中國海外宏洋集團有限公司
CHINA OVERSEAS GRAND OCEANS GROUP LTD.

(incorporated in Hong Kong with limited liability)
(Stock Code: 81)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

FINANCIAL HIGHLIGHTS

1. The contracted property sales of the Group Series of Companies[1] for the year was RMB40,110 million, representing a decrease of 6.3% against last year, which corresponded to an aggregated contracted area of 3,483,500 sq.m..
2. The Group recorded revenue of RMB45,895 million for the year, a decrease of 18.6% comparing with last year. Gross profit and margin for the year were RMB3,846 million and 8.4% respectively, comparing with RMB6,311 million and 11.2% respectively for last year.
3. Profit attributable to owners of the Company for the year was RMB954 million, a decrease of 58.5% against last year. Basic earnings per share was RMB26.8 cents.
4. The Group's financial position remained robust. Receipts from sales of the Group Series of Companies reached RMB38.1 billion for the year. The operating cash flow of the Group continued to record a net inflow of RMB9,029 million for the year. As at 31 December 2024, total cash and bank balances amounted to RMB27,291 million, which accounted for 21.1% of the Group's total assets. The net gearing ratio of the Group decreased to 33.1% (2023: 46.0%).
5. The total gross floor area of the land acquired of the Group Series of Companies during the year was about 1,189,200 sq.m. (attributable to the Group: 1,141,400 sq.m.) for a total consideration of RMB5,229 million.
6. As at 31 December 2024, the gross floor area of total land bank of the Group Series of Companies reached 13,778,100 sq.m., of which, 969,400 sq.m. was held by associates and joint ventures collectively. The gross floor area of land bank attributable to the Group (including the interests in associates and joint ventures) was 11,590,700 sq.m..
7. The Board recommended the payment of final dividend of HK7 cents per share for the year ended 31 December 2024. Together with an interim dividend of HK3 cents per share, the total dividends for the year will amount to HK10 cents per share, representing a dividend payout ratio for the year of approximately 34.9% (2023: 22.5%).

[1] *The Group together with its associates and joint ventures (collectively the "Group Series of Companies")*

The board of directors (the “Board”) of China Overseas Grand Oceans Group Limited (the “Company”) is pleased to announce the annual results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 December 2024.

CHAIRMAN’S STATEMENT

INTRODUCTION

I am pleased to present the review of annual results for the year ended 31 December 2024 and the outlook in 2025 of the Company and its subsidiaries.

In 2024, the Group achieved a revenue of RMB45,895 million, representing a year-on-year decrease of 18.6%. Profit attributable to owners of the Company amounted to RMB954 million, representing a year-on-year decrease of 58.5%. Basic earnings per share was RMB26.8 cents.

After a prudent review on the overall result performance and working capital requirements for the future operations of its business, the Board of the Company recommended the payment of a final dividend of HK7 cents per share (2023: HK11 cents per share) for the year ended 31 December 2024. Taking into account the interim dividend of HK3 cents per share (2023: HK5 cents per share) paid in October 2024, total dividends for the year will amount to HK10 cents per share (2023: HK16 cents per share). The dividend payout ratio for the year is 34.9%.

MARKET REVIEW

In 2024, amid escalating external pressures and mounting domestic challenges, China’s economy maintained a steady and forward-moving course. Throughout the year, a series of policy actions boosted social confidence and guided the economy towards a gradual recovery.

In 2024, China’s property sector continued its phase of adjustment. Despite a notable decline in new home sales in the first three quarters, the unveiling of the “Promoting Stabilization in the Chinese Real Estate Market” policy in September sent a strong signal of stability, bolstering market confidence. Since the fourth quarter, there has been a significant rebound in new home transactions. According to data from the National Bureau of Statistics, residential property sales value and area sold dipped by 17.6% and 14.1%, respectively, in 2024. CRIC data revealed that total residential sales in China’s Top 100 Cities amounted to RMB4.6 trillion in 2024, reflecting a 25.8% year-on-year decrease. Sales volume contracted by 29.4% to 220 million square meters (“sq.m.”), with the average selling price at RMB21,100 per sq.m., marking a 6.0% uptick year-on-year. The market’s adjustment and consolidation trend persisted.

In the recent market setting, some cities exhibited signs of reaching a bottom, yet the broader market's stability demanded patience amidst lingering uncertainties. The group tackled challenges proactively, maintained resilience through careful strategies, navigated the cycle with unwavering resolve, and propelled sustainable development initiatives forward.

BUSINESS REVIEW

In 2024, global economic growth faced headwinds from escalating geopolitical tensions and a shift towards regionalizing supply chains. Major central banks, including the Federal Reserve, maintained a stance of relatively high-interest rates, impacting the pace of growth in key economies worldwide. With supportive policy measures, China charted a measured recovery, registering a 5.0% year-on-year GDP growth, underscoring its economic resilience. Nevertheless, the reinvigoration of domestic demand showed modest progress, marked by restrained consumer spending and investment traction. Simultaneously, exports encountered hurdles linked to subdued external demand and adjustments in the supply chain landscape. Enhanced policy support is essential to strengthen the underpinnings of the ongoing economic resurgence.

In 2024, debt concerns within the real estate sector and wavering market confidence persisted as key constraints on property investment and sales in China. The industry remained in a phase of recalibration, characterized by a reduction in land transaction volumes to 1 billion sq.m., a downturn in new construction commencements, and a contraction in industry inventory levels. However, sales began to improve in the fourth quarter, indicating a shift towards a new equilibrium. The bottoming out of sales volume appears imminent. Despite persistent inventory challenges, a market adjustment phase was detected, fueling buyer confidence. The Group adeptly maneuvered through this landscape, achieving year-over-year growth in attributable contracted property sales, fortifying our market presence. Stability solidified, momentum surged, and favorable market dynamics continued to converge.

Amid constantly shifting market dynamics, the Group persisted to seek progress while maintaining stability, and promoted stability through progress. By continuously refining processes and supporting frontline operations, the Group pursued resilient growth. In 2024, the Group Series of Companies achieved contracted property sales of RMB40,110 million, representing a year-on-year decrease of 6.3%. Notably, while total contracted property sales in the cities where the Group operated dropped by 34%, the Group had seen an increase in market share. The contracted sales area was 3,483,500 sq.m., representing a year-on-year decrease of 1.4%. Contracted property sales attributable to the Group for the year amounted to RMB34,256 million, representing a year-on-year increase of 2.1%, ranking 18th in the industry, an improvement of 12 places compared to 2023. The Group persisted in its inventory reduction strategy, achieving average residential property selling price of approximately RMB12,400 per sq.m., representing a year-on-year decrease of 5.9%. At year end date, the balance of preliminary sales pending the completion of sales and purchase agreements was RMB386 million for an aggregated contracted area of 34,200 sq.m..

In 2024, the Group further advanced project optimization, strengthened the integration of investments and operations, and expedite the launch of new projects. The average time to launch pre-sales was 144 days, a 63-day decrease year-over-year. Through efficient supply management, the sell-through rate for newly launched projects increased annually to approximately 44.4%, surpassing 6 percentage points year-on-year, contributing positively to cash flow.

The Group's commercial property operations exhibited steady growth. Annual revenue surged past RMB484 million, marking a robust 19.7% year-on-year increase, while the leased area of the Group Series of Companies expanded to 480,000 sq.m., reflecting a solid 14.1% growth. Notable milestones included the successful opening of the second phase of the Shantou Golden Coast Waterpark and the Huizhou Uni World. The leasing activity in office projects continued to thrive, with occupancies exceeding 90% at projects such as Beijing China Overseas International Centre, Hefei Central Park, and Lanzhou China Overseas Plaza.

In 2024, the Group aimed to lead its peers and push boundaries to new limits. As other major developers focused their resources mainly in top-tier cities, the Group's competitive edges in mid-tier cities where we operate became clearer. Among the mid-tier cities where the Group has a presence, its contracted sales ranked in the top three of 23 cities. Among them, in 11 cities we ranked first, including Ganzhou, Shantou, Hohhot, Yinchuan, Nantong, Taizhou and Yangzhou, an increase of four cities compared to 2023.

The Group remained committed to its "3P" investing strategy, which targeted the most "Prominent" cities and their "Prime" neighborhoods while focusing on "Popular" property types. By carefully scoping out land opportunities, we strategically bolstered our land bank reserves with well-positioned plots primed for future growth. By aligning with industry cycles and the unique traits of mid-tier cities, the Group leveraged its strong presence in local markets. By harnessing precise market research, product excellence, and the branding influence of state-owned enterprises, we seized investment opportunities in each city. In markets demonstrating robust fundamentals, the Group pursued strategies to expand its market share. In 2024, the Group Series of Companies acquired eleven projects through public auctions, adding total gross floor area of 1,189,200 sq.m., with total land cost amounting to RMB5,229 million; and attributable gross floor area of 1,141,400 sq.m., with attributable land cost amounting to RMB4,874 million.

