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**REDCO PROPERTIES GROUP LIMITED**

**力高地產集團有限公司**

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

**(Stock Code: 1622)**

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

**FINANCIAL HIGHLIGHTS**

- Revenue for the year ended 31 December 2024 amounted to RMB8,200.7 million
- Loss for the year ended 31 December 2024 was RMB3,688.3 million
- Loss attributable to owners of the Company for the year ended 31 December 2024 was RMB2,759.6 million
- Land bank amounted to 10.6 million sq. m. as at 31 December 2024 (31 December 2023: 12.9 million sq. m.)
- The Board does not recommend the payment of a final dividend for the year ended 31 December 2024 (2023: nil)

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

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
FOR THE YEAR ENDED 31 DECEMBER 2024

	<i>Notes</i>	<b>2024</b> <i>RMB'000</i>	<b>2023</b> <i>RMB'000</i>
Revenue	4	8,200,663	5,339,418
Cost of sales		<u>(10,902,079)</u>	<u>(4,774,758)</u>
<b>Gross (loss) profit</b>		(2,701,416)	564,660
Other income, gains and losses, net	5	(132,492)	(297,814)
Selling and marketing expenses		(200,729)	(477,151)
General and administrative expenses		(377,175)	(541,648)
Decrease in fair value of investment properties		(121,983)	(338,861)
Impairment losses on financial assets and contract assets, net of reversal	6	<u>(11,575)</u>	<u>(44,221)</u>
<b>Operating loss</b>		<u>(3,545,370)</u>	<u>(1,135,035)</u>
Finance income		5,692	31,517
Finance costs		<u>(262,213)</u>	<u>(162,976)</u>
Finance income and costs, net	7	<u>(256,521)</u>	<u>(131,459)</u>
Share of results of investments accounted for using the equity method, net		<u>(20,484)</u>	41,410
<b>Loss before income tax</b>	8	(3,822,375)	(1,225,084)
Income tax credit (expense)	9	<u>134,109</u>	<u>(644,739)</u>
<b>Loss for the year</b>		<u><u>(3,688,266)</u></u>	<u><u>(1,869,823)</u></u>
<b>Loss for the year attributable to:</b>			
– Owners of the Company		(2,759,631)	(1,555,932)
– Non-controlling interests		<u>(928,635)</u>	<u>(313,891)</u>
		<u><u>(3,688,266)</u></u>	<u><u>(1,869,823)</u></u>
<b>Loss per share</b>			
– Basic and diluted (expressed in RMB cents per share)	11	<u><u>(77.70)</u></u>	<u><u>(43.81)</u></u>

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

	<b>2024</b>	<b>2023</b>
	<i>RMB'000</i>	<i>RMB'000</i>
<b>Loss for the year</b>	<u>(3,688,266)</u>	<u>(1,869,823)</u>
<b>Other comprehensive expense for the year</b>		
<i>Item that may not be reclassified subsequently to profit or loss:</i>		
– Currency translation differences	<u>(283,349)</u>	<u>(152,990)</u>
<b>Total other comprehensive expense for the year</b>	<u>(283,349)</u>	<u>(152,990)</u>
<b>Total comprehensive expense for the year</b>	<u><u>(3,971,615)</u></u>	<u><u>(2,022,813)</u></u>
<b>Total comprehensive expense attributable to:</b>		
– Owners of the Company	<u>(3,041,288)</u>	<u>(1,708,000)</u>
– Non-controlling interests	<u>(930,327)</u>	<u>(314,813)</u>
	<u><u>(3,971,615)</u></u>	<u><u>(2,022,813)</u></u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	<i>Notes</i>	<b>2024</b> <i>RMB'000</i>	<b>2023</b> <i>RMB'000</i>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		492,866	570,549
Investment properties		1,168,096	1,290,079
Intangible assets		320,008	329,988
Investments accounted for using the equity method		638,475	1,335,148
Contract assets		617,386	622,435
Deferred income tax assets		458,468	461,369
		3,695,299	4,609,568
<b>CURRENT ASSETS</b>			
Completed properties held for sales		7,000,436	5,119,369
Properties under development for sales		22,620,512	30,304,580
Trade and other receivables and deposits	12	2,847,558	2,743,299
Prepayments	13	1,345,836	1,674,813
Income tax recoverable		2,207,114	1,320,137
Amounts due from non-controlling interests		1,804,710	2,001,987
Amounts due from associates		458,743	463,505
Amounts due from joint ventures		628,814	629,264
Financial assets at fair value through profit or loss		3,299	—
Restricted cash		478,529	1,805,214
Cash and cash equivalents		332,872	792,264
		39,728,423	46,854,432
<b>CURRENT LIABILITIES</b>			
Trade and other payables	14	14,220,716	14,118,926
Amounts due to non-controlling interests		5,129,732	4,780,015
Amounts due to associates		509,077	488,956
Amounts due to joint ventures		4,464	3,777
Income tax liabilities		3,101,384	1,594,985
Bank and other borrowings	15	15,688,767	14,913,558
Contract liabilities		4,947,106	10,682,200
		43,601,246	46,582,417

	<i>Notes</i>	<b>2024</b>	<b>2023</b>
		<i>RMB'000</i>	<i>RMB'000</i>
NET CURRENT (LIABILITIES) ASSETS		<u>(3,872,823)</u>	<u>272,015</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(177,524)</u>	<u>4,881,583</u>
NON-CURRENT LIABILITIES			
Deferred income tax liabilities		957,000	1,157,951
Bank and other borrowings	15	<u>302,700</u>	<u>675,209</u>
		<u>1,259,700</u>	<u>1,833,160</u>
NET (LIABILITIES) ASSETS		<u>(1,437,224)</u>	<u>3,048,423</u>
CAPITAL AND RESERVES			
Share capital		139,632	139,632
Reserves		<u>(2,697,418)</u>	<u>327,285</u>
		<u>(2,557,786)</u>	466,917
Non-controlling interests		<u>1,120,562</u>	<u>2,581,506</u>
SHAREHOLDERS' (DEFICIENCY) EQUITY		<u>(1,437,224)</u>	<u>3,048,423</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

### 1. General

Redco Properties Group Limited (the “**Company**”) was incorporated in the Cayman Islands on 14 July 2008 as an exempted company with limited liability under the Companies Act of the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”).

The Company acts as an investment holding company. The Company and its subsidiaries (the “**Group**”) is mainly engaged in property development, property management services, property investment, project management services and healthcare services in the People’s Republic of China (the “**PRC**”).

The consolidated financial statements are presented in Renminbi (“**RMB**”), which is different from the Company’s functional currency of Hong Kong dollars (“**HK\$**”).

The English names of all the companies established in the PRC presented in these consolidated financial statements represent the best efforts made by the directors of the Company (the “**Directors**”) for the translation of the Chinese names of these companies to English names as they do not have official English names.

## 2. Basis of presentation of consolidated financial statements

### (a) Going concern assessment

The directors of the Company (the “**Directors**”) have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

For the year ended 31 December 2024, the Group incurred a net loss attributable to the owners of the Company of approximately RMB2,759,631,000 (2023: RMB1,555,932,000) and as of that date, the Group had net current liabilities of approximately RMB3,872,823,000 (2023: net current assets: RMB272,015,000) and net deficiency of shareholders’ equity attributable to the owners of the Company of approximately RMB2,557,786,000 (2023: shareholders’ equity of RMB466,917,000). In addition, as at 31 December 2024, the Group’s total bank and other borrowings amounted to approximately RMB15,991,467,000 (2023: RMB15,588,767,000) and out of which, an amount of the Group’s bank and other borrowings of approximately RMB15,688,767,000 (2023: RMB14,913,558,000) would fall due and be repayable within one year, while its cash and cash equivalents amounted to approximately RMB332,872,000 (2023: RMB792,264,000) only. Further, as at 31 December 2024, the Group’s bank and other borrowings amounted to approximately RMB14,721,881,000 (2023: RMB14,064,252,000) were defaulted and/or cross default due to overdue payment of principal and/or interest.

Moreover, the economic environment of the real estate sector in the PRC may have unfavorable impact on the working capital available to the Group and the Group may take longer time than expected to realise cash from the sale of its properties and/or have the cash from external financing to meet its loan repayment obligations.

The conditions described above exist that may cast significant doubt on the Group’s ability to continue as a going concern and hence, its ability to realise its assets and discharge its liabilities in the normal course of business.

In view of the aforementioned, the Directors have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial sources to continue as a going concern. The following plans and measures are formulated to mitigate the liquidity pressure and to improve the financial position of the Group:

- (i) The Group, together with its financial and legal advisors, are actively negotiating with the lenders and creditors for its bank and other borrowings to formulate and agree a practical and feasible holistic debt restructuring plan aimed at addressed the current liquidity issue, enhancing credit profile of the Group and protecting the interest of all stakeholders (the “**Debt Restructuring Plan**”). The directors are confident that the Debt Restructuring Plan will ultimately reach a conclusion based on the recently communications with the lenders and creditors;
- (ii) The Group is still continuing to look for new and additional funding opportunities and actively negotiating with existing and new lenders and creditors to obtain new financing at a reasonable cost. In addition, the Group has been actively communicating with relevant existing and new lenders and creditors so as to obtain additional sources of funds for its existing and new development projects (the “**New Funding Plan**”);
- (iii) The Group has prioritised delivery development and continued to ensure the completing and delivery of its property development projects according to the schedule. In addition, the Group continues to enhance the payment collection progress from customers in respect of the property sales and pre-sales through closely following up with the customers and communicating and coordinating with banks for the timely grant of individual mortgage loans to the customers in accordance with the timeline of cash flow projections prepared by the management (the “**Project Selling Plan**”);
- (iv) The Group continues to maintain communication and to obtain support from its major subcontractors and suppliers in arranging payments to these vendors and completing the construction progress as scheduled (the “**Project Management Plan**”); and
- (v) The Group continues to take active measures to control operational and administrative costs and control capital expenditures (the “**Stringent Management Plan**”).



The Directors have reviewed the Group's cash flow forecast prepared by management, which covers a period of at least twelve months from 31 December 2024. They are of the opinion that, taking into account the abovementioned Plans and Measures, the Group will have sufficient funds to maintain its operations and to meet its financial obligations as and when they fall due within the next twelve months from 31 December 2024. Accordingly, the Directors are satisfied that it is appropriate to prepare the 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, which are subject to multiple uncertainties as described above. The Group's ability to continue as a going concern would depend on the successful execution and completion of the Debt Restructuring Plan, New Funding Plan, Project Selling Plan, Project Management Plan and Stringent Management Plan, all of which aim to provide the Group with adequate funds to settle existing financial obligations, commitments, and future operating and capital expenditures. However, these Plans and Measures are in preliminary stage or in progress and written contractual agreements and/or other documentary supporting evidences are not available to the Group as at the date of approval for issuance of these consolidated financial statements of the Group for extending the going concern assessment.

Should the Group fail to achieve the 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 these consolidated financial statements.

