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(Incorporated in Hong Kong with limited liability)

(Stock code: 00123)

Announcement of 2024 Annual Results

Results Summary

- The revenue was approximately RMB86.40 billion, representing a year-on-year increase of 7.7%.
- The gross profit margin was approximately 10.5%, representing a year-on-year decrease of 4.8 percentage points.
- Profit attributable to equity holders was approximately RMB1.04 billion, representing a year-on-year decrease of 67.3%.
- Core net profit* was approximately RMB1.59 billion, representing a year-on-year decrease of 54.4%.
- The value of the aggregate contracted sales (including contracted sales of projects of joint ventures and associates) during the year amounted to approximately RMB114.54 billion, representing a year-on-year decrease of 19.4%. During the year, the contracted sales value of the Greater Bay Area, Eastern China, Central and Western China and Northern China amounted to approximately RMB48.84 billion, RMB33.14 billion, RMB19.60 billion and RMB12.96 billion respectively, representing approximately 42.7%, 28.9%, 17.1% and 11.3% of the total contracted sales of the Group respectively.

- During the year, the Group has newly acquired 24 land parcels located in 8 cities, with a total GFA of approximately 2.71 million sq.m.. All new land parcels are located in Tier 1 and Tier 2 cities. As of 31 December, the Group's total landbank was approximately 19.71 million sq.m., and the landbank in Beijing, Shanghai and Guangzhou amounted to 1.00 million sq.m., 0.86 million sq.m. and 6.52 million sq.m. respectively. 96% of the Group's total landbank is located in Tier 1 and Tier 2 cities.
- As of 31 December, the "Three Red Lines" indicators of the Group were all in "green lights", with total liabilities/total assets ratio (excluding unearned revenue) of 68.1%, net gearing ratio of 51.7% and cash to short-term debt ratio of 2.1 times. The financial position was healthy and sound. The Group maintained its credit rating of investment grade by Fitch.
- As of 31 December, the Group's total cash and cash equivalents, time deposits, charged bank deposits, time deposits and other restricted deposits amounted to approximately RMB50.05 billion, representing an increase of 8.6% as compared to that as of the beginning of the year. It achieved net cash inflows from operating activities during the year, with sufficient and secure liquidity.
- The Group's weighted average borrowing interest rate for the full year was 3.49%, representing a year-on-year decrease of 33 basis points. During the year, the Group successfully issued a total of RMB2.5 billion of onshore corporate bonds at a weighted average borrowing interest rate of approximately 2.61% per annum, and successfully issued its onshore private placement notes of RMB1.8 billion at a weighted average borrowing interest rate of approximately 2.27% per annum. The Group also successfully issued its offshore dim sum bonds of RMB2.39 billion at a weighted average borrowing interest rate of approximately 4.07% per annum, including its first offshore green dim sum bond of RMB1.69 billion with a weighted average borrowing interest rate of approximately 4.1% per annum, showing a continuously optimised debt structure and financing costs as well as diversified financing channels.
- The Group continued to improve its ESG management and successfully issued its first green dim sum bonds of RMB1.69 billion during the year. Yuexiu iPARK Guangdong-Hong Kong Cloud Valley (越秀iPARK 粵港雲谷) became the first industrial park project in South China Region to obtain "Dual Zero" certification for zero carbon and zero energy consumption. The Company was included in the "Hang Seng ESG 50 Index" and the "Hang Seng Corporate Sustainability Benchmark Index". Its HKQAA Sustainability Rating was raised to "A".

- The Board proposed not to declare final dividend for 2024 and the total dividend for the full year was HKD0.189 per share (equivalent to RMB0.173 per share). The payout ratio was approximately 44% of the core net profit.

• Revenue	RMB86.40 billion (+7.7%)
• Gross profit margin	10.5% (-4.8 percentage points)
• Profit attributable to equity holders	RMB1.04 billion (-67.3%)
• Core net profit	RMB1.59 billion (-54.4%)
• Contracted sales value	RMB114.54 billion (-19.4%)
• Unrecognised sales value	RMB170.05 billion (-14.7%)
• Total assets	RMB410.45 billion (+2.3%)
• Total borrowings	RMB103.89 billion (-0.5%)
• Cash and cash equivalents, time deposits, charged bank deposits, time deposits and other restricted deposits	RMB50.05 billion (+8.6%)
• Net gearing ratio**	51.7% (-5.3 percentage points)
• Weighted average borrowing interest rate	3.49% (-33 basic points)

* Core net profit represents profit attributable to equity holders excluding net foreign exchange gains/(losses) recognised in the consolidated statement of profit or loss, net fair value gains/(losses) on investment properties held on a continuing basis (excluding investment properties disposed during the year) and the related tax effect, and impairment of intangible assets.

** Net gearing ratio represents net debt (i.e., total borrowings less cash and cash equivalents, time deposits, charged bank deposits, time deposits and other restricted deposits) divided by total equity.

RESULTS

The board of directors (“Directors” or “Board”) of Yuexiu Property Company Limited (“Company”) is pleased to announce the consolidated results of the Company and its subsidiaries (the “Group”) prepared under Hong Kong Financial Reporting Standards for the year ended 31 December 2024, as follows:

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

		2024	2023
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	4	86,400,562	80,222,011
Cost of sales		<u>(77,346,644)</u>	<u>(67,964,384)</u>
Gross profit		9,053,918	12,257,627
Income from sales of investment properties		—	14,929
Carrying amounts of investment properties sold		—	(4,310)
Gain on sales of investment properties		—	10,619
Other gains and losses	5	(1,395,268)	(1,348,000)
Selling and marketing expenses		(2,718,573)	(2,450,753)
Administrative expenses		<u>(1,488,908)</u>	<u>(1,799,157)</u>
Operating profit		3,451,169	6,670,336
Finance income		646,215	970,575
Finance costs	6	(879,651)	(672,375)
Share of (losses)/profits of			
– joint ventures		(43,318)	50,528
– associates		<u>1,021,214</u>	<u>701,579</u>
Profit before taxation		4,195,629	7,720,643
Taxation	8	<u>(2,730,508)</u>	<u>(3,145,594)</u>
Profit for the year		<u><u>1,465,121</u></u>	<u><u>4,575,049</u></u>

		2024	2023
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
Attributable to:			
– Equity holders of the Company		1,040,055	3,185,085
– Non-controlling interests		<u>425,066</u>	<u>1,389,964</u>
		<u><u>1,465,121</u></u>	<u><u>4,575,049</u></u>
Earnings per share for profit attributable to equity holders of the Company (expressed in RMB per share)			
– Basic and diluted	10	<u><u>0.2584</u></u>	<u><u>0.8542</u></u>