As of 31 December 2024, the gross floor area of the total land bank of the Group Series of Companies was 13,778,100 sq.m., of which 11,590,700 sq.m. were attributable to the Group.

Embracing a long-term approach, the Group concentrated on researching standardized products, establishing a product excellence system that prioritized "Low Cost, High Quality, Fast delivery". During the year, the Group completed studies on various standardized building layouts, room modules, and unit components, releasing residential product standards and cost benchmarks. We also concluded research on an interior decoration standardization program, including in-depth studies on storage, lighting, smart technology, personalization, MEP (mechanical, electrical, plumbing), hardware materials, and precision work, addressing common challenges in interior finishing. These initiatives had significantly improved operational efficiency and sales performance across projects such as Hefei Central Manor, Ganzhou Central Mansion, Yinchuan Unique Palace, and Nantong Center Mansion.

The Group's strong record of delivery reinforces customer confidence in its industry-leading execution capabilities. The Group had successfully delivered approximately 36,000 new homes. Customer satisfaction rating was 94%, top among industry peers. Our proven track record for ensuring high-quality delivery of new homes is highly recognized and makes us a top brand in the sector.

The Group continued to strengthen its operating cash flow management, and our strong financial position stood the Group in good stead. The Group Series of Companies recorded receipts from sales totalling RMB38.1 billion for the year, with operational cash flow keeping positive for three consecutive years. Cash reserves totalled over RMB27 billion at the year end. The net gearing ratio decreased from 46.0% as at the end of last year to 33.1% as at the year ended. None of the "Three Red Lines" was breached. The weighted average financing cost remained at an industry low of 4.1%. The proportion of total interest-bearing debt denominated in Hong Kong Dollar ("HKD") and United States Dollar ("USD") was adjusted downward from 32.6% as at the end of last year to 19.0% as at the year end. This prudent capital structure adjustment helped continually enhance the Group's resilience amid macroeconomic fluctuations by lowering foreign exchange rate exposure. Seizing policy opportunities, the securing of four operational property loans totaling RMB2,575 million had revitalized commercial assets.

The Group made steady progress in green financing. During the year, it secured five new sustainability-linked offshore RMB loans totalling RMB3,589 million in Hong Kong.

The Group remains committed to sustainable development, actively improving the quality of ESG information disclosure. The Group introduced the innovative feature "COGO Leading the Way, Embracing the Carbon Future" and obtained the AA1000 international standard ESG report verification. Actively participating in ESG ratings by MSCI, GRESB, Wind ESG, and S&P, the Group achieved the highest AA rating in Wind ESG's real estate assessment, placing among the top three in the industry. With MSCI ratings rising for two consecutive years, the Group had achieved A grade, highest in the industry. The Group received prestigious accolades, including the UNSDG Achievement Awards Hong Kong and the China Corporate Carbon Neutrality Performance Award, recognizing our exceptional green efforts.

COGO Low Carbon Building Technology Co., Ltd.* ("COGO Low Carbon"), the Group's subsidiary, gradually expanded into ESG and related businesses, empowering green development through market-driven approaches. Over two years, it oversaw carbon audits for China State Construction Engineering Corporation, providing ESG platform development services to entities such as the China Building Materials Association and the Qianhai Low Carbon Demonstration Zone. During the year, COGO Low Carbon achieved National High-Tech Enterprise status and completed the "Specialized, Refined, Distinctive, Innovative" Certification for small and medium-sized businesses in Shenzhen.

During the year, the Group actively engaged in social responsibility efforts by initiating the "Hope Primary School Carbon Neutrality in the Classroom" campaign in cities like Hohhot, Shaoxing, Yinchuan, and Ganzhou. This included supporting energy-efficient upgrades at the China Overseas Hope Primary School in Wenjiahe and achieving the first domestic carbon-neutral school certification. Additionally, they facilitated Ganzhou's Jiangkou Hope Primary School becoming Jiangxi province's inaugural carbon-neutral campus. The Group also organized events promoting green living and sustainability, leveraging their proprietary product "Smart Carbon Planet" to promote awareness of a low-carbon lifestyle.

PROSPECTS

Looking forward to 2025, policies are geared towards stabilizing the real estate market, presenting a wave of policy opportunities within the sector. The Group, following market assessments, has crafted a strategy centered on "Moderation and Beauty," with a focus on developing pivotal mid-tier cities. In this context, "Moderation" signifies a balanced approach in terms of scale, while "Beauty" represents the emphasis on quality properties and lucrative returns. The Group places a strong emphasis on safety and efficiency, aiming for high turnover rates.

The Group sees great potential in mid-tier cities where it has a strong presence. Compared to top-tier cities, these areas offer significant growth opportunities due to China's urbanization rate of approximately 67% and ongoing rural-to-urban migration. Some economically robust mid-tier cities experience positive population growth, benefiting the Group's major markets. The reduced competition among real estate companies in these cities provides the Group with a competitive advantage, leveraging its strengths in resource integration and localized brand building. The influence of the "China Overseas Properties" brand, established product systems, supply chain cost efficiencies, and a dedicated professional team will further bolster the Group's core competitiveness.

* *English translation is for identification only*

As the real estate market moves into its latter stages, companies face a test of resilience and a showcase of their overall strength. The Group is dedicated to strengthen its current portfolio and expanding with top-tier additions. Inventories will be carefully overseen while seeking strategic insights to secure returns on new projects through targeted and analytical investments.

In a dynamic market environment, adapting to shifting customer demands and providing exceptional offerings becomes paramount. Our steadfast dedication to personalized service and premium products guarantees enduring customer satisfaction, reinforcing our brand reputation and maximizing the influence of “China Overseas Properties” for sustainable business growth.

The Group upholds a disciplined financial strategy, prioritizing cash flow management, cost control, and risk mitigation to maintain robust financial flexibility. With healthy operating cash flows and a solid balance sheet, the Group regularly assesses its debt structure and financing expenses to uphold sufficient cash reserves. Meeting all “Three Red Lines” requirements, the Company emphasizes financial efficiency while monitoring external factors such as political and economic shifts, interest rates, and currency fluctuations for their potential impacts on financial performance and operations.

Employees are vital assets driving the Group’s success. Through robust human resources systems, safe work environments, and tailored training, the Group fosters talent development and shares in corporate achievements. Embracing an inclusive “People-First” strategy, the Group recruits elite professionals, aligns roles with individual growth paths, and enhances employee capabilities to integrate personal development with business progress. Talent pipeline building is prioritized through focused training programs, empowering staff growth.

Built on a robust foundation in human resources infrastructure and talent management, the Group focuses on fostering a culture of mutual growth. By aligning personal aspirations with long-term corporate goals, employees thrive in a transparent, supportive atmosphere. Continuous enhancements in performance evaluations, compensation, and workspace quality maintain high staff dedication and satisfaction, placing the Group at the forefront of the industry.

Looking forward, we anticipate that in 2025, the increased stimulus measures will drive further economic recovery in China, potentially stabilizing the real estate sector. With a solid financial footing, the Group is prepared to capitalize on market shifts, adopting a proactive stance to navigate upcoming challenges effectively.

APPRECIATION

I would like to express my gratitude to all directors, the management team and our employees for their efforts and dedication, as well as to our stakeholders, customers, partners and the community for their continued trust and support to the Group. We will live up to the expectations and create greater shareholder value for all.

China Overseas Grand Oceans Group Limited
Zhuang Yong
Chairman and Executive Director

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

REVENUE AND OPERATING RESULTS

In 2024, China's property sector continued its phase of adjustment. Despite a notable decline in new home sales in the first three quarters, the unveiling of the "Promoting Stabilization in the Chinese Real Estate Market" policy in September sent a strong signal of stability, bolstering market confidence. Relevant departments and local governments actively implement policies by the further cancellation of restrictive measures, which facilitated the release of reasonable demand. Since the fourth quarter, there has been a significant rebound in new home transactions. The year-on-year declines in the overall real estate contracted sales volume and area in Mainland China have narrowed significantly, showing signs of stabilization in the market.

Leveraging a consistently solid financial foundation, the Group continued providing high quality properties to customers during the year. Our premium products resonated strongly in second-tier and third-tier cities. During the year, the Group further gained market share and steadily climbed up along the industry rankings.

The Group Series of Companies achieved contracted property sales of RMB40,110 million for the year (2023: RMB42,820 million), representing a decrease of 6.3% against 2023, in which, an amount of RMB3,031 million (2023: RMB3,118 million) was contributed by associates and joint ventures. Contracted property sales attributable to the Group for the year amounted to RMB34,256 million (2023: RMB33,556 million), representing an increase of 2.1% against 2023. The Group's overall sales performance had outperformed the major market participants during the year.

For the year ended 31 December 2024, the Group recorded revenue of RMB45,895 million (2023: RMB56,408 million), representing a decrease of 18.6% against 2023. Mainly affected by ongoing consolidation of the overall real estate market in Mainland China, gross profit for the year was RMB3,846 million (2023: RMB6,311 million), representing a decrease of 39.1% against 2023. The overall gross profit margin for the year narrowed to approximately 8.4% (2023: 11.2%).