**(b) The Incidents**

As described in details in the announcement of the Company dated 30 June 2023, on 6 April 2023, the board of directors of Redco Healthy Living Company Limited (“**Redco Healthy**” and together with its subsidiaries, the “**Redco Healthy Group**”), a subsidiary of the Group, has established an independent committee (the “**Redco Healthy’s Independent Committee**”) which only comprises independent non-executive directors of Redco Healthy to conduct an independent inquiry (the “**Redco Healthy’s Independent Inquiry**”) on three audit issues for the year ended 31 December 2022 as follows:

- (i) Audit issue I: Fund movements regarding certain cooperation arrangements with an entity entered into by the Redco Healthy Group relating to potential acquisitions of certain target companies (the “**Audit Issue I**”);
- (ii) Audit issue II: (a) The Redco Healthy Group’s payments of the refundable deposits in the amount of approximately RMB30.8 million in relation to the potential acquisitions of certain target companies; and (b) the Redco Healthy Group’s receipt of funds in the amount of RMB30 million each from two independent third parties which were transferred back to such parties on the same date (the “**Audit Issue II**”); and
- (iii) Audit issue III: Fund movements between the Redco Healthy Group and Redco Properties Group (the “**Audit Issue III**”, together with the Audit Issue I and Audit Issue II, the “**Incidents**”).

The Redco Healthy Independent Committee has engaged an independent professional adviser (the “**Independent Professional Adviser**”) to assist with the Redco Healthy Independent Inquiry.

Key findings of the Redco Healthy Independent Inquiry have been published by Redco Healthy on 31 January 2024 and 24 October 2024.

In addition, the audit committee of the Company also engaged the Independent Professional Adviser to conduct an independent inquiry on the Incidents from the Group’s perspective. Key findings of the Redco Properties Independent Inquiry have been published by the Company on 31 January 2024 and 24 October 2024.

As described in details in the announcement of the Company dated 24 October 2024, (i) all the deposits and earnest monies involved in Audit Issues I, II and III in respect of potential transactions that were subsequently terminated or not further pursued by Redco Healthy Group had been fully refunded to Redco Healthy Group; (ii) all the fund movements considered under Audit Issue III were between the Group and Redco Healthy Group and were fully eliminated in the consolidated financial statements of the Group; and (iii) the Group did not incur any actual loss as a result of the fund movements and/or terminated transactions and accordingly, the Directors believe that fund movements considered under Audit Issues I, II and III did not have any material adverse impact on the business operation and financial position of the Group.

Furthermore, during the course of the Redco Properties Independent Inquiry, the Company also engaged an internal control consultant (the “**Redco Properties Internal Control Consultant**”) and it was noted that there were deficiencies in the Group’s corporate governance and internal control, particulars there were certain internal control deficiencies of the Group in relating to the Incidents. Key findings of the internal control review performed by the Redco Properties Internal Control Consultant are set out in the announcement of the Company dated 24 October 2024.

Pursuant to the announcement of the Company dated 25 October 2024, the Company announced it has fulfilled all the resumption guidance and trading in the shares of the Company on the Stock Exchange were resumed with effect from 28 October 2024.

### **3. Application of Hong Kong Financial Reporting Standards (“HKFRSs”)**

#### **Amendments to HKFRSs that are mandatorily effective for the current year**

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) for the first time, which are mandatorily effective for the annual period beginning on 1 January 2024 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Noncurrent and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

Except as described below, the application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

**Impacts on application of Amendments to HKAS 1 Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) (the “2020 Amendments”) and Amendments to HKAS 1 Non-current Liabilities with Covenants (the “2022 Amendments”)**

The Group has applied the amendments for the first time in the current year.

The 2020 Amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or noncurrent, which:

- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the classification should not be affected by management intentions or expectations to settle the liability within 12 months.
- clarify that the settlement of a liability can be a transfer of cash, goods or services, or the entity's own equity instruments to the counterparty. If a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying HKAS 32 Financial Instruments: Presentation.

For rights to defer settlement for at least twelve months from reporting date which are conditional on the compliance with covenants, the 2022 Amendments specifically clarify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date, even if compliance with the covenant is assessed only after the reporting date. The 2022 Amendments also specify that covenants with which an entity must comply after the reporting date (i.e. future covenants) do not affect the classification of a liability as current or non-current at the reporting date. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants, the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

In accordance with the transition provision, the Group has applied the new accounting policy to the classification of liability as current or non-current retrospectively. The application of the amendments in the current year had no material impact on the consolidated financial statements.

#### **New and amendments to HKFRSs in issue but not yet effective**

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments <sup>3</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>1</sup>
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards — Volume 11 <sup>3</sup>
Amendments to HKAS 21	Lack of Exchangeability <sup>2</sup>
HKFRS 18	Presentation and Disclosure in Financial Statements <sup>4</sup>

<sup>1</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2025.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2026.

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2027.

Except for the new and amendments to HKFRSs mentioned below, the directors of the Company anticipate that the application of all these amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

## ***HKFRS 18 Presentation and Disclosure in Financial Statements (“HKFRS 18”)***

HKFRS 18, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 *Presentation of Financial Statements* (“**HKAS 1**”). This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* and HKFRS 7 *Statement of Cash Flows* (“**HKAS 7**”). Minor amendments to HKAS 7 and HKAS 33 *Earnings per Share* are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of HKFRS 18 is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements but has no impact on the Group’s financial positions and performance. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group’s consolidated financial statements.

### **4. Revenue and segment information**

#### **(A) Revenue**

Revenue mainly comprises of proceeds from sales of properties, provision of property management services and community value-added services, project management services, hotel operations and management services and community healthcare services and also rental income from leasing of properties.

(a) Disaggregation of revenue from contracts with customers

- (i) The Group derives revenue from transfer of goods and services by category of major product lines and business

	<b>2024</b>	<b>2023</b>
	<i>RMB'000</i>	<i>RMB'000</i>
<b>Revenue from contracts with customers</b>		
<b>within the scope of HKFRS 15</b>		
Sales of properties	7,740,723	4,867,163
Property management services and community value-added services	373,420	358,136
Project management services	291	2,914
Hotel income	60,976	72,587
Healthcare services	2,111	12,873
	<u>8,177,521</u>	<u>5,313,673</u>
<b>Revenue from other sources</b>		
Rental income	<u>23,142</u>	<u>25,745</u>
	<u><u>8,200,663</u></u>	<u><u>5,339,418</u></u>

- (ii) The Group derives revenue from transfer of goods and services by timing of revenue recognition

	<b>2024</b>	<b>2023</b>
	<i>RMB'000</i>	<i>RMB'000</i>
<b>Revenue from contracts with customers</b>		
<b>within the scope of HKFRS 15</b>		
– Recognised at a point in time	7,787,964	4,862,029
– Recognised over time	389,557	451,644
	<u>8,177,521</u>	<u>5,313,673</u>

- (iii) The Group derives revenue from the transfer of goods and services by geographical markets

Details of the Group's revenue from the transfer of goods and services by geographical markets are set out in note 4(B) below.

(b) Contract balances

		<b>As at 31 December</b>		<b>As at</b>
	<i>Note</i>	<b>2024</b>	<b>2023</b>	<b>1 January</b>
		<i>RMB'000</i>	<i>RMB'000</i>	<b>2023</b>
				<i>RMB'000</i>
Trade receivables	12	277,295	224,702	173,196
Less: Impairments		(51,141)	(49,192)	(38,460)
		<u>226,154</u>	<u>175,510</u>	<u>134,736</u>
Contract assets		617,955	623,000	640,000
Less: Impairments		(569)	(565)	(227)
		<u>617,386</u>	<u>622,435</u>	<u>639,773</u>
Contract liabilities		<u>4,947,106</u>	<u>10,682,200</u>	<u>15,636,108</u>

Information about the Group's trade receivables are set out in note 12.

(c) Performance obligations for contracts with customers and revenue recognition policies

The Group is mainly engaged in the property development, provision of property management services, property investment services, project management services and healthcare services in the PRC.

The Group's revenue mainly comprises of proceeds from sales of properties, provision of property management services and community value-added services, project management services, hotel operations and management services and community healthcare services and also rental income from leasing of properties.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Group's activities.



The Group's performance obligations for contracts with customers and revenue recognition policy are as follows:

Revenue from contracts with customers.

(i) Sales of properties

The Group develops and sells residential properties. Revenue is recognised when control over the property has been transferred to the customer, being at a point in time when the legal title has passed to the customer.

The revenue is measured at the transaction price agreed under the contract. In determining the transaction price, the Group adjusts the promised amount of consideration for the effect of a financing component if it is significant. In most cases, the consideration is due when legal title has been transferred.

The Group receives payments from customers based on billing schedule as established in contracts. Certain payments are usually received in advance in pre-sales arrangement. Such proceeds from customers are recorded as contract liabilities before the relevant sales are recognised.

(ii) Provision of construction services and project management services

The Company provides construction services and project management services in property development projects contracted by government authorities and other third parties.

Revenue from providing these services is recognised in the accounting period in which the services are rendered as the Group's performance creates or enhances an asset or work in progress that the customer controls. This is determined based on the Group's efforts or inputs to the satisfaction of the performance obligation by reference to the contract costs incurred up to the end of reporting period as a percentage of total estimated costs for each contract.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

In general, customers pay fixed amount based on a payment schedule. If the services rendered by the Company exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

(iii) Property management services and community value-added services

*Property management services*

Revenue from providing services is recognised in the accounting period in which the services are rendered as the customer simultaneously receives and consumes the benefits provided by the Group.

The Group bills a fixed amount for services provided on a monthly basis and recognises as revenue in the amount to which the Group has a right to invoice and that corresponds directly with the value of performance completed.

The Group received property management services income, where the Group acts as a principal and is primary primarily responsible for providing the property management services to the property owners. Revenue relating to property management services are recognised as a performance obligation satisfied over time. The Group entitles to revenue at the value of property management services fee received or receivable and recognises all related property management costs as its cost of service.

*Community value-added services*

Community value-added services mainly include (i) home-living services (including, among others, delivery of daily necessities, housekeeping and transportation services); (ii) intermediary services (including, among others, operating clubhouses, community communication channel, swimming pools, sport facilities, playgrounds and amusement centers) and (iii) property agency services (including, among others, property brokerage for second-hand properties and home renovation and decoration services), revenue is recognised over time when the related community value-added services are rendered. Payment of the transaction is due immediately when the community value-added services are rendered to the customers.

(iv) Hotel operations and management services

Revenue from the provision of hotel operations and management services is recognised over the period on a straight-line basis because the customer simultaneously receives and consumes the benefits provided by the Group. Revenue from food and beverage operations of hotels is recognised at the point in time when the control of food and beverage products is transferred to the customer, generally upon purchase of the food and beverage items by the customer.

(v) Community healthcare services

Online medical services consist primarily of online consultation services provided by the AI-assisted in-house medical team of the Group. Revenue from online medical services is recognised on a gross basis as the Group is regarded as the primary obligor as long as such services are provided by its own employees since the Group has the ability to determine the pricing of the services, nature of services and is responsible for providing the services by its employees. The Group offers service to corporate customers, including their customers and employees. Such services are recognised as a performance obligation satisfied over time.

