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**珠光控股**

ZHUGUANG HOLDINGS

**ZHUGUANG HOLDINGS GROUP COMPANY LIMITED**

**珠光控股集團有限公司\***

*(incorporated in Bermuda with limited liability)*

**(stock code: 1176)**

**(1) ANNOUNCEMENT OF THE ANNUAL RESULTS  
FOR THE YEAR ENDED 31 DECEMBER 2024;**

**AND**

**(2) RESUMPTION OF TRADING**

**(1) ANNOUNCEMENT OF THE ANNUAL RESULTS FOR THE YEAR ENDED 31  
DECEMBER 2024**

The board (“**Board**”) of directors (“**Directors**”) of Zhuguang Holdings Group Company Limited (“**Company**”) is pleased to announce the annual consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the financial year ended 31 December 2024 (“**FY2024**”) together with the comparative figures for the previous financial year (“**FY2023**”) as follows:

\* Chinese name is translated for identification purpose only

## FINANCIAL HIGHLIGHTS

### RESULTS

	<b>Year ended 31 December</b>	
	<b>2024</b>	<b>2023</b>
	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
		<b>(Restated)</b>
Revenue by operating segment:		
– Property development	<b>242,866</b>	801,083
– Project management services	<b>1,144,676</b>	1,279,681
– Property investment and hotel operation	<b>198,169</b>	222,812
Loss for the year attributable to owners of the parent	<b><u>(3,412,327)</u></b>	<b><u>(815,010)</u></b>
	<b>At 31 December</b>	
	<b>2024</b>	<b>2023</b>
	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
		<b>(Restated)</b>
Total assets	<b>32,781,140</b>	35,708,100
Total liabilities	<b>29,521,670</b>	29,343,689
Total equity	<b><u>3,259,470</u></b>	<b><u>6,364,411</u></b>

## MANAGEMENT DISCUSSION AND ANALYSIS

The Group is principally engaged in property development, project management, and property investment and hotel operation in the People's Republic of China (“PRC”, “China” or “Mainland China”).

### BUSINESS REVIEW

In 2024, the global economy continued to be affected by the ongoing difficulties arising from the stagnant recovery of the economies around the world, high inflation and low consumer sentiment as well as uncertainties caused by geopolitical conflicts, and the risks associated with such uncertainties have not improved significantly. Due to the uncertainties faced by the global economy, the economic recovery of Mainland China is still subject to the pressure from structural reforms.

In 2024, the Chinese central government continued to optimise real estate regulatory policies to stabilise the property market, with the focus on enhancing the market environment from supply and demand. Comprehensive measures have been implemented to boost property purchases, including the removal of restrictions on buying, reselling, and pricing of houses. Meanwhile, reductions in mortgage rates, down payment requirements, and tax costs related to property transactions were expected to boost residential purchasing sentiment. As a result, transaction volumes for newly constructed properties and second-hand properties were expected to rise, indicating signs of stabilisation in the housing market. At the beginning of 2024, relaxed purchase restrictions were launched in Guangzhou which became the first first-tier city to ease restrictions in its central urban area. It was likely to stimulate the implementation of relaxation measures in the Greater Bay Area, other first-tier cities and key regional cities, serving as a positive indicator.

With its expertise and professionalism, the Company's urban renewal team has continued to focus on the implementation of the Group's urban renewal projects across Guangzhou, and to strengthen the Group's future development features and competitive advantages. The Group will continue to promote the cooperation with its strategic partners and explore opportunities in cooperation with financing institutions, government authorities or other industry peers in order to consolidate its industry position as an “urban renewal expert”.

The Group will also uphold the spirit of craftsmanship, focus on improving product quality, pay attention to details, and provide buyers with high-quality properties.

## MANAGEMENT DISCUSSION AND ANALYSIS (continued)

### BUSINESS REVIEW (continued)

#### Property Development and Sales

During FY2024, the Group continued its focus on the first-tier and key second-tier cities in the PRC with potential growth in demand for properties. The Group has achieved contracted sales of approximately HK\$383,187,000 and contracted gross floor area (“GFA”) sold of approximately 11,872 square metres (“sqm”) during FY2024, representing decreases of approximately 90.05% and approximately 87.22%, respectively, as compared with those for FY2023. The details of the contracted property sales and the contracted GFA sold for FY2024 are set out below:

Projects	Contracted sales (HK\$'000)	Contracted GFA sold (sqm)
Zhuguang Financial Town One	205,646	4,379
Hua Cheng Yujing Garden	107,741	1,143
Zhuguang Yujing Scenic Garden (“Yujing Scenic Garden”)	20,470	2,276
Pearl Yunling Lake	17,559	1,209
Central Park	17,546	352
Pearl Xincheng Yujing (“Xincheng Yujing”)	8,987	967
Pearl Tianhu Yujing Garden (“Tianhu Yujing”)	2,782	342
Yujing Yayuan	957	109
Pearl Yijing	321	632
	<hr/>	<hr/>
	382,009	11,409
Car parks	1,178	463
	<hr/>	<hr/>
	<u>383,187</u>	<u>11,872</u>

## MANAGEMENT DISCUSSION AND ANALYSIS *(continued)*

### BUSINESS REVIEW *(continued)*

#### Property Development and Sales *(continued)*

It is expected that the following projects of the Group will be available for sale, pre-sale or leasing in 2025:

Projects	Available for sale/ pre-sale/ leasing period	GFA available for sale/lease ( <i>sqm</i> )	Usage
Zhuguang Financial Town One	1st quarter	236,281	Sale
Yujing Scenic Garden	1st quarter	23,238	Leasing/Sale
Pearl Yunling Lake	1st quarter	729	Sale
Central Park	1st quarter	2,022	Leasing/Sale
Xincheng Yujing	1st quarter	29,696	Leasing/Sale
Tianhu Yujing	1st quarter	25,999	Leasing/Sale
Yujing Yayuan	1st quarter	119	Sale
Pearl Yijing	1st quarter	10,242	Sale
Project Tian Ying	1st quarter	6,721	Sale
Meizhou Chaotang Project	1st quarter	34,202	Leasing/Sale
Zhukong International	1st quarter	29,110	Leasing/Sale

## **MANAGEMENT DISCUSSION AND ANALYSIS** *(continued)*

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

#### **Property Development and Sales** *(continued)*

As at 31 December 2024, the Group owned the following major property development projects, the details of which are as follows:

##### ***Zhuguang Financial Town One – 100% interest***

“Zhuguang Financial Town One” is located at Huangpu Road East, Tianhe District, Guangzhou City, Guangdong Province, the PRC, which is near the 三溪 (Sanxi\*) Station of Guangzhou Metro Line No. 5 and within the scope of the planned 廣州國際金融城 (Guangzhou International Financial Town\*) in the Tianhe District. The total site area of this project is approximately 63,637 sqm, which is being developed into office buildings, high-end apartment buildings, shopping malls and a commercial complex including underground car parks over four phases. The total GFA for sale of this project is approximately 391,021 sqm. As at 31 December 2024, the aggregate GFA delivered under this project was approximately 7,615 sqm. During FY2024, contracted sales of approximately HK\$205,646,000 with GFA of approximately 4,379 sqm were recorded with respect to “Zhuguang Financial Town One”.

##### ***Hua Cheng Yujing Garden – 100% interest***

“Hua Cheng Yujing Garden” was acquired by the Group in 2018. It is located at Zhujiang Xincheng, Tianhe District, Guangzhou City, Guangdong Province, the PRC, with a site area of approximately 60,237 sqm. The total GFA available for sale of this project which belongs to the Group is approximately 108,675 sqm. Out of the GFA of approximately 108,675 sqm, a GFA of approximately 48,043 sqm is attributable to a commercial and residential complex which comprises car parks, residential buildings, shopping malls and office premises, and a GFA of approximately 60,632 sqm is attributable to a commercial complex which comprises car parks, shopping malls and office premises. As at 31 December 2024, the aggregate GFA delivered under this project was approximately 87,849 sqm. During FY2024, contracted sales of approximately HK\$107,741,000 with GFA of approximately 1,143 sqm were recorded with respect to “Hua Cheng Yujing Garden”.

\* English name is translated for identification purpose only

## **MANAGEMENT DISCUSSION AND ANALYSIS** *(continued)*

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

#### **Property Development and Sales** *(continued)*

##### ***Yujing Scenic Garden – 100% interest***

“Yujing Scenic Garden” is located at Provincial Highway G105 (“**Highway G105**”) line at Jiulibu District, Jiangpu Town, Conghua, Guangzhou City, Guangdong Province, the PRC, which is well connected via a number of highways to and from Guangzhou City. “Yujing Scenic Garden” is a 20-minute drive from downtown Conghua and a 10-minute drive from Wenquan Town, Conghua, with a site area of approximately 294,684 sqm, which is a commercial and residential complex, comprising residential buildings and a street-level commercial podium and car parks. The total GFA available for sale is approximately 757,633 sqm, which comprises four phases of development. As at 31 December 2024, the aggregate GFA delivered under this project was approximately 715,063 sqm. During FY2024, contracted sales of approximately HK\$20,470,000 with GFA of approximately 2,276 sqm were recorded with respect to “Yujing Scenic Garden”.

##### ***Pearl Yunling Lake – 100% interest***

“Pearl Yunling Lake” is located at Provincial Highway S355 line at Jiekou Street, Conghua, Guangzhou City, Guangdong Province, the PRC, which is adjacent to the Fengyunling Forest Park, and is the main transportation link between Conghua and downtown Guangzhou City. The project site area is approximately 200,083 sqm and the total GFA available for sale is approximately 110,417 sqm. The development is divided into two phases, with Phase I comprising 57 villas and 5 apartment buildings, with an aggregate GFA of approximately 42,884 sqm, and Phase II comprising 44 villas, 3 apartment buildings and a hotel, with an aggregate GFA of approximately 83,773 sqm. Phase I with a total GFA available for sale of approximately 39,046 sqm and Phase II with a total GFA available for sale of approximately 29,040 sqm were launched for sale in the first and third quarters of 2017 respectively, whilst the hotel with a GFA of approximately 42,331 sqm has been retained as a long-term asset of the Group. As at 31 December 2024, the aggregate GFA delivered under this project was approximately 43,553 sqm. During FY2024, contracted sales of approximately HK\$17,559,000 with GFA of approximately 1,209 sqm were recorded with respect to “Pearl Yunling Lake”.