In terms of expenses, the Group continued to maintain stringent cost control throughout the year. Distribution and selling expenses for the year decreased by RMB179 million against 2023 to RMB1,373 million (2023: RMB1,552 million) and the ratio of distribution and selling expenses to the Group's contracted property sales maintained at 4% or below for both the current year and 2023. In addition, administrative expenses for the year decreased by RMB133 million against 2023 to RMB763 million (2023: RMB896 million) and the ratio of the administrative expenses to revenue maintained at less than 2% for both the current year and 2023.

Mainly due to the decrease in gross profit, operating profit for the year amounted to RMB2,210 million (2023: RMB4,207 million), representing a decrease of 47.5% against 2023.

The total interest expense for the year decreased by RMB520 million against 2023 to RMB1,692 million (2023: RMB2,212 million), which was mainly due to the effective cost control measures on interest expenses adopted by the Group during the year. Finance costs, after capitalization of RMB1,633 million (2023: RMB2,147 million) to the on-going property development projects, was RMB59 million (2023: RMB65 million) for the year.

Share of profits of associates for the year amounted to RMB28 million (2023: profits of RMB1 million). The share of losses of joint ventures for the year amounted to RMB17 million (2023: losses of RMB20 million). The share of net profits for the year was mainly attributed by the recognition of profits from property sales of the property development project of certain associates and joint ventures during the year.

Income tax expense comprised enterprise income tax and land appreciation tax ("LAT"). Income tax expense for the year decreased by RMB1,153 million against 2023 to RMB945 million (2023: RMB2,098 million), mainly due to the decrease in operating profit for the year and the adjustments upon the settlements of LAT for certain projects. The effective tax rate for the year was 43.7% (2023: 50.9%).

Overall, for the year ended 31 December 2024, profit attributable to owners of the Company decreased by 58.5% against 2023 to RMB954 million (2023: RMB2,302 million). Basic earnings per share was RMB26.8 cents (2023: RMB64.7 cents).

LAND BANK

The management believes that a sizable and high-quality land bank can ensure the sustainable growth of the Group's business and is also one of the most important assets to a property developer. In the past year, to navigate challenging market conditions, the Group leveraged its position of a state-owned enterprise and actively seized structural opportunities in the market. The Group proactively acquired high-quality land parcels at reasonable prices to continuously improve the quality of its land bank. For the year ended 31 December 2024, the Group Series of Companies acquired 11 parcels of land at an aggregate consideration of RMB5,229 million with gross floor area of approximately 1,189,200 sq.m., of which approximately 1,141,400 sq.m. was attributable to the Group (including the interests in associates and joint ventures).

The table below shows the details of land parcels acquired during the year:

No.	City	Name of project	Attributable Interest	Total GFA (sq.m.)
1	Yinchuan	Jinfeng District Project #1 (Genius Garden)	100%	87,700
2	Xuzhou	Quanshan District Project #1 (Loong Mansion)	100%	61,500
3	Hefei	Baohe District Project #1 (Central Manor)	100%	97,700
4	Yinchuan	Jinfeng District Project #2 (Unique Palace)	100%	178,400
5	Ganzhou	Zhangjiang New Area Project (Central Mansion)	100%	181,800
6	Hefei	Baohe District Project #2 (Central Manor)	50%	95,600
7	Yinchuan	Jinfeng District Project #3	100%	108,100
8	Lanzhou	Anning District Project #1	100%	113,900
9	Xuzhou	Quanshan District Project #2	100%	58,600
10	Lanzhou	Anning District Project #2	100%	146,800
11	Lanzhou	Anning District Project #3	100%	59,100
	Total			**1,189,200**

Furthermore, during the year, the Group also acquired the remaining equity interests of three cooperative projects in Changzhou and Jinhua for an aggregate consideration of approximately RMB595 million, which provided the Group with greater flexibility to dispose of the remaining assets, and enhanced the overall operational efficiency of the Group.

As at 31 December 2024, the gross floor area of total land bank of the Group Series of Companies in Mainland China reached 13,778,100 sq.m. (2023: 18,806,800 sq.m.), of which 969,400 sq.m. (2023: 1,738,400 sq.m.) was held by associates and joint ventures collectively. The gross floor area of land bank attributable to the Group (including the interests in associates and joint ventures) was 11,590,700 sq.m. (2023: 15,517,500 sq.m.). The Group Series of Companies held a land bank distributed in 32 cities as at 31 December 2024.

The table below shows the details of land bank as at year end:

	District	**Total GFA (sq.m.)**	**Attributable GFA (sq.m.)**
1	Hefei district	2,202,600	1,585,400
2	Shantou district	1,656,100	1,656,100
3	Lanzhou district	1,384,300	1,261,800
4	Weifang district	1,141,900	1,009,100
5	Yangzhou district	1,052,300	740,600
6	Mengning district	826,100	823,500
7	Huizhou district	721,800	458,400
8	Yantong district	707,300	345,800
9	Tangshan district	656,700	656,700
10	Others	3,429,000	3,053,300
Total		**13,778,100**	**11,590,700**

SEGMENT INFORMATION*

PROPERTY DEVELOPMENT

The Group remained focused on second- and third-tier cities in China where it understood varying demands for affordable and upgraded housing. It tailored products like furnished and green smart homes according to local market conditions. This maximized returns by catering to different needs while strengthening its national brand. The Group was set on continuing to differentiate its brand from other developers' by creating fantastic places and continues to play a leading role in the market and to develop its own advantages and overall efficiency.

** The Group has restated segment information comparative figures to conform with the current year's presentation.*

The contracted property sales of the Group Series of Companies for the year ended 31 December 2024 amounted to RMB40,110 million (2023: RMB42,820 million), for an aggregated contracted area of 3,483,500 sq.m. (2023: 3,532,400 sq.m.), (in which, RMB3,031 million <2023: RMB3,118 million> for an aggregated contracted area of 266,700 sq.m. <2023: 233,900 sq.m.> was contributed by associates and joint ventures) representing a decrease 6.3% and 1.4% respectively against to 2023. At year end date, the balance of preliminary sales pending the completion of sales and purchase agreements was RMB386 million for an aggregated contracted area of 34,200 sq.m..

Contracted property sales from major projects during the year ended 31 December 2024:

City	**Name of project**	**Contracted Area (sq.m.)**	**Amount (RMB Million)**
Hefei	Jewel Manor	66,504	1,741
	Central Manor	71,567	1,533
	Skyline	72,328	756
	Mount and Lake	20,440	288
Ganzhou	River View Mansion	105,856	1,019
	The One Future	73,199	760
	Central Mansion	48,480	710
	The Paragon	14,207	268
Shantou	The Peninsula	64,619	861
	The Rivera North City	40,091	444
	Guan Lan Fu	30,207	295
	Platinum Mansion	32,965	287
	Golden Coast	25,125	188
	Guan Yun Fu	17,309	156
Hohhot	Central Mansion	93,062	1,126
	River View Mansion	51,267	549
	Hohhot Glorioushire	15,530	190
	Zhonghai Zhen Ru Fu	12,973	179
	Zhonghai He Shan Guan Lan	17,556	159
Nantong	Center Mansion	74,318	1,615
	Hills Scenery	30,095	513
Yinchuan	Sea Advanced Collection	66,569	763
	Gorgeous Mansion	39,807	531
	Unique Palace	34,705	405
	Genius Garden	33,958	289

Contracted property sales from major projects during the year ended 31 December 2024: (Continued)

City	Name of project	Contracted Area (sq.m.)	Amount (RMB Million)
Taizhou	Jinmao Palace*	72,777	1,000
	Royal Mansion	26,200	322
	Gorgeous Mansion*	23,369	274
	Graceful Mansion	21,125	250
Jinhua	Central Mansion	19,951	631
	Central Park	47,011	560
	The Halo*	37,415	463
Nanning	One Sino Residences	22,868	591
	Lake Palace	39,117	559
	Harrow Community	28,842	207
	International Community	31,981	185
Yangzhou	The Paragon Yard	61,079	920
	The Paragon	30,456	354
Xuzhou	Loong Mansion	37,898	666
	Lake City Mansion	28,545	291
	Upper East	24,498	287
Lanzhou	La Cite	45,402	582
	China Overseas Platinum Garden	35,314	359
	The Platinum Pleased Mansion	28,305	291
Tangshan	Zhen Ru Fu	24,646	430
	Maple Palace	19,791	388
	The Pogoda	21,584	372
Shaoxing	Marina One	40,846	1,077
Quanzhou	Private Mansion	50,928	615
	Master Mansion	21,681	393
Changzhou	Jiang Nan Mansion	28,488	339
	South Halcyon	32,916	334
	World Masterpiece	15,270	220
Yancheng	Gorgeous Mansion	58,043	620
	Mansion One	26,051	245
Weifang	Da Guan Tian Xia	73,748	534
	Royal Villa	50,410	323
Huai’an	Honor Mainstays	26,177	374
	Central Mansion	35,402	336

Contracted property sales from major projects during the year ended 31 December 2024: (Continued)

City	Name of project	Contracted Area (sq.m.)	Amount (RMB Million)
Huizhou	Unique Palace	22,835	329
	Sage Mansion^	11,352	193
	Huizhou Tangquan	12,791	156
Zhanjiang	We Love City*	38,456	396
	Glorious City*	26,527	230
Zibo	Genius Garden	72,143	536
Anqing	The Metropolis	68,990	512
Xining	Elite Palace	34,723	248
	Mountain and Lake	30,289	247
Jilin	La Cite	50,725	281
	Metropolis Times	25,494	182
Zhenjiang	Zhenru Mansion	38,909	426
Tianshui	The Platinum Pleased Mansion	37,488	363
Langfang	Platinum Garden	40,360	342
Liuzhou	The Cullinan	27,035	324
Zhuzhou	Majestic Mansion	28,475	207

* These projects are held by the joint ventures of the Group

^ This project is held by an associate of the Group

During the year, gross floor area of nearly 6,227,400 sq.m. (2023: 7,370,100 sq.m.) of construction sites were completed for occupation and of which, about 84% (2023: 83%) had been sold at year end. The Group continued to focus on promoting sales in this changing market to place financial resilience at its core.

