GUANGDONG – HONG KONG GREATER BAY AREA HOLDINGS LIMITED
粵港灣控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1396)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

ANNUAL RESULTS

The board of directors (the "**Board**") of Guangdong – Hong Kong Greater Bay Area Holdings Limited (the "**Company**" or "**GHKGBA Holdings**", together with its subsidiaries, collectively the "**Group**") hereby announce the consolidated results of the Group for the financial year ended 31 December 2024 ("**FY2024**" or the "**Year**") with comparative audited figures for the preceding financial year ended 31 December 2023 ("**FY2023**").

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the year ended 31 December 2024
(Expressed in Renminbi)

	Note	**2024** *RMB'000*	2023 *RMB'000*
Revenue	3	**2,602,700**	3,530,521
Cost of sales		**(3,225,405)**	(3,509,365)
Gross (loss)/profit		**(622,705)**	21,156
Other net (loss)/gain		**(248,031)**	208,923
Selling and distribution costs		**(66,157)**	(115,769)
Administrative expenses		**(79,065)**	(161,935)
Impairment loss on financial assets measured at amortised cost		**(417,159)**	(292,436)
Loss from operations before fair value loss on investment properties		**(1,433,117)**	(340,061)
Fair value loss on investment properties		**(72,558)**	(419,200)
Loss from operation after fair value loss on investment properties		**(1,505,675)**	(759,261)
Fair value (loss)/gain on other investment		**(5,512)**	8,247
Share of loss of an associate		**(274)**	(1,832)
Finance incomes	4	**4,501**	19,328
Finance costs	4	**(68,035)**	(293,190)
Loss before taxation	4	**(1,574,995)**	(1,026,708)
Income tax expense	5	**(466,316)**	(178,907)
Loss for the year		**(2,041,311)**	(1,205,615)
Attributable to:			
Equity shareholders of the Company		**(1,834,586)**	(1,214,747)
Non-controlling interests		**(206,725)**	9,132
Loss for the year		**(2,041,311)**	(1,205,615)
Loss per share			
Basic and diluted *(RMB cents)*	6	**(331.9)**	(267.7)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024
(Expressed in Renminbi)

	2024	2023
	RMB'000	*RMB'000*
LOSS FOR THE YEAR	**(2,041,311)**	(1,205,615)
Other comprehensive (loss)/income for the year (after tax and reclassification adjustments)		
Item that may be reclassified subsequently to profit or loss:		
– Exchange differences on translation of financial statements of subsidiaries outside the Mainland China	**(28,292)**	23,425
Items that will not be reclassified subsequently to profit or loss:		
– (Loss)/gain on revaluation of property, plant and equipment upon transfer to investment property	**(1,647)**	17,639
– Deferred tax liabilities on reversal/(recognition) of revaluation of property, plant and equipment upon transfer to investment properties	**412**	(4,410)
Other comprehensive (loss)/income for the year	**(29,527)**	36,654
Total comprehensive loss for the year	**(2,070,838)**	(1,168,961)
Attributable to:		
Equity shareholders of the Company	**(1,864,113)**	(1,175,998)
Non-controlling interests	**(206,725)**	7,037
Total comprehensive loss for the year	**(2,070,838)**	(1,168,961)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

(Expressed in Renminbi)

	Note	**2024** *RMB'000*	2023 *RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**2,267**	5,927
Investment properties	7	**1,307,232**	1,660,100
Intangible assets		**6,506**	9,697
Interests in a joint venture		**–**	–
Interests in an associate		**4,702**	4,682
Deferred tax assets		**315,375**	354,667
TOTAL NON-CURRENT ASSETS		**1,636,082**	2,035,073
CURRENT ASSETS			
Inventories and other contract costs		**8,146,891**	11,694,419
Other investment		**146,721**	150,888
Trade and other receivables	8	**2,028,481**	3,468,927
Prepaid tax		**336,732**	278,237
Pledged and restricted cash	9	**193,548**	568,400
Cash and cash equivalents		**13,057**	25,956
		10,865,430	16,186,827
Assets of disposal group classified as held for sale		**156,356**	–
TOTAL CURRENT ASSETS		**11,021,786**	16,186,827
CURRENT LIABILITIES			
Trade and other payables	10	**2,928,501**	3,894,300
Contract liabilities		**3,042,758**	4,360,714
Bank loans and other borrowings		**890,076**	1,760,095
Senior notes	11	**113,584**	111,914
Lease liabilities		**477**	529
Current tax liabilities		**431,064**	799,562
Deferred income		**175,113**	182,135
Financial guarantee contract		**4,020**	7,833
Other current liabilities		**–**	329,039
Other financial liabilities		**–**	158,859
		7,585,593	11,604,980
Liabilities of disposal group classified as held for sale		**217,582**	–
TOTAL CURRENT LIABILITIES		**7,803,175**	11,604,980

	Note	2024 RMB'000	2023 RMB'000
NET CURRENT ASSETS		**3,218,611**	4,581,847
TOTAL ASSETS LESS CURRENT LIABILITIES		**4,854,693**	6,616,920
NON-CURRENT LIABILITIES			
Bank loans and other borrowings		**1,470,508**	1,235,423
Senior notes	11	**3,253,866**	3,109,999
Lease liabilities		**–**	204
Deferred tax liabilities		**30,112**	26,861
TOTAL NON-CURRENT LIABILITIES		**4,754,486**	4,372,487
NET ASSETS		**100,207**	2,244,433
Capital and reserves			
Share capital		**69,581**	36,598
Reserves		**319,545**	2,202,057
Total equity attributable to equity shareholders of the Company		**389,126**	2,238,655
Non-controlling interests		**(288,919)**	5,778
TOTAL EQUITY		**100,207**	2,244,433