## **MANAGEMENT DISCUSSION AND ANALYSIS** *(continued)*

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

#### **Property Development and Sales** *(continued)*

##### ***Central Park – 100% interest***

“Central Park” is located at Lot H3-3, Zhujiang New Town, Tianhe District, Guangzhou City, Guangdong Province, the PRC, with a site area of approximately 3,430 sqm, and a total GFA available for sale of approximately 28,706 sqm thereof has been developed into a 30-storey building, including service apartments, a street-level commercial podium and a 4-storey underground car park. As at 31 December 2024, the aggregate GFA available for sale of the service apartments delivered was approximately 25,693 sqm. The Group has designated GFA of approximately 50 sqm of this property as investment properties held for long-term investment purpose. During FY2024, contracted sales of approximately HK\$17,546,000 with GFA of approximately 352 sqm were recorded with respect to “Central Park”.

##### ***Xincheng Yujing – 100% interest***

“Xincheng Yujing” was acquired by the Group in September 2016. It is located at 種王上圍 (Zhong Su Shang Wei\*), 陽光村 (Sunshine Village\*), 湯南鎮 (Tang Nan Town\*), 豐順縣 (Fengshun County\*), Meizhou City, Guangdong Province, the PRC (next to Line G235), a county famous for its hot spring resources which is a major tourism attraction. The project has a site area of approximately 280,836 sqm and a total GFA for sale of approximately 310,716 sqm. The project has been developed into various types of villas, high-rise apartment buildings and an ancillary commercial development. The development of the project is divided into three phases. Phase I commenced pre-sale during 2017 with delivery commencing in 2018. Phase II commenced pre-sale in 2017 which was completed with delivery commencing in 2019. Phase III commenced delivery during 2020. As at 31 December 2024, the aggregate GFA delivered under this project was approximately 262,683 sqm. The Group has designated GFA of approximately 9,482 sqm of this property as investment properties held for long-term investment purpose. The ancillary commercial building plus a basement with a total GFA of approximately 9,482 sqm were leased out during FY2024. During FY2024, contracted sales of approximately HK\$8,987,000 with GFA of approximately 967 sqm were recorded with respect to “Xincheng Yujing”.

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## **MANAGEMENT DISCUSSION AND ANALYSIS** *(continued)*

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

#### **Property Development and Sales** *(continued)*

##### ***Tianhu Yujing – 100% interest***

“Tianhu Yujing” is located at Shui Di Village, Jiulibu District, Wenquan Town, Conghua, Guangzhou City, Guangdong Province, the PRC, with a site area of approximately 55,031 sqm. The land of this project is located adjacent to “Yujing Scenic Garden”, and the Group has developed this land together with “Yujing Scenic Garden” to expand the Group’s development and presence in Conghua. The project is developed into 5 blocks of 32-storey modern residential buildings and a street-level commercial podium with total GFA available for sale of approximately 186,894 sqm. The development is divided into two phases. The total GFA available for sale under Phase I and Phase II is approximately 97,183 sqm and 89,711 sqm, respectively. As at 31 December 2024, the aggregate GFA delivered under this project was approximately 140,050 sqm. During FY2024, contracted sales of approximately HK\$2,782,000 with GFA of approximately 342 sqm were recorded with respect to “Tianhu Yujing”.

##### ***Yujing Yayuan – 50% interest***

“Yujing Yayuan” is located at Guoji, Fuyong, Nanqu, Zhongshan City, Guangdong Province, the PRC. The site area and the total GFA available for development of this project are approximately 15,745 sqm and approximately 38,005 sqm, respectively. The development of this project into five blocks of modern residential buildings, a street-level commercial podium and an underground car park was completed in 2020. As at 31 December 2024, the aggregate GFA delivered under this project was approximately 35,927 sqm. During FY2024, contracted sales of approximately HK\$957,000 with GFA of approximately 109 sqm were recorded with respect to “Yujing Yayuan”.

##### ***Pearl Yijing – 100% interest***

“Pearl Yijing” is located at No. 168 Xinkai Street, Xianghe County, Hebei Province, the PRC, with a site area of approximately 45,310 sqm and a total GFA available for sale of approximately 164,603 sqm. The project was developed into two phases with several residential buildings and street-level commercial areas. As at 31 December 2024, the aggregate GFA available for sale delivered under this project was approximately 154,361 sqm. During FY2024, contracted sales of approximately HK\$321,000 with GFA of approximately 632 sqm were recorded with respect to “Pearl Yijing”.

## **MANAGEMENT DISCUSSION AND ANALYSIS** *(continued)*

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

#### **Property Development and Sales** *(continued)*

##### ***Project Tian Ying – 100% interest***

“Project Tian Ying” is located in Jiang Pu Street, Conghua, Guangzhou City, Guangdong Province, the PRC, and is next to Highway G105, which is only a 10-minute drive and a one-hour drive from Conghua central business district and Guangzhou City, respectively. The site area of the project is approximately 22,742 sqm and the total GFA available for sale is approximately 59,679 sqm. The project, which was to be developed into a stylish low-density residential complex with a commercial podium and certain public facilities, was completed in 2019. As at 31 December 2024, the aggregate GFA delivered under this project was approximately 52,843 sqm.

##### ***Meizhou Chaotang Project – 100% interest***

“Meizhou Chaotang Project” is located at Chaotang Village, Chengdong Town, Meixian District, Meizhou City, Guangdong Province, the PRC. The site area and the GFA available for sale under Phase I of the project are approximately 46,793 sqm and approximately 34,202 sqm, respectively. Phase I of the project will be developed into a number of different types of villas in addition to a hotel. The Group has designated the hotel with a GFA of approximately 7,389 sqm as an investment property held for long-term investment purpose.

##### ***Zhukong International – 80% interest***

“Zhukong International”, which is located at Lot A2-1, Zhujiang New Town, Tianhe District, Guangzhou City, Guangdong Province, the PRC, at the junction of 廣州大道 (Guangzhou Avenue\*) and 黃埔大道 (Huang Pu Da Dao\*), is a 35-storey high-rise commercial complex, including a 6-storey commercial podium, a 29-storey Grade A office building and a 3-storey underground car park. The complex was completed in 2015 with a site area of approximately 10,449 sqm and a total GFA available for sale (including carpark areas) and leasing of approximately 109,824 sqm. As at 31 December 2024, the aggregate GFA of the office building and carparks sold was approximately 45,588 sqm. The Group has designated GFA of approximately 60,891 sqm of this property as investment properties held for long-term investment purpose.

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## MANAGEMENT DISCUSSION AND ANALYSIS (*continued*)

### BUSINESS REVIEW (*continued*)

#### Land Bank

It is the Group's strategy to maintain a sufficient land bank and design accurate urban layout to support the Group's own development pipeline for at least the next three to five years. The Group has actively expanded its land reserves through various channels, including participation in government public auctions, urban redevelopment projects and acquisition of other property development projects. As at 31 December 2024, the Group had a land bank in the PRC, which consisted of total GFA available for sale, total GFA pre-sold pending delivery and total GFA available for lease, of approximately 747,348 sqm in aggregate. The Group will continue to explore new opportunities for investment and development in cities in the PRC in which the Group already has land investments, as well as other cities in the PRC with growth potential and the best investment value.

#### Project Management Services

The Group has been using its expertise in project management and urban renewal to provide project management services for property development projects and urban redevelopment projects in the PRC, particularly under the "Three Old" Redevelopment Works regime (「三舊」改造工作) initiated by the Guangzhou Municipal Government, being a regime for the redevelopment of rural land collectively owned by the village residents through a rural collective economic organisation (農村集體經濟聯合社). Projects under the "Three Old" Redevelopment Works regime are subject to specific PRC laws, regulations and policies which, among other things, (1) regulate the various models of property redevelopment for these projects (each a "**Redevelopment Model**"); and (2) restrict the transfer of ownership of the land use rights in the rural land for redevelopment under these projects.

Under this operating model, the Group has been providing project management services to each of its customers who have entered into cooperation agreements with various rural collective economic organisations for the redevelopment of rural land under the "Three Old" Redevelopment Works regime. Pursuant to each of these cooperation agreements, the relevant rural collective economic organisation has agreed to provide the rural land for redevelopment under the project ("**Project Land**"), and the relevant customer has obtained the contractual right and responsibility (including the funding responsibility) and management rights to carry out the redevelopment of the project. Pursuant to the "Three Old" Redevelopment Works regime, the Group's customer may, as the contract redeveloper, acquire the land use rights of the relevant Project Land either by way of contract or through a public listing-for-sale process depending on the Redevelopment Model adopted by the relevant rural collective economic organisation.

## MANAGEMENT DISCUSSION AND ANALYSIS (*continued*)

### BUSINESS REVIEW (*continued*)

#### Project Management Services (*continued*)

The Group is not a party to the cooperation agreements with the rural collective economic organisations. Instead, it has entered into project management agreements with each of its customers, pursuant to which the Group has obtained such management rights and undertaken the responsibility (including funding responsibility) to carry out the redevelopment of the project. In carrying out its business in the provision of such project management services for projects under the “Three Old” Redevelopment Works regime, the Group is responsible for preparing redevelopment and resettlement compensation plans, obtaining approvals from village residents with respect to such plans, assisting the rural collective economic organisations to manage land title issues, obtaining government approvals, certificates and permits to carry out the property development works (including development of resettlement properties), funding the operations and development of the project and other project management services. In return for the Group’s project management services and contribution:

- (a) if the subsidiary of the Group’s customer (“**Project Company**”) directly or indirectly acquires the land use rights in the Project Land and to the extent a transfer of the equity interest in the Project Company is permitted under the PRC laws, regulations and policies, the Group is entitled to (i) exercise its pre-emptive rights to acquire the equity interest in the Project Company or (ii) an income from the sale of the equity interest in the Project Land to a third party;
- (b) to the extent that the equity interest in the Project Company (which directly or indirectly holds the land use rights in the Project Land) is not capable of being transferred due to regulatory reasons or government policies, the Group is entitled to an income from the sale of saleable properties developed under the project; and
- (c) if the Project Company has not directly or indirectly acquired the land use rights in the Project Land, the Group is entitled to an amount equal to (i) the total amount of funds incurred and contributed by the Group under its contractual funding responsibility plus (ii) an income from a fixed rate of return at an agreed percentage of such funds, which represents the minimum consideration receivable by the Group as an assured return on investment for its provision of project management services.

