Investments in associates | | **15,910** | 17,680 |
| Financial assets at fair value through other comprehensive income | | **4,627** | 7,408 |
| Trade and other receivables | 3 | **783** | 848 |
| Deferred income tax assets | | **14,409** | 20,570 |
| | | **118,958** | 136,805 |
| **Current assets** | | | |
| Properties under development | | **465,996** | 657,167 |
| Completed properties held for sale | | **112,271** | 75,855 |
| Inventories | | **4,996** | 7,806 |
| Trade and other receivables | 3 | **267,649** | 299,294 |
| Contract assets and contract acquisition costs | | **10,137** | 15,943 |
| Prepaid income tax | | **17,238** | 24,618 |
| Financial assets at fair value through profit or loss | | **8,701** | 11,688 |
| Restricted cash | | **23,535** | 56,686 |
| Cash and cash equivalents | | **6,362** | 7,130 |
| | | **916,885** | 1,156,187 |

| | | As at 31 December | |
|---|---|---|---|
| | | **2024** | 2023 |
| | *Note* | ***RMB million*** | *RMB million* |
| **Current liabilities** | | | |
| Contract liabilities | | **281,988** | 489,021 |
| Trade and other payables | 4 | **394,857** | 408,378 |
| Current income tax liabilities | | **38,918** | 36,131 |
| Senior notes | 5 | **73,084** | 68,367 |
| Corporate bonds | 6 | **9,607** | 3,170 |
| Convertible bonds | 7 | **6,691** | 6,171 |
| Bank and other borrowings | | **137,413** | 114,665 |
| Lease liabilities | | **192** | 282 |
| Derivative financial instruments | | **–** | 60 |
| | | **942,750** | 1,126,245 |
| **Net current (liabilities)/assets** | | **(25,865)** | 29,942 |
| **Total assets less current liabilities** | | **93,093** | 166,747 |
| **Non-current liabilities** | | | |
| Corporate bonds | 6 | **10,152** | 16,189 |
| Bank and other borrowings | | **16,541** | 41,087 |
| Lease liabilities | | **2,324** | 1,722 |
| Deferred government grants | | **136** | 194 |
| Deferred income tax liabilities | | **12,686** | 18,946 |
| | | **41,839** | 78,138 |
| **Equity attributable to owners of the Company** | | | |
| Share capital and premium | 8 | **50,783** | 50,783 |
| Other reserves | | **27,933** | 25,373 |
| Accumulated losses | | **(85,901)** | (50,209) |
| | | **(7,185)** | 25,947 |
| **Non-controlling interests** | | **58,439** | 62,662 |
| **Total equity** | | **51,254** | 88,609 |
| **Total equity and non-current liabilities** | | **93,093** | 166,747 |

## CONSOLIDATED INCOME STATEMENT

| | | Year ended 31 December | |
|---|---|---|---|
| | | **2024** | 2023 |
| | *Note* | ***RMB million*** | *RMB million* |
| **Revenue** | 2 | **252,756** | 401,015 |
| Cost of sales | 10 | **(254,443)** | (494,624) |
| **Gross loss** | | **(1,687)** | (93,609) |
| Other income and losses — net | 9 | **(2,207)** | (10,331) |
| Losses arising from changes in fair value of and transfers to investment properties | | **(818)** | (1,326) |
| Selling and marketing costs | 10 | **(5,892)** | (11,292) |
| Administrative expenses | 10 | **(4,891)** | (6,741) |
| Research and development expenses | 10 | **(301)** | (1,404) |
| Net impairment losses on financial assets and guarantees | | **(1,902)** | (37,243) |
| **Operating loss** | | **(17,698)** | (161,946) |
| Finance income | 11 | **526** | 2,106 |
| Finance costs | 11 | **(6,975)** | (7,564) |
| Finance costs — net | 11 | **(6,449)** | (5,458) |
| Share of results of joint ventures and associates | | **1,778** | 151 |
| **Loss before income tax** | | **(22,369)** | (167,253) |
| Income tax expenses | 12 | **(12,776)** | (33,709) |
| **Loss for the year** | | **(35,145)** | (200,962) |
| **Loss attributable to:** | | | |
| — Owners of the Company | | **(32,835)** | (178,400) |
| — Non-controlling interests | | **(2,310)** | (22,562) |
| | | **(35,145)** | (200,962) |
| **Losses per share attributable to owners of the Company *(expressed in RMB yuan per share)*** | | | |
| Basic | 14 | **(1.19)** | (6.49) |
| Diluted | 14 | **(1.19)** | (6.49) |

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | Year ended 31 December | |
|---|---|---|
| | **2024** | 2023 |
| | ***RMB million*** | *RMB million* |
| **Loss for the year** | **(35,145)** | (200,962) |
| **Other comprehensive income/(loss)** | | |
| *Items that will not be reclassified to profit or loss:* | | |
| — Changes in fair value of financial assets at fair value through other comprehensive income | **39** | (1,418) |
| — Revaluation gains on investment properties upon transfers from right-of-use assets | **–** | 13 |
| *Items that may be reclassified to profit or loss:* | | |
| — Deferred gains on cash flow hedges | **–** | 115 |
| — Deferred costs of hedging | **–** | 266 |
| — Currency translation differences | **(275)** | (552) |
| **Total other comprehensive loss for the year, net of tax** | **(236)** | (1,576) |
| **Total comprehensive loss for the year** | **(35,381)** | (202,538) |
| **Total comprehensive loss attributable to:** | | |
| — Owners of the Company | **(33,077)** | (179,451) |
| — Non-controlling interests | **(2,304)** | (23,087) |
| | **(35,381)** | (202,538) |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1 BASIS OF PREPARATION

### 1.1 Going concern basis

For the year ended 31 December 2024, the Group recorded a loss of RMB35,145 million and a loss attributable to owners of the Company of RMB32,835 million. As at 31 December 2024, the Group had net current liabilities of RMB25,865 million and borrowings in the forms of senior notes, convertible bonds, corporate bonds and bank and other borrowings amounted to RMB253,488 million in aggregate, of which RMB226,795 million were included in current liabilities, while the Group's cash and cash equivalents amounted to RMB6,362 million and restricted cash amounted to RMB23,535 million.

As at 31 December 2024, an aggregate amount of RMB188,193 million of the Group's indebtedness was defaulted or cross-defaulted. In addition, a winding-up petition dated 27 February 2024 was filed by one of the Group's creditors (the "Petitioner") at the High Court of the Hong Kong Special Administrative Region against the Company, in relation to the non-payment of a term loan facility between the Petitioner as lender and the Company as borrower in the principal amount of approximately HK$1.6 billion, plus accrued interest. The hearing of the Petition is adjourned to 26 May 2025.