The Group charges corporate customers on an annual basis at a fixed fee regardless of the usage of the services and overall headcount or based on a fixed fee per individual headcount per annum. The revenue of the online medical service is recognised over a period of time using the time-based method since the Group has the stand-ready performance obligation on a when-and-if-available basis to customers.

The Group also provides a range of diagnostic, medical and surgical treatment services at the clinics. Revenue from clinic services is recognised in the accounting period in which the related services are rendered and is recognised over a period of time using the time-based method since the Group has stand-ready performance obligation.

***Revenue from other sources***

(i) Rental income

Rental income from properties leasing under operating leases is recognised on a straight-line basis over the lease terms.

***Other income***

- (i) Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.
  - (ii) Dividend income is recognised when the shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.
  - (iii) Government grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same period in which the expenses are incurred.
- (d) Transaction price allocated to remaining performance obligation

The Group has applied practical expedient in paragraph 121 of HKFRS 15 *Revenue from Contracts with Customers*, to exempt the disclosure of revenue expected to be recognised in the future arising from contracts.

**(B) Segment information**

The Directors have been identified as the CODM. Management determines the operating segments based on the Group's internal reports, which are submitted to the Directors for performance assessment and resources allocation.

The Directors consider the business from a geographical perspective and assess the performance of property development in five reportable operating segments, namely Greater Western Taiwan Straits Economic Zone, Central and Western Regions, Bohai Economic Rim, Greater Bay Area and Others. The Group's construction and sea reclamation services are considered together with the property development segments and included in the relevant geographic operating segment. "Others" segment represents provision of design services to group companies, corporate support functions, property management services (services provided to both internal or external customers), project management services, healthcare services, rental income and investment holding business.

The accounting policies of the operating segments are the same as the Group's accounting policies.

The Directors assess the performance of the operating segments based on a measure of segment results. This measurement basis excludes the effects of depreciation of property, plant and equipment, share of results of investments accounted for using the equity method, finance income, finance costs and income tax credit (expense). Other information provided, except as noted below, to the Directors is measured in a manner consistent with that in the consolidated financial statements.

*Segment revenue, results, assets and liabilities*

	Greater Western Taiwan Straits Economic Zone RMB'000	Central and Western Regions RMB'000	Bohai Economic Rim RMB'000	Greater Bay Area RMB'000	Others RMB'000	Total RMB'000
<b>Year ended 31 December 2024</b>						
<b><i>Segment revenue</i></b>						
Revenue from contracts with customers						
– Recognised at a point in time	1,900,022	4,049,563	754,741	1,046,089	37,549	7,787,964
– Recognised over time	40,995	20,716	—	—	372,685	434,396
– Others	—	—	—	—	23,142	23,142
Less: Inter-segment revenue	—	—	—	—	(44,839)	(44,839)
	<u>1,941,017</u>	<u>4,070,279</u>	<u>754,741</u>	<u>1,046,089</u>	<u>388,537</u>	<u>8,200,663</u>
Consolidated revenue from external customers	<u>1,941,017</u>	<u>4,070,279</u>	<u>754,741</u>	<u>1,046,089</u>	<u>388,537</u>	<u>8,200,663</u>
<b><i>Segment results</i></b>						
Segment results	(481,193)	(1,460,428)	(614,809)	(948,527)	6,874	(3,498,083)
Depreciation of property, plant and equipment	(34,809)	(644)	(195)	(292)	(11,347)	(47,287)
Operating (losses) gains	(516,002)	(1,461,072)	(615,004)	(948,819)	(4,473)	(3,545,370)
Share of results of investments accounted for using the equity method, net	(1,252)	(11,496)	(2,100)	(7,395)	1,759	(20,484)
Finance income	1,539	1,972	412	521	1,248	5,692
Finance costs	(37,763)	(14,208)	(27,384)	(124,865)	(57,993)	(262,213)
Income tax credit (expense)	59,344	26,490	155,516	(62,484)	(44,757)	134,109
Loss for the year	<u>(494,134)</u>	<u>(1,458,314)</u>	<u>(488,560)</u>	<u>(1,143,042)</u>	<u>(104,216)</u>	<u>(3,688,266)</u>

	Greater Western Taiwan Straits Economic Zone <i>RMB'000</i>	Central and Western Regions <i>RMB'000</i>	Bohai Economic Rim <i>RMB'000</i>	Greater Bay Area <i>RMB'000</i>	Others <i>RMB'000</i>	Total <i>RMB'000</i>
<i>Additions to:</i>						
Property, plant and equipment	36	—	2	—	13,477	13,515
Investments accounted for using the equity method	—	6,070	—	—	—	6,070
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>As at 31 December 2024</b>						
<i>Total segment liabilities</i>	<u>(8,166,846)</u>	<u>(10,018,355)</u>	<u>(9,053,192)</u>	<u>(4,637,367)</u>	<u>(12,985,186)</u>	<u>(44,860,946)</u>
<i>Total segment assets</i>	<u>11,181,158</u>	<u>11,637,819</u>	<u>7,034,287</u>	<u>4,795,755</u>	<u>8,772,480</u>	43,421,499
Other unallocated corporate assets						<u>2,223</u>
Total consolidated assets						<u>43,423,722</u>
<i>Including investments accounting for using the equity method</i>	<u>18,950</u>	<u>255,124</u>	<u>71,664</u>	<u>161,746</u>	<u>130,991</u>	<u>638,475</u>

	Greater Western Taiwan Straits Economic Zone RMB'000	Central and Western Regions RMB'000	Bohai Economic Rim RMB'000	Greater Bay Area RMB'000	Others RMB'000	Total RMB'000
<b>Year ended 31 December 2023</b>						
<b>Segment revenue</b>						
Revenue from contracts with customers						
– Recognised at a point in time	1,813,916	1,850,617	712,638	528,328	28,868	4,934,367
– Recognised over time	82,178	—	5,309	—	364,157	451,644
– Others	—	—	—	—	25,745	25,745
Less: Inter-segment revenue	—	—	—	—	(72,338)	(72,338)
	<u>1,896,094</u>	<u>1,850,617</u>	<u>717,947</u>	<u>528,328</u>	<u>346,432</u>	<u>5,339,418</u>
Consolidated revenue from external customers	<u>1,896,094</u>	<u>1,850,617</u>	<u>717,947</u>	<u>528,328</u>	<u>346,432</u>	<u>5,339,418</u>
<b>Segment results</b>						
Segment results	(596,535)	(638,111)	145,758	68,896	(37,156)	(1,057,148)
Depreciation of property, plant and equipment	(48,334)	(1,823)	(605)	(448)	(26,677)	(77,887)
Operating (losses) gains	(644,869)	(639,934)	145,153	68,448	(63,833)	(1,135,035)
Share of results of investments accounted for using the equity method, net	(2,859)	(9,556)	(4,667)	56,912	1,580	41,410
Finance income	3,884	7,275	18,117	1,210	1,031	31,517
Finance costs	(52,046)	128,478	44,554	29,610	(313,572)	(162,976)
Income tax credit (expense)	27,102	(357,084)	(147,086)	(161,387)	(6,284)	(644,739)
(Loss) profit for the year	<u>(668,788)</u>	<u>(870,821)</u>	<u>56,071</u>	<u>(5,207)</u>	<u>(381,078)</u>	<u>(1,869,823)</u>



	Greater Western Taiwan Straits Economic Zone <i>RMB'000</i>	Central and Western Regions <i>RMB'000</i>	Bohai Economic Rim <i>RMB'000</i>	Greater Bay Area <i>RMB'000</i>	Others <i>RMB'000</i>	Total <i>RMB'000</i>
<i>Additions to:</i>						
Property, plant and equipment	426	928	207	24	29,374	30,959
Investments accounted for using the equity method	—	—	686,000	—	77,441	763,441
<b>As at 31 December 2023</b>						
<b><i>Total segment liabilities</i></b>	<u>(10,351,431)</u>	<u>(12,776,250)</u>	<u>(9,034,226)</u>	<u>(5,252,924)</u>	<u>(11,000,746)</u>	<u>(48,415,577)</u>
<b><i>Total segment assets</i></b>	<u>12,064,186</u>	<u>16,443,061</u>	<u>12,173,492</u>	<u>7,721,678</u>	<u>3,059,196</u>	<u>51,461,613</u>
Other unallocated corporate assets						<u>2,387</u>
Total consolidated assets						<u>51,464,000</u>
<i>Including investments accounting for using the equity method</i>	<u>20,199</u>	<u>253,435</u>	<u>759,765</u>	<u>169,141</u>	<u>132,608</u>	<u>1,335,148</u>

### *Geographical information*

Revenue by geographical location is determined on the basis of the location of the sales of properties or services rendered. All of the Group's revenue were generated from the PRC.

Non-current assets, other than financial instruments, investments accounted for using the equity method and deferred income tax assets by geographical area are as follows:

	<b>2024</b>	<b>2023</b>
	<i>RMB'000</i>	<i>RMB'000</i>
PRC	1,953,256	2,162,253
Hong Kong	27,714	28,363
	<u>1,980,970</u>	<u>2,190,616</u>

### *Information about major customers*

No revenue from transactions with a single external customer accounted for over 10% of the Group's revenue for the years ended 31 December 2024 and 2023.

## **5. Other income, gains and losses, net**

	<b>2024</b>	<b>2023</b>
	<i>RMB'000</i>	<i>RMB'000</i>
Exchange gains, net	49,874	22,227
Gains on disposals of investments		
accounted for using the equity method	14,472	19,842
Gains on disposals of property, plant and equipment	1,748	1,071
Losses on disposals of subsidiaries	(160,276)	(148,344)
Impairment losses on property, plant and equipment	(43,360)	(210,182)
Others	5,050	17,572
	<u>(132,492)</u>	<u>(297,814)</u>

## 6. Impairment losses on financial assets and contract assets, net of reversal

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Impairment losses recognised, net of reversal:		
– Trade and other receivables (note 12(d))	(10,253)	254
– Amounts due from non-controlling interests	882	(46,481)
– Amounts due from associates	(915)	1,788
– Amounts due from joint ventures	(1,285)	556
– Contract assets	(4)	(338)
	<u>(11,575)</u>	<u>(44,221)</u>

## 7. Finance income and costs, net

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Finance income from banks	<u>5,692</u>	<u>31,517</u>
Finance costs on bank and other borrowings, including senior notes	1,511,265	848,551
Finance costs on loans from non-controlling interests	<u>—</u>	<u>305,750</u>
	1,511,265	1,154,301
Less: Amount capitalised in respect of qualifying assets	<u>(1,249,052)</u>	<u>(991,325)</u>
	<u>262,213</u>	<u>162,976</u>
Finance income and costs, net	<u>(256,521)</u>	<u>(131,459)</u>
Weighted average interest rate on capitalised borrowings (per annum)	<u>10.33%</u>	<u>8.07%</u>

## 8. Loss before income tax

Loss before income tax is arrived at after charging (crediting):

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Staff costs (including directors' and chief executive's emoluments)		
– Salaries and allowances	169,103	355,589
– Sale commission and bonuses	4,853	38,174
– Retirement benefit costs	11,015	65,475
– Other staff welfare costs	33,831	40,915
	<u>218,802</u>	<u>500,153</u>
Less: Amount capitalised in respect of qualifying assets	(29,930)	(63,166)
	<u>188,872</u>	<u>436,987</u>
Auditor's remuneration		
– Audit services	3,558	3,534
– Non-audit services	338	—
	<u>3,896</u>	<u>3,534</u>
Depreciation of property, plant and equipment	47,287	77,887
Less: Amount capitalised in respect of qualifying assets	—	(43)
	<u>47,287</u>	<u>77,844</u>
Amortisation of intangible assets	9,980	11,348
Gross rental income from investment properties	23,754	23,753
Less: Outgoing in respect of investment properties that generated rental income during the year	(2,442)	(1,855)
	<u>21,312</u>	<u>21,898</u>
Cost of sales	10,902,079	4,774,758
<i>Including impairment loss on completed properties held for sales and properties under development for sales</i>	<u>(2,774,120)</u>	<u>(140,658)</u>
Operating lease payments	<u>4,723</u>	<u>3,816</u>

## 9. Income tax credit (expense)

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Current tax:		
– PRC enterprise income tax	(58,261)	(206,691)
– PRC land appreciation tax	48,272	(22,377)
	<u>(9,989)</u>	<u>(229,068)</u>
Deferred taxation	144,098	(415,671)
	<u>134,109</u>	<u>(644,739)</u>

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Company Law of Cayman Islands and, accordingly, is exempted from payment of Cayman Islands income tax. The group companies in the British Virgin Islands (“**BVI**”) were incorporated under the International Business Companies Act of the British Virgin Islands and, accordingly, exempted from British Virgin Islands income tax.