The Group recorded project management services segment revenue of approximately HK\$1,144,676,000 for FY2024, compared with that of approximately HK\$1,279,681,000 for FY2023. The decrease in the revenue generated from this business segment was mainly attributable to the decrease in the number of project management agreements the Group had in FY2024. The Group will continue to utilise its expertise in project management and urban renewal to further develop its project management services business to broaden its source of income.

## MANAGEMENT DISCUSSION AND ANALYSIS *(continued)*

### BUSINESS REVIEW *(continued)*

#### Property Investment and Hotel Operation

As at 31 December 2024, the Group owned (1) certain floors of Royal Mediterranean Hotel (“**RM Hotel**”) located at 518 Tianhe Road, Tianhe District, Guangzhou City, Guangdong Province, the PRC, with GFA of approximately 18,184 sqm (31 December 2023: 18,184 sqm); (2) Zhukong International with GFA of approximately 60,891 sqm (31 December 2023: 60,891 sqm); (3) certain floors of a commercial complex in “Hua Cheng Yujing Garden” with GFA of approximately 14,470 sqm (31 December 2023: 15,918 sqm); (4) a hotel located at Chaotang Village, Chengdong Town, Meixian District, Meizhou City, Guangdong Province, the PRC, with GFA of approximately 7,389 sqm (31 December 2023: 7,389 sqm); and (5) certain commercial properties in the Guangdong Province, the PRC, with GFA of approximately 11,533 sqm (31 December 2023: 12,022 sqm) as investment properties. During FY2024, RM Hotel, Zhukong International, the hotel located in Meizhou City and certain commercial properties were partially leased out with total rental income of approximately HK\$130,975,000 generated, representing a decrease of approximately 10.3% as compared with that of approximately HK\$145,964,000 for FY2023. The existing investment properties held by the Group are intended to be held for medium-term to long-term investment purposes. The Group will continue to seek high quality properties with potential appreciation in value for investment purposes and build up a portfolio that will generate steady cash flows for the Group in the future.

As at 31 December 2024, the Group operated two hotels, namely, (1) 廣州雲嶺湖酒店 (Guangzhou Vlamhoo Hotel\*) (“**Vlamhoo Hotel**”) located at Conghua, Guangzhou City, Guangdong Province, the PRC, which was constructed by the Group, with its operations commenced in December 2021; and (2) 廣東鹿湖溫泉假日酒店 (Guangdong Luhuhu Hot Spring Holiday Hotel\*) (“**Luhuhu Hotel**”) located at Fengshun County, Meizhou City, Guangdong Province, the PRC, which has been operated by the Group since December 2021. During FY2024, the operation of these hotels generated a total income of approximately HK\$67,194,000 (FY2023: HK\$76,848,000) for the Group.

#### MATERIAL ACQUISITIONS AND DISPOSALS

The Group had no material acquisitions or disposals during FY2024.

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## **MANAGEMENT DISCUSSION AND ANALYSIS** *(continued)*

### **OUTLOOK**

In early March 2025, it was indicated in the Report on the Work of the Government that the Chinese government will continue to exert efforts to promote the stabilisation of the real estate market and prevent it from decline by easing restrictive measures to fully unleash the market potential arising from housing demand of the home buyers and the improved real estate market.

Despite the Chinese government's strong push for the real estate industry, the outlook for the global economy in 2025 remains fraught with multiple challenges and uncertainties. Factors such as inflation, low consumer sentiment and geopolitical conflicts will continue to impact the global economy. Due to the uncertainties faced by the global economy, China's real estate industry will still face huge challenges onwards in 2025.

Under the new market trend, the Group's revenue from the pre-sale of properties will still be mainly generated from the completed property projects of the Group across Guangzhou. In the future, the Group will continue to increase its sales efforts in Guangzhou, with Guangzhou remaining as the Group's key sales area in 2025. In terms of land acquisition, the Group will maintain and advance the collaboration with its strategic partners to support its future development needs.

The Group will put further efforts into its strategy of "optimising structure, strengthening capabilities and improving quality", and strive to overcome the severe challenges brought about by the current adjustments to the real estate market in China.

### **FINANCIAL REVIEW**

#### **Revenue**

During FY2024, the Group's revenue by operating segment included revenue from property development, project management services, and property investment and hotel operation. The total revenue of the Group for FY2024 was approximately HK\$1,585,711,000 (FY2023: HK\$2,303,576,000), which represented a decrease of approximately 31.2% as compared with that for FY2023.

Revenue from property development for FY2024 amounted to approximately HK\$242,866,000 (FY2023: HK\$801,083,000). The decrease was mainly due to the decrease in the number of properties delivered during FY2024 as compared with that during FY2023.

The income from the project management services segment contributed approximately HK\$1,144,676,000 (FY2023: HK\$1,279,681,000) to the total revenue of the Group for FY2024. The decrease was mainly due to the decrease in the number of project management services agreements the Group had in FY2024.



## **MANAGEMENT DISCUSSION AND ANALYSIS** *(continued)*

### **FINANCIAL REVIEW** *(continued)*

#### **Revenue** *(continued)*

During FY2024, the Group recorded an aggregate income of approximately HK\$198,169,000 (FY2023: HK\$222,812,000) from the property investment and hotel operation segment. The rental income generated by the Group from its investment properties decreased from approximately HK\$145,964,000 for FY2023 to approximately HK\$130,975,000 for FY2024, mainly due to the decrease in the GFA of the investment properties leased out by the Group during FY2024. During FY2024, the Group generated a total income of approximately HK\$67,194,000 (FY2023: HK\$76,848,000) from its operation of two hotels in the Guangdong Province, the PRC, namely, Vlamhoo Hotel, which was constructed by the Group, with its operations commenced in December 2021, and Luhui Hotel, which has been operated by the Group since December 2021.

#### **Gross profit**

Gross profit of the Group decreased from approximately HK\$1,527,422,000 for FY2023 to approximately HK\$1,208,718,000 for FY2024, mainly due to the decrease in the Group's revenue in FY2024.

#### **Fair value loss on investment properties, net**

For FY2024, the Group recorded a fair value loss on investment properties, net, of approximately HK\$463,602,000 as compared with that of approximately HK\$246,487,000 for FY2023. The fair value loss on investment properties, net, for FY2024 was mainly due to the decrease in the fair value of Zhukong International, RM Hotel and certain floors of a commercial complex in "Hua Cheng Yujing Garden" held by the Group in the Guangdong Province, the PRC, as at 31 December 2024.

#### **Other income and gains, net**

Other income and gains, net, of the Group increased to approximately HK\$417,661,000 during FY2024 (FY2023: HK\$150,197,000). The increase was mainly due to gain on modification of contracts of bank and other borrowings of approximately HK\$325,827,000 as a result of the modification of certain terms of the contracts relating to bank and other borrowings of the Group in FY2024 recorded by the Group for FY2024, which was absent for FY2023.

#### **Administrative expenses and selling and marketing expenses**

Administrative expenses and selling and marketing expenses of the Group decreased from approximately HK\$413,749,000 for FY2023 to approximately HK\$265,857,000 for FY2024. The decrease was mainly due to the decrease in the administrative expenses primarily caused by the decrease in the staff cost incurred for FY2024, as compared with that for FY2023.

## **MANAGEMENT DISCUSSION AND ANALYSIS** *(continued)*

### **FINANCIAL REVIEW** *(continued)*

#### **Impairment losses on financial assets, net**

Impairment losses on financial assets, net, of the Group increased substantially from approximately HK\$250,423,000 during FY2023 to approximately HK\$2,248,461,000 during FY2024, which comprised the impairment losses of approximately HK\$2,037,486,000 (FY2023: HK\$260,446,000) recorded by the Group on its trade receivables during FY2024 and the impairment losses of approximately HK\$210,975,000 (FY2023: reversal of impairment of HK\$10,023,000) recorded by the Group on its deposits and other receivables during FY2024, following the Group's assessment of expected credit loss on the above assets.

#### **Other expenses, net**

Other expenses, net, of the Group increased substantially from approximately HK\$154,611,000 for FY2023 to approximately HK\$972,576,000 for FY2024. Other expenses, net, for FY2024 mainly comprised provision for charges and related expenses on certain borrowings of the Group of approximately HK\$602,108,000 (FY2023: Nil) and provision for the Group's properties under development and completed properties held for sale of approximately HK\$155,852,000 (FY2023: HK\$24,638,000).

#### **Share of loss of an associate**

Share of loss of an associate of the Company was approximately HK\$223,226,000 during FY2024 (FY2023: HK\$279,742,000), which represented the Group's share of the loss from its associate, Silver Grant International Holdings Group Limited (銀建國際控股集團有限公司) ("**Silver Grant**"), the shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited ("**Stock Exchange**") with stock code: 0171. Silver Grant and its subsidiaries are principally engaged in property leasing and investments. The Group held approximately 29.50% interest of the issued share capital of Silver Grant as at 31 December 2024.



## **MANAGEMENT DISCUSSION AND ANALYSIS** *(continued)*

### **FINANCIAL REVIEW** *(continued)*

#### **Finance costs**

Finance costs of the Group for FY2024 were approximately HK\$1,058,043,000 (FY2023: HK\$1,123,925,000), which were made up of interest expenses incurred by the Group during FY2024 after deduction of the interest expenses capitalised into development costs. The decrease in finance costs was mainly due to the increase in the interest capitalisation rate in FY2024, as compared with that in FY2023.