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024**

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Profit for the year	<u>1,465,121</u>	<u>4,575,049</u>
Other comprehensive income:		
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	(46,481)	45,285
Cash flow hedges	84,366	273,486
Share of other comprehensive loss of an associate accounted for using the equity method	<u>(114,530)</u>	<u>(61,870)</u>
Net other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods	(76,645)	256,901
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:		
Changes in the fair value of equity investments at fair value through other comprehensive income, net of tax	<u>(88,607)</u>	<u>(18,626)</u>
Other comprehensive (loss)/income for the year, net of tax	<u>(165,252)</u>	<u>238,275</u>
Total comprehensive income for the year	<u>1,299,869</u>	<u>4,813,324</u>
Attributable to:		
– Equity holders of the Company	879,407	3,423,860
– Non-controlling interests	<u>420,462</u>	<u>1,389,464</u>
	<u>1,299,869</u>	<u>4,813,324</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

		2024	2023
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment		3,159,869	2,802,071
Right-of-use assets		1,829,855	822,896
Investment properties		17,029,312	16,785,640
Intangible assets		339,265	514,128
Properties under development		7,855,936	8,739,490
Interests in joint ventures		5,183,730	6,007,696
Interests in associates		26,251,482	22,868,636
Financial assets at fair value through other comprehensive income (“FVOCI”)		967,085	999,130
Derivative financial instruments		121,037	—
Other receivables, prepayments and deposits		165,478	—
Time deposits and other restricted deposits		2,293,280	—
Deferred tax assets		4,464,790	3,474,680
		<hr/>	<hr/>
Total non-current assets		69,661,119	63,014,367
CURRENT ASSETS			
Properties under development		179,813,083	202,613,968
Properties held for sale		45,139,394	36,334,751
Contract costs		1,445,157	1,121,745
Prepayments for land use rights		5,207,807	5,825,176
Trade and notes receivables	11	1,307,480	846,308
Other receivables, prepayments and deposits		52,904,540	37,859,433
Derivative financial instruments		—	229,536
Prepaid taxation		7,218,435	7,235,584
Time deposits		467,260	—
Charged bank deposits		17,560,393	16,832,610
Cash and cash equivalents		29,728,316	29,265,250
		<hr/>	<hr/>
Total current assets		340,791,865	338,164,361

		2024	2023
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
CURRENT LIABILITIES			
Trade and notes payables	12	1,559,766	1,330,814
Contract liabilities		83,841,916	87,653,832
Other payables and accruals		106,075,477	90,389,650
Borrowings		23,268,833	22,975,869
Lease liabilities		225,687	219,490
Taxation payable		5,542,978	7,516,884
		<hr/>	<hr/>
Total current liabilities		220,514,657	210,086,539
		<hr/>	<hr/>
NET CURRENT ASSETS		120,277,208	128,077,822
		<hr/>	<hr/>
TOTAL ASSETS LESS			
CURRENT LIABILITIES		189,938,327	191,092,189
		<hr/>	<hr/>
NON-CURRENT LIABILITIES			
Borrowings		80,619,909	81,395,029
Lease liabilities		562,024	619,531
Deferred tax liabilities		4,006,453	5,870,307
Deferred income		54,584	102,200
Derivative financial instruments		9,038	55,785
Other payables and accruals		607,151	840,557
		<hr/>	<hr/>
Total non-current liabilities		85,859,159	88,883,409
		<hr/>	<hr/>
Net assets		104,079,168	102,208,780
		<hr/> <hr/>	<hr/> <hr/>
EQUITY			
Equity attributable to equity			
holders of the Company			
Share capital		25,545,008	25,545,008
Shares held under share award scheme		(54,337)	(121,530)
Other reserves		2,619,419	2,757,989
Retained earnings		27,150,976	27,447,438
		<hr/>	<hr/>
		55,261,066	55,628,905
Non-controlling interests		48,818,102	46,579,875
		<hr/>	<hr/>
Total equity		104,079,168	102,208,780
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1 Basis of preparation

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties, derivative financial instruments and equity investments which have been measured at fair value. These financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated.

The financial information relating to the years ended 31 December 2023 and 2024 included in this Results Announcement for the year ended 31 December 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 Hong Kong Companies Ordinance (Cap. 622) 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 (Cap. 622) 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 reports were 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.

2 Accounting policies

- (i) The Group has adopted the following revised HKFRSs for the first time for the current year’s financial statements.

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

Except for Amendments to HKAS 7 and HKFRS 7, the adoption of the above revised standards has had no significant financial effect on the financial statements.

Amendments to HKAS 7 and HKFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

- (ii) The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and revised HKFRSs, if applicable, when they become effective.

		Effective for accounting periods beginning on or after
Amendments to HKAS 21	<i>Lack of Exchangeability</i>	1 January 2025
Amendments to HKFRS 9 and HKFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i>	1 January 2026
<i>Annual Improvements to HKFRS Accounting Standards – Volume 11</i>	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	1 January 2026
HKFRS 18	<i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
HKFRS 19	<i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Amendments to HKFRS 10 and HKAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	No mandatory effective date yet determined but available for adoption

The above amendments to existing standards and interpretation are effective for annual periods beginning on or after 1 January 2025 and have not been early applied in preparing these consolidated financial statements. Except for HKFRS 18, none of these is expected to have any significant effect on the consolidated financial statements of the Group.

HKFRS 18 replaces HKAS 1 Presentation of Financial Statements. While a number of sections have been brought forward from HKAS 1 with limited changes, HKFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into

one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as HKAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 *Statement of Cash Flows*, HKAS 33 *Earnings per Share* and HKAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other HKFRSs. HKFRS 18 and the consequential amendments to other HKFRSs are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of HKFRS 18 on the presentation and disclosure of the Group's financial statements.

3 Segment information

The chief operating decision-maker has been identified as the executive directors of the Company. Management determines the operating segments based on the Group's internal reports, which are then submitted to the executive directors for performance assessment and resources allocation.

The executive directors consider the business by nature of business activities and assess the performance of property development, property management, property investment and others.

The Group's operating and reportable segments under HKFRS 8 and the types of turnover are as follows:

Property development	Sales of property development units
Property management	Revenue from provision of property management services
Property investment	Property rental income
Others	Revenue from real estate agency and decoration services, etc.

The executive directors assess the performance of the operating segments based on a measure of segment results. This measurement basis excludes the effects of non-recurring expenditure from the operating segments and other unallocated operating costs. Other information provided, except as noted below, to the executive directors is measured in a manner consistent with that in the consolidated financial statements.

Total reportable segment assets excluded deferred tax assets, prepaid taxation and corporate assets. Corporate assets are not directly attributable to segments.

Sales between segments are carried out on terms equivalent to those that prevail in arm's length transactions. The revenue from external parties reported to the executive directors is measured in a manner consistent with that in the consolidated statement of profit or loss.