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

1. CORPORATE INFORMATION

Guangdong – Hong Kong Greater Bay Area Holdings Limited (formerly known as Hydoo International Holding Limited before 14 July 2020, the "**Company**" or "**GHKGBA Holdings**") is listed on the main board of the Hong Kong Stock Exchange (stock code: 01396.HK) on 31 October 2013. The registered office address of the Company is PO Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands. The principal place of business of the Company in Hong Kong is located at Unit 916, 9/F, China Merchants Tower, Shun Tak Centre,168–200 Connaught Road, Central, Hong Kong.

The immediate holding company and ultimate holding company of the Company is China Guangdong – Hong Kong Greater Bay Area Holdings Limited, a company incorporated in the British Virgin Islands ("**BVI**").

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

The consolidated financial statements of the Company and its subsidiaries (the "**Group**") for the year ended 31 December 2024 have been prepared in accordance with all applicable International Financial Reporting Standards ("**IFRSs**"), which collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards ("**IASs**") and Interpretations issued by the International Accounting Standards Board ("**IASB**"), and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

(b) Basis of preparation of the consolidated financial statements

Going concern consideration

The Group incurred a loss of RMB2,041,311,000 for the year ended 31 December 2024 and, as of that date, the Group had net current assets of RMB3,218,611,000, and the Group's current portion of bank loans and other borrowings amounted to RMB890,076,000 and senior notes due in 2023 October ("**October 2023 Senior Notes**") amounted to RMB113,584,000, while its cash and cash equivalents amounted to RMB13,057,000 only. Moreover, certain holders of October 2023 Senior Notes were, for their own reason, not practical to tender for exchange and accept the exchange offer launched by the Company on 17 April 2023 (the "**Exchange Offer**") and the Group was not practical to repay the principal and interest on October 2023 Senior Notes of approximately US$15,801,000 and US$5,471,000 (equivalent to RMB113,584,000 and RMB39,328,000), respectively, as such holders of October 2023 Senior Notes cannot be effectively communicated. As at 31 December 2024 and up to the date of this announcement, the Group is not practical to effectively communicate with such holders of October 2023 Senior Notes to negotiate for settlement or repayment, and no redemption notice received in respect of the October 2023 Senior Notes. Such non-payment of the principal and interest on October 2023 Senior Notes may cause an event of default, and may lead to demand for immediate repayment. Besides, subsequent to the end of the reporting period, the bank borrowings of approximately RMB788 million will be due within 12 months. Further, in view of the current condition of the property market, coupled with the limited source of financing from the capital market, the Group may take longer time than expected to realise cash from the sale of its inventories and/or have the cash from external financing to meet its loan repayment obligations.

These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Notwithstanding the aforesaid conditions, the consolidated financial statements have been prepared on a going concern basis on the assumption that the Group is able to operate as a going concern for the foreseeable future. The Group can meet its financial obligations as and when they fall due within the next twelve months, after taking into consideration of the measures and arrangements made by the Group as detailed below:

i. The Group has successfully obtained support from most of the senior notes holders in restructuring during 2023.

   The Company has launched an Exchange Offer on 17 April 2023, and pursuant to the Company's announcement dated 26 April 2023, US$75,000,000, representing 100.0% of the total aggregate principal amount of the outstanding senior notes due in May 2023, and US$287,819,000, representing approximately 94.8% of the total aggregate principal amount of the outstanding senior notes due in October 2023, have been validly tendered for exchange and accepted pursuant to the Exchange Offer. The Company also launched a consent solicitation ("**Consent Solicitation**") for the new senior note due in 2029 ("**New Notes**") on 11 October 2023, and successfully completed the Consent Solicitation on 25 October 2023. Please refer details to announcements of the Company dated 17 April 2023, 26 April 2023, 28 April 2023, 4 May 2023, 11 October 2023, 23 October 2023, and 25 October 2023.

   The success of the Exchange Offer and Consent Solicitation result and enable the Company to effectively extend the maturity profile of most of its offshore indebtedness due from April 2023 to April 2029 with lower interest, and significantly ease the pressure on cash flow. The Company will continue to actively communicate with the remaining holders of October 2023 Senior Notes, and urges such holders of October 2023 Senior Notes to exchange the remaining October 2023 Senior Notes for the New Notes.

ii. The Group has good track records and relationship with banks which would enhance the Group's ability on extension and renewal of its bank borrowing or facilities. Besides, the Group will continue to monitor its compliance of financial covenants of the Group's bank borrowings and with the support of recent national and local government policies in PRC, it is confident that sufficient financing can be arranged from the refinancing or renewal of bank borrowings upon or before the maturity date.

iii. During the Year and subsequent to the reporting period, the Group has obtained continuous financial support from the controlling shareholder. The controlling shareholder has confirmed that it will not demand the Group for repayment of the shareholder loan within the next twelve months from the end of the reporting period should the Group not be in the financial position to make such repayment.

iv. Subsequent to the end of the reporting period, the Group have further received deposits or advanced sales proceed from property purchasers of approximately RMB99,897,000 from sales of properties in the normal course of business.