For the year ended 31 December 2024, the recognized revenue of the Group for this segment was RMB45,411 million (2023: RMB56,003 million), representing a decrease of 18.9% against 2023. The revenue recognized for the year was mainly from the sales of high-rise residential projects. Mainly affected by ongoing consolidation of the overall real estate market in Mainland China, the gross profit margin of this segment for the year narrowed to 8.0% (2023: 11.0%) when compared to 2023.

The Group jointly developed property development projects with reliable business partners under the business model of associates and joint ventures in various cities. The Group's share of net profits from the associates and joint ventures included in the segment result for the year amounted to RMB5 million (2023: net losses of RMB24 million). The share of net profits for the year was mainly attributed by the recognition of profits from property sales of the property development project of certain associates and joint ventures during the year.

Overall, due to a decrease in gross profit, the segment profit for the year decreased by 56.3% to RMB1,843 million (2023: RMB4,216 million).

Recognized revenue from major projects during the year ended 31 December 2024:

City	**Name of project**	**Contracted Area (sq.m.)**	**Amount (RMB Million)**
Shantou	The Peninsula	169,093	2,285
	The Rivera North City	192,234	2,060
	Guan Yun Fu	64,560	546
Hefei	Skyline	165,193	3,333
	Vitality City	16,356	184
Yinchuan	Gorgeous Mansion	145,548	1,739
	Glory Mansion	106,822	855
	Master Mansion	112,962	850
Quanzhou	Elegance Mansion	227,675	3,367
Changzhou	South Halcyon	85,983	1,212
	Jiang Nan Mansion	72,803	1,146
	World Masterpiece	30,161	515
Jinhua	Central Mansion	42,127	1,497
	Central Park	91,807	1,123
Lanzhou	The Platinum Pleased Mansion	94,567	1,077
	La Cite	62,255	785
Shaoxing	Marina One	66,839	1,823
Taizhou	Royal Mansion	65,297	900
	Graceful Mansion	61,483	849

Recognized revenue from major projects during the year ended 31 December 2024: (Continued)

City	Name of project	Contracted Area (sq.m.)	Amount (RMB Million)
Xuzhou	Upper East	64,941	761
	Lake City Mansion	42,583	470
	Future Land	38,902	378
Yancheng	Gorgeous Mansion	83,515	960
	Mansion One	48,037	490
Tangshan	The Pogoda	69,497	1,287
Nantong	Hills Scenery	52,335	1,062
Nanning	Lake Palace	59,330	938
Huai’an	Honor Mainstays	47,200	572
	Central Mansion	33,208	323
Huizhou	Unique Palace	53,304	831
Zibo	Genius Garden	112,394	817
Anqing	The Metropolis	103,134	779
Yangzhou	The Paragon	41,822	766
Ganzhou	The Paragon	35,746	712
Zhenjiang	Zhenru Mansion	57,313	670
Weinan	Master Mansion	103,480	601
Weifang	Royal Villa	61,486	436

The following projects had commenced the construction work in the year:

City	Name of project	Commenced by
Ganzhou	The One Future	March
Hohhot	Central Mansion	March
Jilin	Metropolis Times	March
Nantong	Center Mansion	March
Yancheng	Sanguinely Life^	March
Yinchuan	COGO City	March
Tangshan	One Rare Residence	April
Yangzhou	The Paragon Yard	April
Yinchuan	Genius Garden	May
Jilin	UniMall	May
Weifang	Around the World	June
Ganzhou	River View Mansion	August
Xuzhou	Loong Mansion	August
Hefei	Central Manor	September
Lanzhou	China Overseas Platinum Garden	September
Yinchuan	Unique Palace	September
Zibo	Genius Garden	September
Xining	Elite Palace	November
Anqing	The Metropolis	December
Ganzhou	Central Mansion	December
Hefei	Central Manor	December
Shantou	Golden Coast	December

^ The project is held by an associate of the Group

At the year end, the gross floor area of properties under construction and stock of completed properties amounted to 8,004,100 sq.m. (2023: 11,672,900 sq.m.) and 3,114,500 sq.m. (2023: 2,692,400 sq.m.) respectively, totaling 11,118,600 sq.m. (2023: 14,365,300 sq.m.). Properties with gross floor area of 3,085,200 sq.m. (2023: 4,563,500 sq.m.) had been contracted for sales and were pending for handover upon completion.

COMMERCIAL PROPERTY OPERATIONS

In respect of the commercial property operation business, the Group maintains a high-quality commercial property portfolio in 17 cities in Mainland China. This strategy generates stable recurring income for the Group.

As at 31 December 2024, the total leased area of commercial properties held by the Group Series of Companies exceeds 480,000 sq.m., including eight office buildings, thirteen shopping malls and commercial area, five hotels, and one long-term leased apartment, amounted to an aggregate carrying amount of RMB6,991 million.

For the year ended 31 December 2024, the revenue of the Group for this segment amounted to RMB484 million (2023: RMB405 million), of which RMB298 million (2023: RMB272 million) arose from commercial property rental income and RMB186 million (2023: RMB133 million) arose from hotel and other commercial operations. The commercial property operation business remained on a stable growth in general.

In respect of the investment properties, no fair value adjustment was recognized for the year (2023: Nil).

The Group holds 65% of equity interest of a scientific research office building in Zhang Jiang High-tech Zone in Shanghai. The Group's share of profit from the joint venture, which holds the above research office building, was RMB5 million (2023: RMB5 million) for the year and was included in the segment result for the year.

Overall, the segment profit for the year increased by RMB67 million against 2023 to RMB193 million (2023: RMB126 million).

FINANCIAL RESOURCES AND LIQUIDITY

The Group has consistently adopted prudent financial management approach and its financial condition remained healthy. The Company and its subsidiaries have gained multiple accesses to funds from both investors and financial institutions in Mainland China and international market to meet its requirements in working capital, refinancing and project development. During the year, onshore and offshore financing channels remained readily accessible, underscoring the Group's competitive strengths.

In addition, under the favourable corporate financing environment in Mainland China, the Group has been actively exploring new financing channels. During the year, the Group successfully secured operational property loans for the investment properties in Beijing, Hefei, Lanzhou and Huizhou, of which aggregate borrowing drawdown amounted to RMB2,575 million. Specifically, the Beijing property secured a financing of RMB2,000 million with a tenure of 15 years at an interest rate of 3.2% per annum at year end. During the year, the Group continued securing financings in the Mainland at lower interest rates, effectively controlling financing costs and maintaining the Group’s cost of funds at the low end within the industry.

In respect of offshore financing, in response to the market environment whereby the Hong Kong Interbank Offered Rate (“HIBOR”) maintained at a high level during the year, following the work from 2023, the Group continued refinancing of HKD floating rate bank loans into RMB fixed rate bank loans with lower interest rates during the year. This helped control the Group’s financing costs.

During the year, the Group secured an aggregate amount of RMB20,800 million of new credit facilities from leading financial institutions. After taking into account drawdowns of RMB15,079 million, repayment of loans of RMB19,314 million and increase of RMB246 million due to translation effect, total bank and other borrowings (excluding guaranteed notes and corporate bonds) decreased by RMB3,989 million as compared to that at the 2023 year end to RMB30,920 million (2023: RMB34,909 million).

As at 31 December 2024, the total bank and other borrowings (excluding guaranteed notes and corporate bonds) included RMB loans of RMB27,146 million (2023: RMB24,380 million) and HKD loans of HK$4,020 million (equivalent to RMB3,774 million) (2023: HK$11,595 million <equivalent to RMB10,529 million>). About 87.8% and 12.2% (2023: 69.8% and 30.2%) of the Group’s total bank and other borrowings (excluding guaranteed notes and corporate bonds) were denominated in RMB and HKD respectively.