	Property development	Property management	Property investment	Others	Group
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Year ended 31 December 2024					
Revenue	80,618,939	3,868,152	807,750	6,830,831	92,125,672
Inter-segment revenue	—	(902,171)	(139,917)	(4,683,022)	(5,725,110)
Revenue from external customers	<u>80,618,939</u>	<u>2,965,981</u>	<u>667,833</u>	<u>2,147,809</u>	<u>86,400,562</u>
Segment results	<u>2,751,220</u>	<u>213,351</u>	<u>(322,394)</u>	<u>(47,074)</u>	<u>2,595,103</u>
Depreciation and amortisation	<u>(247,814)</u>	<u>(105,443)</u>	<u>—</u>	<u>(185,594)</u>	<u>(538,851)</u>
Losses on revaluation of investment properties, net	<u>—</u>	<u>—</u>	<u>(727,432)</u>	<u>—</u>	<u>(727,432)</u>
Impairment losses of long-term assets	<u>(1,390,711)</u>	<u>(236,866)</u>	<u>—</u>	<u>—</u>	<u>(1,627,577)</u>
Share of profits/(losses) of:					
– joint ventures	13,392	961	—	(57,671)	(43,318)
– associates	<u>1,059,961</u>	<u>—</u>	<u>(62,056)</u>	<u>23,309</u>	<u>1,021,214</u>

	Property development	Property management	Property investment	Others	Group
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Year ended 31 December 2023					
Revenue	75,216,351	3,223,623	543,914	6,817,504	85,801,392
Inter-segment revenue	—	(886,657)	(69,805)	(4,622,919)	(5,579,381)
Revenue from external customers	<u>75,216,351</u>	<u>2,336,966</u>	<u>474,109</u>	<u>2,194,585</u>	<u>80,222,011</u>
Segment results	<u>7,056,130</u>	<u>375,189</u>	<u>(1,107,966)</u>	<u>267,243</u>	<u>6,590,596</u>
Depreciation and amortisation	<u>(238,244)</u>	<u>(86,372)</u>	<u>—</u>	<u>(61,498)</u>	<u>(386,114)</u>
Losses arising from revaluation of investment properties of Luogang project and Chentougang project	<u>—</u>	<u>—</u>	<u>(1,366,252)</u>	<u>—</u>	<u>(1,366,252)</u>
Losses on revaluation of other investment properties held at the end of the year, net	<u>—</u>	<u>—</u>	<u>(135,845)</u>	<u>—</u>	<u>(135,845)</u>
Share of profits/(losses) of:					
– joint ventures	52,507	154	—	(2,133)	50,528
– associates	<u>657,702</u>	<u>—</u>	<u>8,119</u>	<u>35,758</u>	<u>701,579</u>

	Property development	Property management	Property investment	Others	Group
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at 31 December 2024					
Total reportable segments' assets	<u>361,895,119</u>	<u>6,231,019</u>	<u>23,095,523</u>	<u>6,845,712</u>	<u>398,067,373</u>
Total reportable segments' assets include:					
Additions to non-current assets (note)	<u>151,095</u>	<u>99,576</u>	<u>4,398,040</u>	<u>205,074</u>	<u>4,853,785</u>
	Property development	Property management	Property investment	Others	Group
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at 31 December 2023					
Total reportable segments' assets	<u>354,617,979</u>	<u>6,118,733</u>	<u>22,908,834</u>	<u>6,143,475</u>	<u>389,789,021</u>
Total reportable segments' assets include:					
Additions to non-current assets (note)	<u>162,827</u>	<u>24,838</u>	<u>6,955,477</u>	<u>130,836</u>	<u>7,273,978</u>

Note: Non-current assets represent non-current assets other than properties under development, derivative financial instruments, interests in joint ventures, interests in associates, financial assets at FVOCI, goodwill included in intangible assets, deferred tax assets, non-current portion of other receivables, prepayments and deposits, and non-current portion of time deposits and other restricted deposits.

A reconciliation of total segment results to profit before taxation is provided as follows:

	Year ended 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Segment results	2,595,103	6,590,596
Unallocated operating costs (note)	(103,675)	(74,357)
Other gains and losses, net (excluding impairment losses of long-term assets and losses on revaluation of investment properties held at the end of the year, net)	959,741	154,097
Operating profit	3,451,169	6,670,336
Finance income	646,215	970,575
Finance costs	(879,651)	(672,375)
Share of (losses)/profits of:		
– joint ventures	(43,318)	50,528
– associates	1,021,214	701,579
Profit before taxation	<u>4,195,629</u>	<u>7,720,643</u>

Note: Unallocated operating costs include mainly corporate staff salaries and other operating expenses of the Company.

A reconciliation of reportable segments' assets to total assets is provided as follows:

	As at 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Total reportable segments' assets	398,067,373	389,789,021
Deferred tax assets	4,464,790	3,474,680
Prepaid taxation	7,218,435	7,235,584
Corporate assets (note)	702,386	679,443
Total assets	<u>410,452,984</u>	<u>401,178,728</u>

Note: Corporate assets represent property, plant and equipment, intangible assets, other receivables and cash and cash equivalents of the Company.

No geographical segment analysis is shown as more than 90% of the Group's revenue are derived from activities in and from customers located in Chinese Mainland and more than 90% of the carrying values of the Group's non-current assets excluding deferred income tax are situated in Chinese Mainland.

For the year ended 31 December 2024, the Group does not have any single customer with the transaction value over 10% of the Group's total external sales (2023: none).

4 Revenue

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
<i>Revenue from contracts with customers</i>		
Property development	80,618,939	75,216,351
Property management	2,965,981	2,324,115
Others	2,147,809	2,194,585
	<u>85,732,729</u>	<u>79,735,051</u>
<i>Revenue from other sources</i>		
Property investment	667,833	486,960
	<u>86,400,562</u>	<u>80,222,011</u>

Revenue from contracts with customers:

For the year ended 31 December 2024

Segments	Property development	Property management	Others	Group
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Types of goods or services				
Sale of property development	80,618,939	—	—	80,618,939
Property management service	—	2,965,981	—	2,965,981
Others	—	—	2,147,809	2,147,809
	<u>80,618,939</u>	<u>2,965,981</u>	<u>2,147,809</u>	<u>85,732,729</u>
Total revenue from contracts with customers:				
	<u>80,618,939</u>	<u>2,965,981</u>	<u>2,147,809</u>	<u>85,732,729</u>
Timing of revenue recognition				
Recognised at a point in time	80,618,939	531,526	1,448,746	82,599,211
Recognised over time	—	2,434,455	699,063	3,133,518
	<u>80,618,939</u>	<u>2,965,981</u>	<u>2,147,809</u>	<u>85,732,729</u>
Total revenue from contracts with customers:				
	<u>80,618,939</u>	<u>2,965,981</u>	<u>2,147,809</u>	<u>85,732,729</u>