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

In view of such circumstances, the directors of the Company have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern for at least 12 months from 31 December 2024, taking into account the following plans and measures:

(a) The Group will actively resolve its phased liquidity pressure by adopting various debt management measures, including:

- during the year, the Group successfully negotiated with the bondholders of certain domestic corporate bonds to adjust part of the principal and interest due in 2024 under the original overall extension plan to be repaid between March and June 2025, while continuing to promote comprehensive and long-term debt solutions;

- the Group, together with its financial advisers, has been actively pushing forward a proposed restructuring of the offshore liabilities of the Group and has announced the key terms of its restructuring proposal on 9 January 2025. The Group is actively engaging with its major creditors to negotiate the restructuring terms, aiming to reach an agreement as soon as practicable;

(b) The Group will continue to actively adjust its sales activities to respond to market changes and capture demands. The Group believes after undergoing adjustments, the PRC real estate market is expected to usher in new development opportunities. Therefore, the Group will adhere to the refined control of "one strategy for one real estate project", and formulate reasonable sales prices and supply plans by taking into account the actual situation of the local market and each project, in order to achieve its budgeted sales volume and cash collection;

(c) The Group will closely monitor the progress of construction of its property development projects according to the delivery plans, maintain continuous communication with major contractors and suppliers, and negotiate payment arrangements to ensure construction progress is completed as planned;

(d) The Group will actively respond to various supportive policies of the national and local governments, revitalise resources through all kinds of acquisition and reserve policies, and consider disposing of assets when necessary to generate more cash inflows; and

(e) The Group will adapt to current market changes and operational focus, continue to optimise its organisational structure and strictly control various non-core and non-essential operating expenses, to improve operational efficiency continuously.

The directors of the Company have reviewed the Group's cash flow projections, which covers a period of not less than 12 months from 31 December 2024. The directors of the Company are of the opinion that, considering the anticipated cash inflows to be generated from the Group's operations taking into account reasonably possible changes in operation performance, its cost control measures, as well as the above-mentioned plans and measures, the Group will be able to meet its financial obligations as and when they fall due within twelve months from 31 December 2024. Accordingly, these consolidated financial statements have been prepared on a going concern basis.

Notwithstanding the above, material uncertainties exist as to whether the Group is able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend upon the following:

(a) Successful progression and completion of the above-mentioned debt management measures, which will be subject to various external conditions that are beyond the Group's control, including but not limited to the proposed restructuring of the offshore liabilities of the Group, possible material adverse changes in the market during the process and fulfilment of legal or regulatory requirements;

(b) Successful implementation of the plans and measures to achieve its budgeted sales volume and timely collection of the relevant sales proceeds;

(c) Successful monitoring of the progress of construction of its property development projects according to the delivery plans, conducting commercial negotiations with major contractors and suppliers under acceptable commercial and credit terms, and completing products for delivery to customers as planned;

(d) Successful activating resources and disposing of assets; and

(e) Successful implementation of various measures to further streamline organisational structures and to strictly control various non-core and non-essential operating expenses, to improve operational efficiency.

Should the Group be unable to complete the proposed offshore debt restructuring plan and continue to operate as a going concern, adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effects of these adjustments have not been reflected in these consolidated financial statements.

### 1.2 New and amended standards adopted by the Group

In the current year, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"), that are relevant to its operations and effective for its accounting year beginning on 1 January 2024. HKFRSs comprise Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKAS**") and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's consolidated financial statements and amounts reported for the current year and prior years.

The Group has not applied the new and revised HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new and revised HKFRSs but is not yet in a position to state whether these new and revised HKFRSs would have a material impact on its results of operations and financial position.

## 2 REVENUE AND SEGMENT INFORMATION

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

During the year, the executive directors of the Company concluded that the Group only has two reportable segments — Property development and Technology-enabled construction. The Others segment mainly includes property investment and hotel operation, which are individually and collectively insignificant for segment reporting purposes.

The executive directors of the Company assess the performance of the operating segments based on a measure of segment results, adjusted by excluding changes in fair value of derivative financial instruments and including share of results of joint ventures and associates.

Segment assets consist primarily of property, plant and equipment, intangible assets, right-of-use assets, investment properties, financial assets at fair value through other comprehensive income ("**FVOCI**"), financial assets at fair value through profit or loss ("**FVTPL**"), properties under development, completed properties held for sale, inventories, investments in joint ventures, investments in associates, receivables, prepaid income tax, contract assets and contract acquisition costs and operating cash. They exclude deferred income tax assets. Segment liabilities consist primarily of operating liabilities. They exclude current income tax liabilities, senior notes, corporate bonds, convertible bonds, bank and other borrowings, derivative financial instruments and deferred income tax liabilities.

Capital expenditure mainly comprises additions to property, plant and equipment, intangible assets and right-of-use assets, excluding those arising from business combinations.

Revenue consists of the following:

| | **2024** | 2023 |
|---|---|---|
| | ***RMB million*** | *RMB million* |
| Sales of properties | **245,719** | 391,251 |
| Rendering of technology-enabled construction services | **3,432** | 5,391 |
| Rental income | **1,051** | 1,077 |
| Others | **2,554** | 3,296 |
| | **252,756** | 401,015 |

Sales between segments are carried out according to the terms and conditions agreed by the respective segments' management.

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

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

The segment information provided to the executive directors of the Company for the reportable segments for the year ended 31 December 2024 is as follows:

| | Property development *RMB million* | Technology-enabled construction *RMB million* | Others *RMB million* | Total *RMB million* |
|---|---|---|---|---|
| Revenue from contracts with customers | **245,719** | **11,541** | **5,450** | **262,710** |
| Revenue from other source | | | | |
| Rental income | **–** | **–** | **1,051** | **1,051** |
| Segment revenue | **245,719** | **11,541** | **6,501** | **263,761** |
| Inter-segment revenue | **–** | **(8,109)** | **(2,896)** | **(11,005)** |
| Revenue from external customers | **245,719** | **3,432** | **3,605** | **252,756** |
| Share of results of joint ventures and associates | **1,776** | **–** | **2** | **1,778** |
| Losses arising from changes in fair value of and transfers to investment properties | **–** | **–** | **(818)** | **(818)** |
| Depreciation and amortisation expenses of property, plant and equipment, intangible assets and right-of-use assets | **(585)** | **(437)** | **(587)** | **(1,609)** |
| Net impairment losses on financial assets and guarantees | **(1,902)** | **–** | **–** | **(1,902)** |
| Net write-down of properties under development and completed properties held for sale | **(4,348)** | **–** | **–** | **(4,348)** |
| Impairment losses on property, plant and equipment | **–** | **–** | **(19)** | **(19)** |
| Segment results | **(13,268)** | **(1,012)** | **(1,700)** | **(15,980)** |
| **At 31 December 2024** | | | | |
| Total segment assets after elimination of inter-segment balances | **914,748** | **21,683** | **85,003** | **1,021,434** |
| Investments in joint ventures and associates | **44,606** | **–** | **925** | **45,531** |
| Capital expenditure | **1,361** | **111** | **48** | **1,520** |
| Total segment liabilities after elimination of inter-segment balances | **604,878** | **25,695** | **48,924** | **679,497** |