#### **Income tax expense**

Income tax expense of the Group comprised corporate income tax (“**CIT**”) and land appreciation tax (“**LAT**”) in the PRC and deferred tax. CIT of approximately HK\$109,822,000 (FY2023: HK\$136,555,000), LAT of approximately HK\$27,401,000 (FY2023: HK\$32,670,000) and deferred tax credit of approximately HK\$275,174,000 (FY2023: HK\$80,370,000) accounted for the Group’s total income tax credit approximately HK\$137,951,000 for FY2024 (FY2023: income tax expense of HK\$88,855,000). The decrease in total income tax expense for FY2024 was mainly due to the increase in the deferred tax credit recorded by the Group during FY2024, as compared with that during FY2023.

#### **Loss for the year**

The Group’s loss for FY2024 was approximately HK\$3,467,435,000 (FY2023: HK\$880,170,000). Such change was mainly attributable to (1) the substantial increase in impairment of financial assets, net, recorded by the Group for FY2024 from that of approximately HK\$250,423,000 for FY2023 to approximately HK\$2,248,461,000, following the Group’s assessment of expected credit loss on its trade receivables, deposits and other receivables; (2) the substantial increase in other expenses, net, recorded by the Group for FY2024 from that of approximately HK\$154,611,000 for FY2023 to approximately HK\$972,576,000, which was mainly caused by the provision for charges and related expenses on certain borrowings of the Group and the provision for properties under development and completed properties held for sale recorded by the Group during FY2024; (3) the increase in the fair value loss on investment properties, net, recorded by the Group for FY2024 from that of approximately HK\$246,487,000 for FY2023 to approximately HK\$463,602,000, which was mainly caused by the decrease in the fair value of the Group’s investment properties as at 31 December 2024 from that as at 31 December 2023; and (4) the decrease in the Group’s revenue from property development from approximately HK\$801,083,000 during FY2023 to approximately HK\$242,866,000 during FY2024, due to the decrease in the number of properties delivered during FY2024 as compared with that during FY2023.

## MANAGEMENT DISCUSSION AND ANALYSIS *(continued)*

### FINANCIAL REVIEW *(continued)*

#### Treasury and funding policies

The Group has adopted a prudent approach with respect to its treasury and funding policies. The Group's financial and fundraising activities are subject to effective centralised management and supervision, with an emphasis on risk management and transactions that are directly related to the business of the Group. There is in general no material seasonality in relation to the borrowing requirements of the Group.

#### Cash position

As at 31 December 2024, the Group's cash and bank balances (including restricted cash and term deposits with initial terms of over three months) amounted to approximately HK\$17,003,000 (31 December 2023: HK\$301,264,000). The cash and bank balances of the Group were mainly denominated in RMB, United States dollar ("US\$") and HK\$.

#### Borrowings, charges on group assets and gearing ratio

The Group's bank and other borrowings comprised the following:

	<b>31 December 2024 HK\$'000</b>	<b>31 December 2023 HK\$'000</b>
Bank loans – secured	<b>7,759,271</b>	7,938,731
Other borrowings:		
Senior notes – secured	<b>1,603,888</b>	1,594,055
Other borrowings – secured	<b>4,575,381</b>	4,274,335
Other borrowings – unsecured and guaranteed	–	30,000
Lease liabilities	<b>5,876</b>	11,676
	<b><u>13,944,416</u></b>	<b><u>13,848,797</u></b>

## MANAGEMENT DISCUSSION AND ANALYSIS *(continued)*

### FINANCIAL REVIEW *(continued)*

#### Borrowings, charges on group assets and gearing ratio *(continued)*

- (a) As at 31 December 2024, the Group's bank and other borrowings amounted to approximately HK\$13,944,416,000, of which approximately 98.5%, 0.2%, 0.6% and 0.7% were repayable respectively within one year or on demand, in the second year, in the third to fifth years inclusively and over five years (31 December 2023: HK\$13,848,797,000, of which approximately 61.5%, 8.8%, 17.9% and 11.8% were repayable respectively within one year or on demand, in the second year, in the third to fifth years inclusively and over five years). As at 31 December 2024, such borrowings of the Group were made up of financing from (i) bank loans; (ii) senior notes; (iii) other borrowings, including trust loans and term loan facilities; and (iv) lease liabilities. Out of these borrowings, approximately HK\$5,875,000 (31 December 2023: HK\$80,441,000), approximately HK\$12,334,653,000 (31 December 2023: HK\$12,042,608,000) and approximately HK\$1,603,888,000 (31 December 2023: HK\$1,725,748,000) were denominated in HK\$, RMB and US\$, respectively. The senior notes and other borrowings carried fixed interest rates ranging from 6.52% per annum to 14.26% per annum (31 December 2023: 7.00% per annum to 13.00% per annum). Approximately 9.59% (31 December 2023: 12.36%) of the bank loans carried fixed interest rates ranging from 5.95% per annum to 8.85% per annum (31 December 2023: 4.85% per annum to 9.00% per annum) while the remaining bank loans of approximately 90.41% (31 December 2023: 87.64%) carried floating interest rates.
- (b) The gearing ratio of the Group, being the Group's financial key performance indicator, is measured by the net debt (total interest-bearing borrowings net of cash and bank balances) over the total capital (total equity plus net debt) of the Group. As at 31 December 2024, the gearing ratio of the Group was 81% (31 December 2023: 68%).
- (c) As at 31 December 2024, the Group had outstanding secured bank loans of approximately HK\$7,759 million, which were secured by the following: (i) the Group's investment properties; (ii) the Group's property and equipment; (iii) the Group's properties under development and completed properties held for sale; (iv) the entire equity interest of the Company's subsidiaries, namely, 廣州珠光城市更新集團有限公司 (Guangzhou Zhuguang Urban Renewal Group Company Limited\*), 廣州舜吉實業有限公司 (Guangzhou Shunji Industry Company Limited\*), 廣東海聯大廈有限公司 (Guangdong Hailian Building Company Limited\*) and 廣州發展汽車城有限公司 (Guangzhou Development Automobile City Co., Ltd.\*); (v) the corporate guarantees executed by the Company and 廣東珠光集團有限公司 (Guangdong Zhuguang Group Company Limited\*) ("**Guangdong Zhuguang Group**"); and (vi) the personal guarantees executed by the executive Directors, namely, Mr. Chu Hing Tsung and Mr. Liao Tengjia.

\* English name is translated for identification purpose only

## MANAGEMENT DISCUSSION AND ANALYSIS (continued)

### FINANCIAL REVIEW (continued)

#### Borrowings, charges on group assets and gearing ratio (continued)

- (d) As at 31 December 2024, the Group had outstanding senior, secured and guaranteed notes issued in 2022 in the aggregate principal amount of US\$207.9 million (equivalent to approximately HK\$1,604 million) due on 21 September 2025 (“**2022 Senior Notes**”), which were secured and guaranteed by (i) 3,000,000,000 shares of the Company (“**Shares**”) owned by Rong De Investments Limited (融德投資有限公司) (“**Rong De**”) (a controlling shareholder (“**Shareholder**”) of the Company (within the meaning of the Rules Governing the Listing of Securities on the Stock Exchange (“**Listing Rules**”)); (ii) the 100% equity interest of the Company’s subsidiaries, namely, Ai De Investments Limited (靄德投資有限公司) (“**Ai De**”), All Flourish Investments Limited (通興投資有限公司) (“**All Flourish**”), Capital Fame Investments Limited (嘉鋒投資有限公司) (“**Capital Fame**”), Cheng Chang Holdings Limited (誠昌控股有限公司) (“**Cheng Chang**”), China Honest International Investments Limited (創豪國際投資有限公司) (“**China Honest**”), Diamond Crown Limited (毅冠有限公司) (“**Diamond Crown**”), East Orient Investment Limited (達東投資有限公司) (“**East Orient**”), Ever Crown Corporation Limited (冠恒興業有限公司) (“**Ever Crown**”), Fully Wise Investment Limited (惠豐投資有限公司) (“**Fully Wise**”), Gains Wide Holdings Limited (利博控股有限公司) (“**Gains Wide**”), Gold Charter Investments Limited (高澤投資有限公司) (“**Gold Charter**”), Graceful Link Limited (愉興有限公司) (“**Graceful Link**”), Pacific Win Investments Limited (保鋒投資有限公司) (“**Pacific Win**”), Polyhero International Limited (寶豪國際有限公司) (“**Polyhero International**”), Profaith International Holdings Limited (盈信國際控股有限公司) (“**Profaith International**”), Sharp Wisdom Holdings Limited (銳智控股有限公司) (“**Sharp Wisdom**”), South Trend Holdings Limited (南興控股有限公司) (“**South Trend**”), Speedy Full Limited (速溢有限公司) (“**Speedy Full**”), Talent Wide Holdings Limited (智博控股有限公司) (“**Talent Wide**”), Top Asset Development Limited (通利發展有限公司) (“**Top Asset**”), Top Perfect Development Limited (泰恒發展有限公司) (“**Top Perfect**”), World Sharp Investments Limited (華聲投資有限公司) (“**World Sharp**”) and Zhuguang Group Limited (珠光集團有限公司) (“**ZG Group**”); (iii) the corporate guarantees executed by Rong De, ZG Group, South Trend, Ai De, All Flourish, Capital Fame, Cheng Chang, China Honest, Diamond Crown, East Orient, Ever Crown, Fully Wise, Gains Wide, Gold Charter, Graceful Link, Pacific Win, Polyhero International, Profaith International, Talent Wide, Top Asset, Top Perfect, World Sharp, Sharp Wisdom and Speedy Full; and (iv) the personal guarantees executed by the executive Directors, namely, Mr. Liao Tengjia, Mr. Chu Hing Tsung and Mr. Chu Muk Chi.