For the year ended 31 December 2023

Segments	Property development	Property management	Others	Group
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Types of goods or services				
Sale of property development	75,216,351	—	—	75,216,351
Property management service	—	2,324,115	—	2,324,115
Others	—	—	2,194,585	2,194,585
<hr/>				
Total revenue from contracts with customers:	<u>75,216,351</u>	<u>2,324,115</u>	<u>2,194,585</u>	<u>79,735,051</u>
Timing of revenue recognition				
Recognised at a point in time	75,216,351	417,831	1,636,422	77,270,604
Recognised over time	—	1,906,284	558,163	2,464,447
<hr/>				
Total revenue from contracts with customers:	<u>75,216,351</u>	<u>2,324,115</u>	<u>2,194,585</u>	<u>79,735,051</u>

5 Other gains and losses

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Gain on disposal of the ICC project	867,816	—
Impairment losses of long-term assets	(1,627,577)	—
Losses on revaluation of other investment properties held at the end of the year, net	(491,664)	(135,845)
Losses arising from revaluation of investment properties of Luogang project and Chentougang project	(235,768)	(1,366,252)
Other gains, net	91,925	154,097
	<hr/>	<hr/>
	<u>(1,395,268)</u>	<u>(1,348,000)</u>

6 Finance costs

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Interest on bank borrowings and overdrafts	2,215,043	2,184,444
Interest on other borrowings	1,963,657	1,852,073
Interest on amounts due to related parties	489,386	490,258
Interest on amounts due to non-controlling interest (“NCI”) and related parties of NCI	264,263	197,459
Interest expense on lease liabilities	29,785	29,945
Net fair value gains on derivative financial instruments	(91,791)	(125,057)
Net foreign exchange gains	(29,216)	(54,507)
	<hr/>	<hr/>
Total borrowing costs incurred	4,841,127	4,574,615
Less: amount capitalised as investment properties, properties under development and property, plant and equipment (Note)	(3,961,476)	(3,902,240)
	<hr/>	<hr/>
	<u>879,651</u>	<u>672,375</u>

Note: Borrowing costs capitalised during the year are calculated by applying a weighted average capitalisation rate of 3.56 percent per annum (2023: 3.81 percent per annum).

7 Expenses by nature

Cost of sales, selling and marketing expenses, and administrative expenses include the following:

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Cost of properties sold included in cost of sales	73,195,257	64,209,104
Selling and promotion expenses	2,706,373	2,437,908
Other tax and surcharge	456,056	505,827
Direct operating expenses arising from investment properties	245,923	215,218
Provision for impairment of properties		
under development and properties held for sale	2,272,336	1,573,856
Expense related to short-term leases	67,165	86,945
Depreciation of property, plant and equipment	191,198	123,127
Depreciation of right-of-use assets	293,968	203,751
Amortisation of intangible assets	53,685	59,236
Employee benefit expense (excluding directors' and chief executive's remuneration):		
Wages, salaries	3,052,373	3,743,003
Pension scheme contribution	211,446	211,241
	<u>3,263,819</u>	<u>3,954,244</u>
Less: amount capitalised in properties under development, investment properties under construction and property, plant and equipment	<u>(1,123,387)</u>	<u>(1,401,143)</u>
	2,140,432	2,553,101
Auditor's remuneration		
– Audit services	4,370	4,770
– Non-audit services	<u>3,707</u>	<u>2,250</u>

Pension scheme arrangements

The Group operates a defined contribution scheme (“ORSO Scheme”) for certain Hong Kong employees under the Occupational Retirement Schemes Ordinance. Contributions to the ORSO Scheme by the employer and employees are calculated at 5 percent to 20 percent and 5 percent respectively of the employees’ basic salaries. The Group’s contributions to the ORSO Scheme are reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions. There are no forfeited contributions for both years presented. During the year ended 31 December 2024, no forfeited contributions were utilised by the Group to reduce its contributions for the current year (2023: Nil).

The Group also participates in the Mandatory Provident Fund Scheme (“MPF Scheme”) for other Hong Kong employees. Under the MPF Scheme, each of the Group and its employees makes monthly contributions to the scheme at 5 percent of the employee’s relevant income, as defined in the Mandatory Provident Fund Scheme Ordinance. Both the Group’s and the employee’s contributions are subject to a cap of HKD1,500 (before 1 June 2014: HKD1,250) per month and contributions thereafter are voluntary. The contributions under the MPF Scheme are fully and immediately vested in the employees as accrued benefits once they are paid.

Subsidiaries of the Company in Chinese Mainland are required to participate in defined contribution retirement plans organised by the respective Provincial or Municipal Government, and make monthly contributions to the retirement plans in the range of 16 to 24 percent of the monthly salaries of the employees. The Group has no further obligations for the actual payment of pensions beyond its contributions. The state-sponsored retirement plans are responsible for the entire pension obligations payable to retired employees.

8 Taxation

- (a) Hong Kong profits tax has been provided at the rate of 16.5 percent (2023: 16.5 percent) on the estimated assessable profit for the year.
- (b) Chinese Mainland enterprise income taxation is provided on the profit of the Group’s subsidiaries, associates and joint ventures in Chinese Mainland at the rate of 25 percent (2023: 25 percent), except for certain subsidiaries which enjoy a preferential income tax rate.

In addition, dividend distribution out of profit of foreign-invested enterprises earned after 1 January 2008 is subject to corporate withholding income tax at tax rates of 5 percent or 10 percent.

- (c) Chinese Mainland land appreciation tax is levied at progressive rates ranging from 30 percent to 60 percent (2023: 30 percent to 60 percent) on the appreciation of land value, being the proceeds of sales of properties less deductible expenditure including costs of land, development and construction.
- (d) The amount of taxation charged to the consolidated statement of profit or loss comprises:

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Current taxation		
China enterprise income tax		
and corporate withholding income tax	3,533,693	2,981,827
Chinese Mainland land appreciation tax	1,434,868	1,088,189
	<u>4,968,561</u>	<u>4,070,016</u>
Deferred taxation		
Origination and reversal of temporary difference	(2,228,956)	(922,941)
Chinese Mainland land appreciation tax	10,216	(10,758)
Corporate withholding income tax on undistributed profits	(19,313)	9,277
	<u>(2,238,053)</u>	<u>(924,422)</u>
	<u><u>2,730,508</u></u>	<u><u>3,145,594</u></u>

9 Dividends

The Board proposed not to declare final dividend for the year ended 31 December 2024.

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Cash dividends		
Interim, paid, of HKD0.189 equivalent to RMB0.173		
(2023: HKD0.232 equivalent to RMB0.213) per ordinary share	696,393	857,409
Final, proposed, of Nil		
(2023: HKD0.148 equivalent to RMB0.134) per ordinary share	—	539,403
	<u>696,393</u>	<u>1,396,812</u>

The exchange rates used to translate the above interim and final dividends per share from HKD to RMB were the average of central parity rates announced by the People's Bank of China for the last five consecutive business days preceding the dates of dividend resolved/proposed by the Board.