The segment information provided to the executive directors of the Company for the reportable segments for the year ended 31 December 2023 is as follows:

| | Property development<br>*RMB million* | Technology-enabled construction<br>*RMB million* | Others<br>*RMB million* | Total<br>*RMB million* |
|---|---|---|---|---|
| Revenue from contracts with customers | 391,251 | 33,971 | 17,452 | 442,674 |
| Revenue from other source | | | | |
| Rental income | – | – | 1,077 | 1,077 |
| Segment revenue | 391,251 | 33,971 | 18,529 | 443,751 |
| Inter-segment revenue | – | (28,580) | (14,156) | (42,736) |
| Revenue from external customers | 391,251 | 5,391 | 4,373 | 401,015 |
| Share of results of joint ventures and associates | 151 | – | – | 151 |
| Losses arising from changes in fair value of and transfers to investment properties | – | – | (1,326) | (1,326) |
| Depreciation and amortisation expenses of property, plant and equipment, intangible assets and right-of-use assets | (561) | (842) | (973) | (2,376) |
| Net impairment losses on financial assets and guarantees | (37,008) | (22) | (213) | (37,243) |
| Net write-down of properties under development and completed properties held for sale | (82,354) | – | – | (82,354) |
| Impairment losses on property, plant and equipment | – | – | (2,077) | (2,077) |
| Segment results | (155,417) | (750) | (5,615) | (161,782) |
| **At 31 December 2023** | | | | |
| Total segment assets after elimination of inter-segment balances | 1,141,720 | 12,500 | 118,202 | 1,272,422 |
| Investments in joint ventures and associates | 47,775 | – | 928 | 48,703 |
| Capital expenditure | 1,025 | 801 | 1,004 | 2,830 |
| Total segment liabilities after elimination of inter-segment balances | 820,197 | 16,791 | 62,609 | 899,597 |

(a) Substantially all of the Group's revenue from property development is recognised at a point in time.

(b) During the year ended 31 December 2024, the amount of revenue from technology-enabled construction recognised at a point in time and recognised over time are RMB1,650 million (2023: RMB2,712 million) and RMB9,891 million (2023: RMB31,259 million) respectively.

(c) During the year ended 31 December 2024, the amount of revenue from others recognised at a point in time and recognised over time are RMB4,017 million (2023: RMB15,766 million) and RMB1,433 million (2023: RMB1,686 million) respectively.

## 3 TRADE AND OTHER RECEIVABLES

| | **2024** | 2023 |
|---|---|---|
| | ***RMB million*** | *RMB million* |
| Included in current assets | | |
| — Trade receivables — net *(note (a))* | **28,127** | 31,703 |
| — Other receivables — net *(note (b))* | **216,803** | 235,340 |
| — Other prepayments *(note (c))* | **22,719** | 32,251 |
| | **267,649** | 299,294 |
| Included in non-current assets | | |
| — Deposits for acquisitions of companies *(note (d))* | **783** | 848 |
| | **268,432** | 300,142 |

As at 31 December 2024, the carrying value of trade and other receivables approximated their fair value.

(a) Details of trade receivables are as follows:

| | **2024** | 2023 |
|---|---|---|
| | ***RMB million*** | *RMB million* |
| Trade receivables | **29,343** | 32,787 |
| Less: allowance for impairment | **(1,216)** | (1,084) |
| Trade receivables — net | **28,127** | 31,703 |

Trade receivables mainly arise from sales of properties. Property buyers are generally granted credit terms of 1 to 6 months. The ageing analysis of trade receivables based on dates of delivery of goods and dates of rendering of services is as follows:

| | **2024** | 2023 |
|---|---|---|
| | ***RMB million*** | *RMB million* |
| Within 90 days | **19,861** | 23,399 |
| Over 90 days and within 180 days | **1,592** | 1,875 |
| Over 180 days and within 365 days | **4,954** | 4,756 |
| Over 365 days | **2,936** | 2,757 |
| | **29,343** | 32,787 |

As at 31 December 2024 and 2023, trade receivables were mainly denominated in RMB.

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9. As at 31 December 2024, a provision of RMB1,216 million (2023: RMB1,084 million) was made against the gross amounts of trade receivables.

There is no concentration of credit risk with respect to trade receivables as the Group has a large number of buyers. Trade receivables were mainly collateralised by the titles of the properties sold.

(b) Details of other receivables are as follows:

| | **2024** | 2023 |
|---|---|---|
| | ***RMB million*** | *RMB million* |
| Amounts due from joint ventures, associates and other related parties | **54,112** | 57,869 |
| Deposits | **20,145** | 30,325 |
| Others (i) | **185,735** | 188,660 |
| | **259,992** | 276,854 |
| Less: allowance for impairment | **(43,189)** | (41,514) |
| Other receivables — net | **216,803** | 235,340 |

(i) These receivables mainly included current accounts due from the other shareholders of certain subsidiaries of the Group, which are mainly interest-free, unsecured and repayable according to contract terms.

(c) Other prepayments mainly included prepaid value-added taxes and prepayments for purchases of construction materials and services.

(d) Amounts represent deposits paid for acquisitions of certain property development companies which have not been completed as at the year end.

## 4 TRADE AND OTHER PAYABLES

| | **2024** | 2023 |
|---|---|---|
| | ***RMB million*** | *RMB million* |
| Trade payables *(note (a))* | **203,978** | 192,848 |
| Other payables *(note (b))* | **166,640** | 166,399 |
| Other taxes payable *(note (c))* | **21,725** | 45,674 |
| Salaries payable | **2,514** | 3,457 |
| | **394,857** | 408,378 |

As at 31 December 2024, the carrying amounts of trade and other payables approximated their fair values.

(a) The ageing analysis of trade payables based on the date of the liability recognition on accrual basis is as follows:

| | **2024** | 2023 |
|---|---|---|
| | ***RMB million*** | *RMB million* |
| Within 365 days | **201,041** | 190,059 |
| Over 365 days | **2,937** | 2,789 |
| | **203,978** | 192,848 |

(b) Other payables mainly included deposits from property buyers and current accounts due to certain joint ventures, associates and other shareholders of certain subsidiaries of the Group and outstanding considerations to acquire certain subsidiaries, joint ventures and associates. These amounts are mainly interest-free, unsecured and repayable according to contract terms.

(c) Other taxes payable mainly included output value-added taxes related to receipt in advance from customers amounted to approximately RMB32,466 million (2023: RMB58,656 million), value-added taxes payable and other taxes.

## 5 SENIOR NOTES

| | **2024** | 2023 |
|---|---|---|
| | ***RMB million*** | *RMB million* |
| At 1 January | **68,367** | 70,655 |
| Repurchase | **–** | (1,879) |
| Repayment upon maturity | **–** | (2,629) |
| Interest expenses | **3,604** | 3,636 |
| Coupon interest paid | **–** | (2,514) |
| Exchange differences | **1,113** | 1,098 |
| At 31 December | **73,084** | 68,367 |

(a) As at 31 December 2024, all of the senior notes were defaulted or cross-defaulted. All of the senior notes are classified as current liabilities.