## MANAGEMENT DISCUSSION AND ANALYSIS *(continued)*

### FINANCIAL REVIEW *(continued)*

#### Borrowings, charges on group assets and gearing ratio *(continued)*

- (e) As at 31 December 2024, the Group had outstanding secured other borrowings of approximately HK\$4,575 million, which were secured and guaranteed by (i) the Group's properties under development and completed properties held for sale; (ii) the Group's property and equipment; (iii) the Group's investment properties; (iv) the security provided by Guangdong Zhuguang Group; (v) the entire equity interest of the Company's subsidiaries, namely, 廣州市潤啟房地產有限公司 (Guangzhou City Runqi Property Company Limited\*), 廣州東港合眾房地產有限公司 (Guangzhou Dong Gang He Zhong Property Company Limited\*), 廣州珠光實業集團有限公司 (Guangzhou Zhuguang Industrial Group Company Limited\*), 香河縣逸景房地產開發有限公司 (Xianghe County Yijing Property Development Company Limited\*) and 廣州振超房地產開發有限公司 (Guangzhou Zhenchao Property Development Company Limited\*); (vi) the entire equity interest of a subsidiary of Guangdong Zhuguang Group; (vii) the corporate guarantees executed by the Company and Guangdong Zhuguang Group; and (viii) the personal guarantees executed by the executive Directors, namely, Mr. Chu Hing Tsung, Mr. Liao Tengjia and Mr. Chu Muk Chi.

### ISSUE OF SUBSCRIPTION SHARES

On 17 June 2024, the Company and Rong De (the controlling shareholder of the Company, as the subscriber) entered into a subscription agreement ("**Subscription Agreement**") pursuant to which the parties to the subscription agreement have conditionally agreed that Rong De shall subscribe for, and the Company shall allot and issue, 1,625,000,000 new Shares ("**Subscription Shares**", each a "**Subscription Share**") at the price ("**Subscription Price**") of HK\$0.20 per Subscription Share ("**Subscription**"). The Subscription Price represents: (i) a premium of approximately 21.21% over the closing price of HK\$0.165 per Share as quoted on the Stock Exchange on the date of the Subscription Agreement; (ii) a premium of approximately 18.34% over the average of the closing price of HK\$0.169 per Share quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Subscription Agreement; (iii) a premium of approximately 10.50% over the average of the closing price of HK\$0.181 per Share quoted on the Stock Exchange for the last ten consecutive trading days immediately prior to the date of the Subscription Agreement; and (iv) a premium of approximately 57.48% over the closing price of HK\$0.127 per Share quoted on the Stock Exchange on 19 July 2024. The aggregate Subscription Price of Subscription Shares of HK\$325,000,000 payable by Rong De shall be settled by way of set-off of a loan with an outstanding principal amount of HK\$325,000,000 due by the Company to Rong De. Completion of the Subscription took place on 31 October 2024, upon which 1,625,000,000 Shares of an aggregate nominal value of HK\$162,500,000 have been successfully subscribed by Rong De at the Subscription Price of HK\$0.20 per Subscription Share. Further details of the Subscription are set out in the Company's announcements dated 17 June 2024 and 16 August 2024 and the Company's circular dated 26 July 2024.

\* English name is translated for identification purpose only

## MANAGEMENT DISCUSSION AND ANALYSIS (*continued*)

### FINANCIAL GUARANTEE CONTRACTS

The Group provided guarantees in respect of mortgage facilities granted by certain banks in connection with the mortgage loans entered into by purchasers of the Group's properties as follows:

	<b>31 December 2024 HK\$'000</b>	31 December 2023 HK\$'000
Guarantees given to banks for mortgage facilities granted to purchasers of the Group's properties	<b><u>1,249,798</u></b>	<u>1,877,249</u>

The Group has arranged bank financing for certain purchasers of the Group's property units and provided guarantees to secure obligations of such purchasers for repayments. Such guarantees terminate upon the earlier of (i) the issuance of the real estate ownership certificate which will generally be available within an average period of two to three years upon the completion of guarantee registration; or (ii) the satisfaction of mortgage loan by the purchasers of properties.

Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible for repaying the outstanding mortgage principals together with accrued interest and penalty owed by the defaulted purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties.

Except for the financial guarantee contracts as disclosed above, the Group had no material contingent liabilities as at 31 December 2024 (31 December 2023: Nil).



## **MANAGEMENT DISCUSSION AND ANALYSIS** *(continued)*

### **FOREIGN EXCHANGE RATE**

During FY2024, the Group conducted its business almost exclusively in RMB except that certain transactions were conducted in HK\$ and US\$. The conversion of RMB into HK\$, US\$ or other foreign currencies has been based on the rates set by the People's Bank of China. The value of RMB against the HK\$, US\$ and other foreign currencies may fluctuate and is affected by factors such as changes in the PRC's political and economic conditions. During FY2024, the Group did not adopt any financial instruments for hedging purposes. However, the Group will constantly assess the foreign exchange risk it encounters so as to decide on the hedging policy required against the possible foreign exchange risk that may arise.

### **EMPLOYEES AND REMUNERATION POLICIES**

The Group had in aggregate 642 employees in Hong Kong and the PRC as at 31 December 2024 (31 December 2023: 793). During FY2024, the level of the Group's overall staff cost was approximately HK\$134.1 million (FY2023: HK\$189.6 million). The employees of the Group are remunerated according to their respective job nature, market conditions, individual performance and qualifications. Other staff benefits include annual bonus and retirement benefits. The Directors' remuneration is determined based on their qualifications, experience, duties and responsibilities, the Company's remuneration policy and the prevailing market conditions.

The Group encourages sustainable training of its employees through coaching and further studies. In-house training was provided to eligible employees during FY2024, including training on updates of accounting standards and training on market updates.

During FY2024, the Group did not experience any significant problem with its employees or disruption to its operations due to labour discipline nor did it experience any difficulty in the recruitment and retention of experienced staff. The Group has maintained a good relationship with its employees. Most members of the senior management have been working for the Group for many years.

# **CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

*Year ended 31 December 2024*

		<b>Year ended 31 December</b>	
		<b>2024</b>	<b>2023</b>
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
			(Restated)
<b>REVENUE</b>	4	<b>1,585,711</b>	2,303,576
Cost of sales		<u>(376,993)</u>	<u>(776,154)</u>
Gross profit		<b>1,208,718</b>	1,527,422
Other income and gains, net	4	<b>417,661</b>	150,197
Selling and marketing expenses		<b>(42,479)</b>	(48,459)
Administrative expenses		<b>(223,378)</b>	(365,290)
Fair value loss on investment properties, net		<b>(463,602)</b>	(246,487)
Impairment losses on financial assets, net		<b>(2,248,461)</b>	(250,423)
Other expenses, net		<b>(972,576)</b>	(154,611)
Finance costs	5	<b>(1,058,043)</b>	(1,123,925)
Share of loss of an associate		<b>(223,226)</b>	(279,742)
Share of profits of joint ventures, net		<u>–</u>	<u>3</u>
<b>LOSS BEFORE TAX</b>	6	<b>(3,605,386)</b>	(791,315)
Income tax credit/(expense)	7	<u><b>137,951</b></u>	<u>(88,855)</u>
<b>LOSS FOR THE YEAR</b>		<u><b>(3,467,435)</b></u>	<u>(880,170)</u>
Attributable to:			
Owners of the parent		<b>(3,412,327)</b>	(815,010)
Non-controlling interests		<u><b>(55,108)</b></u>	<u>(65,160)</u>
		<u><b>(3,467,435)</b></u>	<u>(880,170)</u>
<b>LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>			
Basic and diluted ( <i>HK cents per share</i> )	8	<u><b>(46.27)</b></u>	<u>(12.22)</u>



**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME***Year ended 31 December 2024*

	<b>Year ended 31 December</b>	
	<b>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
		(Restated)
<b>LOSS FOR THE YEAR</b>	<b>(3,467,435)</b>	<b>(880,170)</b>
<b>OTHER COMPREHENSIVE LOSS FOR THE YEAR</b>		
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	<b>(64,577)</b>	(120,166)
Share of other comprehensive (loss)/income of an associate	<b>(11,651)</b>	13,229
<b>OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX</b>	<b>(76,228)</b>	<b>(106,937)</b>
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR</b>	<b>(3,543,663)</b>	<b>(987,107)</b>
Attributable to:		
Owners of the parent	<b>(3,488,749)</b>	(920,856)
Non-controlling interests	<b>(54,914)</b>	(66,251)
	<b>(3,543,663)</b>	<b>(987,107)</b>

# **CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

31 December 2024

		<b>31 December</b>	
		<b>2024</b>	<b>2023</b>
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
			(Restated)
<b>NON-CURRENT ASSETS</b>			
Property and equipment		<b>214,953</b>	267,247
Investment properties		<b>2,829,529</b>	3,444,060
Intangible assets		<b>4,476</b>	5,747
Investments in joint ventures		<b>10,708</b>	10,942
Investment in an associate		<b>487,913</b>	723,496
Trade receivables	10	<b>12,590,151</b>	14,289,043
Other receivables		–	994,110
Financial assets at fair value through profit or loss		–	13,098
Deferred tax assets		–	11,177
Total non-current assets		<b>16,137,730</b>	19,758,920
<b>CURRENT ASSETS</b>			
Properties under development		<b>8,037,624</b>	8,626,053
Completed properties held for sale		<b>4,688,340</b>	4,211,638
Trade receivables	10	<b>1,142,966</b>	978,694
Prepayments, other receivables and other assets		<b>2,538,181</b>	1,611,227
Prepaid income tax		<b>193,520</b>	207,062
Financial assets at fair value through profit or loss		<b>25,776</b>	13,242
Cash and bank balances		<b>17,003</b>	301,264
Total current assets		<b>16,643,410</b>	15,949,180
<b>CURRENT LIABILITIES</b>			
Contract liabilities		<b>3,734,485</b>	3,273,417
Trade and other payables	11	<b>6,383,891</b>	6,020,752
Interest-bearing bank and other borrowings		<b>13,745,845</b>	8,512,210
Income tax payables		<b>3,591,018</b>	3,559,186
Total current liabilities		<b>27,455,239</b>	21,365,565
<b>NET CURRENT LIABILITIES</b>		<b>(10,811,829)</b>	(5,416,385)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>5,325,901</b>	14,342,535