As at 31 December 2024, bank and other borrowings amounted to RMB12,862 million (2023: RMB9,513 million) were charged at fixed interest rates ranging from 2.8% to 4.9% (2023: 3.5% to 4.9%) per annum, while the remaining bank and other borrowings of RMB18,058 million (2023: RMB25,396 million) were charged at floating interest rates ranging from 2.5% to 6.3% (2023: 2.6% to 7.6%) per annum. About 41.6% and 58.4% (2023: 27.2% and 72.8%) of the Group's total bank and other borrowings (excluding guaranteed notes and corporate bonds) were charged at fixed and floating interest rates respectively. About 31.5% (2023: 38.8%) of bank and other borrowings is repayable within one year.

As at 31 December 2024, guaranteed notes and corporate bonds amounted to RMB3,782 million (2023: RMB3,655 million) and RMB5,000 million (2023: RMB5,000 million), respectively, totaling RMB8,782 million (2023: RMB8,655 million).

To rein in financing costs, following the work from 2023, the Group continued to reduce its overall debt levels during the year. As at 31 December 2024, the Group's total borrowings (including guaranteed notes and corporate bonds) amounted to RMB39,702 million (2023: RMB43,564 million), which decreased by RMB3,862 million and of which about 81.0% and 19.0% (2023: 67.4% and 32.6%) were denominated in RMB and HKD/USD respectively. The increase in the ratio of total borrowings denominated in RMB compared to 2023 was mainly due to the continuing increase in the ratio of offshore bank borrowings denominated in RMB during the year.

For the year ended 31 December 2024, in respect of total borrowing (including guaranteed notes and corporate bonds) of the Group, the weighted average borrowing cost for the year was 4.1% per annum, which decreased from 4.6% per annum in 2023. The decrease in overall borrowing cost of the Group was mainly attributable by the combined effect of the decrease in weighted average borrowing cost for offshore borrowings of the Group from 5.2% per annum in 2023 to 4.5% per annum during the current year due to the continuing increase in the ratio of offshore bank borrowings denominated in RMB with lower interest rates during the year; and the decrease in weighted average borrowing cost of onshore borrowings of the Group from 4.3% per annum in 2023 to 3.7% per annum during the current year due to the ongoing availability of onshore financing with lower interest rates.

Sales deposits collection from properties sales remained satisfactory during the year. Receipts from sales of the Group Series of Companies reached RMB38,100 million for the year and the operating cash flow of the Group continued to record a net inflow of RMB9,029 million for the year. Cash and bank balances was RMB27,291 million (2023: RMB26,021 million) in total as at 31 December 2024, which increased by RMB1,270 million compared to the end of 2023. Cash and bank balances accounted for 21.1% of the Group's total assets as at 31 December 2024 (2023: 17.1%), which maintained at a very healthy level. Of which, 99.6% (2023: 98.9%) was denominated in RMB while the remaining were in HKD and USD.

As at 31 December 2024, net working capital of the Group amounted to RMB59,436 million (2023: RMB62,329 million), with a current ratio of 2.0 (2023: 1.8).

As at 31 December 2024, the net gearing ratio, expressed as a percentage of net debts (i.e. total borrowings, including guaranteed notes and corporate bonds, net of cash and bank balances and restricted cash and deposits) to total equity, was 33.1% (2023: 46.0%). The management closely monitors the financial position of the Group to ensure healthy development of the operation scale and business.

Besides, according to the "Three Red Lines" real estate financial supervision policy in Mainland China, as at 31 December 2024, the liabilities-to-assets ratio (excluding receipts in advances) was 63.0% (2023: 65.7%); net gearing ratio was 33.1% (2023: 46.0%) and cash-to-short-term debt ratio was 1.7 times (2023: 1.5 times). Therefore, the Group did not breach any of the red lines and maintained as a "Green Category" enterprise, and the above-mentioned indicators continue to improve over the past few years.

Taking into account of the unutilized bank credit facilities available to the Group of RMB10,475 million (2023: RMB10,636 million), the Group's total available funds (including cash and bank balances) reached RMB37,766 million (2023: RMB36,657 million) as at 31 December 2024.

In view of rapidly-changing property and capital market conditions and government policies and regulations, liquidity risk management is essential to support the sustainability of business growth of the Group. The Group continues to implement centralized management policies in financing and cash management, maintains good cash flow and minimizes its financial risks to ensure healthy operations and financial positions. While the international environment is complex and dynamic and financial market is also volatile, the Group maintains close communication with financial institutions, and ensures the continual fulfillment of the financial covenants and receiving of continual supports from all parties.

The Group has not entered into any financial derivatives either for hedging or speculative purpose during the year.

The Group regularly re-evaluates its operational and investment status, monitors the financial market and explores opportunities to invest in property development projects in co-operation with reliable business partners through the business models of associates and joint ventures to improve its capital structure continuously.

FOREIGN EXCHANGE EXPOSURE

As the Group conducted its sales, receivables and payables, expenditures and part of the borrowings in RMB for its property development business in Mainland China, the management considered a natural hedge mechanism existed in that operation. However, as at 31 December 2024, about 19.0% (2023: 32.6%) of the Group's total borrowings (including guaranteed notes and corporate bonds) were still denominated in HKD/USD. Hence, by taking into account of the debt financing structure, the Group is subject to foreign exchange risk from the volatility of RMB exchange rate.

The exchange rate of RMB to HKD depreciated by approximately 3.3% during the year and accordingly, the net asset value of the Group decreased by RMB616 million which arose from currency translation.

To better manage foreign exchange risks while lowering finance costs arising from the HKD bank borrowings with higher market interest rates, the Group is in the process of continuing to raise the proportion of RMB borrowing in its entire borrowings portfolio to the appropriate level according to market conditions.

COMMITMENTS AND GUARANTEE

As at 31 December 2024, the Group had commitments totaling RMB12,152 million (2023: RMB16,558 million) which mainly related to land premium, property development and construction works.

In addition, the Group issued guarantees to certain banks and government agencies for facilitating end-user mortgages in connection with its property sales in Mainland China as a usual commercial practice with an aggregate amount of RMB15,861 million (2023: RMB23,856 million) and to certain banks for the credit facilities granted to an associate and a joint venture with an aggregate amount of RMB290 million (2023: RMB430 million).

CAPITAL EXPENDITURE AND CHARGES ON ASSETS

The Group had capital expenditures totaling RMB5 million (2023: RMB88 million) during the year, mainly included additions of investment properties, right-of-use assets, as well as additions of land and buildings, vehicles and furniture, fixtures and office equipment within property, plant and equipment.

As at 31 December 2024, certain inventories of properties in Mainland China with aggregate carrying value of RMB7,196 million (2023: RMB14,327 million) were pledged to obtain RMB1,602 million (2023: RMB3,583 million) of secured borrowings from certain banks in Mainland China for the property development projects.

Furthermore, as at 31 December 2024, certain investment properties of the Group in Mainland China with an aggregate carrying value of RMB3,809 million (2023: Nil) were pledged to obtain RMB2,514 million (2023: Nil) of secured operational property loans from certain banks in Mainland China.

EMPLOYEES

As at 31 December 2024, the Group has 2,429 employees (2023: 2,586). The decrease in the number of employees was mainly due to the streamline of organizational structure and staffing to meet the requirements of different development stages of the Group during the year.

The Group is keen to motivate and nourish talent and reviews the remuneration policies and packages on a regular basis to recognize employee contributions and respond to changes in the employment market. The pay levels of the employees are determined based on their responsibilities, performance and the prevailing market condition. Discretionary bonus was paid to employees based on individual performance while other remuneration and benefits, including the provident fund contributions/ retirement pension scheme, remained at appropriate levels. Different trainings and development opportunities continued to be offered to sharpen employees' capabilities to meet the pace of business growth.

KEY RISKS FACTORS AND UNCERTAINTIES

The Group monitors the development of the industry on regular basis and timely assesses different types of risks in order to formulate proper strategies to minimize the impact to the Group. The following contents list out the key risks and uncertainties identified by the Group:

DEBT REPAYMENT RISK

Financial markets are complex and volatile. As a capital-intensive sector, cash flow management is a key risk for property developers. Risks include potential shortfalls in expected sales receipts or the inability to refinance maturing debt. In addition, peer credit performance, changing regulations, geopolitics and shifting macroeconomic conditions could affect the Group's funding access and increase working capital pressures.

The Group will continue accelerating property sales and cash collection while replenishing land bank reserves prudently. It will also appropriately adjust the development pace according to market conditions, strengthen inventory management and explore diversified funding channels to ensure robust cash flows and maintain a strong financial position. The Group aims to sustain good cooperation with financial institutions and meet financing commitments and regulatory requirements.

MARKET RISK

The real estate market of Mainland China is susceptible to different factors such as government policies and regulations, economic growth, social environment, customer demands, etc.

The Group closely monitors changes in the business environment and regulations, and timely evaluates their impact to formulate sustainable development strategies. It will further boost product research and development, improve standardization, and gradually increase the supply of renovated flats to cater to customer demand changes. This enhances project quality. Additionally, construction schedules will be flexibly adjusted based on sales performance to ensure supply while reducing potential inventory pressure.