## 6 CORPORATE BONDS

| | 2024 | 2023 |
|---|---|---|
| | *RMB million* | *RMB million* |
| At 1 January | **19,359** | 32,319 |
| Additions *(note (a))* | **466** | 2,117 |
| Early redemption | **–** | (794) |
| Repayment | **(874)** | (13,949) |
| Interest expenses | **1,088** | 1,077 |
| Coupon interest paid | **(370)** | (1,386) |
| Exchange differences | **90** | (25) |
| At 31 December | **19,759** | 19,359 |
| Less: current portion included in current liabilities | **(9,607)** | (3,170) |
| Included in non-current liabilities | **10,152** | 16,189 |

(a) During the year ended 31 December 2024, corporate bonds newly issued by the Group were listed as follows:

| Name of bonds | Par value | Interest rate | Issue date | Term of the bonds |
|---|---|---|---|---|
| | *RMB million* | | | |
| Issued during the year: | | | | |
| Callable and Secured Debentures of Risland (Thailand) Company Limited issued in 2024 — tranche I | 242 | 7.50% | 2 February 2024 | 1.75 years |
| Callable and Secured Debentures of Risland (Thailand) Company Limited issued in 2024 — tranche II | 115 | 7.00% | 30 August 2024 | 1 year |
| Callable and Secured Debentures of Risland (Thailand) Company Limited issued in 2024 — tranche III | 109 | 7.00% | 27 November 2024 | 1 year |

## 7 CONVERTIBLE BONDS

| | **2024** | 2023 |
|---|---|---|
| | ***RMB million*** | *RMB million* |
| Liability component as at 1 January | **6,171** | 5,793 |
| Interest expenses | **381** | 527 |
| Coupon interest paid | **–** | (233) |
| Exchange differences | **139** | 84 |
| Liability component as at 31 December | **6,691** | 6,171 |

(a) During the year ended 31 December 2024, there has been no conversion of the 2023 Convertible Bonds. As at 31 December 2024, the 2023 Convertible Bonds were defaulted.

(b) During the year ended 31 December 2024, there has been no conversion or redemption of the 2026 Convertible Bonds. As at 31 December 2024, the 2026 Convertible Bonds were cross-defaulted.

## 8 SHARE CAPITAL AND PREMIUM

| | **Number of ordinary shares** | **Nominal value of ordinary shares** | **Equivalent nominal value of ordinary shares** | **Share premium** | **Total** | **Treasury shares** | **Group total** |
|---|---|---|---|---|---|---|---|
| | *million* | *HKD million* | *RMB million* | *RMB million* | *RMB million* | *RMB million* | *RMB million* |
| **Authorised** | | | | | | | |
| At 1 January 2023, 31 December 2023 and 2024, HKD0.10 per share | 100,000 | 10,000 | | | | | |
| **Issued and fully paid** | | | | | | | |
| At 1 January 2023 | 27,637 | 2,763 | 2,560 | 50,201 | 52,761 | (2,225) | 50,536 |
| Issue of shares as a result of placing | 351 | 35 | 32 | 215 | 247 | – | 247 |
| At 31 December 2023 | 27,988 | 2,798 | 2,592 | 50,416 | 53,008 | (2,225) | 50,783 |
| **Issued and fully paid** | | | | | | | |
| At 1 January 2024 and 31 December 2024 | 27,988 | 2,798 | 2,592 | 50,416 | 53,008 | (2,225) | 50,783 |

## 9 OTHER INCOME AND LOSSES — NET

| | 2024 | 2023 |
|---|---|---|
| | ***RMB million*** | *RMB million* |
| Other income | | |
| — Government subsidy income | **128** | 323 |
| — Forfeiture income | **50** | 41 |
| — Management and other related service income | **5** | 66 |
| | **183** | 430 |
| Other (losses)/gains | | |
| — Losses on disposal of joint ventures and associates | **(474)** | (2,405) |
| — Losses on disposals of subsidiaries | **(184)** | (748) |
| — Changes in fair value of financial assets at FVTPL | **(95)** | (768) |
| — (Losses)/gains on disposal of investment properties | **(44)** | 52 |
| — Impairment losses on property, plant and equipment | **(19)** | (2,077) |
| — Accrued compensation for the delayed delivery of properties | **–** | (2,030) |
| — Gains arising from negative goodwill | **–** | 65 |
| — Changes in fair value of derivative financial instruments | **60** | (13) |
| — Others | **(1,634)** | (2,837) |
| | **(2,390)** | (10,761) |
| Total other income and losses — net | **(2,207)** | (10,331) |

## 10 EXPENSES BY NATURE

| | 2024 | 2023 |
|---|---|---|
| | ***RMB million*** | *RMB million* |
| Cost of properties sold, technology-enabled construction services and others | **248,894** | 410,419 |
| Net write-down of properties under development and completed properties held for sale | **4,348** | 82,354 |
| Employee benefit expenses | **4,702** | 9,983 |
| Sales commission to agents | **3,246** | 3,881 |
| Depreciation of property, plant and equipment | **1,254** | 1,647 |
| Other taxes and levies | **721** | 1,098 |
| Property management and other services expenses | **527** | 1,419 |
| Advertising and promotion costs | **348** | 884 |
| Depreciation of right-of-use assets | **201** | 449 |
| Amortisation of intangible assets | **154** | 280 |
| Auditor's remuneration | **7** | 16 |
| Donations | **–** | 64 |
| Others | **1,125** | 1,567 |
| Total cost of sales, selling and marketing costs, administrative expenses and research and development expenses | **265,527** | 514,061 |

## 11 FINANCE COSTS — NET

| | **2024** | 2023 |
|---|---|---|
| | ***RMB million*** | *RMB million* |
| Finance income: | | |
| — Interest income on bank deposits and others | **526** | 1,358 |
| — Gains on repurchase of senior notes | **–** | 748 |
| | **526** | 2,106 |
| Finance costs: | | |
| — Interest expenses for bank borrowings, senior notes, corporate bonds and convertible bonds | **(12,813)** | (12,917) |
| — Interest expenses for lease liabilities | **(124)** | (91) |
| | **(12,937)** | (13,008) |
| Less: amounts capitalised on qualifying assets | **7,723** | 7,805 |
| | **(5,214)** | (5,203) |
| — Net foreign exchange losses | **(1,761)** | (2,361) |
| | **(6,975)** | (7,564) |
| Finance costs — net | **(6,449)** | (5,458) |

## 12 INCOME TAX EXPENSES

| | **2024** | 2023 |
|---|---|---|
| | ***RMB million*** | *RMB million* |
| Current income tax | | |
| — Corporate income tax | **4,473** | 8,585 |
| — Land appreciation tax | **9,053** | 9,364 |
| | **13,526** | 17,949 |
| Deferred income tax | **(750)** | 15,760 |
| | **12,776** | 33,709 |

## 13 DIVIDENDS

The Board did not recommend or declare the payment of any dividend in respect of the years ended 31 December 2024 and 2023.

## 14 LOSSES PER SHARE

### (a) Basic

Basic losses per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Group and held as treasury shares.

| | **2024** | 2023 |
|---|---|---|
| Loss attributable to owners of the Company *(RMB million)* | **(32,835)** | (178,400) |
| Weighted average number of ordinary shares in issue *(million)* | **27,705** | 27,468 |
| Losses per share — Basic *(RMB yuan per share)* | **(1.19)** | (6.49) |

### (b) Diluted

For the year ended 31 December 2024 and 2023, the share options, awarded share, written call options and convertible bonds were excluded from the computation of diluted losses per share as they are anti-dilutive.

## MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL REVIEW

### Revenue

The Group's revenue was primarily derived from two business segments as follows: Property development and Technology-enabled construction. Revenue of the Group decreased by 37.0% to approximately RMB252,756 million in 2024 from approximately RMB401,015 million in 2023. 97.2% of the Group's revenue was generated from the sales of properties (2023: 97.6%), and 2.8% from Technology-enabled construction and Others segments (2023: 2.4%).

#### *Property Development*

Due to the decrease in GFA delivered, revenue generated from property development decreased by 37.2% to approximately RMB245,719 million in 2024 from approximately RMB391,251 million in 2023. The recognised average selling price of property delivered (value-added taxes not included) was approximately RMB7,872 per sq.m. in 2024.