v. In September 2023, the executive meeting of the State Council of the PRC deliberated and approved the "Special Action Plan for Clearing Accounts in Arrears of Enterprises", aiming to solve the problem of arrears owed by the local government. With the support of this government policy and action plan, the Group has actively communicated and negotiated with local governments to settle the receivables.

vi. The Group will continue to take measures to accelerate the sales of its completed properties held for sale and to speed up the collection of sales proceeds.

vii. The Group is considering various proposals, including but not limited to pledges of the Group's properties for sales (included in inventory) and investment properties, in order to raising new borrowing facilities or seeking for sales in the market to improve liquidity and to obtain additional funds to support the Group's working capital needs. As of 31 December 2024, the properties for sale (included in inventory) and the investment properties of the Group amounted to approximately RMB3 billion and RMB1.3 billion, respectively.

viii. The Group will continue to take proactive measures to control selling and distribution expenses and administrative expenses.

Taking into account the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within the next 12 months from 31 December 2024. Accordingly, it is appropriate to prepare the consolidated financial statements of the Group for the year ended 31 December 2024 on a going concern basis.

Notwithstanding the above, material uncertainty exists as to whether sufficient financing can be arranged from the refinancing or renewal of bank borrowings and operating cash flows generated from the sales of properties depending on the market condition. Should the Group be unable to operate as a going concern, adjustments might have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to reclassify its non-current assets and non-current liabilities as current assets and current liabilities respectively, or to make provision for any contractual commitments that have become onerous, where appropriate.

Basis of consolidation

The consolidated financial statements for the year ended 31 December 2024 comprise the Company and its subsidiaries and the Group's interest in an associate and a joint venture.

These consolidated financial statements are presented in Renminbi ("**RMB**") rounded to the nearest thousand. The measurement basis used in the preparation of the consolidated financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

– equity investments other than investments in subsidiaries, associates and joint ventures;

– other investments in debt and equity securities;

– derivative financial instruments;

– investment properties, including interests in leasehold land and buildings held as investment properties where the Group is the registered owner of the property interest; and

– other financial liabilities.

Non-current assets held for sale are stated at the lower of carrying amount and fair value less costs to sell.

(c) Changes in accounting policies

i. New and amended IFRSs that are effective for annual periods beginning on January 2024

In the current year, the Group has applied for the first time, the following amendments to IFRS issued by the ISAB, which are effective for the Group's financial year beginning on 1 January 2024:

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

The application of the amendments to IFRSs in the current year has had no material effect on the Group's financial performance and positions for the current and prior periods and on the disclosures set out in these consolidated financial statements.

ii. Issued but not yet effective

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

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

1 Effective for annual periods beginning on or after 1 January 2025
2 Effective for annual periods beginning on or after 1 January 2026
3 Effective for annual periods beginning on or after 1 January 2027
4 Effective for annual periods beginning on or after a date to be determined

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

3. REVENUE AND SEGMENT REPORTING

The principal activities of the Group are development, sales and operation of residential properties, commercial trade and logistics centers, and trading business in the Mainland China.

Revenue represents income from sales of properties, property management services income, rental income and invoiced value of goods sold, net of sales related taxes and is after deduction of any trade discounts.

Disaggregation of revenue from contracts with customers by major products or service lines is as follows:

	2024	2023
	RMB'000	*RMB'000*
Revenue from contracts with customers within the scope of IFRS 15		
Continuing operations		
– Sales of properties	**2,577,714**	1,562,939
– Property management services	**8,015**	82,476
– Others	**2,556**	4,620
	2,588,285	1,650,035
Discontinued operation		
– Trading business	**–**	1,859,852
	2,588,285	3,509,887
Revenue from other sources		
Rental income	**14,415**	20,634
	2,602,700	3,530,521

4. LOSS BEFORE TAXATION

Loss before taxation is arrived at after (crediting)/charging:

(a) Finance incomes and finance costs

	2024 *RMB'000*	2023 *RMB'000*
Finance incomes		
Bank interest income	**(4,501)**	(11,756)
Other interest income	**–**	(7,572)
	(4,501)	(19,328)
Finance costs		
Interest on bank loans and other borrowings	**130,420**	194,965
Interest on amounts due to a non-controlling interest	**–**	47,895
Interest on senior notes	**112,056**	180,982
Interest on lease liabilities	**21**	46
Accrued interest on significant financing component of contract liabilities	**16,724**	6,528
Other borrowing costs	**10,724**	35,771
	269,945	466,187
Less: interest expense capitalised into properties under development*	**220,182**	244,991
Add: foreign exchange loss	**18,272**	71,994
	68,035	293,190

* The borrowing costs have been capitalised at a weighted average rate of 4.05%–13.85% per annum (2023: 4.27%–14.00%).