INVESTMENT RISK

The property market in Mainland China diverges with uneven growth among different cities and districts. Under the city-specific policies, it is critical for the Group to replenish and acquire suitable land bank at suitable sites at reasonable price for healthy and sustainable growth.

The Group sticks firmly to its prudent investment approach and expands its operating scale in an organized manner. The Group would continue to perform comprehensive due diligence review on new business opportunities and selected cautiously appropriate projects meeting its requirements for investment. At the same time, co-operation with strong and reputable corporations for developing projects jointly are considered to balance operational risks.

FOREIGN EXCHANGE RISK

In recent years, volatility in RMB's exchange rate has increased due to global economic uncertainties. Under the existing debt financing structure, the Group is subject to foreign exchange risk from the volatility of RMB exchange rate.

The Group continues to strengthen currency risk management. Management closely monitors market moves to optimize the currency mix in loans, balancing financing costs and risks. It will also monitor RMB fluctuations and optimize the RMB to HKD/USD debt portfolio mix as needed. Different funding options are also evaluated to mitigate risks from foreign exchange movements.

PRODUCT QUALITY RISK

Property developer has to manage the risk of work quality of major contractors. Reputation of the developer would be affected by sub-standard housing products arising from improper work procedures and poor site management.

With extensive experience in the property development business, the Group has established a well-defined quality assessment system and would strictly regulate the construction work process in order to ensure smooth progress and quality assurance of the property development projects.

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2024

	Notes	**2024 RMB'000**	2023 RMB'000
Revenue	*4*	**45,895,252**	56,408,144
Cost of sales and services provided		**(42,049,101)**	(50,096,691)
Gross profit		**3,846,151**	6,311,453
Other income and gains, net		**499,617**	343,362
Distribution and selling expenses		**(1,373,053)**	(1,551,916)
Administrative expenses		**(762,613)**	(896,268)
Operating profit		**2,210,102**	4,206,631
Finance costs		**(59,453)**	(65,237)
Share of results of associates		**27,588**	1,450
Share of results of joint ventures		**(17,493)**	(20,131)
Profit before income tax	*6*	**2,160,744**	4,122,713
Income tax expense	*7*	**(944,903)**	(2,097,753)
Profit for the year		**1,215,841**	2,024,960
Profit/(Loss) for the year attributable to:			
Owners of the Company		**954,050**	2,301,686
Non-controlling interests		**261,791**	(276,726)
		1,215,841	2,024,960
		RMB Cents	RMB Cents
Earnings per share	*9*		
Basic		**26.8**	64.7
Diluted		**26.8**	64.7

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

	2024 RMB'000	2023 RMB'000
Profit for the year	**1,215,841**	2,024,960
Other comprehensive income		
Item that will not be reclassified to profit or loss		
Exchange differences on translation of the Company's financial statements	**284,242**	151,953
Items that may be reclassified to profit or loss		
Exchange differences on translation of subsidiaries' financial statements	**(900,017)**	(443,784)
Other comprehensive income for the year, net of tax	**(615,775)**	(291,831)
Total comprehensive income for the year	**600,066**	1,733,129
Total comprehensive income attributable to:		
Owners of the Company	**338,275**	2,009,855
Non-controlling interests	**261,791**	(276,726)
	600,066	1,733,129

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Notes	**2024 RMB'000**	2023 RMB'000
Assets and liabilities			
Non-current assets			
Investment properties		**4,536,748**	4,621,513
Property, plant and equipment		**808,564**	817,233
Right-of-use assets		**327,305**	353,686
Interests in associates		**518,273**	328,085
Interests in joint ventures		**412,458**	568,035
Deferred tax assets		**1,376,844**	1,707,562
		7,980,192	8,396,114
Current assets			
Inventories of properties		**84,369,988**	107,119,484
Other inventories		**2,772**	2,820
Contract costs		**55,261**	75,217
Trade and other receivables	*10*	**748,410**	777,512
Prepayments and deposits		**3,282,159**	4,017,266
Amounts due from associates		**726,912**	888,880
Amounts due from joint ventures		**441,985**	373,496
Amounts due from non-controlling shareholders		**2,896,924**	2,764,690
Tax prepaid		**1,387,437**	1,594,372
Cash and bank balances	*11*	**27,290,854**	26,020,603
		121,202,702	143,634,340
Current liabilities			
Trade and other payables	*12*	**13,650,255**	17,567,987
Pre-sales proceeds		**27,803,620**	40,829,178
Amounts due to associates		**155,166**	43,411
Amounts due to joint ventures		**255,857**	269,054
Amounts due to non-controlling shareholders		**5,129,250**	5,673,611
Amounts due to a related company – due within one year		**186,119**	186,119
Lease liabilities – due within one year		**9,133**	11,664
Guaranteed notes and corporate bonds – due within one year		**2,800,000**	-
Taxation liabilities		**2,048,482**	3,169,088
Bank and other borrowings – due within one year		**9,729,105**	13,555,442
		61,766,987	81,305,554
Net current assets		**59,435,715**	62,328,786
Total assets less current liabilities		**67,415,907**	70,724,900

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 31 December 2024

	2024 RMB'000	2023 RMB'000
Non-current liabilities		
Bank and other borrowings – due after one year	**21,190,484**	21,353,371
Lease liabilities – due after one year	**15,658**	24,487
Guaranteed notes and corporate bonds – due after one year	**5,982,049**	8,655,350
Amount due to a related company – due after one year	**75,026**	75,026
Deferred tax liabilities	**2,601,627**	2,487,150
	29,864,844	32,595,384
Net assets	**37,551,063**	38,129,516
Capital and reserves		
Share capital	**6,047,372**	6,047,372
Reserves	**25,348,495**	25,256,160
Equity attributable to owners of the Company	**31,395,867**	31,303,532
Non-controlling interests	**6,155,196**	6,825,984
Total equity	**37,551,063**	38,129,516

1. GENERAL INFORMATION

China Overseas Grand Oceans Group Limited (the "Company") is a limited liability company incorporated in the Hong Kong Special Administrative Region ("Hong Kong"), the People's Republic of China (the "PRC") and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The address of the Company's registered office and principal place of business is Suites 701-702, 7/F., Three Pacific Place, 1 Queen's Road East, Hong Kong.

The principal activities of the Company and its subsidiaries (collectively, the "Group") mainly comprise property development and commercial property operations. The Group's business activities are principally carried out in certain regions in the PRC.

The Company is an associated company of China Overseas Land & Investment Limited ("COLI"). COLI is a company incorporated in Hong Kong with limited liability and its shares are listed on the Stock Exchange. COLI's ultimate holding company is 中國建築集團有限公司 China State Construction Engineering Corporation*, an entity established in the PRC.

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS"), which collective term includes individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the provisions of the Hong Kong Companies Ordinance ("Companies Ordinance") which concern the preparation of financial statements. In addition, the consolidated financial statements include the applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

The financial information relating to the years ended 31 December 2024 and 2023 included in this preliminary announcement of annual results 2024 does not constitute the Company's statutory annual consolidated financial statements for those years but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance is as follows:

The Company has delivered the financial statements for the year ended 31 December 2023 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance and will deliver the financial statements for the year ended 31 December 2024 in due course.

The Company's auditor has reported on the financial statements of the Group for both years. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) or (3) of the Companies Ordinance.

The consolidated financial statements for the year ended 31 December 2024 were approved and authorized for issue by the Board on 26 March 2025.

* *English translation is for identification only*

2. BASIS OF PREPARATION

The consolidated financial statements have been prepared under the historical cost basis except for investment properties, which are measured at fair value.

All values are rounded to the nearest thousand except otherwise indicated.

3. ADOPTION OF HKFRS

3.1 New and amended standards adopted by the Group

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

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

The amendments and interpretation listed above did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

3.2 New and amended standards and interpretations not yet adopted

Certain new or amended accounting standards and interpretations have been published that are not mandatory for 31 December 2024 reporting period and have not been early adopted by the Group.

		Effective for annual periods beginning on or after
Amendments to HKAS 21	Lack of Exchangeability	1 January 2025
Amendments to HKFRS 9 and HKFRS 7	Classification and Measurement of Financial Instruments	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

3. ADOPTION OF HKFRS (CONTINUED)

3.2 New and amended standards and interpretations not yet adopted (Continued)

HKFRS 18 will replace HKAS 1 Presentation of Financial Statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the consolidated statements of profit or loss and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the Group's consolidated financial statements. The Group expects to apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with HKFRS 18.

Except for the abovementioned changes in presentation and disclosure, these pronouncements are not expected to have a material impact on the results or the financial position of the Group.