#### *Technology-enabled Construction*

Technology-enabled Construction revenue from external parties decreased by 36.3% to approximately RMB3,432 million in 2024 from approximately RMB5,391 million in 2023, primarily due to the decrease in new construction volume resulting from sluggish market of real estate.

#### *Others*

Others segment mainly includes property investment and hotel operation. Revenue from external parties of others segment decreased by 17.6% to approximately RMB3,605 million in 2024 from approximately RMB4,373 million in 2023.

### Selling and marketing costs and Administrative expenses

The Group strictly implemented measures to reduce non-core and non-essential operating expenses. Selling and marketing costs and administrative expenses decreased by 40.2% to approximately RMB10,783 million in 2024 from approximately RMB18,033 million in 2023.

### Finance Costs — Net

The Group recorded net finance costs of approximately RMB6,449 million in 2024 (2023: approximately RMB5,458 million).

In 2024, the Group recorded net foreign exchange losses of approximately RMB1,761 million (2023: approximately RMB2,361 million) and finance income of approximately RMB526 million (2023: approximately RMB2,106 million). Interest expenses amounted to approximately RMB12,937 million in 2024 (2023: approximately RMB13,008 million), of which approximately RMB7,723 million had been capitalised on qualifying assets (2023: approximately RMB7,805 million).

**Loss Attributable to Owners of the Company**

In 2024, the loss attributable to owners of the Company was approximately RMB32,835 million, representing a decrease of 81.6% compared with approximately RMB178,400 million in 2023.

**Liquidity, Financial and Capital Resources**

***Cash position***

As at 31 December 2024, the Group's total cash (equals to the sum of cash and cash equivalents and restricted cash) amounted to approximately RMB29,897 million (31 December 2023: approximately RMB63,816 million), including approximately RMB6,362 million in cash and cash equivalents and approximately RMB23,535 million in restricted cash.

As at 31 December 2024, 87.3% (31 December 2023: 95.4%) of the Group's total cash was denominated in Renminbi and 12.7% (31 December 2023: 4.6%) was denominated in other currencies (mainly US dollars, HK dollars and Malaysian Ringgit).

***Debt Composition***

As at 31 December 2024, the Group's bank and other borrowings, senior notes, corporate bonds and convertible bonds amounted to approximately RMB153,954 million, RMB73,084 million, RMB19,759 million and RMB6,691 million respectively (31 December 2023: approximately RMB155,752 million, RMB68,367 million, RMB19,359 million and RMB6,171 million respectively).

For bank and other borrowings, approximately RMB137,413 million, RMB16,541 million and RMB nil will be repayable within 1 year, between 1 and 5 years and beyond 5 years respectively (31 December 2023: approximately RMB114,665 million, RMB38,550 million and RMB2,537 million respectively). As at 31 December 2024 and 31 December 2023, the majority of the bank and other borrowings were secured by certain properties, investment properties, equipment and financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income of the Group and secured by the equity interests of certain group companies, and/or guaranteed by the Group.

As at 31 December 2024, the total debt increased to approximately RMB253,488 million, from approximately RMB249,649 million as at 31 December 2023.

***Capital Gearing Ratio***

The capital gearing ratio is calculated by dividing the net debt by total capital. Net debt equals to total debt (representing bank and other borrowings, senior notes, corporate bonds and convertible bonds) net of total cash (including cash and cash equivalent and restricted cash). Total capital is calculated by adding total equity and net debt. The Group's capital gearing ratio increased from approximately 67.7% as at 31 December 2023 to approximately 81.4% as at 31 December 2024.

**Key Risk Factors and Uncertainties**

The following lists out the key risks and uncertainties the Group is facing. It is a non-exhaustive list and there may be other risks and uncertainties further to the key risk areas outlined below.

***Risks Pertaining to the Property Market and Operation***

The Group's businesses and prospects are largely dependent on the performance of the property market in mainland China. The property market in mainland China has entered an unprecedented adjustment cycle, with significant changes in market supply and demand and changes in the government's financial, economic, monetary, industrial and environmental conservation policies. The Group is also susceptible to the economic situation, market environment, consumer confidence and other factors, and there is mounting pressure on its business operations. The gross profit margins of the real estate business declined significantly, and the Group was faced with substantial losses. As such, the Group has tried every possible means to rescue itself by looking at the issue from the perspective of development and combining various favourable policies at present with a view to resolutely completing the task of guaranteeing delivery, so as to provide a basis for the Group to gradually resume the normal operation of its projects. In the meantime, the Group has been suffering from a large debt burden, the overload of resources by creditors such as financial institutions, partners and investors, the impact of negative public opinion on the brand, and the impact of the judicial environment on the performance of the management team, which have brought about a number of adverse impacts on the Group's sustainable operation.

***Interest Rate Risk***

The Group's bank and other borrowings mainly bear floating rates. As at 31 December 2024, the weighted average borrowing cost of the Group's total debt was 5.17%, decreased by 56 basic points as compared with that as at 31 December 2023.The Group has implemented certain interest rate management which includes, among others, close monitoring of interest rate movements and refinancing on existing banking facilities and entering into new banking facilities when good pricing opportunities arise.

***Foreign Exchange Risk***

The Group's foreign exchange exposure is mainly derived from the borrowings denominated in USD and HKD. The Group has been paying closely attention to the fluctuation of the foreign exchange rate and actively taking measures to mitigate the risk of exchange rate fluctuation.

**Liquidity Risk**

The Group is facing phased liquidity pressure. In light of the current liquidity position, the Group has undertaken a number of plans and measures to mitigate the liquidity pressure and to improve the financial position of the Group, details of which are set out in note 1.1 to the "NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS" in this announcement.

**Guarantees**

As at 31 December 2024, the Group had guarantees in respect of mortgage facilities for certain property buyers amounting to approximately RMB259,095 million (31 December 2023: approximately RMB357,125 million).

Pursuant to the terms of the guarantees, upon default in mortgage payments by these buyers, the Group is responsible for repaying the outstanding mortgage principals together with accrued interest and penalty owed by the defaulted buyers to the banks, and the Group is entitled to take over the legal title and possession of the related properties. The guarantees were to be discharged upon the earlier of: (i) issuance of the real estate ownership certificate which are generally available within three months after the buyers take possession of the relevant properties; and (ii) the satisfaction of mortgage loans by the property buyers.

In addition, as at 31 December 2024, the Group had provided guarantees amounting to approximately RMB6,185 million (31 December 2023: approximately RMB7,169 million) for certain liabilities of the joint ventures and associates of the Group.

**Material acquisitions and disposals of subsidiaries, associates and joint ventures, and other significant transactions**

***1. Disposal of approximately 1.79% equity interest in Zhuhai Wanda Commercial Management Group Co., Ltd.***

On 13 December 2023, Gold Ease Global Limited ("**Gold Ease**") (an indirect wholly-owned subsidiary of the Company), Country Garden Real Estate Group Co., Ltd. (an indirect wholly-owned subsidiary of the Company), Foshan Shunde Lizhan Enterprise Management Co., Ltd. (an indirect wholly-owned subsidiary of the Company), Dalian Wanda Commercial Management Group Co., Ltd. ("**Wanda Commercial Management Group**") and Zhuhai Wanying Enterprise Management Co., Ltd. ("**Zhuhai Wanying**") entered into an agreement (as amended by the supplemental agreement dated 24 September 2024) in relation to the disposal of approximately 1.79% equity interest in Zhuhai Wanda Commercial Management Group Co., Ltd. (the "**Target Company**") by Gold Ease to Zhuhai Wanying or the designated party of Wanda Commercial Management Group, Zhuhai Wanying or the Target Company, at a consideration of RMB3,068,518,970 (the "**2023 Second Disposal**"). The 2023 Second Disposal was entered into as part of the Group's means to resolve the phased liquidity pressure. As at the date of this announcement, this transaction has been completed.