No provision has been made for Hong Kong profits tax as the companies in Hong Kong did not generate any assessable profits for the year ended 31 December 2024 (2023: nil).

Subsidiaries established and operating in the PRC are subject to PRC enterprise income tax at the rate of 25% for the year ended 31 December 2024 (2023: 25%).

PRC land appreciation tax is levied at progressive rates ranging from 30% to 60% (2023: 30% to 60%) on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including costs of land and development and construction expenditures.

## 10. Dividends

The Board did not recommend the payment of a final dividend for the years ended 31 December 2024 and 31 December 2023, nor has any dividend been proposed since the end of the reporting period.

## 11. Loss per share

The calculation of the basic loss per share attributable to owners of the Company is based on the following data:

	<b>2024</b>	<b>2023</b>
	<i>RMB'000</i>	<i>RMB'000</i>
<b>Loss figures are calculated as follows:</b>		
Loss for the year attributable to owners of the Company		
for the purpose of calculating basic and diluted loss for the year	<u>(2,759,631)</u>	<u>(1,555,932)</u>
	<b>2024</b>	<b>2023</b>
	<i>(thousands of</i>	<i>(thousands of</i>
	<i>shares)</i>	<i>shares)</i>
<b>Number of shares:</b>		
Weighted average number of ordinary shares for the purpose		
of calculating basic and diluted loss per share	<u>3,551,609</u>	<u>3,551,609</u>

No diluted earnings per share for both years were presented as there were no potential ordinary shares outstanding for both years.

## 12. Trade and other receivables and deposits

	<i>Notes</i>	<b>2024</b>	<b>2023</b>
		<i>RMB'000</i>	<i>RMB'000</i>
Trade receivables	(a)	277,295	224,702
Less: Impairments	(d)	<u>(51,141)</u>	<u>(49,192)</u>
		<u>226,154</u>	<u>175,510</u>
<i>Other receivables comprise:</i>	(b)		
– Interest receivables		12,183	11,923
– Others receivables		2,923,763	2,755,452
<i>Deposits comprise:</i>	(b)		
– Deposits with local real estate associations	(c)	65,970	169,997
– Deposits with labour department		5,077	7,794
– Deposits with treasury bureau		<u>11,082</u>	<u>10,990</u>
		3,018,075	2,956,156
Less: Impairments	(d)	<u>(396,671)</u>	<u>(388,367)</u>
		<u>2,621,404</u>	<u>2,567,789</u>
		<u><u>2,847,558</u></u>	<u><u>2,743,299</u></u>

Notes:

### (a) Trade receivables

Trade receivables mainly arise from sales of properties and provision of property management services.

Proceeds in respect of sales of properties are to be received in accordance with the terms of the related sale and purchase agreements. Credit terms are generally granted to certain customers and the customers are required to settle the receivables according to the sale and purchase agreements.

Property management services income are received in accordance with the terms of the relevant services agreements. Service income from provision of property management services is due for payment by the residents upon the issuance of demand note.

As at 31 December 2024, trade receivables from sales of properties of approximately RMB8,416,000 (2023: RMB3,240,000) are secured by the properties sold. The carrying amounts of trade receivables approximates their fair values and are interest-free.

The following is an ageing analysis of trade receivables presented based on revenue recognition date.

	<b>2024</b>	<b>2023</b>
	<i>RMB'000</i>	<i>RMB'000</i>
0 - 30 days	207,982	161,578
31 - 60 days	983	1,575
61 - 90 days	497	1,803
91 - 180 days	6,156	13,972
Over 180 days	61,677	45,774
	<u>277,295</u>	<u>224,702</u>

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9 *Financial Instruments*. A loss allowance of approximately RMB51,141,000 (2023: RMB49,192,000) was provided for the year ended 31 December 2024 mainly attributable to proceeds from property management services. The expected losses rate on the proceeds from sales of property is minimal, given there is no history of significant defaults from customers and insignificant impact from forward-looking estimates.



(b) Other receivables and deposits

The carrying amounts of other receivables and deposits approximate their fair values and are unsecured, interest-free and repayable on demand, except for RMB104,856,000 (2023: RMB106,735,000), net of allowance of RMB76,003,000 (2023: RMB79,018,000) which bear interests of 4.8% to 15.0% (2023:4.8% to 15.0%) per annum.

(c) Deposits with local real estate associations

The deposits with local real estate associations mainly included deposits made to PRC government bodies for future land development and site clearing for the listing-for-sale or in connection with the retention of the quality for properties construction as required by the relevant regulations in respect of the Group's property development projects.

(d) Impairments of trade and other receivables and deposits

Movements on the provision for impairments for trade and other receivables and deposits are as follows:

	<b>Trade receivables</b>	<b>Other receivables and deposits</b>	<b>Total</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Opening loss allowance as at 1 January 2023	38,460	399,353	437,813
Impairment loss recognised in profit or loss	10,732	(10,986)	(254)
Closing loss allowance as at 31 December 2023	49,192	388,367	437,559
Impairment loss recognised in profit or loss	1,949	8,304	10,253
Closing loss allowance as at 31 December 2024	<u>51,141</u>	<u>396,671</u>	<u>447,812</u>

(e) Others

The carrying amounts of the Group's trade and other receivables and deposits are denominated in the following currencies:

	<b>2024</b>	<b>2023</b>
	<i>RMB'000</i>	<i>RMB'000</i>
RMB	1,367,754	1,271,125
HK\$	365,022	464,499
US\$	1,114,782	1,007,675
	<u>2,847,558</u>	<u>2,743,299</u>

**13. Prepayments**

	<b>2024</b>	<b>2023</b>
	<i>RMB'000</i>	<i>RMB'000</i>
Prepayments comprise:		
– Prepaid other taxes	1,275,113	1,593,061
– Prepayments for construction costs	70,723	81,752
	<u>1,345,836</u>	<u>1,674,813</u>

#### 14. Trade and other payables

	<i>Notes</i>	<b>2024</b>	<b>2023</b>
		<i>RMB'000</i>	<i>RMB'000</i>
Trade payables	(a)	7,362,621	5,718,748
Accruals and other payables		4,797,843	5,034,395
Amounts due to shareholders	(b)	87,911	86,945
Other taxes payables		715,508	2,697,443
Dividend payables		4,819	4,716
Salary payables		16,755	23,982
Interest payables		1,228,446	546,899
Rental deposits received		6,813	5,798
		<u>14,220,716</u>	<u>14,118,926</u>

Notes:

(a) Trade payables

As at 1 January 2023, trade payable amounted to approximately RMB6,286,309,000.

The ageing analysis of the trade payables based on invoice date was as follows:

	<b>2024</b>	<b>2023</b>
	<i>RMB'000</i>	<i>RMB'000</i>
0 - 30 days	5,942,791	4,088,200
31 - 60 days	111,405	41,653
61 - 90 days	9,371	93,232
Over 91 days	1,299,054	1,495,663
	<u>7,362,621</u>	<u>5,718,748</u>

The carrying amounts of the Group's trade payables approximate their fair values due to their short maturities.

(b) Amounts due to shareholders

As at 31 December 2024 and 31 December 2023, the amounts due to shareholders are interest-free, unsecured and repayable within 1 year with repayment on demand clause.

(c) Others

The carrying amounts of the Group's trade and other payables are denominated in the following currencies:

	<b>2024</b>	<b>2023</b>
	<i>RMB'000</i>	<i>RMB'000</i>
RMB	11,274,425	12,927,971
US\$	276,048	387,878
HK\$	2,670,243	803,077
	<u>14,220,716</u>	<u>14,118,926</u>

## 15. Bank and other borrowings

	<i>Note</i>	<b>2024</b>	<b>2023</b>
		<i>RMB'000</i>	<i>RMB'000</i>
Bank and other borrowings comprise:			
– Senior notes, including accrued interests	(a)	8,138,211	7,366,579
– Bank borrowings	(b)	<u>7,853,256</u>	<u>8,222,188</u>
		<u>15,991,467</u>	<u>15,588,767</u>
The carrying amounts of bank and other borrowings based on scheduled repayment dates set out in the loan agreements			
Within one year or demand		15,681,357	14,905,305
More than one year, but not more than two years		300,235	377,388
More than two years, but not more than five years		7,405	302,537
More than five years		<u>2,470</u>	<u>3,537</u>
		15,991,467	15,588,767
The carrying amounts of bank and other borrowings that become immediately due and payable due to breach of loan covenants and/or contain a repayment on demand clause which was shown under current liabilities			
		<u>(15,688,767)</u>	<u>(14,913,558)</u>
Amounts shown under non-current liabilities		<u>302,700</u>	<u>675,209</u>
Analysed as:			
– Fixed-rates bank and other borrowings		10,698,514	10,063,341
– Variable-rates bank and other borrowings		<u>5,292,953</u>	<u>5,525,426</u>
		<u>15,991,467</u>	<u>15,588,767</u>
Analysed as:			
– Secured	(c)	15,987,547	15,580,069
– Unsecured		<u>3,920</u>	<u>8,698</u>
		<u>15,991,467</u>	<u>15,588,767</u>

Notes:

(a) Senior notes

The Group has issued the following senior notes which are listed in Singapore Exchange Securities Trading Limited:

Senior note	Interest		Maturity date	Par value	Outstanding balance	
	rate	Issue date			2024	2023
					RMB'000	RMB'000
13% Senior Note due 2023	13%	27 March 2020	27 May 2023	US\$150,000,000	6,159	5,429
11% Senior Note due 2022	11%	6 August 2020	6 August 2022	US\$320,800,000	82,212	72,530
9.9% Senior Note due 2024	9.9%	17 November 2020	17 February 2024	US\$266,000,000	2,312,780	2,112,442
10.5% Senior Note due 2023	10.5%	6 July 2021	5 January 2023	RMB600,000,000	645,605	586,481
8% Senior Note due 2023	8%	25 March 2022	23 March 2023	US\$184,944,000	1,367,650	1,251,831
13% Senior Note due 2023	13%	8 April 2022	7 April 2023	US\$146,720,000	1,208,833	1,082,859
11% Senior Note due 2023	11%	8 April 2022	6 August 2023	US\$262,288,000	2,256,255	2,023,617
11% Senior Note due 2023 II	11%	6 August 2022	6 August 2023	US\$31,000,000	258,717	231,390
Total					<u>8,138,211</u>	<u>7,366,579</u>

The interest of these senior notes is payable semi-annually in arrears.