(b) Staff costs

	2024 *RMB'000*	2023 *RMB'000*
Salaries, wages and other benefits	**53,739**	93,798
Equity settled share-based payment expenses	**188**	848
Contributions to defined contribution retirement plans	**4,514**	8,937
	58,441	103,583

(c) Other items

	2024	2023
	RMB'000	*RMB'000*
Depreciation and amortisation		
– plant and equipment	**801**	3,006
– right-of-use assets	**530**	9,994
– intangible assets	**3,191**	2,667
	4,522	15,667
Impairment losses recognised/(reversed)		
– trade and other receivables	**395,640**	276,151
– financial guarantee contracts	**(1,172)**	7,833
– amounts due from a joint venture and other investment	**22,691**	8,452
	417,159	292,436
Auditors' remuneration		
– audit service	**1,800**	1,800
– other service	**650**	750
	2,450	2,550
Rental income from investment properties less direct outgoings	**(8,997)**	(10,370)
Cost of inventories sold		
– properties	**2,576,563**	1,260,987
– commodities	**–**	1,855,652
– Write-down of inventories	**643,128**	330,803
	3,219,691	3,447,442

5. INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	2024	2023
	RMB'000	*RMB'000*
Current tax		
PRC Corporate Income Tax ("**PRC CIT**") (iii)	**22,337**	66,160
PRC Land Appreciation Tax ("**PRC LAT**") (iv)	**433,256**	108,282
	455,593	174,442
Deferred tax		
Origination of temporary differences	**10,723**	4,465
	466,316	178,907

(i) Pursuant to the rules and regulations of the Cayman Islands, the Group is not subject to any income tax in this jurisdiction.

(ii) No provision for Hong Kong Profits Tax was made as the Group did not earn any income subject to Hong Kong Profits Tax for the year (2023: Nil).

(iii) PRC CIT

The Group's PRC subsidiaries are subject to statutory tax rate of 25% on their assessable profits.

(iv) PRC LAT

PRC LAT which is levied on properties developed for sale by the Group in the Mainland China, at progressive rates ranging from 30% to 60% on the appreciation value, which under the applicable regulations is calculated based on the proceeds of sales of properties less deductible expenditures including lease charges of land use rights, borrowing costs and all qualified property development expenditures. Deferred tax assets arising from PRC LAT accrued are calculated based on the applicable income tax rates when they are expected to be cleared.

In addition, certain subsidiaries of the Group were subject to PRC LAT which were calculated based on 6% to 8% of their revenue in accordance with the authorised tax valuation method approved by respective local tax bureau.

The authorised tax valuation method adopted by certain subsidiaries of the Group is one of the allowable taxation methods in the Mainland China and the respective local tax bureaus are the competent tax authorities to approve the authorised tax valuation method in charging PRC LAT to the respective PRC subsidiaries of the Group, and the risk of being challenged by the State Administration of Taxation or any tax bureau of higher authority is remote.

6. LOSS PER SHARE

	2024	2023
	RMB'000	*RMB'000*
Loss attributable to shareholders of the Company	**(1,834,586)**	(1,214,747)
Weighted average number of ordinary shares, for the purposes of calculating basic loss per share *(shares in thousands)*	**552,716**	453,735
Basic loss per share *(RMB cents)*	**(331.9)**	(267.7)

Diluted loss per share is the same as basic loss per share for the years ended 31 December 2024 and 31 December 2023, as the share options had anti-dilutive effect on ordinary shares for the year because the exercise price of the Company's share options was higher than the average market price of the Company's shares in the year, and the effect of deemed issue of shares under the Company's employee share option scheme for nil consideration was anti-dilutive.

7. INVESTMENT PROPERTIES

Reconciliation of carrying amount of investment properties

	Completed properties *RMB'000*
At 1 January 2023	1,901,500
Transfer from property, plant and equipment	177,800
Fair value adjustments	(419,200)
At 31 December 2023 and 1 January 2024	1,660,100
Transfer from property, plant and equipment	89,075
Disposal of subsidiaries	(211,900)
Disposals	(157,485)
Fair value adjustments	(72,558)
At 31 December 2024	1,307,232
Representing	
Valuation – 2024	1,307,232
Valuation – 2023	1,660,100
Book value	
At 31 December 2024	1,307,232
At 31 December 2023	1,660,100

8. TRADE AND OTHER RECEIVABLES

	2024 ***RMB'000***	2023 *RMB'000*
Within 1 month	**–**	1,191
1 to 3 months	**–**	3,706
3 to 6 months	**10**	2,928
6 to 12 months	**69**	14,970
Over 12 months	**64,148**	199,110
Trade and bill receivables, net of loss allowance	**64,227**	221,905
Amounts due from a joint venture and other investment	**79,034**	78,746
Less: loss allowance	**(79,034)**	(56,343)
	–	22,403
Other debtors, net of loss allowance	**495,154**	1,106,438
Subtotal	**559,381**	1,350,746
Prepaid sales related tax and other taxes	**157,036**	345,698
Deposits and prepayments	**1,312,064**	1,772,483
	2,028,481	3,468,927

9. PLEDGED AND RESTRICTED CASH

	2024	2023
	RMB'000	*RMB'000*
Pledged to banks for certain mortgage facilities	**17,797**	101,294
Pledged for bills payables and discounted bills	**–**	130,002
Deposits for advanced proceeds received from property purchasers	**100,406**	314,547
Others	**75,345**	22,557
Total	**193,548**	568,400

10. TRADE AND OTHER PAYABLES

	2024	2023
	RMB'000	*RMB'000*
Due within 1 month or on demand	**2,075**	6,293
Due after 1 month but within 3 months	**21,506**	29,106
Due after 3 months but within 6 months	**18,622**	9,048
Due after 6 months	**1,495,899**	2,037,312
Trade and bills payables	**1,583,102**	2,081,759
Other payables and accruals	**1,076,488**	1,475,115
Subtotal	**2,614,590**	3,556,874
Deposits	**189,950**	181,212
Receipts in advance	**69,329**	117,885
Interest payable of senior notes	**54,632**	38,329
	2,928,501	3,894,300