For further details, please refer to the announcements of the Company dated 14 December 2023, 3 January 2024 and 24 September 2024.

***2. Cooperation Agreement in relation to the development of the White Goose Pond International Financial Center located in the core area of Baietan Business District, Liwan District, Guangzhou***

On 23 March 2024, Guangzhou Xingchengsi Trading Co., Ltd. (an indirect non-wholly-owned subsidiary of the Company) ("**Guangzhou Xingchengsi**") entered into a cooperation agreement (the "**Cooperation Agreement**") with Guangdong Zhongwei Investment Control Technology Group Co., Ltd. ("**Guangdong Zhongwei**") and Guangzhou Jinsi Real Estate Development Co., Ltd. (the "**Project Company**") in relation to the joint construction and development of the White Goose Pond International Financial Center (the "**Building**") on a piece of land titled Plot AF020106 located in the core area of Baietan Business District, Liwan District, Guangzhou, with a site area of 13,968 square meters (the "**Guangzhou Property**"), for sale through the Project Company (the "**Project**").

Pursuant to the Cooperation Agreement, Guangzhou Xingchengsi was deemed to have provided a fund of RMB3.1 billion to the Project Company, and Guangdong Zhongwei agreed to provide further funding of approximately RMB2.8 billion in aggregate for the Project in return for, among other things (i) the entitlement to the units of the Building and the relevant sale proceeds calculated based on the proportion of the fundings actually provided by Guangzhou Xingchengsi or Guangdong Zhongwei (as the case may be) to the Project Company; (ii) the voting rights in the Project Company proportionate to Guangdong Zhongwei's entitlement ratio; and (iii) ultimately 100% of the equity interest in the Project Company when Guangzhou Xingchengsi's entitlement to the units of the Building and the relevant sale proceeds has substantially been realised. The introduction of Guangdong Zhongwei as a partner for the joint development of the Guangzhou Property was a timely and much-needed solution to the difficulties faced by the Group in realising the Guangzhou Property.

In addition, Guangzhou Xingchengsi and Guangdong Zhongwei also entered into a supplemental agreement on 23 March 2024 to set out further provisions in respect of the potential impact of the mortgage of the Guangzhou Property as security for the medium-term notes due 2025 in the amount of RMB1.7 billion issued by Country Garden Real Estate Group Co., Ltd. (a fellow subsidiary of the Company) in 2023 for a term from 12 April 2023 to 30 June 2027 on the performance of the Cooperation Agreement.

For further details, please refer to the announcements of the Company dated 24 March 2024 and 28 March 2024.

### 3. *Disposal of approximately 1.56% equity interest in Changxin Technology Group Co., Ltd.*

On 27 December 2024, Foshan Nanhai District Huibi No. 5 Equity Investment Partnership (Limited Partnership) ("**Foshan Nanhai**") (an indirect non-wholly owned limited partnership of the Company) as vendor, Hefei Jianchang Equity Investment Partnership Enterprise (Limited Partnership) ("**Hefei Jianchang**") as purchaser and Changxin Technology Group Co., Ltd. ("**Changxin Technology**") as target company entered into the share transfer agreement in relation to the disposal of approximately 1.56% equity interest in Changxin Technology by Foshan Nanhai to Hefei Jianchang, at a total consideration of RMB2.0 billion (the "**2024 Disposal**"). The 2024 Disposal was entered into as part of the Group's means to resolve the phased liquidity pressure. As at the date of this announcement, this transaction has been completed.

For further details, please refer to the announcement of the Company dated 27 December 2024.

**Employees and Remuneration Policy**

Human resource has always been the most valuable resource of the Group. As at 31 December 2024, the Group had approximately 22,794 full-time employees.

Employees are rewarded on a performance related basis, together with reference to the profitability of the Group, remuneration benchmarks in the industry, and prevailing market conditions within the general framework of the Group's salary and bonus system. The Group is subject to social insurance contribution plans or other pension schemes organised by the regional governments and is required to pay on behalf of the employees a monthly social insurance premium covering pension insurance, medical insurance, unemployment insurance and housing fund or to contribute regularly to other mandatory provident fund schemes on behalf of the employees. As at the date of this announcement, there were no significant labor disputes which adversely affect or are likely to have an adverse effect on the operations of the Group.

In order to achieve sustainable development and corporate core advantage, the Group is establishing a "Corporate University". All employees from different levels and different fields can all have opportunities to receive training, including Leadership Development Program, New Staff Campaign and On-the-job Training. All the projects are aimed at enabling employees to become senior management and inter-disciplinary talent and form a perfect HR training system of the Group.

The Group has approved and/or adopted certain share option schemes and share award scheme, details can be referred in the sections headed "EMPLOYEE INCENTIVE MECHANISMS" in this announcement.

**Forward Looking**

In recent years, China's property sector has experienced volatile adjustments and encountered unprecedented difficulties. Accompanied with sales plunge in the industry, insufficient consumer confidence and difficulties in obtaining financing have presented significant challenges to the operation and survival of enterprises. The Group's liquidity is under unprecedented pressure with a dual tightening of sales and financing.

The Group has always been committed to doing the right things and adhering to prudent financial policies and risk control measure in the face of new challenges and market changes. Facing such an extremely difficult situation industry-wide, the Group spared no effort to shoulder its social responsibility, actively respond and fully ensure its delivery. On the basis of delivering over 600,000 units of properties throughout the year 2023, the Group, together with its joint ventures and associates, delivered over 380,000 units of properties in 2024, continuously being the industry leader of delivery of properties.

In the future, the Group will continue to do its utmost to ensure the safety of cash flow, intensify efforts to revitalize under-performing assets, further streamline its organizational structure and strengthen expense controls, and actively consider taking various debt management measures to resolve periodic liquidity pressure. With the development of a smart construction system and the vigorous expansion of its light asset escrow and agency construction business, the Group will continue to explore new models for real estate development through the new strategy of "One Core and Two Wings", giving full play to the advantages of the entire industry chain.

The long road to success is indeed as hard as iron, but now we must start from scratch. Despite the current difficulties, the Group will continue to ensure delivery with a high sense of responsibility and make every effort to reverse the situation. The Group firmly believes that the real estate industry will eventually return to stable and healthy after undergoing such difficult adjustments. With the concerted efforts of the entire Group and the help and support of all parties, the Group will be able to navigate through predicaments and set sail again.

## SCOPE OF WORK OF ZHONGHUI ANDA CPA LIMITED

The figures in respect of the Group's financial results for the year ended 31 December 2024 as set out in this announcement have been agreed by the Company's independent auditor, ZHONGHUI ANDA CPA Limited, to the amounts set out in the Group's consolidated financial statements for the year ended 31 December 2024. The work performed by ZHONGHUI ANDA CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently, no assurance has been expressed by ZHONGHUI ANDA CPA Limited on this announcement.