The Group's senior notes as at 31 December 2024 totalling approximately RMB8,138,211,000 (2023: RMB7,366,579,000) are guaranteed by the Company and secured by the Group's equity interests in certain subsidiaries, and subject to the fulfilment of covenants relating to certain of the Group's financial indicators. The Group regularly monitors its compliance with these covenants.

### ***Default of senior notes***

As at 31 December 2024, the Group did not repay a senior note at carrying value and interests of approximately RMB8,138,211,000 (2023: RMB5,254,137,000) (“**Overdue Senior Note**”) in accordance with the contractual repayment schedules. Pursuant to the terms of the Overdue Senior Note, the Overdue Senior Note would be immediately due and payable upon the written request by note holders holding the requisite percentage in aggregate principal amount of the Overdue Senior Note.

Other than the Overdue Senior Note, as at 31 December 2023, senior notes at an aggregate carrying value and interest of RMB2,112,442,000 (“**Cross-default Senior Notes**”) contained a cross-default clause, under which Cross-default Senior Notes were considered cross defaulted if the Group failed to make principal payments of bank and other borrowings exceeding a prescribed amount. Pursuant to the terms of the Cross-default Senior Notes, the Cross-default Senior Notes would be immediately due and payable upon the written request by note holders holding the requisite percentage in aggregate principal amount of the Cross-default Senior Notes. Accordingly, the Group’s senior notes at an aggregate carrying value and interests of approximately RMB8,138,211,000 (2023: RMB7,366,579,000) have been presented as current liabilities as at 31 December 2024.

#### (b) Bank borrowings

As at 31 December 2024, the Group’s bank borrowings of approximately RMB4,914,230 (2023: RMB5,193,882,000), were secured by certain properties under development for sales with the carrying amount of approximately RMB3,840,609,000 (2023: RMB26,951,975,000), property, plant and equipment of approximately RMB383,806,000 (2023: RMB332,663,000) and investment properties of approximately RMB226,339,000 (2023: RMB368,393,000). The Group’s bank borrowings of approximately RMB5,489,607,000 (2023: RMB5,498,081,000) were guaranteed by the Company and secured by the Group’s equity interests in certain subsidiaries and associates and, assignment of insurance policy.

Bank borrowings bear interest from 3.44% to 24.00% (2023: 3.44% to 24.00%) per annum.

The carrying amounts of the Group’s bank borrowings approximate their fair values as the impact of discounting is not significant or the borrowings carry floating rate of interests that are at market rate.

### ***Default of bank borrowings***

As at 31 December 2024, the Group did not repay certain bank borrowings at an aggregate carrying value and interests of approximately RMB3,497,084,000 (2023: RMB3,463,473,000) (“**Overdue Borrowings**”) in accordance with the contractual repayment schedules. Pursuant to the terms of the Overdue Borrowings, the Overdue Borrowings would be immediately repayable if requested by the respective lenders.

Other than the Overdue Borrowings, as at 31 December 2024, RMB3,086,586,000 (2023: RMB3,234,200,000) of the Group’s bank borrowings at an aggregate carrying value and interests (“**Cross-default Borrowings**”) contained a cross-default clause in the respective financing agreements, under which Cross-default Borrowings were considered defaulted if any bank and other borrowings of the Group had been defaulted. Pursuant to the terms of the Cross-default Borrowings, the Cross-default Borrowings would be immediately due if requested by the lenders.

(c) Secured bank and other borrowings

As at 31 December 2024, the Group’s bank and other borrowings were secured by certain property, plant and equipment, investment properties and properties under development for sales amounted to approximately RMB368,393,000, RMB226,339,000 and RMB3,840,609,000 (2023: RMB332,663,000, RMB368,393,000 and RMB26,951,975,000), respectively and were also guaranteed by the Company and secured by the Group’s equity interests in certain subsidiaries and associates.

(d) Others

The Group’s bank and other borrowings are denominated in the following currencies:

	<b>2024</b>	<b>2023</b>
	<i>RMB’000</i>	<i>RMB’000</i>
US\$	8,697,749	7,965,135
RMB	6,316,834	6,685,028
HK\$	976,884	938,604
	<u>15,991,467</u>	<u>15,588,767</u>



## 16. Related parties transactions

An analysis of the amounts due (from) to Redco Healthy Group, other than trade payables, is as follows:

	<b>2024</b>	<b>2023</b>
	<i>RMB'000</i>	<i>RMB'000</i>
Amounts due to Redco Healthy Group - other than trade payables	66,345	73,171
Amounts due from Redco Healthy Group - other than trade payables	<u>(3,687)</u>	<u>(12,223)</u>
Amounts due to Redco Healthy Group - other than trade payables	<u><u>62,658</u></u>	<u><u>60,948</u></u>

All these transactions and balances were eliminated in the consolidated financial statements of the Company.

## 17. Events after the reporting period

Other than as disclosed elsewhere in these consolidated financial statements, the Company did not have any significant events after the end of the reporting period.

## **BUSINESS OVERVIEW**

In 2024, the global economy struggled forward amid turbulence. The international environment remained complex, with weak economic growth momentum, rising trade protectionism, and recurring geopolitical conflicts continuously impacting the global economic landscape. Although certain economies have attempted to stimulate economic development through monetary policy adjustments, overall economic growth remained under significant pressure. The recovery process was not only slow but also exhibited clear signs of imbalance.

Being exposed to a complex and challenging domestic and international environment, China's economy in 2024 demonstrated strong resilience and pressure resistance. The economic structure continued to optimise and upgrade, with an annual gross domestic product (“GDP”) of RMB134.91 trillion, representing a 5% year-on-year growth, maintaining a reasonable range. The “three drivers of economic growth” of consumption, investment, and exports played roles in different areas: the consumer market continued to upgrade, the investment structure kept improving, and exports sought new growth points amid trade friction, ensuring overall economic stability. However, domestic effective demand is insufficient, there are pains in the transformation of old and new growth drivers, and the restoration of endogenous momentum still needs to be steadily promoted and continuously deepened.

In terms of the real estate market, the decline in the scale of new home transactions slowed down in 2024, with the annual sales area of commercial properties at 970 million square metres (“sq. m.”), representing a decrease of 13% year-on-year; while sales value amounted to RMB9.6 trillion, representing a decrease of 17% year-on-year. The Central People’s Government has continued to strengthen policy expectation management through a series of measures, including lowering payment ratios, reducing mortgage interest rates, optimising purchase restrictions, adjusting the definition of ordinary housing, and expanding the whitelist, all aimed at lowering thresholds for purchasing properties and restoring confidence in property purchase. From easing restrictions to introducing stimulus policies, comprehensive market-boosting measures have been implemented, but a full recovery in market confidence will still take time.

Facing the ongoing deep adjustments in the industry and a complex, ever-changing market environment, Redco Properties Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) has forged ahead despite challenges, always considering stable operations as the lifeline for corporate development and fully committing to its core task of “guaranteed delivery”. In 2024, the Group successfully completed the delivery of multiple projects in cities such as Tianjin, Nanchang, Changsha, Zhanjiang, Wuxi, Hefei, Ganzhou, Suzhou, Anqing, Quanzhou and Foshan. In response to new changes and trends in the real estate market’s supply-demand dynamics, and under the guidance of policies aimed at accelerating the establishment of a new real estate development model, the Group has proactively adapted to policy shifts, prudently formulated operational strategies, promoted the collection of sales payments, and comprehensively implemented sophisticated management practices. By continuously improving operational efficiency, the Group has laid a solid foundation for its sustainable development.

## PROPERTY DEVELOPMENT AND INVESTMENT PROJECTS

As at 31 December 2024, the Group's property portfolio comprised 89 property development and investment projects with an aggregate gross floor area (“GFA”) of 10,629,086 sq. m. under various stages of development remaining unsold in various cities in the People's Republic of China (the “PRC”). The following table sets forth a summary of the Group's property development and investment projects as at 31 December 2024:

<b>Project</b>	<b>Site area<sup>(1)</sup> (sq. m.)</b>	<b>Total GFA<sup>(2)</sup> (sq. m.)</b>	<b>Total GFA under various stages of development remaining unsold<sup>(3)</sup> (sq. m.)</b>
<b>JIANGXI REGION</b>			
<b>Spain Standard</b> 力高國際城	466,665	861,274	3,069
<b>Riverside International</b> 濱江國際	37,346	164,000	1,469
<b>Bluelake County</b> 瀾湖郡	135,285	286,795	14,140
<b>Bluelake International</b> 瀾湖國際	47,151	113,323	1,152
<b>The Garden of Spring</b> 十里春風	30,378	15,278	11,273

<b>Project</b>	<b>Site area<sup>(1)</sup> (sq. m.)</b>	<b>Total GFA<sup>(2)</sup> (sq. m.)</b>	<b>Total GFA under various stages of development remaining unsold<sup>(3)</sup> (sq. m.)</b>
<b>Delight Scenery</b> 悦景臺	62,455	123,857	15,270
<b>YONG Lake Scenic Center</b> 雍湖景畔	132,505	412,507	163,009
<b>Life Sunshine Town</b> 生命陽光城	33,396	50,182	50,182
<b>The Phoenix – Phase I</b> 鳳凰新天一期	16,295	78,178	8,287
<b>The Phoenix – Phase II</b> 鳳凰新天二期	39,030	155,618	123,514
<b>One Riverside Glory</b> 君譽濱江一期	52,896	158,124	38,819
<b>Two Riverside Glory</b> 君譽濱江二期	42,301	100,623	69,062

<b>Project</b>	<b>Site area<sup>(1)</sup> (sq. m.)</b>	<b>Total GFA<sup>(2)</sup> (sq. m.)</b>	<b>Total GFA under various stages of development remaining unsold<sup>(3)</sup> (sq. m.)</b>
<b>Leisure's Mansion</b> 君逸府	49,336	135,797	50,487
<b>Rivera Mansion</b> 雍江府	101,009	311,874	221,126
<b>Royal Impression</b> 君譽印象	49,781	148,610	91,414
<b>River Forest West Side Phase I</b> 江樾府項目西區一期	21,327	47,016	47,016
<b>River Forest East Side Phase I</b> 江樾府項目東區一期	32,709	75,302	75,302
<b>Royal Country</b> 尚郡	44,137	112,713	85,117
<b>Royal River Mansion</b> 御江府	23,569	45,842	22,776