In addition, in March 2023, the board of directors has declared a special dividend (“Special Dividend”) in the form of the distribution in specie of certain units (“Units”) of Yuexiu Real Estate Investment Trust held by the Group to the qualifying shareholders, in proportion to their respective shareholdings in the Company on the basis of 62 units for every 1,000 shares held by the qualifying shareholders. The Special Dividend of 249,574,360 Units were distributed as at the end of 2023.

10 Earnings per share

Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company over the weighted average number of ordinary shares outstanding during the year.

	2024	2023
Profit attributable to equity holders of the Company (RMB'000)	<u>1,040,055</u>	<u>3,185,085</u>
Weighted average number of ordinary shares outstanding ('000) (note)	<u>4,025,393</u>	<u>3,728,632</u>
Basic earnings per share (RMB)	<u>0.2584</u>	<u>0.8542</u>

Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. Since there were no dilutive potential ordinary shares during the year, diluted earnings per share is equal to basic earnings per share (2023: same).

Note:

In 2023, the Company completed the rights issue of 928,936,826 rights shares at the subscription price of HKD9.00 per rights share on the basis of 30 rights shares for every 100 shares held by qualifying shareholders on the record date (i.e. 10 May 2023).

The weighted average number of 3,728,632,295 ordinary shares for the year of 2023 was derived from ordinary shares outstanding as at 1 January 2023 after taking into account the effects of rights issue abovementioned.

11 Trade and notes receivables

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivables from contracts with customers	1,296,533	867,938
Notes receivables	56,614	23,256
	<hr/>	<hr/>
	1,353,147	891,194
Less: loss allowance	(45,667)	(44,886)
	<hr/>	<hr/>
	<u>1,307,480</u>	<u>846,308</u>

As at 31 December 2024 and 2023, the ageing analysis of the trade and notes receivables based on invoice date is as follows:

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year	1,065,620	707,245
1 to 2 years	198,450	160,822
2 to 3 years	70,909	6,097
Over 3 years	18,168	17,030
	<u>1,353,147</u>	<u>891,194</u>

12 Trade and notes payables

The ageing analysis of the trade and notes payables based on invoice date is as follows:

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Within 90 days	871,845	654,785
91 to 180 days	159,880	359,338
181 to 365 days	437,228	230,604
1 to 2 years	71,650	69,951
Over 2 years	19,163	16,136
	<u>1,559,766</u>	<u>1,330,814</u>

CHAIRMAN’S STATEMENT

I. BUSINESS REVIEW

Economic and Market Environment

In 2024, the global economy recovered slowly amid uncertainties, due to the sustained impact of multiple factors including high inflation, high interest rates and geopolitical conflicts. Despite challenges such as increased pressure from the external environment and insufficient domestic demand, China’s economy showed an overall steady and progressive trend with the support of targeted macroeconomic policies, recording a year-on-year GDP growth of 5.0%, which is among the highest in the world, and major economic indicators remained generally stable, demonstrating strong resilience and vitality.

In 2024, the real estate market witnessed a sustained relaxation of policies as the government intensified efforts to reverse the downturn and stabilise the market, reflected by the ongoing optimisation of policies and measures to support steady and healthy market development. For instance, relaxation of purchase quotas and loan restrictions, payment ratios reduction, lower loan interest rates and improvement of housing provident fund policies, have together infused new vitality into the market.

The real estate market as a whole exhibited a volatile trend in 2024. In the first half, sales performance was relatively subdued due to factors such as insufficient confidence in the market and a strong wait-and-see sentiment among home buyers. In the second half, the market began to pick up as the effects of policies gradually emerged, particularly in the fourth quarter when sales gradually stabilised and rebounded, driven by the “trade-in for new” and other optimised policies for the real estate industry. According to the National Bureau of Statistics, the area and value of national commodity housing sales for the full year reported a year-on-year decline of 12.9% and 17.1%, respectively, of which the area and value of residential sales decreased by 14.1% and 17.6%, respectively. The investment in real estate development decreased by 10.6% year-on-year, of which residential investment decreased by 10.5%. The GFA of residential projects newly commencing construction decreased by 23.0%, indicating that the market is still in a bottom-out phase, and that market confidence and expectations are yet to be restored.

The land markets exhibited a marked differentiation in 2024. Tier-1 cities and core tier-2 cities, due to their high market potential and strong investment attractiveness, recorded better sales performance with active land transactions and intense competition for premium land parcels. As for tier-3 and tier-4 cities, the land markets remained sluggish, with higher rates of abortive auction. Property developers adopted a more prudent approach to land acquisition and focused on core areas within high-tier cities.

In 2024, in the face of the complex and ever-changing economic situation and profound adjustments in the real estate market, by adhering to the annual work theme of “overcoming difficulties for stable performance, and improving capabilities through refined management”, the Group actively adapted to the evolving market, timely adjusted its investment and marketing strategies, accelerated the sales of property inventory, while at the same time optimising business layout and strengthening refined management to maintain stable operations. As a result, the position and influence of the Group in the industry have been further enhanced.

Operating Results

In 2024, the Group realised revenue of approximately RMB86.40 billion, representing a year-on-year increase of 7.7%. Gross profit margin was approximately 10.5%, representing a year-on-year decrease of 4.8 percentage points. Profit attributable to equity holders was approximately RMB1.04 billion, representing a year-on-year decrease of 67.3%. Core net profit was approximately RMB1.59 billion, representing a year-on-year decrease of 54.4%. Unrecognised sales value as of 31 December 2024 was RMB170.05 billion, representing a decrease of 14.7% as compared to that as of the beginning of the year.

The Board proposed not to declare final dividend for 2024 and the total dividend for the full year was HKD0.189 per share (equivalent to RMB0.173 per share). The payout ratio was approximately 44% of the core net profit.

Contracted Sales

In 2024, in response to the continued downward pressure in the market, the Group adopted a flexible and targeted approach to further implement the marketing strategy featuring “one project, one policy”. The Group also accelerated destocking and improved the destocking appraisal mechanism, with comprehensive efforts in digital marketing. Despite the challenging market environment, the Group has further improved its market position, as it became a top-10 player in China in terms of annual sales for the first time, ranking 8th, according to CRIC. In 2024, the Group recorded contracted sales value (including contracted sales of projects of joint ventures and associates) of approximately RMB114.54 billion.