4. REVENUE

The principal activities of the Group are disclosed in note 1. Revenue derived from the Group's principal activities comprises of the following:

	2024 **RMB'000**	2023 RMB'000
Property development	**45,410,942**	56,003,458
Commercial property operations	**484,310**	404,686
Total revenue	**45,895,252**	56,408,144

5. SEGMENT INFORMATION

The operating segments are reported in a manner consistent with the way in which information is reported internally to the Group's management for the purposes of resources allocation and assessment of segment performance. Since the property leasing and other segment of the Group are mainly engaged in office and commercial unit leasing and hotel operations, and their operating results are combined for the performance assessment by management, the Group has changed the composition of its reportable segments in respect of the commercial property operation businesses for the year ended 31 December 2024, which mainly combined the property leasing segment and the other segment into commercial property operations segment during the current year.

For the year ended 31 December 2024, the two reportable segments of the Group and the type of revenue are as follows:

Property development	—	property development and sales
Commercial property operations	—	property rentals, hotel and other commercial property operations

The Group has restated segment information comparative figures to conform with the current year's presentation.

5. SEGMENT INFORMATION (CONTINUED)

Revenue and expenses are allocated to the reportable segments with reference to the sales generated by those segments and the expenses incurred by those segments. Segment revenue represents revenue from external customers and there were no inter-segment sales between different operating segments during the current and prior year. Segment profit/loss includes the Group's share of profit/loss arising from the activities of the Group's associates and joint ventures. Reportable segment profit/loss excludes corporate income and expenses and finance costs from the Group's profit/loss before income tax. Corporate income and expenses are income and expenses incurred by corporate headquarters which are not allocated to the operating segments. Each of the operating segments is managed separately as the resources requirement of each of them is different.

Segment assets include all assets with the exception of tax assets and corporate assets, including certain cash and bank balances and other assets which are not directly attributable to the business activities of operating segments as these assets are managed on a group basis.

Segment liabilities include trade and other payables, accrued liabilities, amounts due to associates, joint ventures, non-controlling shareholders and related companies and other liabilities directly attributable to the business activities of the operating segments and exclude tax liabilities, corporate liabilities and liabilities such as bank and other borrowings, guaranteed notes and corporate bonds and certain amounts due to related companies that are managed on a group basis.

Disaggregation of revenue by timing of revenue recognition

Disaggregation of revenue by timing of revenue recognition is set out as follows:

	Property development RMB'000	Commercial property operations RMB'000	Consolidated RMB'000
For the year ended 31 December 2024			
Revenue from contracts with customers disaggregated by timing of revenue recognition			
- Recognition at point in time	**45,410,942**	**-**	**45,410,942**
- Recognition over time	**-**	**186,113**	**186,113**
	45,410,942	**186,113**	**45,597,055**
Revenue from other sources			
- Rental income from commercial properties	**-**	**298,197**	**298,197**
	45,410,942	**484,310**	**45,895,252**

5. SEGMENT INFORMATION (CONTINUED)

Disaggregation of revenue by timing of revenue recognition (Continued)

	Property development RMB'000	Commercial property operations RMB'000	Consolidated RMB'000
For the year ended 31 December 2023			
Revenue from contracts with customers disaggregated by timing of revenue recognition			
- Recognition at point in time	56,003,458	-	56,003,458
- Recognition over time	-	132,504	132,504
	56,003,458	132,504	56,135,962
Revenue from other sources			
- Rental income from commercial properties	-	272,182	272,182
	56,003,458	404,686	56,408,144

Segment results, segment assets and segment liabilities

Information regarding the Group's reportable segments including the reportable segment revenue, segment profit/loss, segment assets, segment liabilities, reconciliations to revenue, profit before income tax, total consolidated assets and total consolidated liabilities, and other segment information are as follows:

	Property development RMB'000	**Commercial property operations RMB'000**	**Consolidated RMB'000**
For the year ended 31 December 2024			
Reportable segment revenue	**45,410,942**	**484,310**	**45,895,252**
Reportable segment profit	**1,842,999**	**192,982**	**2,035,981**
Corporate income			**245,956**
Finance costs			**(59,453)**
Other corporate expenses			**(61,740)**
Profit before income tax			**2,160,744**
As at 31 December 2024			
Reportable segment assets	**118,447,057**	**7,004,278**	**125,451,335**
Tax assets			**2,764,281**
Corporate assets^			**967,278**
Total consolidated assets			**129,182,894**
Reportable segment liabilities	**47,035,617**	**93,799**	**47,129,416**
Tax liabilities			**4,650,109**
Bank and other borrowings			**30,919,589**
Guaranteed notes and corporate bonds			**8,782,049**
Amount due to a related company			**75,026**
Other corporate liabilities			**75,642**
Total consolidated liabilities			**91,631,831**

5. SEGMENT INFORMATION (CONTINUED)

Segment results, segment assets and segment liabilities (Continued)

	Property development RMB'000	Commercial property operations RMB'000	Consolidated RMB'000
For the year ended 31 December 2023			
Reportable segment revenue	56,003,458	404,686	56,408,144
Reportable segment profit	4,215,963	126,124	4,342,087
Corporate income			8,307
Finance costs			(65,237)
Other corporate expenses			(162,444)
Profit before income tax			4,122,713
As at 31 December 2023			
Reportable segment assets	141,204,766	7,013,866	148,218,632
Tax assets			3,301,934
Corporate assets^			509,888
Total consolidated assets			152,030,454
Reportable segment liabilities	64,405,978	92,229	64,498,207
Tax liabilities			5,656,238
Bank and other borrowings			34,908,813
Guaranteed notes and corporate bonds			8,655,350
Amount due to a related company			75,026
Other corporate liabilities			107,304
Total consolidated liabilities			113,900,938

^ Corporate assets as at 31 December 2024 mainly included property, plant and equipment of RMB71,087,000 (2023: RMB76,564,000), right-of-use assets of RMB89,516,000 (2023: RMB96,051,000) and cash and bank balances of RMB804,879,000 (2023: RMB335,150,000), which are managed on a group basis.

5. SEGMENT INFORMATION (CONTINUED)

Segment results, segment assets and segment liabilities (Continued)

Other information

	Property development RMB'000	Commercial property operations RMB'000	Corporate RMB'000	Consolidated RMB'000
For the year ended 31 December 2024				
Interest income	**(209,097)**	**(2,773)**	**(10,947)**	**(222,817)**
Depreciation	**29,611**	**79,189**	**13,604**	**122,404**
Gain on disposal of property, plant and equipment	**(1,908)**	**-**	**-**	**(1,908)**
Write-off of property, plant and equipment	**22**	**-**	**-**	**22**
Write-down of inventories of properties	**673,015**	**-**	**-**	**673,015**
Share of profit of associates	**(27,588)**	**-**	**-**	**(27,588)**
Share of loss/(profit) of joint ventures	**22,625**	**(5,132)**	**-**	**17,493**
Additions to specified non-current assets#	**3,896**	**260**	**1,250**	**5,406**
As at 31 December 2024				
Interests in associates	**518,273**	**-**	**-**	**518,273**
Interests in joint ventures	**285,830**	**126,628**	**-**	**412,458**
For the year ended 31 December 2023				
Interest income	(359,177)	(4,837)	(8,307)	(372,321)
Depreciation	27,244	72,977	16,587	116,808
Gain on disposal of property, plant and equipment	(208)	(13)	-	(221)
Impairment of property, plant and equipment	-	81,460	-	81,460
Write-off of property, plant and equipment	1	39,971	-	39,972
Write-down of inventories of properties	1,452,605	-	-	1,452,605
Share of profit of associates	(1,450)	-	-	(1,450)
Share of loss/(profit) of joint ventures	25,057	(4,926)	-	20,131
Additions to specified non-current assets#	145,506	85,984	20	231,510
As at 31 December 2023				
Interests in associates	328,085	-	-	328,085
Interests in joint ventures	444,264	123,771	-	568,035

\# Including additions to the Group's investment properties, other properties, plant and equipment, right-of-use assets, interests in associates and joint ventures (i.e. "specified non-current assets"), but excluded those additions arising from transfers between inventories of properties, investment properties and owner-occupied properties.

5. SEGMENT INFORMATION (CONTINUED)

Geographical information

All of the Group's revenue is derived from activities conducted in the PRC excluding Hong Kong. Accordingly, no analysis of the Group's revenue by geographical locations is presented.

An analysis of the Group's specified non-current assets by geographical locations, determined based on physical location of the assets or location of operations in case of interests in associates and joint ventures, is as follows:

	2024	2023
	RMB'000	RMB'000
Hong Kong	**8,863**	12,655
Other regions of the PRC	**6,594,485**	6,675,897
	6,603,348	6,688,552

Information about major customer

None of the customers individually contributed 10% or more of the Group's revenue for the years ended 31 December 2024 and 2023.