## EXTRACT OF INDEPENDENT AUDITOR'S REPORT

The below section sets out an extract of the independent auditor's report by ZHONGHUI ANDA CPA Limited, the external auditor of the Company, regarding the consolidated financial statements of the Group for the year ended 31 December 2024:

### Disclaimer of Opinion

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. In all other respects, in our opinion, the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

**Basis for Disclaimer of Opinion**

***Scope limitation relating to the assessment on the appropriateness of the going concern basis of preparing the Consolidated Financial Statements***

We draw attention to note 2.1(iii) to the consolidated financial statements, which mention that the Group incurred a loss attributable to owners of the Company of approximately RMB32.8 billion for the year ended 31 December 2024. As at 31 December 2024, the Group had net current liabilities of approximately RMB25.9 billion and total debt of approximately RMB253.5 billion, out of which approximately RMB226.8 billion was included in current liabilities, while its total cash (including cash and cash equivalents and restricted cash) amounted to approximately RMB29.9 billion. As at 31 December 2024, the Group had certain indebtedness, including senior notes, corporate bonds, convertible bonds and bank and other borrowings, with an aggregated carrying amount of approximately RMB188.2 billion that were defaulted or cross-defaulted. The above events or conditions indicate the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern and, therefore, that the Group may not be able to realise its assets and discharge its liabilities in the normal course of business.

In view of the above circumstances, the directors of the Company (the "**Directors**") have been undertaking a number of plans and measures to mitigate the liquidity pressure and improve its financial position, details of which are set out in note 2.1(iii) to the consolidated financial statements. To assess the appropriateness of the going concern basis, the management of the Group prepared a cash flow forecast ("**Cash Flow Forecast**"), which takes into account the effects of the success in implementing and completing the aforesaid plans and measures as scheduled notwithstanding the inherent uncertainties associated with the outcome of these plans and measures. In particular, the positive outcome of the Cash Flow Forecast is significantly influenced by the success of the proposed restructuring plan for the Group's offshore liabilities (the "**Proposed Debt Restructuring**"). Based on the result of the Cash Flow Forecast, the Directors are of the opinion that the Group will have sufficient working capital to meet its financial obligations as and when they fall due in the foreseeable future and therefore, the Group has the ability to continue as a going concern and will continue its operations for at least 12 months from 31 December 2024. Accordingly, the Directors are of the view that it is appropriate to prepare the consolidated financial statements on a going concern basis.

In respect of the Proposed Debt Restructuring, we were advised by management that the Group is still engaging in active and constructive dialogues with its creditors to implement a holistic restructuring plan, however, no definite agreements have been reached between the Group and the relevant creditors. Accordingly, we were unable to obtain sufficient appropriate audit evidence that we considered necessary to evaluate the Group's ability to implement and complete the Proposed Debt Restructuring to the extent necessary based on the Cash Flow Forecast.

In view of the above scope limitation, there were no other alternative procedures that we could perform to satisfy ourselves that the Group would be able to implement its plans and measures, as a result, we were unable to obtain sufficient appropriate evidence we considered necessary to conclude whether the use of the going concern basis of accounting to prepare the consolidated financial statements is appropriate.

Should the Group fail to achieve the above-mentioned plans and measures, it might not be able to continue to operate as a going concern, and adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effect of these adjustments has not been reflected in the consolidated financial statements.

The aforesaid "note 2.1(iii) to the consolidated financial statements" in the extract of the independent auditor's report regarding the Group's consolidated financial statements is disclosed as note 1.1 to the "NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION" in this announcement.

## AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**") assists the Board in providing an independent review of the effectiveness of the financial reporting process, risk management and internal control systems of the Group, overseeing the audit process, and performing other duties and responsibilities as may be assigned by the Board from time to time. The members of the Audit Committee are all independent non-executive Directors, namely Mr. WANG Zhijian, Dr. HAN Qinchun and Mr. TUO Tuo (Mr. LAI Ming, Joseph, Mr. SHEK Lai Him, Abraham and Mr. TONG Wui Tung were members of the Audit Committee until their resignation on 15 March 2024). Mr. WANG Zhijian is the chairman of the Audit Committee (Mr. LAI Ming, Joseph was the chairman of the Audit Committee until his resignation on 15 March 2024).

The annual results have been reviewed by the Audit Committee.

## COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Board and the management of the Company are committed to the principles of good corporate governance consistent with prudent management and enhancement of shareholder value. These principles emphasise transparency, accountability and independence.

For the year ended 31 December 2024, the Company has applied the principles and complied with the code provisions set out in Part 2 of the Corporate Governance Code (the "**CG Code**") under Appendix C1 to the Listing Rules on the Stock Exchange, save and except for the code provision C.5.1 of Part 2 of the CG Code. Due to the dynamic nature of the offshore debt restructuring of the Group and the numerous emerging issues requiring Board approval in relation thereto, for the sake of efficiency, only one Board meeting was held and twenty-two written Board resolutions were passed by all Directors to approve the affairs of the Group during the year. Sufficient measures have been taken to ensure that there was efficient communication among the Directors.

As disclosed in the interim report for the six months ended 30 June 2024, following the expiration date of the directors and officers liability insurance of last year (i.e. 21 May 2024), the Company was unable to make appropriate insurance arrangements in respect of legal actions arising from the conduct of its directors committed on or after 22 May 2024 as it takes time to discuss with the insurance companies to provide the Company with a comprehensive and feasible insurance. The Company has subsequently entered into an appropriate insurance agreement with effect from 1 March 2025 which through the retroactive date clause provides appropriate insurance coverage on Directors' and officers' liabilities in respect of any legal actions taken against the Directors and senior management arising out of corporate activities from 22 May 2024 to 31 December 2024. In addition, the annual general meeting of the Company for the year ended 31 December 2023 was not held within six months after the end of the year ended 31 December 2023 due to the delay in the publication of the annual results of the Group for the year ended 31 December 2023 and the despatch of the annual report for the year ended 31 December 2023.

## COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") under Appendix C3 of the Listing Rules as the code of conduct for dealing in securities of the Company by the Directors. After specific enquiry, all Directors confirmed that they have complied with the required standard regarding securities transactions set out therein throughout the year ended 31 December 2024.

No incident of non-compliance was noted by the Company for the year ended 31 December 2024. Relevant employees who are likely to be in possession of inside information of the Group are also subject to compliance with written guidelines on no less exacting terms than the Model Code.

## EMPLOYEE INCENTIVE MECHANISMS

For the purpose of rewarding the contribution of the senior management (including executive Directors of the Company who are also senior management) and employees of the Group engaging in profitable property development projects of the Group, two incentive mechanisms (as amended from time to time) (the "**Incentive Mechanisms**") were adopted by the Group (with the latest versions being adopted on 27 December 2019 and 18 September 2020 respectively), which respectively concern property development projects located in the Mainland China and property development projects located in Hong Kong and other overseas jurisdictions (the "**Property Development Projects**"). Under the Incentive Mechanisms, in general, senior management and employees will primarily be provided with cash rewards, calculated with reference to net profits generated from the Property Development Projects and the Group's internal rate of return. A portion of these cash rewards will be used as either (i) the consideration for the exercise of the share options to be granted to them by the Company under the terms of the Share Option Schemes (hereinafter defined) (in respect of certain executive Directors of the Company who are also senior management) or (ii) the consideration for the purchase of Shares, i.e. the share awards (in respect of senior management who are not Directors and employees of the Company).