The Group's development strategic layout focuses on the Greater Bay Area, Eastern China, Central and Western China and Northern China, and keeps strengthening its presence in tier-1 cities and major tier-2 cities. The Group achieved contracted sales value of approximately RMB48.84 billion in the Greater Bay Area for the full year, accounting for approximately 42.7% of the Group's contracted sales value. In particular, Guangzhou contributed contracted sales value of approximately RMB43.37 billion, accounting for approximately 37.9% of the Group's contracted sales value. Eastern China contributed contracted sales value of approximately RMB33.14 billion for the full year, accounting for approximately 28.9% of the Group's contracted sales value. In particular, Hangzhou contributed contracted sales value of approximately RMB22.10 billion for the full year. Central and Western China contributed contracted sales value of approximately RMB19.60 billion for the full year, accounting for approximately 17.1% of the Group's contracted sales value. In particular, Chengdu contributed contracted sales value of approximately RMB6.80 billion for the full year. Northern China contributed contracted sales value of approximately RMB12.96 billion for the full year, accounting for approximately 11.3% of the Group's contracted sales value. In particular, Beijing contributed contracted sales value of approximately RMB8.73 billion for the full year.

High-quality Landbank Acquisitions

In 2024, in view of the continued differentiation of the land markets, the Group concentrated its investment on tier-1 and major tier-2 cities. The Group adopted a targeted investment strategy and seized the favorable window of land auctions to acquire a number of quality land parcels at low premiums, adding 24 new land parcels in Beijing, Shanghai, Guangzhou, Hangzhou, Hefei, Chengdu, Xi'an and other cities, with a total gross floor area (“GFA”) of approximately 2.71 million sq.m.. Among those, the Group acquired a total of 3, 5 and 8 premium land parcels in Beijing, Shanghai and Guangzhou, respectively, increasing approximately 0.54 million sq.m., 0.30 million sq.m. and 1.10 million sq.m. of landbank, respectively. Thus, new landbank in tier-1 cities accounted for over 70% of the total.

In active response to the government’s policy of revitalising land stock, 3 land parcels in Guangzhou of the Group were successfully repossessed, thus revitalising capital of approximately RMB13.5 billion in total, and further optimising its landbank structure.

As of 31 December, with established operations in 27 cities across the country, the total landbank of the Group amounted to approximately 19.71 million sq.m., 96% of which are located in tier-1 cities and tier-2 cities. The quality and structure of the landbank continued to optimise, which could meet the Group’s sustainable development needs in the future. The Group’s landbank in Beijing, Shanghai and Guangzhou amounted to 1.00 million sq.m., 0.86 million sq.m. and 6.52 million sq.m. respectively.

“Coordinated Residential and Commercial Development”

The Group continued to promote the strategy of “Coordinated Residential and Commercial Development” and continuously improved the operation capabilities for commercial properties. In the face of challenges brought about by the ongoing downturn in the commercial property market, the Group actively addressed these challenges by formulating flexible leasing strategies and innovating operating models. This has effectively improved the property occupancy rates and optimised tenant structures, thereby further enhancing the market competitiveness of its commercial properties.

The Group recorded a rental income from commercial properties directly held by it of approximately RMB668 million for the full year, representing a year-on-year increase of 37.1%, and Yuexiu Real Estate Investment Trust (“Yuexiu REIT”), in which the Group holds 40.02% of unit interests as at 31 December 2024, recorded revenue of approximately RMB2,032 million, representing a year-on-year decrease of 2.7%. Net income from properties reached approximately RMB1,445 million, representing a year-on-year decrease of 2.1%. Revenue from Yuexiu REIT’s office buildings, retail malls, hotels and serviced apartments, and wholesale markets accounted for 56.6%, 8.2%, 25.0% and 10.2% of total revenue, respectively.

Yuexiu Services Group Limited (“Yuexiu Services”), in which the Group holds 67.4% interest as at 31 December 2024, recorded revenue of approximately RMB3,868 million for the full year, representing a year-on-year increase of 20.0%. The management scale of Yuexiu Services has steadily increased, with contracted GFA of 88.73 million sq.m. and GFA under management of 69.31 million sq.m.. By providing basic property management services for landmark projects such as the Hong Kong-Zhuhai-Macao Bridge, the CPPCC Guangdong Provincial Committee and the Hubei branch of China Mobile, Yuexiu Services has significantly enhanced its brand influence. The revenue from community value-added services amounted to approximately RMB1,217 million, representing a year-on-year increase of 30.6%.

The Group’s healthcare business also recorded a year-on-year increase in revenue, of which 7,265 beds are available for operation. A significant increase in occupancy rates was also recorded, placing the Group’s healthcare business at the forefront of the industry.

Value Creation through Refined Management

The Group continued to deepen refined management, created high-quality products with a customer-centric principle, released the “4 × 4 High-Quality Product Concept” and the standard manuals for the four major product lines, “Mansion”, “Grand Mansion”, “Tian” and “Starry”, built physical display areas for projects in strict accordance with the standards to comprehensively enhance the display effect, and continuously improved the customer research system to effectively boost sales.

The Group actively promoted the integration of design and construction and refined the production processes of its projects. The functions of the “Yue Smart Manufacturing” BIM platform have been continuously optimised and upgraded, effectively enhancing production efficiency and project quality. At the same time, the Group focused on improving its integrated design and construction business implementation capabilities to provide strong support for business upgrades. The performance excellence rate of suppliers has steadily increased, effectively ensuring the smooth delivery of high-quality products. Additionally, the Group achieved cost reduction and efficiency enhancement through various measures, including precise cost allocation, expanding the scope of centralised materials procurement to reduce procurement costs, and streamlining processes to cut unnecessary costs.

The Group continuously optimised the allocation of talents, and enriched the mid-level and executive teams as well as key professional positions through internal training and external recruitment. The Group optimised the performance appraisal mechanism and defined more detailed evaluation criteria for value creation by employees, which formed parts of our refined management for better performance.

Prudent and Safe Financial Position

The Group has a healthy financial position as well as sufficient and safe liquidity. As of the end of December, the Group’s cash and cash equivalents, time deposits, charged bank deposits, time deposits and other restricted deposits amounted to approximately RMB50.05 billion, representing an increase of 8.6% as compared to that as of the beginning of the year. With the total liabilities/total assets ratio (excluding unearned revenue) of 68.1%, the net gearing ratio of 51.7%, and the cash to short-term debt ratio of 2.1 times, the “Three Red Lines” indicators of the Group remained in “green lights”, and the financial indicators were healthy and safe. The Group continued to maintain its credit rating of investment grade at BBB- by Fitch.

In light of the ongoing downturn in the real estate market, the Group, on the one hand, accelerated cash collection, with the cash collection rate of contracted sales further rose to 87% for the year, achieving net cash inflows from operating activities; on the other hand, the Group diversified financing channels and optimised its debt structure to further reduce the average financing cost year-on-year, and the Group's weighted average borrowing interest rate decreased by 33 basis points year-on-year to 3.49% per annum for the full year. Throughout the year, the Group successfully issued a total of RMB2.5 billion of onshore corporate bonds at a weighted average borrowing interest rate of approximately 2.61% per annum, and successfully issued its onshore private placement notes of RMB1.8 billion at a weighted average borrowing interest rate of approximately 2.27% per annum. The Group also successfully issued its offshore dim sum bonds of RMB2.39 billion at a weighted average borrowing interest rate of approximately 4.07% per annum, including green dim sum bonds of RMB1.69 billion at a weighted average borrowing interest rate of approximately 4.10% per annum. The Group maintained a leading position among the industry in terms of financing costs.