11. SENIOR NOTES

	2024	2023
	RMB'000	*RMB'000*
Current		
US$15.8 million senior notes due in 2023 (i), (ii)	**113,584**	111,914
Non-current		
US$439.1 million New Notes due in 2029 (iii)	**3,253,866**	3,109,999
	3,367,450	3,221,913

(i) The Company has launched an exchange offer in relation to the outstanding senior notes on 17 April 2023 (the "**Exchange Offer**"), and completed the Exchange Offer on 28 April 2023. 100% of the total aggregate principal amount of the outstanding US$75 million senior notes due in May 2023 (the "**May 2023 Senior Notes**"), and approximately 94.8% of the total aggregate principal amount of the outstanding US$303.62 million senior notes due in October 2023 (the "**October 2023 Senior Notes**"), have been validly tendered for exchange and accepted pursuant to the Exchange Offer.

In exchange of the validly tendered May 2023 Senior Notes and October 2023 Senior Notes, the Company has issued an aggregate principal amount of US$413,578,609 of the new notes pursuant to the Exchange Offer on 28 April 2023 (the "**New Notes**"). The New Notes bear interest at 7.0% per annum and will mature on 28 April 2026 pursuant to the terms and conditions of the relevant indenture. For further details, please refer to the Company's announcements dated 17 April 2023, 26 April 2023, 28 April 2023 and 4 May 2023.

(ii) The holders of the remaining October 2023 Senior Notes of US$15,801,000, for their own reason, not practical to tender for exchange for the New Notes which was due on 12 October 2023, and as at 31 December 2024, the Group was not practical to repay the principal and interest on October 2023 Senior Notes of approximately US$15,801,000 and US$5,471,000 (equivalent to RMB113,584,000 and RMB39,328,000), respectively, as such holders of October 2023 Senior Notes cannot be effectively communicated. Such non-payment of the interest and principal of October 2023 Senior Notes may cause an event of default pursuant to the terms and conditions of the relevant indenture, and may lead to demand for immediate repayment. However, up to the date of this announcement, there is no redemption notice received in respect of the October 2023 Senior Notes.

(iii) On 11 October 2023, the Company had launched a consent solicitation ("**Consent Solicitation**") for the New Notes and completed the Consent Solicitation on 25 October 2023 and the Company also made an upfront payment of 0.1% of the outstanding principal of the New Notes. Following the completion of Consent Solicitation and payment of the upfront principal payment, (i) the outstanding principal amount of the New Notes was US$439,097,982; (ii) the interest rate of the New Notes was reduced from 7.0% per annum to 4.5% per annum; (iii) the interest shall be paid annually; (iv) the New Notes shall bear no interest from (and including) 28 April 2023 to (but excluding) 28 April 2024; (v) the interest on the New Notes shall be paid in payment-in-kind Interest from and including 28 April 2024 to (but not including) 28 April 2025; (vi) the interest accrued from (and including) 28 April 2025 to the maturity date shall be paid in cash; and (vii) the maturity of the New Notes was extended from 28 April 2026 to 28 April 2029. For further details of the Consent Solicitation, please refer to the Company's announcements dated 11 October 2023, 23 October 2023 and 25 October 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Affected by various unfavorable factors such as macroeconomic environment and real estate market environment, the Group recorded contracted sales amount of approximately RMB1,157.1 million for the year ended 31 December 2024 ("**FY2024**" or the "**Year**"), which had decreased by approximately 46.0% as compared to the year ended 31 December 2023 ("**FY2023**") (FY2023: RMB2,143.8 million). As at 31 December 2024, the total land bank of the Group with land use rights confirmed was approximately 4.8 million sq.m. (31 December 2023: 7.3 million sq.m.).

OUTLOOK FOR 2025

In 2024, the government made efforts to stem the downturn and restore stability in the real estate market, reduced interest rates for housing loans and the ratios of down payments, and achieved an annual reduction of about RMB150 billion in interest payments for existing mortgages. Taxes and fees on housing transactions were also cut, while solid progress was made in ensuring the timely delivery of housing projects.

As refer to "REPORT ON THE WORK OF THE GOVERNMENT" on 5 March 2025, the government will make continuous efforts to stem the downturn and restore stability in the real estate market by means of introducing city-specific policies on adjusting or reducing property transaction restrictions, intensifying efforts to redevelop urban villages and renovate old and dilapidated houses, so as to fully tap into potential demand for first homes and better housing. The government will optimise urban spatial structures and land use practices and properly control the supply of new land for real estate projects. The government will also make good use of existing land resources as well as commercial and office properties and facilitate the purchase of commodity housing stock, governments in cities will be granted greater power to determine the types of entities that can make such purchases, the prices of such properties, and the purposes for which they will be used. The government will expand the scope for using the relending facility for government-subsidised housing, and leverage real estate financing coordination mechanisms to ensure timely delivery of housing projects and effectively prevent debt defaults by real estate companies. Foundational systems will be established in a well-ordered way to foster a new development model for the real estate sector.