### (i) Share Award Scheme

The aforementioned share awards to the senior management who are not Directors and employees of the Company are funded by existing Shares, and shall be distributed in accordance with the Principles for Employees' Shares Conversion Rights (as amended from time to time) adopted by the Group on 11 February 2015 (the "**Share Award Scheme**"). The Share Award Scheme has no fixed expiry date.

According to the trust deed approved by the Board on 27 January 2015, the trustee of the Share Award Scheme is Power Great Enterprises Limited ("**Power Great**"), a wholly-owned subsidiary of the Company. During the year ended 31 December 2024, Power Great as the trustee of the Share Award Scheme had not purchased any Share from the market, and had not acquired any Share by any other means. During the year ended 31 December 2024, no Shares were granted under the Share Award Scheme. As at 31 December 2024, the total number of Shares in relation to share awards that were granted under the Share Award Scheme was 165,434,000 Shares (being the net number after deduction of the exercised and lapsed share awards). As at 31 December 2024, Power Great held a cumulative total of 283,259,032 Shares available for use under the Share Award Scheme (which includes Shares that have been granted to the relevant employees with the registration and transfer procedures yet to be completed) (31 December 2023: 283,259,032 Shares).

### (ii) Share Option Schemes

A share option scheme (the "**2007 Share Option Scheme**") was approved and adopted by the shareholders of the Company (the "**Shareholders**") on 20 March 2007 for a period of 10 years commencing on the adoption date. The 2007 Share Option Scheme had expired on 19 March 2017. Another share option scheme (the "**2017 Share Option Scheme**", together with the 2007 Share Option Scheme, the "**Share Option Schemes**") was approved and adopted by the Shareholders at the annual general meeting of the Company held on 18 May 2017 for a period of 10 years commencing on the adoption date and ending on 17 May 2027. Subject to the terms and conditions of the 2017 Share Option Scheme, the Board may, at its discretion, grant share options to any eligible person to subscribe for the Shares within the validity period of the scheme.

The total number of options available for grant under the Share Option Schemes is 2,048,830,798 Shares both as at 1 January 2024 (as at 1 January 2023: 2,048,830,798 Shares) and as at 31 December 2024 (as at 31 December 2023: 2,048,830,798 Shares). During the year ended 31 December 2024, no share options were granted to eligible persons in accordance with the terms of the Share Option Schemes (there were also no share options granted during the year ended 31 December 2023).

The Board will continue to monitor the Share Option Schemes and Share Award Scheme for motivating the eligible persons, senior management and employees of the Group and consider when it may be appropriate and/or desirable to modify or replace the schemes with and/or adopt any other incentive scheme.

## CONVERTIBLE BONDS

On 21 November 2018, the Company, Smart Insight International Limited (the "**Issuer**", a wholly-owned subsidiary of the Company), J.P. Morgan Securities plc, Goldman Sachs (Asia) L.L.C and The Hongkong and Shanghai Banking Corporation Limited (the "**Joint Lead Managers**") entered into an agreement, under which the Joint Lead Managers agreed to subscribe for the 4.50% secured guaranteed convertible bonds due 2023 to be issued by the Issuer in the aggregate principal amount of HKD7,830 million (the "**2023 Convertible Bonds**"). On 5 December 2018, the Issuer issued the 2023 Convertible Bonds in the principal amount of HKD7,830 million. The 2023 Convertible Bonds are listed on Singapore Exchange Securities Trading Limited ("**SGX**"). The 2023 Convertible Bonds have matured on 5 December 2023 and were defaulted. The conversion period under the terms of the 2023 Convertible Bonds has expired.

Please refer to the announcements of the Company dated 21 November 2018, 22 November 2018, 12 December 2018, 24 May 2019, 12 September 2019, 1 June 2020, 15 September 2020, 2 June 2021, 13 September 2021, 6 December 2021 and 6 June 2022, and the circular of the Company dated 11 April 2019 for further details.

On 20 January 2022, the Company, the Issuer and UBS AG Hong Kong Branch (the "**Sole Bookrunner**") entered into an agreement, under which the Sole Bookrunner agreed to subscribe for the 4.95% secured guaranteed convertible bonds due 2026 to be issued by the Issuer in the aggregate principal amount of HKD3,900 million (the "**2026 Convertible Bonds**"). On 28 January 2022, the Issuer issued the 2026 Convertible Bonds in the principal amount of HKD3,900 million. The 2026 Convertible Bonds are listed on SGX. There was no change to the conversion price of the 2026 Convertible Bonds since 13 June 2022. Accordingly, as at the date of this announcement, based on the total outstanding principal amount of the 2026 Convertible Bonds of HKD3,900 million, the 2026 Convertible Bonds may be converted into the maximum number of 492,424,242 Shares at the latest modified conversion price of HKD7.92 per Share (as last adjusted on 13 June 2022) during the conversion period under the terms of the 2026 Convertible Bonds. No bondholders have exercised their conversion right under the 2026 Convertible Bonds during the year ended 31 December 2024. As at 31 December 2024, the 2026 Convertible Bonds were cross-defaulted.

Please refer to the announcements of the Company dated 21 January 2022 and 6 June 2022 for further details.

Details of convertible bonds are set out in note 7 to the "NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION" in this announcement.

**PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES**

Neither the Company nor any of its subsidiaries has purchased, bought back, sold or redeemed any of the Shares or listed securities during the year ended 31 December 2024.

For details of additions by the Company or any of its subsidiaries of its corporate bonds during the year ended 31 December 2024, please also refer to note 6 to the "NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION" in this announcement.

**FINAL DIVIDEND**

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

## CLOSURE OF REGISTERS OF MEMBERS

For the purposes of determining the eligibility of the Shareholders to attend, speak and vote at the forthcoming annual general meeting of the Company, the Registers of Members of the Company will be closed as appropriate as set out below:

| | |
|---|---|
| Latest time to lodge transfer documents for registration with the Company's branch share registrar and transfer office in Hong Kong | At 4:30 p.m. on Wednesday, 28 May 2025 |
| Record Date | Thursday, 29 May 2025 |
| Closure of the Registers of Members | Thursday, 29 May 2025 to Thursday, 5 June 2025 (both days inclusive) |

For purposes mentioned above, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than the aforementioned latest time.

## PUBLICATION OF ANNUAL RESULTS

This announcement is published on the Company's website (http://www.countrygarden.com.cn) and the Stock Exchange's designated website (http://www.hkexnews.hk).

By order of the Board
**Country Garden Holdings Company Limited**
**MO Bin**
*President and Executive Director*

Foshan, Guangdong Province, the PRC, 28 March 2025

*As of the date of this announcement, the executive Directors are Ms. YANG Huiyan (Chairman), Mr. MO Bin (President), Ms. YANG Ziying, Dr. CHENG Guangyu and Ms. WU Bijun. The non-executive Director is Mr. CHEN Chong. The independent non-executive Directors are Dr. HAN Qinchun, Mr. WANG Zhijian and Mr. TUO Tuo.*