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION** *(continued)**31 December 2024*

		<b>31 December</b>	
		<b>2024</b>	<b>2023</b>
	<i>Note</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
			<b>(Restated)</b>
<b>NON-CURRENT LIABILITIES</b>			
Other payables	<i>11</i>	<b>143,754</b>	582,769
Interest-bearing bank and other borrowings		<b>198,571</b>	5,336,587
Deferred tax liabilities		<b>1,724,106</b>	2,058,768
		<hr/>	<hr/>
Total non-current liabilities		<b>2,066,431</b>	7,978,124
		<hr/>	<hr/>
Net assets		<b>3,259,470</b>	6,364,411
		<hr/> <hr/>	<hr/> <hr/>
<b>EQUITY</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital		<b>885,064</b>	722,564
Reserves		<b>1,142,089</b>	4,422,616
		<hr/>	<hr/>
		<b>2,027,153</b>	5,145,180
Perpetual capital securities		<b>1,255,753</b>	1,187,753
		<hr/>	<hr/>
		<b>3,282,906</b>	6,332,933
		<hr/>	<hr/>
Non-controlling interests		<b>(23,436)</b>	31,478
		<hr/>	<hr/>
Total equity		<b>3,259,470</b>	6,364,411
		<hr/> <hr/>	<hr/> <hr/>

Notes:

## 1 CORPORATE AND GROUP INFORMATION

Zhuguang Holdings Group Company Limited (the “**Company**”) is a limited liability company incorporated in Bermuda. The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

The Company has its primary listing on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since 9 December 1996.

During the year, the Company’s principal activity was investment holding and the Company and its subsidiaries (collectively the “**Group**”) were principally engaged in property development, property management, property investment, hotel operation and other property development related services in the mainland of the People’s Republic of China (the “**PRC**” or “**Mainland China**”).

In the opinion of the Company’s directors (the “**Directors**”), the holding company and the ultimate holding company of the Company is Rong De Investment Limited (“**Rong De**”), which is incorporated in the British Virgin Islands (“**BVI**”).

### 2.1 BASIS OF PRESENTATION

#### Going concern basis

For the year ended 31 December 2024, the Group recorded a net loss of approximately HK\$3,467 million and, as at 31 December 2024, the Group had net current liabilities of approximately HK\$10,812 million. In addition, as at 31 December 2024, the Group’s outstanding interest-bearing bank and other borrowings which are due to be repaid within 12 months from the end of the reporting period amounted to approximately HK\$13,746 million, including borrowings of approximately HK\$13,728 million which have not been repaid according to the scheduled repayment dates before the end of the reporting period. The Group has been in active discussions with the relevant financial institutions for extension of the repayment dates and/or settlement of such borrowings.

In view of these circumstances, the Directors have given careful consideration to the future working capital and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient funds to fulfill its financial obligations and continue as a going concern for at least 12 months from 31 December 2024. The Group has formulated the following plans and measures to mitigate the liquidity pressure and to improve its cash flows.

- (a) the Group has been proactively communicating with the relevant lenders on the Group’s business plan, operations and financial position such that they will not demand for immediate repayment of the Group’s borrowings;

## 2.1 BASIS OF PRESENTATION *(continued)*

### **Going concern basis** *(continued)*

- (b) the Group will continue to take measures to monitor the collection of the receivables of urban redevelopment projects in accordance with the agreed schedules;
- (c) the Group is actively discussing with the lenders of certain bank and other borrowings on the re-financing of the existing borrowings and to obtain additional credit facilities from existing and other lenders as and when needed;
- (d) the Group will continue its efforts to promote the pre-sales and sales of its properties under development and completed properties held for sale which are highly sensitive to the local real estate market sentiment and buyer confidence in the areas where the Group's principal property projects are situated;
- (e) the Group will continue to take active measures to collect outstanding sales proceeds and other receivables and control its administrative costs and manage its capital expenditure; and
- (f) Rong De has agreed not to demand for repayment of any amounts due to Rong De until the Group is in the position to repay without impairing its financial position.

The Directors have reviewed the Group's cash flow forecast, covering a period of at least 12 months from the end of the reporting period, prepared by the management. They are of the opinion that, taking into account the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due within 12 months from 31 December 2024. Accordingly, the Directors are satisfied that it is appropriate to prepare these consolidated financial statements on a going concern basis.

Notwithstanding the above, significant 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) the continual support from the existing lenders of the Group such that they will not demand for immediate repayment of the relevant borrowings;
- (b) the successful and timely agreement with the lenders on the extension of the repayment dates for existing borrowings subject to the Group's financial and liquidity position, and to obtain additional credit facilities from existing and other lenders as and when needed;
- (c) the successful and timely collection of receivables related to urban redevelopment projects in accordance with the agreed schedules; and
- (d) the ability of the Group in achieving its plans for the pre-sales and sales of properties under development and completed properties held for sale, which are also highly sensitive to the sentiment in the local real estate market and buyer confidence in the areas where the Group's principal property projects are situated.

Should the Group be unable to achieve the above-mentioned plans and measures and 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 any 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.

## 2.2 BASIS OF PREPARATION

These financial statements have been prepared in accordance with HKFRSs (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties and financial assets at fair value through profit or loss which have been measured at fair value. The financial statements are presented in Hong Kong Dollars (“**HK\$**”) and all values are rounded to the nearest thousand (HK\$’000) except when otherwise indicated.

### **Basis of consolidation**

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2024. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group’s share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

## 2.3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised HKFRSs for the first time for the current year's financial statements.

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

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

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

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

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

### 3. OPERATING SEGMENT INFORMATION

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

- (a) the property development segment engages in the development and sale of properties;
- (b) the project management services segment engages in the provision of project management services to property development projects and urban redevelopment projects; and
- (c) the property investment and hotel operation segment invests in properties for their rental income potential and/or for capital appreciation and engages in hotel operation.

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 or loss, which is a measure of adjusted profit or loss before tax. The adjusted profit or loss before tax is measured consistently with the Group's profit or loss before tax except that the change in fair value of derivative financial instruments, gain on bargain purchase, gain on disposal of subsidiaries, share of profit/loss of joint ventures, net, share of profit/loss of an associate, reversal of impairment on investment in an associate included in other income and gains, net, finance costs (other than interest on lease liabilities) and income tax expenses as well as head office and corporate expenses are excluded from such measurement.

Segment assets exclude investments in joint ventures and an associate, deferred tax assets, unlisted investments classified as financial assets at fair value through profit or loss, cash and bank balances as these assets are managed on a group basis.

Segment liabilities exclude bank and other borrowings (other than lease liabilities), current income tax payables, deferred tax liabilities, amount due to a joint venture and amounts due to the ultimate holding company as these liabilities are managed on a group basis.



### 3. OPERATING SEGMENT INFORMATION *(continued)*

Year ended 31 December 2024

	Property development <i>HK\$'000</i>	Project management services <i>HK\$'000</i>	Property investment and hotel operation <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>Segment revenue:</b>				
Sales to external customers	<u>242,866</u>	<u>1,144,676</u>	<u>198,169</u>	<u>1,585,711</u>
<b>Segment results</b>	<u>(774,020)</u>	<u>(1,103,785)</u>	<u>(423,421)</u>	<u>(2,301,226)</u>
<i>Reconciliation:</i>				
Share of loss of an associate				(223,226)
Share of profits of joint ventures, net				–
Finance costs (other than interest on lease liabilities)				(1,057,093)
Reversal of impairment of interest in an associate included in other expenses				–
Corporate and other unallocated expenses				<u>(23,841)</u>
Loss before tax				(3,605,386)
Income tax expense				<u>137,951</u>
Loss for the year				<u>(3,467,435)</u>
Segment assets	<u>14,466,113</u>	<u>14,728,014</u>	<u>3,045,613</u>	32,239,740
<i>Reconciliation:</i>				
Corporate and other unallocated assets				<u>541,400</u>
Total assets				<u>32,781,140</u>
Segment liabilities	<u>9,839,496</u>	<u>5,876</u>	<u>253,291</u>	10,098,663
<i>Reconciliation:</i>				
Corporate and other unallocated liabilities				<u>19,423,007</u>
Total liabilities				<u>29,521,670</u>

### 3. OPERATING SEGMENT INFORMATION *(continued)*

Year ended 31 December 2024

	Property development <i>HK\$'000</i>	Project management services <i>HK\$'000</i>	Property investment and hotel operation <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>Other segment information:</b>				
Depreciation	7,923	5,821	5,613	19,357
Amortisation	1,166	–	–	1,166
Capital expenditure*	127	–	154	281
Fair value loss on investment properties, net	–	–	463,602	463,602
Impairment losses on financial assets, net	275,501	1,925,641	47,319	2,248,461
Provision for properties under development and completed properties held for sale	155,852	–	–	155,852
Impairment of hotel properties	–	–	29,295	29,295
Gain on disposal of investment properties	–	–	33,308	33,308
Gain on modification of contracts of loans and borrowings	325,827	–	–	325,827
	<u>325,827</u>	<u>–</u>	<u>–</u>	<u>325,827</u>

\* Capital expenditure consists of additions to property and equipment.