Sustainable Development

The Group continued to improve its ESG management system, including establishing several working groups under the ESG Committee of the Board, such as Climate Change Response Working Group, Green Office Working Group, “Dual Carbon” Working Group and Green Supply Chain Working Group, to comprehensively promote the implementation of the ESG strategies of the Board. The Group is committed to achieving net-zero emissions along the value chain by 2060 and plans to reach its carbon peaking target by 2030, in active response to the “dual carbon” strategy of China.

In 2024, the Group's sustainable development initiatives and ESG performance were highly recognised by international and global renowned rating agencies. The Group was selected as a constituent stock of the “Hang Seng ESG 50 Index”, the “Hang Seng Corporate Sustainability Benchmark Index” and the “Hang Seng Climate Change 1.5 °C Target Index”. Its HKQAA Sustainability Rating raised to “A”, its “Global Real Estate Sustainability Benchmark” (GRESB) rating reached “four-star”, and its ESG score under the S&P Global Corporate Sustainability Assessment (CSA) improved to 49. The Group also won honours from the “Hong Kong Corporate Governance and ESG Excellence Awards” and the “BDO ESG Awards”.

The Group actively practised the green development philosophy and is committed to developing ultra-low-energy consumption buildings, near-zero energy consumption buildings and “Dual Zero” energy consumption buildings. In 2024, the Group successfully launched Yuexiu iPARK Guangdong-Hong Kong Cloud Valley (越秀iPARK粵港雲谷), the first industrial park project in South China Region to obtain “Dual Zero” certification for zero carbon and zero energy consumption. By using 12 special technologies covering the energy-saving technology which combined active and passive strategies, the utilisation of renewable energy and the application of new product technologies, the project reduced building energy consumption in all aspects, achieving zero carbon emissions and zero energy consumption operation of the buildings.

In the field of sustainable finance, the Group established a sustainable financing framework for the first time in 2024 and successfully issued its first green dim sum bonds in July with a term of three years and a coupon rate of 4.10%, raising RMB1.69 billion. The green bonds also obtained the Green and Sustainable Finance Certification from the Hong Kong Quality Assurance Agency. Through such issuance, the Group not only demonstrated its active exploration in the field of sustainable finance, but also provided strong support for the low-carbon transition of the real estate industry.

II. BUSINESS OUTLOOK

Looking ahead to 2025, as global inflation continues to slow down, the United States, Europe and other major economies will be in a cycle of interest rate cuts. Although the geopolitics and US trade tariff policies gave rise to additional economic uncertainties, the global economic growth is expected to recover moderately amid fluctuations. The Central Government Work Report in 2025 emphasised “continuous efforts to promote the stabilisation and recovery of the real estate market”, proposed “stabilising the property market” for the first time and incorporated it into the overall requirements and policy orientations for economic and social development, highlighting the positioning of real estate as an economic “stabiliser” and indicating that the stability of the real estate market is directly related to the macro-economy. In 2025, the Chinese government will continue to implement proactive measures to stabilise macro-economic growth, with a view to vigorously boosting consumption, raising investment returns, and expanding domestic demand on all fronts. With “boosting demand + optimising

supply + financial coordination” as the core of its policies, the real estate industry will stabilise and reverse the downturn through measures such as reduction of restrictive measures on city-specific basis, tax reduction, credit expansion, affordable housing expansion, urban village renovation, repossession of existing housing and land resources and promoting “good houses”. As such, it is expected that the real estate market will see emerging opportunities for recovery.

Achieving Annual Operation Targets

In 2025, centring on the work theme of “stabilising performance, seeking breakthroughs, refining management and enhancing capabilities”, the Group will make every effort to achieve the annual sales and various operating targets for 2025 by focusing on accelerating sales and destocking, improving its operation capabilities for commercial projects, promoting organisational changes, and strengthening refined management.

In response to the changes of the market, the Group will continue to implement the “one project, one policy” targeted sales strategy and pricing strategy to facilitate sales and cash collection; promote digital marketing to further increase the proportion of its own sales channels, thus ensuring the achievement of its full year sales target and cash collection rate. The Group will improve its customer research system based on a customer-centric principle, establish a product innovation management mechanism, comprehensively promote the integration of design and construction, continue to enhance product competitiveness and fully implement the “quality products convention”. In addition, the Group will keep strengthening its capabilities in investment, operation, product and service, aiming to improve operation efficiency, achieve cost-efficiency and promote refined management in an all-round manner.

Adhering to the Prudent Investment Strategies

In 2025, the Group will continue to adhere to the prudent investment strategies of “targeted investments” and “investment based on sales cash inflows”, support targeted investments by strengthening its investment research system, and concentrate on core cities and core locations for continuous in-depth cultivation. The Group will optimise its resources allocation, focusing on its investment in tier-1 cities and quality tier-2 provincial capital cities. The Group will prioritise projects with economic benefits, with particular focus on projects with high certainty in profitability and fast recovery of cash flow. It will also make greater efforts to promote the replacement of existing resources, thereby continuously optimising its landbank structure.

Constantly Promoting the “Coordinated Residential and Commercial Development” Strategy

Continuously upholding the strategy of “Coordinated Residential and Commercial Development”, the Group will steadily increase the support and contribution of commercial properties to its financial results. The Group will keep strengthening the tenant acquisition and operation capabilities of commercial projects to create a new driver for its performance growth, with a focus on improving the occupancy rates of the office buildings, retail buildings, hotels & apartments, wholesale markets and other projects, while at the same time optimising tenant structure and quality to ensure a stable rental level. Meanwhile, the Group will promote the high-quality opening of 7 commercial projects, including Office Building T5 and hotels of Wuhan International Financial City and Xi’an ICC, to further drive brand upgrades and deliver steady growth in commercial operations.

The Group will continue to secure the stable development of its property management and services business, comprehensively improve its service capabilities and further develop its four major business segments (namely residential buildings, commercial buildings, mass transportation and public premises). On the one hand, the Group will expand its business scale with targeted and in-depth cultivation, focusing on advantageous business segments and strategically compatible business segments. On the other hand, it will practise the concept of “Quality Services” to improve the satisfaction of property owners. The Group will prioritise the enhancement of its community value-added services business to achieve new breakthroughs in operating activities.

For the healthcare segment, the Group will continue to enhance its operating capabilities, diversify sales channels, improve the overall occupancy rate and service brand, and actively explore new drivers for business growth and enhance synergies among business segments, to promote the sustainable development of the healthcare segment.