Facing the new situation in the future development of real estate, the group will embrace change, embark on a new journey, and seek progress through transformation. On the sales side, the group will continue to strengthen sales collections, accelerate inventory turnover through optimised and innovative sales strategies, and dedicate specialised efforts to revitalise bulk asset projects to ensure operational cash flow and return on investment. On the operational side, the company will enhance the execution of quality improvement strategies, achieve a significant increase in product and service quality, and use online and offline channels to enhance the visibility of the project, while rigorously controlling various costs and expenses to enhance cost-effectiveness and efficiency, ensuring coordinated development. On the financing side, the Company will strive to actively expand financing channels, improve maturity profile and reduce financing cost and strengthen fund management. The Group will continue to actively innovate its business model, expand its development space, grasp the dividends of regional economic development, industrial development and policies, and make steady progress.

FINANCIAL REVIEW

Revenue

In FY2024, the Group's revenue was approximately RMB2,602.7 million (FY2023: approximately RMB3,530.5 million). The decrease was primarily due to the change in the operating model of the Group's trading business during the Year. To mitigate trading risks, the Group shifted from acting as the principal to operating as a trading agent. As a result, starting from this Year, the trading business is no longer recognised in revenue on a gross basis but is instead recognised on a net basis under other income. In addition, revenue generated from property development and related services was approximately RMB2,602.7 million (FY2023: approximately RMB1,670.7 million), representing an increase of 55.8%, which was mainly due to the increase in the area of properties being delivered during the Year.

Cost of Sales

In FY2024, the Group's total cost of sales was approximately RMB3,225.4 million (FY2023: the cost of sales for the property development and related services of approximately RMB1,653.7 million), representing an increase of 95.0%, which was mainly due to the increase in delivered area of properties during the Year, and due to the significant decrease in the average selling price, the Group recognised a write-down of inventories amounting to approximately RMB643.1 million during the Year (FY2023: RMB330.8 million).

Gross (Loss)/Profit

In FY2024, the Group recorded gross loss of approximately RMB622.7 million (FY2023: gross profit of approximately RMB21.2 million). The gross loss was mainly due to the unfavorable operating environment in the real estate industry in China and insufficient for homebuyers' confidence in real estate purchasing which have resulted in a severe decline in the average selling price of properties.

Other Net (Loss)/Gain

Other loss for FY2024 in the amount of approximately RMB248.0 million, mainly included late fees for land payments payable, while other gain for FY2023 in the amount of approximately RMB208.9 million, mainly included gains on disposal of subsidiaries and other miscellaneous income.

Selling and Distribution Costs

In FY2024, the amount of selling and distribution cost were approximately RMB66.2 million, representing a decrease of 42.8% from approximately RMB115.8 million in FY2023. The decrease was in line with the decrease in contracted sales of approximately 46.0%.

Administrative Expenses

In FY2024, the amount of administration expenses were approximately RMB79.1 million, representing a decrease of 51.1% from approximately RMB161.9 million in FY2023. The decrease was mainly due to that the Group actively implemented various measures including reducing non-core and unessential operations and expenses and reducing the remuneration and benefits of the directors, senior management team and employees, against the backdrop of the adverse market conditions.

Impairment Loss

In FY2024, the whole market faced even more severe difficulties and challenges and the fair value of the assets of the Group further decreased, which resulted in more impairment loss provided during the Year.

In FY2024, the impairment loss of approximately RMB417.2 million (FY2023: RMB292.4 million) was recognised by the Group, mainly representing the impairment loss on financial assets measured at amortisation cost of approximately RMB417.2 million (FY2023: RMB292.4 million).

Fair Value Loss on Investment Properties

In FY2024, due to unfavorable effect of the continuous slowdown of real estate market, a fair value loss of RMB72.6 million was further recognised for the existing investment properties by the Group (FY2023: approximately RMB419.2 million).

Finance Costs

Financial cost mainly included interest expense on bank loans, senior notes and other borrowings. In FY2024, the finance costs of the Group were approximately RMB68.0 million, representing a decrease of 76.8% from approximately RMB293.2 million in FY2023. The decrease was mainly due to decrease in bank loans and interest expense on senior notes.

Taxation

Income tax expenses comprised PRC enterprise income tax, land appreciation tax and deferred taxation. The Group recorded a tax expense for FY2024, which was mainly due to the Group's accrued PRC LAT for the property sales for the year.

Liquidity and Capital Resources

In 2024, the Group's capital resources primarily included cash flow generated from business operations, cash from bank loans and other borrowings, and advances from controlling shareholders, which were used in our business operations and investment in development of projects. The Group expects that cash flow generated from business operations and borrowings will continue to be the main sources of funds in the coming year. Therefore, the Group will continue to strengthen cash flow management, improve the efficiency of capital returns of projects and stringently control the cost and various expenses. Meanwhile, the Group will make investment only after conducting stringent scientific assessment and considering changes in policies and markets. Besides, the Group will continue to explore the opportunities to cooperate with foreign and domestic investors, in order to provide other sources of funding for the business development.

Cash Position

As at 31 December 2024, the Group's total cash balances (including pledged and restricted cash) amounted to approximately RMB206.6 million (as at 31 December 2023: approximately RMB594.4 million). The pledged and restricted cash mainly includes guarantee deposits for the properties constructions, cash pledged to banks for certain mortgage facilities granted to purchasers of the Group's properties, and cash pledged for bank loans or bills payables.