### 3. OPERATING SEGMENT INFORMATION *(continued)*

Year ended 31 December 2023

	Property development <i>HK\$'000</i> (Restated)	Project management services <i>HK\$'000</i>	Property investment and hotel operation <i>HK\$'000</i>	Total <i>HK\$'000</i> (Restated)
<b>Segment revenue:</b>				
Sales to external customers	<u>801,083</u>	<u>1,279,681</u>	<u>222,812</u>	<u>2,303,576</u>
<b>Segment results</b>	<u>(368,945)</u>	<u>1,029,258</u>	<u>(162,530)</u>	497,783
<i>Reconciliation:</i>				
Share of loss of an associate				(279,742)
Share of profits of joint ventures, net				3
Finance costs (other than interest on lease liabilities)				(1,122,400)
Reversal of impairment of interest in an associate included in other expenses				129,462
Corporate and other unallocated expenses				<u>(16,421)</u>
Loss before tax				(791,315)
Income tax expense				<u>(88,855)</u>
Loss for the year				<u>(880,170)</u>
Segment assets	<u>14,807,925</u>	<u>16,189,446</u>	<u>3,637,509</u>	34,634,880
<i>Reconciliation:</i>				
Corporate and other unallocated assets				<u>1,073,220</u>
Total assets				<u>35,708,100</u>
Segment liabilities	<u>9,123,790</u>	<u>11,676</u>	<u>199,007</u>	9,334,473
<i>Reconciliation:</i>				
Corporate and other unallocated liabilities				<u>20,009,216</u>
Total liabilities				<u>29,343,689</u>

### 3. OPERATING SEGMENT INFORMATION *(continued)*

Year ended 31 December 2023

	Property development <i>HK\$'000</i> (Restated)	Project management services <i>HK\$'000</i>	Property investment and hotel operation <i>HK\$'000</i>	Total <i>HK\$'000</i> (Restated)
<b>Other segment information:</b>				
Depreciation	1,317	5,821	12,728	19,866
Amortisation	1,180	–	–	1,180
Capital expenditure*	207	–	173	380
Fair value loss on investment properties, net	–	–	246,487	246,487
Impairment losses/(reversal of impairment losses) on financial assets, net	(10,023)	260,957	(511)	250,423
Provision for properties under development and completed properties held for sale	24,638	–	–	24,638
Gain on disposal of investment properties	–	–	9,890	9,890
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

\* *Capital expenditure consists of additions to property and equipment, investment properties and intangible assets.*

#### **Geographical information**

Geographical information is not presented since over 90% of the Group's revenue from external customers is generated in Mainland China and over 90% of the segment assets of the Group are located in Mainland China. Accordingly, in the opinion of the Directors, the presentation of geographical information would not provide additional useful information to the users of these financial statements.

#### **Information about major customers**

For the year ended 31 December 2024, revenue of approximately HK\$1,030,316,000 (2023: HK\$1,279,681,000) was derived from a single customer, including revenue derived from a group of entities which are known to be subsidiaries of that customer, and was attributable to the project management services segment.

#### 4. REVENUE, OTHER INCOME AND GAINS, NET

An analysis of the Group's revenue is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i> (Restated)
<i>Revenue from contracts with customers</i>		
Sale of properties	242,866	801,083
Hotel operation income	67,194	76,848
	<u>310,060</u>	<u>877,931</u>
<i>Revenue from other sources</i>		
Finance component of income from urban redevelopment projects	1,144,676	1,279,681
Rental income from investment property operating leases:		
– fixed lease payments	130,975	145,964
	<u>1,275,651</u>	<u>1,425,645</u>
Total revenue	<u><u>1,585,711</u></u>	<u><u>2,303,576</u></u>

An analysis of the Group's other income and gains, net is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Interest income	36,680	55,487
Management service income	15,280	68,803
Gain on disposal of investment properties	33,308	9,890
Gain on modification of contracts of bank and other borrowings	325,827	–
Others	6,566	16,017
	<u><u>417,661</u></u>	<u><u>150,197</u></u>

## 5. FINANCE COSTS

An analysis of finance costs is as follows:

	2024 HK\$'000	2023 HK\$'000
Interest on bank and other borrowings and senior notes	1,210,744	1,255,024
Interest expense arising from revenue contracts	178,352	146,349
Interest on lease liabilities	950	1,525
	<hr/>	<hr/>
Total interest expense	1,390,046	1,402,898
Less: interest capitalised	(332,003)	(278,973)
	<hr/>	<hr/>
	<b>1,058,043</b>	<b>1,123,925</b>
	<hr/>	<hr/>

## 6. LOSS BEFORE TAX

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

	2024 HK\$'000	2023 HK\$'000 (Restated)
Cost of properties sold	321,087	715,434
Cost of service provided	55,906	60,720
Depreciation of property and equipment	12,276	12,769
Depreciation of right-of-use assets	7,081	7,097
Amortisation of intangible assets	1,166	1,180
Lease payments not included in the measurement of lease liabilities	11,722	13,737
Auditor's remuneration	8,300	6,800
Foreign exchange differences, net	(17,393)	(1,213)
Employee benefit expense (including directors' remuneration)		
Wages and salaries	123,255	167,168
Retirement benefit scheme contributions	10,856	22,385
	<hr/>	<hr/>
	<b>134,111</b>	<b>189,553</b>
	<hr/>	<hr/>
Impairment losses on financial assets, net		
Impairment of trade receivables, net	2,037,486	260,446
Impairment/(reversal of impairment) of deposits and other receivables, net	210,975	(10,023)
	<hr/>	<hr/>
	<b>2,248,461</b>	<b>250,423</b>
	<hr/>	<hr/>
Provision for properties under development and completed properties held for sale	155,852	24,638
Impairment of hotel properties included in property and equipment	29,295	–
Reversal of impairment of investment in an associate	–	(129,462)
Direct operating expenses (including repairs and maintenance) arising on rental-earning investment properties	30,502	27,010
	<hr/>	<hr/>

## 7. INCOME TAX

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the year (2023: Nil). Taxes on profits assessable in Mainland China have been calculated at the rates of tax prevailing in the jurisdictions in which the majority of the Group's subsidiaries operate.

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i> (Restated)
Current:		
PRC CIT	109,822	136,555
PRC LAT	27,401	32,670
	<u>137,223</u>	<u>169,225</u>
Deferred	<u>(275,174)</u>	<u>(80,370)</u>
Total tax (credit)/charge for the year	<u><u>(137,951)</u></u>	<u><u>88,855</u></u>

## 8. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amounts is based on the loss for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 7,521,456,404 (2023: 7,225,632,753) outstanding during the year.

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

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

	2024	2023 (Restated)
Loss attributable to equity holders of the parent ( <i>HK\$'000</i> )	(3,412,327)	(815,010)
Distribution related to perpetual capital securities ( <i>HK\$'000</i> )	<u>(68,000)</u>	<u>(68,000)</u>
Loss used in the basic and diluted earnings per share calculations ( <i>HK\$'000</i> )	<u><u>(3,480,327)</u></u>	<u><u>(883,010)</u></u>
Weighted average number of ordinary shares outstanding during the year ( <i>thousand shares</i> )	<u><u>7,521,456</u></u>	<u><u>7,225,633</u></u>

## 9. DIVIDENDS

No dividend in respect of the year ended 31 December 2024 (2023: Nil) was proposed by the board of directors of the Company.

## 10. TRADE RECEIVABLES

	<i>Notes</i>	<b>2024</b> <b>HK\$'000</b>	<b>2023</b> <b>HK\$'000</b>
Receivables from sales of properties	(a)	<b>1,323</b>	1,390
Receivables from property investment and hotel operation		<b>263,951</b>	217,599
Less: Impairment allowance		<b>(49,315)</b>	(2,770)
Net receivables from property investment and hotel operation	(a)	<b>214,636</b>	214,829
Receivables for urban redevelopment projects			
Related parties		<b>15,670,453</b>	15,363,838
Third parties		<b>582,006</b>	479,621
	(b)	<b>16,252,459</b>	15,843,459
Less: Impairment allowance		<b>(2,735,301)</b>	(791,941)
Net receivables for urban redevelopment projects		<b>13,517,158</b>	15,051,518
Total		<b>13,733,117</b>	15,267,737
Portion classified as non-current assets		<b>(12,590,151)</b>	(14,289,043)
Current portion		<b>1,142,966</b>	978,694

### Notes:

- (a) An ageing analysis of the receivables from sales of properties, property investment and hotel operation as at the end of the reporting period, based on the revenue recognition date or invoice date and net of loss allowance, is as follows:

	<b>2024</b> <b>HK\$'000</b>	<b>2023</b> <b>HK\$'000</b>
Current to 180 days	<b>158,503</b>	164,202
181 to 365 days	<b>45,304</b>	28,727
Over 365 days	<b>12,152</b>	23,290
	<b>215,959</b>	216,219

- (b) The Group has entered into project management agreements with related parties and third parties for urban redevelopment projects. According to the project management agreements, the Group has the contractual right and responsibility (including the funding responsibility) to provide project management services in relation to the urban redevelopment projects. In return, the Group is entitled to a finance component of income arising from a fixed rate of return at an agreed percentage of funds incurred and contributed by the Group under its contractual funding responsibility and a management service income from the performance of the underlying urban redevelopment projects. For the years ended 31 December 2024 and 2023, no management service income arising from the performance of the underlying urban redevelopment projects was recognised as the amount of consideration was constrained.