<b>Project</b>	<b>Site area<sup>(1)</sup> (sq. m.)</b>	<b>Total GFA<sup>(2)</sup> (sq. m.)</b>	<b>Total GFA under various stages of development remaining unsold<sup>(3)</sup> (sq. m.)</b>
<b>TIANJIN REGION</b>			
<b>Sunshine Coast</b> 陽光海岸	481,394	1,445,893	633,775
<b>Land Lot Nos. A1 and A2</b> A1及A2號地塊	69,336	55,469	55,469
<b>Perfection Ocean</b> 理想海	159,466	316,654	202,120
<b>Luminescence Ocean</b> 拾光海	68,827	130,922	21,154
<b>HUNAN REGION</b>			
<b>Changsha Phoenix</b> 長沙鳳凰新天	18,002	128,168	76,827
<b>Hangao Academy Mansion</b> 漢高學士府	67,614	252,117	140,695
<b>Royal Terrace</b> 雍璽台	111,028	432,514	398,395
<b>Kingdom Forest</b> 江山樾	131,774	452,380	452,380

<b>Project</b>	<b>Site area<sup>(1)</sup> (sq. m.)</b>	<b>Total GFA<sup>(2)</sup> (sq. m.)</b>	<b>Total GFA under various stages of development remaining unsold<sup>(3)</sup> (sq. m.)</b>
<b>ZHEJIANG REGION</b>			
<b>Cloud Metropolis</b> 雲都會	132,701	467,685	218,288
<b>Peach Creek Villa</b> 桃溪雲廬	25,475	61,680	14,955
<b>Glory Joy Palace</b> 耀悦雲庭	78,512	241,628	74,904
<b>Lagoon Palace</b> 潭影雲廬	82,512	113,512	113,512
<b>Hanru Pavilion</b> 翰如府	30,894	98,201	98,201
<b>Fenghua Garden</b> 峰華苑	64,011	163,058	163,058



<b>Project</b>	<b>Site area<sup>(1)</sup> (sq. m.)</b>	<b>Total GFA<sup>(2)</sup> (sq. m.)</b>	<b>Total GFA under various stages of development remaining unsold<sup>(3)</sup> (sq. m.)</b>
<b>JIANGSU REGION</b>			
<b>Jade Grand Mansion</b> 璞悦新邸	41,533	126,601	102,609
<b>Violet Mist Land</b> 紫雲朗境	88,043	244,037	162,508
<b>Leisure's Mansion (Chuzhou)</b> 君逸府 (滁州)	199,538	515,390	440,816
<b>Time Spring Palace</b> 時光汎樾	57,962	144,394	46,386
<b>Yanshan Impression</b> 燕山映	61,021	163,484	20,665
<b>Phoenix Isle</b> 鳳嶼山河	102,511	185,929	123,140
<b>Leisure's Mansion (Wuxi)</b> 君逸府 (無錫)	16,403	37,171	37,171

<b>Project</b>	<b>Site area<sup>(1)</sup> (sq. m.)</b>	<b>Total GFA<sup>(2)</sup> (sq. m.)</b>	<b>Total GFA under various stages of development remaining unsold<sup>(3)</sup> (sq. m.)</b>
<b>SHANDONG REGION</b>			
<b>Bluelake County</b> 瀾湖郡	68,066	256,659	1,739
<b>Royal Family</b> 君御世家	30,682	131,920	18,517
<b>Imperial Mansion</b> 君御華府	44,966	125,742	8,202
<b>Redco Visionary</b> 力高未來城一期	90,617	311,327	37,663
<b>Redco Visionary II</b> 力高未來城二期	236,992	607,996	389,296
<b>Spring Villa</b> 雍泉府	268,113	596,669	318,738
<b>Jiyang II</b> 濟陽大二期	166,967	389,510	389,510
<b>Grand Mansion</b> 君悅首府	60,940	175,440	172,319
<b>Leisure's Mansion</b> 君逸府	34,290	111,703	19,823

<b>Project</b>	<b>Site area<sup>(1)</sup> (sq. m.)</b>	<b>Total GFA<sup>(2)</sup> (sq. m.)</b>	<b>Total GFA under various stages of development remaining unsold<sup>(3)</sup> (sq. m.)</b>
<b>Sunshine Coast - Phase I</b> 陽光海岸－第一期	51,694	93,513	6,593
<b>Sunshine Coast - Phase II</b> 陽光海岸－第二期	21,371	34,388	1,293
<b>Sunshine Coast - Phase III</b> 陽光海岸－第三期	33,142	81,358	2,826
<b>Sunshine Coast - Phase IV</b> 陽光海岸－第四期	63,411	213,815	88,533
<b>Sunshine Coast - Phase V</b> 陽光海岸－第五期	99,194	199,574	59,969
<b>Sunshine Coast - Phase VI</b> 陽光海岸－第六期	60,578	286,042	286,042
<b>Sunshine Coast - Phase VII</b> 陽光海岸－第七期	50,954	267,967	267,967
<b>Visionary B2 Lot</b> 未來城B2部分地塊	10,734	50,489	50,489
<b>Visionary A7 Lot</b> 未來城A7部分地塊	23,651	75,335	75,335

<b>Project</b>	<b>Site area<sup>(1)</sup> (sq. m.)</b>	<b>Total GFA<sup>(2)</sup> (sq. m.)</b>	<b>Total GFA under various stages of development remaining unsold<sup>(3)</sup> (sq. m.)</b>
<b>ANHUI REGION</b>			
<b>Mix Kingdom Redco</b> 力高•共和城	395,596	823,818	65,788
<b>Prince Royal Family</b> 君御世家	88,026	300,888	21,204
<b>Royal International</b> 君御國際	43,873	114,894	14,001
<b>Bluelake City</b> 瀾湖前城	76,059	229,942	28,797
<b>Majestic Residence</b> 天悦府	67,931	198,138	55,160
<b>Cloud Terrace</b> 雲湖印	47,925	130,636	28,613
<b>Royal Universe</b> 君御天下	83,478	147,309	15,028
<b>Leisure's Mansion (Hefei)</b> 君逸府(合肥)	47,098	123,142	37,196
<b>Zhengwu Future</b> 政務未來	61,873	194,654	137,063
<b>Leisure's Mansion (Fuyang)</b> 君逸府(阜陽)	107,513	217,286	217,286

<b>Project</b>	<b>Site area<sup>(1)</sup> (sq. m.)</b>	<b>Total GFA<sup>(2)</sup> (sq. m.)</b>	<b>Total GFA under various stages of development remaining unsold<sup>(3)</sup> (sq. m.)</b>
<b>HUBEI REGION</b>			
<b>Redco Courtyard</b> 雍湖灣	100,411	112,217	81,679
<b>Redco Majestic Residence</b> 力高天悦府一期	53,392	198,072	52,675
<b>Redco Majestic Residence II</b> 力高天悦府二期	42,513	157,435	157,435
<b>GUANGDONG REGION</b>			
<b>Royal International</b> 力高君御花園	33,035	138,834	11,271
<b>Royal Family</b> 君御世家	30,820	90,494	2,060
<b>Bluelake Landmark</b> 瀾湖峯景	28,113	69,275	10,035
<b>Center Mansion</b> 君熙府	17,428	74,618	5,729
<b>Royal Mansion</b> 君譽府	13,611	36,217	20,882

<b>Project</b>	<b>Site area<sup>(1)</sup> (sq. m.)</b>	<b>Total GFA<sup>(2)</sup> (sq. m.)</b>	<b>Total GFA under various stages of development remaining unsold<sup>(3)</sup> (sq. m.)</b>
<b>Bluelake Mansion</b> 瀾湖公館	12,544	41,452	41,452
<b>Sky Palace</b> 雲築花園	48,179	220,955	123,200
<b>Sky Terrace</b> 雲峰閣	27,820	85,792	25,727
<b>Huizhou Leisure's Mansion</b> 惠州君逸府	24,956	100,123	35,369
<b>Blissful Bay</b> 悦璟灣	71,946	258,947	102,147
<b>Jiangmen Leisure's Mansion</b> 江門君逸府	65,359	228,798	198,390
<b>Riverside One</b> 濱湖壹號	340,176	969,560	969,560
<b>Zengcheng Project</b> 增城項目	29,306	153,177	153,177
<b>Eco Garden</b> 頤尚嘉園	51,714	193,458	138,790
<b>Pearl Mira</b> 印玥萬璟	74,746	246,418	216,424

<b>Project</b>	<b>Site area<sup>(1)</sup> (sq. m.)</b>	<b>Total GFA<sup>(2)</sup> (sq. m.)</b>	<b>Total GFA under various stages of development remaining unsold<sup>(3)</sup> (sq. m.)</b>
<b>FUJIAN REGION</b>			
<b>Mount Yuelan</b> 越瀾山	186,656	518,725	358,231
<b>Emperor Palace</b> 君樽府	30,108	70,182	19,694
<b>Qianxihui Square</b> 仟喜薈廣場	154,359	473,505	400,657
<b>TOTAL</b>			<b><u><u>10,629,086</u></u></b>

1. Information for “site area” is based on relevant land use rights certificates, land grant contracts, tender documents, or other relevant agreements (as the case may be).
2. “Total GFA” is based on surveying reports, construction works commencement permits and/or construction works planning permits or the relevant land grant contract and/or public tender, listing-for-sale or auction confirmation letter.
3. “Total GFA under various stages of development remaining unsold” includes the GFA of the completed projects remaining unsold, GFA of projects under development and the GFA of projects for future development.

## Financial Review

### Revenue

Revenue for the year ended 31 December 2024 increased by 53.6% to approximately RMB8,200.7 million from approximately RMB5,339.4 million for the year ended 31 December 2023. The increase in total revenue was primarily attributable to the increase in sales of properties during the year ended 31 December 2024.

The following table sets out a breakdown of the Group's revenue, GFA delivered and recognised average selling price (the "ASP") by geographical segments for the years indicated:

	For the year ended 31 December					
	2024	2023	2024	2023	2024	2023
	<i>Revenue</i> <i>(RMB'000)</i>		<i>GFA Delivered</i> <i>(sq. m.)</i>		<i>Recognised ASP</i> <i>(RMB per sq. m.)</i>	
<b>Greater Western Taiwan Straits</b>						
Economic Zone	1,890,807	1,813,916	197,019	228,168	9,597	7,950
Central and Western Regions	4,049,563	1,850,617	399,461	201,535	10,138	9,183
Bohai Economic Rim	754,278	712,638	109,104	86,527	6,913	8,236
Greater Bay Area	1,046,075	528,328	117,420	69,984	8,909	7,549
<b>Others</b>						
– Property management services and community value-added services	373,420	358,136	—	—	—	—
– Project management services	291	2,914	—	—	—	—
– Rental income	23,142	25,745	—	—	—	—
– Others	63,087	47,124	—	—	—	—
<b>Total</b>	<b>8,200,663</b>	<b>5,339,418</b>	<b>823,004</b>	<b>586,214</b>	<b>9,405</b>	<b>8,368</b>



The sales of properties increased from RMB4,867.2 million for the year ended 31 December 2023 to RMB7,740.7 million for the year ended 31 December 2024. Total GFA delivered increased by 40.4% from 586,214 sq. m. for the year ended 31 December 2023 to 823,004 sq. m. for the year ended 31 December 2024. The recognised ASP increased from RMB8,368 per sq. m. for the year ended 31 December 2023 to RMB9,405 per sq. m. for the year ended 31 December 2024.