Borrowings

The Group adopts a prudent financial policy for proactive conduct of debt management and optimising debt structure to ensure balance in financial risks and cut-down of finance costs. As at 31 December 2024, the Group had bank loans and other borrowings of approximately RMB2,360.6 million (as at 31 December 2023: approximately RMB2,995.5 million) and senior notes of approximately RMB3,367.5 million (as at 31 December 2023: approximately RMB3,221.9 million) and financial liabilities measured at amortised cost for nil (as at 31 December 2023: RMB158.9 million) as follows:

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Repayment Period		
Repayable on demand and within 1 year	**1,003,660**	2,030,868
Repayable after 1 year but within 2 years	**1,328,179**	337,858
Repayable after 2 years but within 5 years	**3,320,495**	791,260
Repayable after 5 years	**75,700**	3,216,304
Total	**5,728,034**	6,376,290

A portion of the bank loans and other borrowings were secured by a pledge of land use rights, investment properties, properties under development, completed properties held for sale and cash at bank of the Group.

Contingent Liabilities

As at 31 December 2024, the Group had contingent liabilities relating to guarantees in respect of mortgage facilities provided by domestic banks to its customers amounting to approximately RMB1,896.4 million (as at 31 December 2023: approximately RMB2,449.6 million). Pursuant to the terms of the guarantees, upon default in mortgage payments by a purchaser, the Group would be responsible for repaying the outstanding mortgage principal together with accrued interest and penalties owed by the defaulting purchaser to the bank, but the Group would be entitled to assume legal title to and possession of the related property. These guarantees will be released upon the earlier of (i) the due registration of the mortgage interest held by the commercial bank upon the subject property; or (ii) the satisfaction of the mortgage loan by the purchaser of the property.

Commitments

Capital commitments outstanding as at 31 December 2024 contracted but not provided for in the financial statements were as follows:

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Construction and development contracts	**1,638,191**	2,883,733

Key Financial Ratios

The following table sets out our key financial ratios as of the dates indicated:

	As at 31 December	
	2024	2023
Current ratio(1)	**1.41**	1.39
Gearing ratio(2)	**45.3%**	35.0%

Notes:

(1) Current ratio is calculated by dividing current assets by current liabilities.

(2) Gearing ratio is calculated by dividing bank loans and other borrowings, senior notes and other financial liabilities measured at amortised cost by total assets.

Foreign Exchange Exposure

The Group's businesses are principally conducted in Renminbi. Other than certain overseas bank deposits, the senior notes and other borrowings denominated in foreign currencies, the Group does not have any material exposure directly due to foreign exchange fluctuations. The management will continue to closely monitor foreign currency exposure and will consider hedging significant foreign currency exposure should the need arise.

Material Acquisitions and Disposals of Subsidiaries, Associated Companies and Joint Ventures

On 4 December 2024, the Group entered into an agreement to dispose the entire equity interests in Sail Day Limited to an independent third party at a consideration of HK$36.0 million. For details, please refer to the Company's announcements dated 4 December 2024 and 10 December 2024.

Save as disclosed above, the Group had no material acquisition or disposal of subsidiaries, associated companies or joint ventures during FY2024.

Employment and Remuneration Policy

Human resource has always been the most valuable resource of the Group. In terms of the remuneration system, the Group built comprehensive value chains and diversified incentive mechanism, and formed a comprehensive remuneration system with basic salary, performance-based salary, short term incentives as well as medium- and long-term incentives covering various businesses, which have greatly enhanced the enthusiasm of operation units and employees. The remuneration committee of the Company (the "**Remuneration Committee**") reviews such packages annually, or when occasion requires. The Company has also adopted a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. The Group also provides periodic trainings for employees.

As at 31 December 2024, the Group had 194 employees (31 December 2023: 241 employees). For FY2024, total staff costs of the Group were approximately RMB58.4 million (FY2023: approximately RMB103.6 million).

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for FY2024 (FY2023: nil).

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Board, the Company has maintained a sufficient public float (i.e. at least 25% of the issued Shares has been held in public hands) as required under the Listing Rules during the Year and up to the date of this announcement.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

The Company and its subsidiaries have not purchased, sold or redeemed any of the Company's shares (including treasury shares (as defined under the Listing Rules), if any) during the year ended 31 December 2024. As at 31 December 2024, the Company did not hold any treasury shares (as defined under the Listing Rules).

EVENTS AFTER THE REPORTING PERIOD

It is announced in an announcement of the Company dated 28 January 2025, a share transfer agreement was entered into, pursuant to which the Company conditionally agreed to dispose of the Target Interests and the same constitutes a disposal amounting to a major transaction (as defined under the Listing Rules), and subsequent to its completion, there will be a financial assistance as a result of the Group's provision of collaterals for the loan borrowings of the disposed Target Group. For details please refer to the announcements of the Company dated 28 January 2025, 21 February 2025, 5 March 2025 and 17 March 2025, and the circular of the Company dated 19 March 2025.

Save as disclosed above, there were no subsequent events between the end of the reporting period and the date of this announcement that would have a material impact on the Group.

CORPORATE GOVERNANCE

The Company had complied with the code provisions as set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Listing Rules during the Year.

Compliance with Rules 3.10(1), 3.10A, 3.21 and 3.27A of the Listing Rules

According to Rules 3.10(1) and 3.10A of the Listing Rules, the Board must include at least three independent non-executive Directors and the Company must appoint independent non-executive Directors representing one-third of the Board, respectively. In addition, Rule 3.21 of the Listing Rules requires, among others, an audit committee to comprise a minimum of three members and that the committee must be chaired by an independent non-executive director. Rule 3.27 of the Listing Rules provides that the nomination committee must be chaired by an independent non-executive director and comprise a majority of independent non-executive director.