**10. TRADE RECEIVABLES (continued)***Notes: (continued)***(b)** *(continued)*

An ageing analysis of the receivables for urban redevelopment projects as at the end of the reporting period, based on the recognition date and before loss allowance, is as follows:

	<b>2024</b> <b>HK\$'000</b>	2023 <i>HK\$'000</i>
Within 1 year	<b>1,188,413</b>	1,182,430
Over 1 year but less than 2 years	<b>1,316,397</b>	1,848,015
Over 2 years but less than 3 years	<b>1,652,874</b>	1,793,698
Over 3 years	<b>12,094,775</b>	11,019,316
	<b>16,252,459</b>	15,843,459

**11. TRADE AND OTHER PAYABLES**

	<b>2024</b> <b>HK\$'000</b>	2023 <i>HK\$'000</i>
Trade and bills payables	<b>3,035,632</b>	3,199,300
Amounts due to related parties	<b>102,878</b>	499,264
Amount due to a joint venture	<b>5,399</b>	5,517
Amount due to ultimate holding company	<b>143,754</b>	577,142
Other payables and accruals	<b>2,206,404</b>	1,338,821
Other tax payables	<b>1,023,873</b>	983,477
Financial guarantee contracts	<b>9,705</b>	–
	<b>6,527,645</b>	6,603,521
Portion classified as current liabilities	<b>(6,383,891)</b>	(6,020,752)
	<b>143,754</b>	582,769
Non-current portion	<b>143,754</b>	582,769

An ageing analysis of the trade and bills payables as at the end of the reporting period, based on the due date, is as follows:

	<b>2024</b> <b>HK\$'000</b>	2023 <i>HK\$'000</i>
Within 1 year	<b>2,779,178</b>	2,939,858
Over 1 year	<b>256,454</b>	259,442
	<b>3,035,632</b>	3,199,300

## 12. PRIOR YEAR ADJUSTMENT

During the year ended 31 December 2024, the Group expanded its stock count process for its completed properties held for sale, as part of its effort to strengthen inventory management and enhance the collection of sales proceeds. Consequently, the Group identified a misstatement relating to sales of properties occurred in the prior period. The following tables present the restatement made by the Group to reflect the corrections in the relevant line items of the consolidated financial statements as previously reported for the year ended 31 December 2023:

Impact on the consolidated statement of profit or loss for the year ended 31 December 2023

	2023 HK\$'000 (As previously reported)	Prior year adjustment HK\$'000	2023 HK\$'000 (As restated)
Revenue	2,050,576	253,000	2,303,576
Cost of sales	(602,154)	(174,000)	(776,154)
Income tax expense	(65,855)	(23,000)	(88,855)
Loss for the year	<u>(936,170)</u>		<u>(880,170)</u>
Loss for the year attributable to:			
Owners of the parent	(871,010)	56,000	(815,010)
Non-controlling interests	<u>(65,160)</u>		<u>(65,160)</u>
	<u>(936,170)</u>		<u>(880,170)</u>
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted (HK cents per share)	<u>(13.00)</u>		<u>(12.22)</u>

Impact on the consolidated statement of financial position as at 31 December 2023

	2023 HK\$'000 (As previously reported)	Prior year adjustment HK\$'000	2023 HK\$'000 (As restated)
Completed properties held for sale	4,385,638	(174,000)	4,211,638
Contract liabilities	3,526,417	(253,000)	3,273,417
Income tax payables	3,525,186	34,000	3,559,186
Deferred tax liabilities	2,069,768	(11,000)	2,058,768
Retained profits	<u>277,021</u>	56,000	<u>333,021</u>

## **EXTRACT OF INDEPENDENT AUDITOR’S REPORT**

The following is the extract of the Independent Auditor’s Report from the auditor of the Company, Ernst & Young, on the consolidated financial statements of the Group for FY2024:

### **“DISCLAIMER OF OPINION**

We do not express an opinion on the consolidated financial statements of the Group. Because of the potential interaction of the multiple uncertainties relating to going concern and their possible cumulative effect on the consolidated financial statements as described in the *Basis for disclaimer of opinion* section of our report, it is not possible for us to form an opinion on these consolidated financial statements. Except for the matters described in the *Basis for disclaimer of opinion* section and the *Additional matter – Qualification on Investment in an associate* section of our report, in all other respects, in our opinion, the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### **BASIS FOR DISCLAIMER OF OPINION**

#### **Multiple uncertainties relating to going concern**

As set out in note 2.1 to the consolidated financial statements, the Group recorded a net loss of approximately HK\$3,467 million for the year ended 31 December 2024 and, as at 31 December 2024, the Group had net current liabilities of approximately HK\$10,812 million. In addition, as at 31 December 2024, the Group’s outstanding interest-bearing bank and other borrowings which are due to be repaid within 12 months from the end of the reporting period amounted to approximately HK\$13,746 million, including borrowings of approximately HK\$13,728 million which have not been repaid according to the scheduled repayment dates before the end of the reporting period. These conditions, along with other matters set forth in note 2.1 to the consolidated financial statements, indicate the existence of material uncertainties which cast significant doubt on the Group’s ability to continue as a going concern.

The directors of the Company have been undertaking plans and measures to improve the Group's liquidity and financial position, which are set out in note 2.1 to the consolidated financial statements. The validity of the going concern assumptions on which the consolidated financial statements have been prepared depends on the outcome of these measures, which are subject to multiple uncertainties, including:

- (a) the continual support from the existing lenders of the Group such that they will not demand for immediate repayment of the relevant borrowings;
- (b) the successful and timely agreement with the lenders on the extension of the repayment dates for existing borrowings subject to the Group's financial and liquidity position, and to obtain additional credit facilities from existing and other lenders as and when needed;
- (c) the successful and timely collection of receivables related to urban redevelopment projects in accordance with the agreed schedules; and
- (d) the ability of the Group in achieving its plans for the pre-sales and sales of properties under development and completed properties held for sale, which are also highly sensitive to the sentiment in the local real estate market and buyer confidence in the areas where the Group's principal property projects are situated.

As a result of these multiple uncertainties, their potential interaction, and the possible cumulative effect thereof, we were unable to form an opinion as to whether the going concern basis of preparation is appropriate. Should the Group fail to achieve the 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 effects of these adjustments have not been reflected in the consolidated financial statements.

#### **ADDITIONAL MATTER – QUALIFICATION ON INVESTMENT IN AN ASSOCIATE**

Included in the consolidated financial statements is the Group's investment in an associate, Silver Grant International Holdings Group Limited (the “**Associate**”), with a carrying amount of approximately HK\$488 million as at 31 December 2024, and the Group's share of loss of an associate of approximately HK\$223 million and share of an associate's other comprehensive loss of approximately HK\$12 million for the year ended 31 December 2024. The Associate has been accounted for by the Group using the equity method of accounting. As explained in note 18 to the consolidated financial statements, the auditors of the Associate did not express an opinion on the consolidated financial statements of the Associate for the year ended 31 December 2024 due to scope limitation relating to appropriateness of the going concern basis of accounting and the auditors of the Associate included an audit qualification on the loan receivables and loan interest receivables of the Associate with a carrying amount of approximately HK\$1,535 million and HK\$399 million, respectively, as at 31 December 2024

in their auditor's report in respect of the consolidated financial statements of the Associate for the year ended 31 December 2024. There is no reliable and appropriate consolidated financial information of the Associate available to the management of the Group for the purpose of equity accounting and impairment assessment of the Group's investment in the Associate.

Because (i) there were no other satisfactory procedures that we could perform regarding the consolidated financial information of the Associate for the year ended 31 December 2024; and (ii) the directors of the Company were unable to provide us with adequate information in support of the impairment assessment of the Associate for the year ended 31 December 2024, we were unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to (i) whether the Group's share of loss and impairment loss (if any) relating to the Group's investment in an associate recognised in profit or loss for the year ended 31 December 2024 was properly recorded; (ii) the Group's share of other comprehensive loss of an associate recognised in other comprehensive loss for the year ended 31 December 2024 was properly recorded; and (iii) the carrying amount of the Group's investment in an associate as at 31 December 2024 was properly stated.

Any adjustments to the figures as described above might have consequential effects on the financial position of the Group as at 31 December 2024 and the financial performance of the Group for the year ended 31 December 2024, and the related disclosures thereof in the consolidated financial statements.

Even had there been no multiple uncertainties relating to going concern as described in the Basis for disclaimer of opinion section of our report which precluded us from expressing an opinion on the consolidated financial statements, our opinion would have been qualified for the additional matter as described above."

## **OTHER INFORMATION**

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Shares during FY2024.

### **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("**Code**") as contained in Appendix C3 to the Rules Governing the Listing of Securities on the Stock Exchange ("**Listing Rules**") during FY2024. Specific enquiry has been made of all Directors, who confirmed that they have complied with the required standards set out in the Code for FY2024.

## **CORPORATE GOVERNANCE**

The Company has complied with the applicable code provisions set out in the Corporate Governance Code contained in Part 2 of Appendix C1 to the Listing Rules during FY2024.

## **AUDIT COMMITTEE**

The audit committee (“**Audit Committee**”) of the Company comprises three independent non-executive Directors. The Audit Committee has reviewed the accounting principles and practice adopted by the Group and the Company’s consolidated results for FY2024, and discussed with the management regarding internal control and financial reporting matters.

## **SCOPE OF WORK OF ERNST & YOUNG**

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for FY2024 as set out in this announcement have been agreed by the Company’s auditor, Ernst & Young, to the amounts set out in the Group’s draft consolidated financial statements for FY2024. The work performed by Ernst & Young in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Ernst & Young on this announcement.

## **PUBLICATION OF 2024 ANNUAL REPORT**

The Company’s annual report for FY2024 containing the relevant information required by Appendix D2 to the Listing Rules will be published on the Stock Exchange’s website at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company’s website at [www.zhuguang.com.hk](http://www.zhuguang.com.hk).

## **APPRECIATION**

The Board would like to take this opportunity to thank the Shareholders and the management and the staff members of the Group for their dedication and support.

## (2) RESUMPTION OF TRADING

At the request of the Company, trading in the Company's shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on Tuesday, 1 April 2025, pending the release of this announcement. An application has been made by the Company to the Stock Exchange for resumption of trading in the Company's shares with effect from 9:00 a.m. on Thursday, 10 April 2025.

On behalf of the Board  
**Zhuguang Holdings Group Company Limited**  
**Chu Hing Tsung**  
*Chairman*

Hong Kong, 9 April 2025

*As at the date of this announcement, the Board comprises (i) six executive Directors, namely Mr. Chu Hing Tsung (alias Mr. Zhu Qing Yi) (Chairman), Mr. Liu Jie (Chief Executive Officer), Mr. Liao Tengjia (Deputy Chairman), Mr. Huang Jiajue (Deputy Chairman), Mr. Chu Muk Chi (alias Mr. Zhu La Yi) and Ms. Ye Lixia, and (ii) three independent non-executive Directors, namely Mr. Leung Wo Ping JP, Mr. Wong Chi Keung and Dr. Feng Ke.*

*This announcement is published on the website of the Company ([www.zhuguang.com.hk](http://www.zhuguang.com.hk)) and the designated issuer website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)).*