6. PROFIT BEFORE INCOME TAX

	2024	2023
	RMB'000	RMB'000
Profit before income tax is arrived at after charging:		
Depreciation:		
Property, plant and equipment	**95,359**	91,975
Right-of-use assets	**27,045**	24,833
Total depreciation	**122,404**	116,808
Impairment of property, plant and equipment*	**-**	81,460
Write-down of inventories of properties*	**673,015**	1,452,605

* included in "Cost of sales and services provided" in the consolidated income statement

7. INCOME TAX EXPENSE

	2024	2023
	RMB'000	RMB'000
Current tax for the year		
Hong Kong profits tax	**-**	-
Other regions of the PRC		
- Enterprise income tax ("EIT")	**740,485**	1,676,152
- Land appreciation tax ("LAT")	**(224,891)**	532,143
	515,594	2,208,295
Over-provision in prior years		
Other regions of the PRC	**(358)**	(130,987)
Deferred tax		
- EIT	**445,195**	44,210
- LAT	**(15,528)**	(23,765)
	429,667	20,445
	944,903	2,097,753

No Hong Kong profits tax has been provided in the consolidated financial statements as the Group did not derive any estimated assessable profits in Hong Kong for the current year and in prior year.

EIT arising from other regions of the PRC is calculated at 25% (2023: 25%) on the estimated assessable profits.

PRC LAT is levied at progressive rates from 30% to 60% (2023: 30% to 60%) on the estimated appreciation of land value, being the proceeds of sales of properties less deductible expenditure including cost of land use rights and development and construction expenditure.

8. DIVIDENDS

(a) Dividends payable to owners of the Company attributable to the year:

	2024	2023
	RMB'000	RMB'000
Interim dividend – HK\$0.03 (2023: HK\$0.05) per ordinary share	**97,730**	163,454
Proposed final dividend – HK\$0.07 (2023: HK\$0.11) per ordinary share *(note)*	**233,884**	355,517
	331,614	518,971

Note:
The final dividend in respect of 2024 of HK\$0.07 (2023: HK\$0.11) per ordinary share, amounting to HK\$249,156,000, equivalent to approximately RMB233,884,000 (2023: HK\$391,531,000, equivalent to approximately RMB355,517,000), has been proposed by the directors and is subject to approval by the shareholders of the Company in the forthcoming annual general meeting.

The amount of the proposed final dividend, which was calculated based on the number of ordinary shares in issue at the date of approval of the consolidated financial statements, has not been recognised as dividend payable in the consolidated statement of financial position as at 31 December 2024.

8. DIVIDENDS (CONTINUED)

(b) Dividends payable to owners of the Company attributable to the previous financial year:

	2024 RMB'000	2023 RMB'000
Final dividend in respect of previous financial year, approved and paid during the year of HK$0.11 (2023: HK$0.15) per ordinary share	**360,660**	491,264

9. EARNINGS PER SHARE

The calculations of basic earnings per share attributable to owners of the Company are based on the following data:

	2024 RMB'000	2023 RMB'000
Earnings		
Profit for the year attributable to owners of the Company	**954,050**	2,301,686

	2024 '000	2023 '000
Weighted average number of ordinary shares		
Weighted average number of ordinary shares in issue during the year	**3,559,375**	3,559,375

Diluted earnings per share for the years ended 31 December 2024 and 2023 are same as the basic earnings per share as there have been no dilutive potential ordinary shares in existence during the current and prior year.

10. TRADE AND OTHER RECEIVABLES

	2024 RMB'000	2023 RMB'000
Trade receivables	**210,825**	159,010
Other receivables	**537,585**	618,502
	748,410	777,512

The ageing analysis of the Group's trade receivables based on invoice date or when appropriate, date of transfer of property, is as follows:

	2024 RMB'000	2023 RMB'000
30 days or below	**90,632**	49,328
31 – 60 days	**594**	282
61 – 90 days	**1,469**	113
91 – 180 days	**365**	89,779
181 – 360 days	**10,383**	14,889
Over 360 days	**107,382**	4,619
	210,825	159,010

10. TRADE AND OTHER RECEIVABLES (CONTINUED)

The credit terms in connection with sales of properties granted to the buyers are set out in the sale and purchase agreements and vary for different agreements. Rentals receivable from tenants and service income receivable from customers are generally due on presentation of invoices.

As at 31 December 2024, no material provision was made against the gross amount of trade receivables and other receivables.

There is no concentration of credit risk with respect to trade receivables as the Group has a large number of unrelated customers.

11. CASH AND BANK BALANCES

At 31 December 2024, cash and bank balances included cash and cash equivalents of RMB21,735,740,000 (2023: RMB20,063,626,000) and other bank balances of RMB5,555,114,000 (2023: RMB5,956,977,000), which mainly represented presale proceeds from sales of properties in the PRC and was subject to usage restrictions.

12. TRADE AND OTHER PAYABLES

	2024	2023
	RMB'000	RMB'000
Trade payables	**12,090,963**	15,887,120
Other payables and accruals	**1,188,997**	1,256,432
Deposits received	**370,295**	424,435
	13,650,255	17,567,987

The ageing analysis of the Group's trade payables based on invoice date or contract terms, where appropriate, is as follows:

	2024	2023
	RMB'000	RMB'000
30 days or below	**4,368,642**	5,916,179
31 – 60 days	**601,722**	644,730
61 – 90 days	**284,335**	335,179
91 – 180 days	**1,054,726**	1,769,715
181 – 360 days	**2,272,931**	2,554,464
Over 360 days	**3,508,607**	4,666,853
	12,090,963	15,887,120

PROPOSED FINAL DIVIDEND

The Board has recommended the payment of a final dividend of HK7 cents per share for the year ended 31 December 2024. Together with an interim dividend of HK3 cents per share, the total dividend for the whole year amounted to HK10 cents per share, HK6 cents decrease compared with the total dividend of HK16 cents per share for the previous year.

The proposed final dividend is subject to the approval by the shareholders of the Company at the forthcoming annual general meeting of the Company (the "AGM") and the final dividend warrant is expected to be despatched to the shareholders of the Company at their own risk on or around 15 July 2025.

CLOSURE OF REGISTER OF MEMBERS

For the purposes of determining shareholders' eligibility to attend and vote at the AGM, and entitlement to the proposed final dividend, the Company's Register of Members will be closed as set out below:

(i) For determining eligibility to attend and vote at the AGM:

- Latest time to lodge transfer documents for registration with the Company's share registrar	At 4:30 p.m. on 17 June 2025
- Closure of Register of Members	18 June 2025 to 23 June 2025 (both days inclusive)
- Record date	23 June 2025

(ii) For determining entitlement to the proposed final dividend:

- Ex-dividend date	25 June 2025
- Latest time to lodge transfer documents for registration with the Company's share registrar	At 4:30 p.m. on 26 June 2025
- Closure of Register of Members	27 June 2025
- Record date	27 June 2025

During the above closure periods, no transfer of shares will be registered. To be eligible to attend and vote at the AGM, and to qualify for the proposed final dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, no later than the aforementioned latest time.

ANNUAL GENERAL MEETING

The AGM will be held on Monday, 23 June 2025 at 10:00 a.m. The notice of the AGM, which constitutes part of a circular to shareholders of the Company, will be sent to the shareholders of the Company in due course.

REVIEW OF THIS FINAL RESULTS ANNOUNCEMENT

The figures in respect of the Group's consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in this announcement have been agreed by the Group's external auditor, PricewaterhouseCoopers ("PwC"), to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PwC in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by PwC on this announcement.

AUDIT COMMITTEE AND REVIEW OF ACCOUNTS

The Audit Committee of the Company has discussed with management and reviewed the Group's annual results and consolidated accounts for the year ended 31 December 2024.

PURCHASE, SALE OR REDEMPTION OF THE GROUP'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Group's listed securities during the year ended 31 December 2024 and up to the date of this announcement.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted a code of conduct for securities transactions by directors of the Company (the "Code of Conduct"), on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules.

Having made specific inquiries to all directors of the Company, they confirmed that they have complied with the Code of Conduct throughout the year of 2024.

CORPORATE GOVERNANCE PRACTICE

The Group strives to raise the standards of corporate governance and regards corporate governance as part of value creation. This reflects the commitment of the Board and senior management to abiding by the standards of corporate governance, as well as the commitment to maintaining transparency and accountability to maximise the value of the shareholders of the Company as a whole.

The Company has applied the corporate governance principles and complied with all the code provisions (where applicable, some of the recommended best practices) set out in the Corporate Governance Code in Appendix C1 to the Listing Rules for the year ended 31 December 2024.

PUBLICATION OF RESULTS ANNOUNCEMENT ON THE WEBSITES OF THE COMPANY AND THE STOCK EXCHANGE

This results announcement is published on the websites of Company at https://www.cogogl.com.hk and of the Stock Exchange at https://www.hkexnews.hk. The annual report for the year ended 31 December 2024 of the Company will be published at the abovementioned websites and will be sent to shareholders of the Company in due course.

By Order of the Board
China Overseas Grand Oceans Group Limited
Zhuang Yong
Chairman and Executive Director

Hong Kong, 26 March 2025

As at the date of this announcement, the Board comprises eight directors, of which three are executive directors, namely Mr. Zhuang Yong, Mr. Yang Lin and Mr. Zhou Hancheng; two are non-executive directors, namely Mr. Billy Yung Kwok Kee and Ms. Liu Ping; and three are independent non-executive directors, namely Dr. Timpson Chung Shui Ming, Mr. Jeffrey Lam Kin Fung and Mr. Andrew Fan Chun Wah.