Paragraph E (d)(i) of the Part 1 of the CG Code under Appendix C1 of the Listing Rules states that an issuer shall provide details of non-compliance with Rule 3.21 of the Listing Rules and an explanation of the remedial steps taken to address non-compliance with establishment of an audit committee.

The Company has fully complied with the requirements under Rules 3.10(1), 3.10A, 3.21 and 3.27A of the Listing Rules.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions Conducted by the Directors of Listed Issuers (the "**Model Code**") set forth in Appendix C3 of the Listing Rules as the code of conduct of the Company for Directors' securities transactions. Having made specific enquiry to all Directors, all Directors have confirmed that they have complied with the required standard set out in the Model Code during the Year. Employees who are, or likely to be, in possession of unpublished inside information in relation to the Company or its shares are prohibited from dealing in the shares of the Company during the black-out period.

CONNECTED TRANSACTION

During FY2024, the Group had not entered into any connected transactions or continuing connected transactions which are required to be disclosed in this announcement pursuant to the Listing Rules.

AUDIT COMMITTEE AND REVIEW OF ANNUAL RESULTS

The Company has established the Audit Committee with written terms of reference in compliance with the Listing Rules and the Corporate Governance Code. The Audit Committee consists of three independent non-executive Directors. The three Members are Mr. Han Qinchun, the chairman of the Audit Committee and an independent non-executive Director, Mr. Guan Huanfei, an independent non-executive Director, and Mr. Chen Yangsheng, an independent non-executive Director. The primary duties of the Audit Committee are to review the financial information of the Company, to oversee the financial reporting process, risk management and internal control systems of the Group, to oversee the audit process, to make recommendation on the appointment, re-appointment and removal of external auditor and to perform other duties and responsibilities as assigned by the Board.

The Audit Committee has jointly reviewed with the management, the accounting principles and policies adopted by the Company and discussed internal control and financial reporting matters (including the review of the audited consolidated financial statements of the Group for FY2024) of the Group. The Audit Committee considered that the audited consolidated financial statements of the Group are in compliance with the applicable accounting standards, the Listing Rules and all other application legal requirements. Accordingly, the Audit Committee recommends the Board to approve the audited consolidated financial statements of the Group for FY2024.

EXTRACT OF INDEPENDENT AUDITOR'S REPORT

The following is an extract of independent auditor's report issued by the Group's independent auditor:

OPINION

We have audited the consolidated financial statements of Guangdong – Hong Kong Greater Bay Area Holdings Limited (the "**Company**") and its subsidiaries (the "**Group**") set out on pages 7 to 111, which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("**IFRSs**") issued by the International Accounting Standards Board ("**IASB**") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 2(b)(i) to the consolidated financial statements which states that, the Group incurred a loss of RMB2,041,311,000 or the year ended 31 December 2024 and, as of that date, the Group had net current assets of RMB3,218,611,000, and the Group's current portion of bank loans and other borrowings amounted to RMB890,076,000 and senior notes due in 2023 ("**October 2023 Senior Notes**") amounted to RMB113,584,000, while its cash and cash equivalents amounted to RMB13,057,000 only. Moreover, certain holders of October 2023 Senior Notes were, for their own reason, not practical to tender for exchange and accept the exchange offer launched by the Company on 17 April 2023 (the "**Exchange Offer**") and the Group was not practical to repay the principal and interest on October 2023 Senior Notes of approximately US$15,801,000 and US$5,471,000 (equivalent to RMB113,584,000 and RMB39,328,000), respectively, as such holders of October 2023 Senior Notes cannot be effectively communicated. As at 31 December 2024 and up to the date of this report, the Group is not practical to effectively communicate with such holders of October 2023 Senior Notes to negotiate for settlement or repayment, and no redemption notice received in respect of the October 2023 Senior Notes. Such non-payment of the principal and interest on October 2023 Senior Notes may cause an event of default, and may lead to demand for immediate repayment. Besides, subsequent to the end of the reporting period, the bank borrowings of approximately RMB788 million will be due within 12 months. Further, in view of the current condition of the property market, coupled with the limited source of financing from the capital market, the Group may take longer time than expected to realise cash from the sale of its inventories and have the cash from external financing to meet its loan repayment obligations. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Notwithstanding the aforesaid conditions, the consolidated financial statements have been prepared on a going concern basis on the assumption that the Group is able to operate as a going concern for the foreseeable future. The Group has been undertaking various measures and arrangements to improve the Group's liquidity and financial position as set out in note 2(b)(i) to the consolidated financial statements. Our opinion is not modified in respect of this matter.

PUBLICATION OF AUDITED ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the Company's website at www.youngogroup.com. The annual report of the Company for FY2024 will be available on the above websites in due course.

By order of the Board
Guangdong – Hong Kong Greater Bay Area Holdings Limited
LUO Jieping
Chairman and Executive Director

Hong Kong, 28 March 2025

As at the date of this announcement, the executive Directors of the Company are Mr. Luo Jieping, Mr. He Fei and Ms. Wei Haiyan, and the independent non-executive Directors of the Company are Mr. Guan Huanfei, Mr. Han Qinchun and Mr. Chen Yangsheng.