Others mainly represent revenue from property management services, value-added services and community value-added services provided by Redco Healthy Living Company Limited (“**Redco Healthy**”), a subsidiary of the Company and the shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (stock code: 2370). The project management services income mainly refers to the income from the provision of management and consultancy services to project companies.

### ***Gross loss/profit***

The Group turned from a gross profit of RMB564.7 million for the year ended 31 December 2023 to a gross loss of RMB2,701.4 million for the year ended 31 December 2024. The Group recorded a gross profit margin of 10.6% for the year ended 31 December 2023 and a gross loss margin of 32.9% for the year ended 31 December 2024. The turnaround from gross profit to gross loss was mainly attributable to the unfavorable macroeconomic environment and the downturn of the real estate industry in the PRC which exerted pressure on the selling price of the Group’s properties, leading to low or negative gross profit margin for projects completed and/or delivered and causing impairment loss on completed properties held for sales and properties under development for sales for the year ended 31 December 2024.

### ***Other losses, net***

The Group recognised net other losses of RMB297.8 million for the year ended 31 December 2023, which mainly representing impairment loss on property, plant and equipment of RMB210.2 million and the loss of disposals of subsidiaries of RMB148.3 million. The Group recognised net other losses of approximately RMB132.5 million for the year ended 31 December 2024, mainly representing loss on disposals of subsidiaries of RMB160.3 million.

### ***Selling and marketing expenses***

Selling and marketing expenses mainly represent expenses incurred in the promotion of the Group's properties and the sales commission to the sales teams. Selling and marketing expenses decreased by 57.9% to approximately RMB200.7 million for the year ended 31 December 2024 from approximately RMB477.1 million for the year ended 31 December 2023. The decrease was mainly due to the strict control over the marketing expenses by the Group for the year ended 31 December 2024.

### ***General and administrative expenses***

General and administrative expenses decreased by 30.4% to approximately RMB377.2 million for the year ended 31 December 2024 from approximately RMB541.6 million for the year ended 31 December 2023. Such decrease was mainly attributable to the strict control of general and administrative expenses and the optimisation of corporate structure by the Group for the year ended 31 December 2024 in order to reduce expenses.

### ***Decrease in fair value of investment properties***

There was a decrease in fair value of investment properties of RMB338.9 million for the year ended 31 December 2023 whereas there was a decrease in fair value of investment properties of RMB122.0 million for the year ended 31 December 2024. The decrease in fair value of investment properties for the year ended 31 December 2024 mainly represents the decrease in the value on the commercial properties of The Phoenix- Phase II in Nanchang and certain portion of the cultural park in Tianjin.

### ***Impairment losses on financial assets and contract assets, net of reversal***

The impairment losses on financial assets and contract assets, net of reversal decreased from approximately RMB44.2 million for the year ended 31 December 2023 to approximately RMB11.6 million for the year ended 31 December 2024. The amount of impairment on financial assets and contract assets, net of reversal was mainly due to the impairment of trade and other receivables.

### ***Finance costs***

Finance costs increased by 60.9% to approximately RMB262.2 million for the year ended 31 December 2024 from approximately RMB163.0 million for the year ended 31 December 2023. The amounts represents interest expense which is not eligible to be capitalised to projects under development of the Group.

### ***Share of results of investments accounted for using the equity method, net***

The Group recorded share of loss of investments accounted for using the equity method, net of approximately RMB20.5 million for the year ended 31 December 2024, as compared to the net income from the investment using equity method of approximately RMB41.4 million for the year ended 31 December 2023. The turnaround from income to loss was mainly attributable to the operating losses of joint ventures and associates for the year ended 31 December 2024 while there is a share of revenue for Yixing Time Spring Palace Project and Huizhou Sky Palace during the year ended 31 December 2023.

### ***Income tax credit/expense***

Income tax changed from income tax expense of approximately RMB644.7 million for the year ended 31 December 2023 to income tax credit of approximately RMB134.1 million for the year ended 31 December 2024, mainly attributable to the combined effect of the decrease in provision of income tax expense as a result of the turnaround from gross profit margin to gross loss margin recorded for the year ended 31 December 2024 and reversal of over-provision of land appreciation tax in the prior year.

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

As a result of the foregoing, the Group recorded a loss for the year ended 31 December 2024 of approximately RMB3,688.3 million as compared with loss for the year ended 31 December 2023 of approximately RMB1,869.8 million, which was mainly attributable to low or negative gross profit margin for projects completed and/or delivered for the year ended 31 December 2024 for the reasons set out under “Gross loss/profit” above.

### ***Loss for the year attributable to owners of the Company***

As a result of the foregoing, the Company recorded a loss attributable to owners of the Company of approximately RMB2,759.6 million for the year ended 31 December 2024 from a loss attributable to owners of the Company of approximately RMB1,555.9 million for the year ended 31 December 2023, which was mainly attributable to low or negative gross profit margin for projects completed and/or delivered for the year ended 31 December 2024 for the reasons set out under “Gross loss/profit” above.

## **Liquidity and Capital Resources**

### ***Cash Position***

The Group had cash and cash equivalents of approximately RMB332.9 million (31 December 2023: RMB792.3 million) and restricted cash of RMB478.5 million (31 December 2023: RMB1,805.2 million) as at 31 December 2024. As at 31 December 2024, the Group’s cash and cash equivalents were mainly denominated in RMB.

## Borrowings

As at 31 December 2024, the Group had borrowings of approximately RMB15,991.5 million (31 December 2023: RMB15,588.8 million) which were denominated in RMB, US\$ and HK\$.

	<b>As at 31 December</b>	
	<b>2024</b>	<b>2023</b>
	<i>RMB'000</i>	<i>RMB'000</i>
Bank and other borrowings comprise:		
– Senior notes, including accrued interests	<b>8,138,211</b>	7,366,579
– Bank borrowings	<b>7,853,256</b>	8,222,188
	<b><u>15,991,467</u></b>	<b><u>15,588,767</u></b>
The carrying amounts of bank and other borrowings based on scheduled repayment dates set out in the loan agreements		
Within one year or demand	<b>15,681,357</b>	14,905,305
More than one year, but not more than two years	<b>300,235</b>	377,388
More than two years, but not more than five years	<b>7,405</b>	302,537
More than five years	<b>2,470</b>	3,537
	<b><u>15,991,467</u></b>	<b><u>15,588,767</u></b>
The carrying amounts of bank and other borrowings that become immediately due and payable due to breach of loan covenants and/or contain a repayment on demand clause which was shown under current liabilities	<b><u>(15,688,767)</u></b>	<b><u>(14,913,558)</u></b>
Amounts shown under non-current liabilities	<b><u>302,700</u></b>	<b><u>675,209</u></b>
Analysed as:		
– Fixed-rates bank and other borrowings	<b>10,698,514</b>	10,063,341
– Variable-rates bank and other borrowings	<b>5,292,953</b>	5,525,426
	<b><u>15,991,467</u></b>	<b><u>15,588,767</u></b>
Analysed as:		
– Secured	<b>15,987,547</b>	15,580,069
– Unsecured	<b>3,920</b>	8,698
	<b><u>15,991,467</u></b>	<b><u>15,588,767</u></b>

The amounts based on the scheduled repayment dates set out in the loan agreements and the maturities of the Group's total borrowings at the respective balance sheet dates (i.e. ignoring the effect of any repayment on demand clause) are shown below:

	<b>As at 31 December</b>	
	<b>2024</b>	<b>2023</b>
	<i>RMB'000</i>	<i>RMB'000</i>
Amounts of borrowings that are repayable:		
– Within 1 year	<b>15,681,357</b>	14,905,305
– Between 1 and 2 years	<b>300,235</b>	377,388
– Between 2 and 5 years	<b>7,405</b>	302,537
– More than 5 years	<b>2,470</b>	3,537
	<u>15,991,467</u>	<u>15,588,767</u>
Total borrowings	<u><b>15,991,467</b></u>	<u>15,588,767</u>

The carrying amounts of the Group's bank borrowings approximate their fair values as the impact of discounting is not significant or the borrowings carrying floating rate of interests that are at market rate.

### ***Other performance indicators***

#### **Gearing ratio**

As at 31 December 2024, the Group's gearing ratio was -1,056% (31 December 2023: 426%). It is calculated as net debt divided by total deficiency/equity. Net debt is calculated as total borrowing less cash and bank balance (including cash and cash equivalents and restricted cash). Total deficiency/equity is as shown in the consolidated balance sheet.

### **Net current liabilities/assets and current ratio**

As at 31 December 2024, the Group's net current liabilities amounted to approximately RMB3,872.8 million (31 December 2023: net current assets of RMB272.0 million). The Group's current ratio, which is calculated as current assets divided by current liabilities, was approximately 0.91 times as at 31 December 2024 (31 December 2023: 1.01 times).

### ***Financial guarantees***

The Group had the following financial guarantees on mortgage facilities as at the dates below:

	<b>As at 31 December</b>	
	<b>2024</b>	<b>2023</b>
	<i>RMB'000</i>	<i>RMB'000</i>
Guarantees in respect of mortgage facilities for certain purchasers of the Group's properties	<b><u>9,313,630</u></b>	<b><u>10,251,399</u></b>

The Group arranges bank financing for certain purchasers of the Group's properties and provided guarantees to secure the repayment obligations of such purchasers. Such guarantees will terminate upon the earlier of (i) the transfer of the real estate ownership certificates to the purchasers which will generally occur within the period ranging from six months to three years from the completion of the guarantee registration; or (ii) the satisfaction of the terms of the mortgage loans by the purchasers of the properties.

Pursuant to the terms of the guarantees, upon default of mortgage payments by these purchasers, the Group is obliged to repay the outstanding mortgage principal together with accrued interest and penalties owed by the defaulting purchasers to the banks and the Group is entitled to retain the legal title and take over the possession of the related properties. The Group's guarantee period starts from the date of the grant of the relevant mortgage. The Directors consider that the likelihood of default of payments by the purchasers is minimal and their obligations are well covered by the value of the properties and therefore the fair value of financial guarantees is immaterial.

There were certain corporate guarantees provided by the Group's subsidiaries for each other's borrowings as at 31 December 2024. The Directors consider that the subsidiaries have sufficient financial resources to fulfil their obligations.

As at 31 December 2024, there were also certain corporate guarantees provided by the Group to its joint ventures and associates and third parties in respect of their borrowings and the maximum exposure of the guarantees was RMB1,322,930,000 (31 December 2023: RMB1,120,890,000).

Save as disclosed above, the Group and the Company had no other significant financial guarantees as at 31 December 2024 and 31 December 2023.

### **Employees and remuneration policies**

As at 31 December 2024, the Group had 2,266 employees (31 December 2023: 2,859 employees). For the year ended 31 December 2024, the remuneration of the Group's employees (including Directors' emoluments) amounted to approximately RMB218.8 million. The remuneration of the Group's employees includes basic salaries, allowances, bonus and other employee benefits. The Group's remuneration policy for the Directors and senior management members was based on their experience, level of responsibility and general market conditions. Any discretionary bonus and other merit payments are linked to the profit performance of the Group and the individual performance of the Directors and senior management members. The Group provided on-the-job training, induction courses together with other training programmes for the employees at different levels to raise their professionalism during the year ended 31 December 2024.

### **Charge on assets**

As at 31 December 2024, the borrowings of the Group were secured by (i) corporate guarantees of the Company; (ii) certain land and properties under development for sale provided by the Group's subsidiaries; (iii) an investment property; and (iv) the Group's equity interests in certain subsidiaries.



The Group's senior notes are guaranteed by certain subsidiaries of the Company which are located in the PRC and secured by shares of certain subsidiaries of the Company which are incorporated outside the PRC.

### **Significant investments held, material acquisitions and disposals of subsidiaries and associated companies**

There were no significant investments held, nor were there any material acquisitions or disposals of subsidiaries and associated companies during the year ended 31 December 2024.

### **Future plans for material investments or capital assets**

The Company did not have any plans of significant investments or capital assets as at 31 December 2024.

### **Important events affecting the Group after 31 December 2024**

Since 31 December 2024 and up to the date of this announcement, the downturn in the real estate industry in the PRC has had an impact on the Group's going concern assessment as detailed in the note 2 to the consolidated financial statements contained in this announcement.

Save as disclosed above, no other important event affecting the Group has taken place since 31 December 2024 and up to the date of this announcement.

### **2025 OUTLOOK**

Today, the world is in the midst of a period of change unparalleled in centuries, and the global economy is facing multiple uncertainties in 2025, making the situation complex and volatile. Factors such as ongoing geopolitical conflicts, rising trade protectionism, the restructuring of global industrial chains, and fluctuations in energy supply are intertwining, exerting pressure on global economic growth and posing challenges to China's economic development. China's economy will accelerate the formation of new productive forces and promote high-quality development. In order to deal with the uncertainties in the external environment and enhance the internal momentum of the economy, efforts will be made to promote stability and recovery in the real estate market, as well as to boost consumer demand.

In terms of the market, the real estate industry is gradually moving towards a new balance status under the guidance of policies. Sales volume is expected to bottom out and stabilise in the near future, with the focus of future policies shifting towards effective implementation and execution. As the economy steadily recovers, it is expected that the market will complete its phased short-term adjustment in 2025, and demand for property purchases is expected to be gradually released, with market confidence seeing substantial repair. Although the demand side is showing an upward trend, significant inventory pressure in the industry means that controlling the number of new housing projects will be a key theme in the sector's development in the near future.

In 2025, the Group will align closely with the core objective of “continuing efforts to stabilise and recover the real estate market while constructing a new development model (持續用力推動房地產市場止跌回穩, 構建發展新模式)” as outlined by the China Central Economic Work Conference. The Company will reassess its strategic positioning, monitor policy trends and market dynamics in real time, exercise strict control over operating costs, and enhance capital efficiency. Additionally, it will further strengthen risk management and prevention capabilities, uphold the principle of “guaranteed delivery”, and remain committed to sustainable development, achieving a balanced integration of economic and social benefits. The Group believes that through precise strategic positioning and proactive, effective operational measures, it will be able to adapt to market changes, maintain a positive outlook and a pragmatic approach, capitalise on collective strengths, and drive sustainable, long-term growth for the Group.

## **FINAL DIVIDEND**

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

## **CLOSURE OF REGISTER OF MEMBERS**

For the purpose of determining the shareholders of the Company (the “**Shareholder(s)**”) who are entitled to attend and vote at the annual general meeting of the Company for the year ended 31 December 2024 (the “**2024 AGM**”) to be convened and held on Wednesday, 25 June 2025, the register of members of the Company will be closed from Friday, 20 June 2025 to Wednesday, 25 June 2025, both days inclusive. In order to qualify for attending and voting at the 2024 AGM, all transfer documents should be lodged for registration with Company’s Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Thursday, 19 June 2025.

## **CORPORATE GOVERNANCE CODE**

The Company has applied the principles of corporate governance and complied with the code provisions as set out in Part 2 of the Corporate Governance Code contained in Appendix C1 (the “**CG Code**”) to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) for the year ended 31 December 2024, save for the deviation for reasons set out below.

Code Provision B.2.2 of Part 2 of the CG Code provides that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. However, Mr. Huang Ruoqing, an executive Director, has not retired and stood for re-election during the year ended 31 December 2023 as the annual general meeting of the Company was not timely held during the year ended 31 December 2023. At the annual general meeting for the year ended 31 December 2022 (the “**2022 AGM**”) and the annual general meeting for the year ended 31 December 2023 (the “**2023 AGM**”) of the Company convened and held on Friday, 28 June 2024, resolutions were put forward for the Shareholders to consider and, if thought fit, approve (among other things) the re-election of Mr. Huang Ruoqing, Mr. Chau On Ta Yuen SBS, BBS, Mr. Wong Yeuk Hung JP, Mr. Tang Chengyong and Dr. Tam Kam Kau GBS, SBS, JP in accordance with the articles of association of the Company and the CG Code. Accordingly, since the 2022 AGM and 2023 AGM, the Company has been in compliance with Code Provision B.2.2 of Part 2 of the CG Code.

The Company has engaged an independent internal control consultant to conduct a review on its internal control system. For details of the findings of such internal control review, please refer to the announcement of the Company dated 24 October 2024.

The Board will continue to review and monitor the practices of the Company with an aim to maintaining and improving a high standard of corporate governance practices.

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

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the “**Model Code**”) as its code of conduct regarding Directors’ securities transactions. Upon specific enquiries, all Directors confirmed that they have complied with the Model Code during the year ended 31 December 2024.

### **PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES**

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities (including sale of treasury shares) for the year ended 31 December 2024. As at 31 December 2024, the Company did not hold any treasury shares.

### **AUDIT COMMITTEE**

The Board has established an audit committee (the “**Audit Committee**”) which comprises three independent non-executive Directors, namely, Mr. Chau On Ta Yuen SBS, BBS, Dr. Tam Kam Kau GBS, SBS, JP and Mr. Yip Tai Him, with Mr. Yip Tai Him being the chairman of the Audit Committee. The Audit Committee has reviewed the annual results for the year ended 31 December 2024.

## **SCOPE OF WORK OF THE AUDITOR**

The figures in respect of this preliminary announcement of the Group’s results for the year ended 31 December 2024 have been agreed by the Group’s auditor, SFAI (HK) CPA Limited (“SFAI”) (formerly known as Yongtuo Fuson CPA Limited), to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by SFAI in this respect did not constitute an assurance engagement performed in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by SFAI on the preliminary announcement.

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

The following is an extract of the independent auditor’s report on the consolidated financial statements of the Group for the year ended 31 December 2024.

### **Disclaimer of Opinion**

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

## **Basis for Disclaimer of Opinion**

### ***Scope of limitation relating to appropriateness of the going concern basis of accounting***

As described in note 2(a) to the consolidated financial statements, for the year ended 31 December 2024, the Group incurred a net loss attributable to the owners of the Company of approximately RMB2,759,631,000 and as of that date, the Group had net current liabilities of approximately RMB3,872,823,000.

These conditions, together with other matters described in note 2(a) to the consolidated financial statements, exist that may cast significant doubt on the Group's ability to continue as a going concern and hence, its ability to realise its assets and discharge its liabilities in the normal course of business.

In view of such circumstances, the directors of the Company (the "Directors") are in the process of implementing a number of Plans and Measures to improve the Group's liquidity and financial position which are set out in note 2(a) to the consolidated financial statements. The Directors have reviewed the cash flow forecast prepared by management covering a period of at least twelve months from 31 December 2024, which take into account these Plans and Measures. Based on such assessment, assuming the Plans and Measures can be successfully implemented as scheduled notwithstanding the inherent uncertainties associated with the outcome of these Plans and Measures, the Directors are of the opinion that the Group will have sufficient working capital to meet its financial obligations as and when they fall due within twelve months from 31 December 2024 and therefore, it is appropriate to prepare the consolidated financial statements on a going concern basis.

The validity of the going concern assumption on which the consolidated financial statements of the Group have been prepared depends on the successful execution and completion of the Debt Restructuring Plan, New Funding Plan, Project Selling Plan, Project Management Plan and Stringent Management Plan, all of which aim to provide the Group with adequate funds to settle existing financial obligations, commitments, and future operating and capital expenditures. The directors of the Company have taken into account the likelihood of success of the Plans and Measures being implemented and are of the opinion that sufficient financial resources will be available to finance the Group's operations and to meet the Group's financial obligations as and when they fall due at least twelve months from 31 December 2024. Accordingly, the consolidated financial statements for the year ended 31 December 2024 have been prepared on a basis that the Group will be able to continue as a going concern.

Given the execution of the Plans and Measures by the Group are in preliminary stage or in progress and written contractual agreements and/or other documentary supporting evidences are not available to the Group as at the date of approval for issuance of the consolidated financial statements of the Group for extending the going concern assessment, we are unable to obtain sufficient appropriate audit evidence we considered necessary to assess the likelihood of success of the Plans and Measures currently undertaken by the Group. There were no other satisfactory audit procedures that we could adopt to satisfy ourselves that the appropriateness of the Directors' use of the going concern basis of accounting and adequacy of the related disclosures in the consolidated financial statements of the Group.

Should the Group fail to achieve the abovementioned Plans and Measures, it might not be able to continue to operate as a going concern, and adjustments might have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to reclassify non-current liabilities as current liabilities with consideration of the contractual terms or to recognise a liability for any contractual commitments that may have become onerous, where appropriate. The effects of these adjustments have not been reflected in the consolidated financial statements of the Group.

The possible effects on the consolidated financial statements of undetected misstatements, if any, could be both material and pervasive.

## **PUBLICATION OF THE 2024 ANNUAL RESULTS ANNOUNCEMENT AND 2024 ANNUAL REPORT**

This announcement is published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.redco.cn](http://www.redco.cn)). The annual report of the Company for the year ended 31 December 2024 containing all the information required by the Listing Rules will be despatched to the Shareholders (if requested) and published on the respective websites of the Stock Exchange and the Company in due course.

By Order of the Board  
**Redco Properties Group Limited**  
**Wong Yeuk Hung**  
*Chairman*

Hong Kong, 27 March 2025

*As at the date of this announcement, the executive Directors are Mr. Wong Yeuk Hung JP, Mr. Huang Ruoqing and Mr. Tang Chengyong; the non-executive Director is Ms. Fan Carol; and the independent non-executive Directors are Mr. Chau On Ta Yuen SBS, BBS, Dr. Tam Kam Kau GBS, SBS, JP and Mr. Yip Tai Him.*