Deepening and Facilitating the Refined Management

The Group will further promote the construction of a company with “Quality Products, Quality Services, Strong Brand, Capable Service Team”, and facilitate the cultivation of system development and service operation capability targeting “product competitiveness and service quality”, to support the market position of the Company with a strong quality brand.

The Group will continue to strengthen its customer research capability to gain insights into cities and customers, constantly enhance product standardisation and the integration of design and construction to achieve efficient development and control the cost of construction management, and cut unnecessary costs with precise cost allocation, thereby continuously optimising finance cost. The Group will promote organisational development with a focus on “empowerment, efficiency enhancement and cost reduction”, and build a flat and efficient team to enhance employee performance. Additionally, the Group is committed to fostering internal and external versatile talents and leaders, with an optimised performance evaluation system to encourage value creation.

Adhering to Prudent and Safe Financial Policies

The Group will continue to keep the “Three Red Lines” indicators staying in “green lights” and maintain its credit rating of investment grade by Fitch. The Group will continue to improve its operational and financial risk monitoring system, strengthen the dynamic risk warning and prevention mechanism, focus on strengthening liquidity risk management and optimise cash collection processes, to ensure sustainable net cash inflows from operating activities. Based on business development needs, the Group will reasonably control the level of interest-bearing liabilities to further reduce financing costs and maintain the smooth and diversified channels of domestic and overseas financing. In addition, the Group will strengthen the overall management of onshore and offshore funds, improve fund utilisation efficiency and continuously optimise debt structure to achieve effective allocation of financial resources and controllable risks, thereby ensuring sufficient and secure liquidity.

Acknowledgements

2025 marks the final year of China’s 14th Five-Year Plan. With the approach of “Refined Management” and the ambition to become a company with “Quality Products, Quality Services, Strong Brand, Capable Service Team” as the internal development driving forces, the Group will actively respond to market challenges. Adhering to the high-quality and sustainable development under the new environment and competition pattern of the industry, the Group will continue to deliver value for shareholders. With respect to the Group’s achievements in operating results and development in a variety of businesses, I would like to take this opportunity to extend my gratitude to the Board of Directors for their strong leadership and all our staff for their relentless endeavours, as well as to express my deepest appreciation to our shareholders, customers, and business partners for their continued full trust and dedicated support.

MANAGEMENT DISCUSSION AND ANALYSIS

REVENUE AND GROSS PROFIT

In 2024, the Group realised revenue of approximately RMB86.40 billion (2023: RMB80.22 billion), representing a year-on-year increase of 7.7%. The gross profit was approximately RMB9.05 billion (2023: RMB12.26 billion), representing a year-on-year decrease of 26.1%, and the gross profit margin was approximately 10.5%, representing a year-on-year decrease of 4.8 percentage points.

PROFIT ATTRIBUTABLE TO EQUITY HOLDERS

In 2024, profit attributable to equity holders of the Group was approximately RMB1.04 billion (2023: RMB3.19 billion), representing a year-on-year decrease of 67.3%. The core net profit* was approximately RMB1.59 billion (2023: RMB3.49 billion), representing a year-on-year decrease of 54.4%.

CONTRACTED SALES

In 2024, the Group recorded aggregate contracted sales value (including sales of projects of joint ventures and associates) of approximately RMB114.54 billion, representing a year-on-year decrease of 19.4%. The aggregate contracted sales GFA (including sales of projects of joint ventures and associates) amounted to approximately 3.92 million sq.m., representing a year-on-year decrease of 11.9%, while the average selling price was approximately RMB 29,200 per sq.m..

In terms of regional composition, with respect to the value of the aggregate contracted sales for 2024, the Greater Bay Area accounted for approximately 42.7%, Eastern China Region accounted for approximately 28.9%, Central and Western China Region accounted for approximately 17.1%, and Northern China Region accounted for approximately 11.3%.

* Core net profit represents profit attributable to equity holders excluding net foreign exchange gains/(losses) recognised in the consolidated statement of profit or loss, net fair value gains/(losses) on investment properties held on a continuing basis (excluding investment properties disposed during the year) and the related tax effect, and impairment of intangible assets.

Contracted sales of the Group in 2024 are summarised as follows:

City	GFA <i>(sq.m.)</i>	Value <i>(RMB million)</i>	ASP <i>(RMB/sq.m.)</i>
Guangzhou	1,190,000	43,369	36,400
Shenzhen	16,400	1,275	77,700
Foshan	126,600	2,237	17,700
Dongguan	20,200	354	17,500
Jiangmen	69,600	433	6,200
Zhongshan	97,200	1,176	12,100
Subtotal (Greater Bay Area)	1,520,000	48,844	32,100
Shanghai	64,000	6,600	103,100
Hangzhou	601,000	22,096	36,800
Suzhou	73,700	1,176	16,000
Nantong	13,800	249	18,000
Nanjing	104,300	2,667	25,600
Ningbo	20,700	352	17,000
Subtotal (Eastern China Region)	877,500	33,140	37,800
Wuhan	119,700	2,408	20,100
Xiangyang	49,100	380	7,700
Hefei	96,300	1,640	17,000
Zhengzhou	256,800	3,638	14,200
Changsha	107,400	1,200	11,200
Chenzhou	300	2	6,700
Chongqing	71,900	993	13,800
Chengdu	283,600	6,796	24,000
Xi'an	102,000	2,540	24,900
Subtotal (Central and Western China Region)	1,087,100	19,597	18,000
Beijing	136,900	8,729	63,800
Shenyang	4,900	43	8,800
Qingdao	212,800	3,416	16,100
Yantai	16,900	118	7,000
Ji'nan	65,800	654	9,900
Subtotal (Northern China Region)	437,300	12,960	29,600
Total	3,921,900	114,541	29,200

RECOGNISED SALES

In 2024, the value of the recognised sales (including the sales of investment properties) and GFA of the recognised sales were approximately RMB80.76 billion and 3.06 million sq.m., respectively, representing a year-on-year increase of 6.7% and a year-on-year decrease of 3.1%, respectively, and the average selling price was approximately RMB26,400 per sq.m..

Recognised sales of the Group in 2024 are summarised as follows:

City	GFA (sq.m.)	Value (RMB million)	ASP (RMB/sq.m.)
Guangzhou	1,114,100	38,385	34,500
Shenzhen	75,100	5,464	72,800
Dongguan	47,800	1,105	23,100
Foshan	199,600	3,751	18,800
Jiangmen	34,100	209	6,100
Zhongshan	75,600	979	12,900
Subtotal (Greater Bay Area)	1,546,300	49,893	32,300
Shanghai	27,300	1,772	64,900
Hangzhou	174,700	5,857	33,500
Nanjing	105,000	2,534	24,100
Ningbo	21,800	344	15,800
Suzhou	201,400	3,334	16,600
Subtotal (Eastern China Region)	530,200	13,841	26,100
Wuhan	21,000	447	21,300
Hefei	73,400	1,357	18,500
Zhengzhou	265,700	3,333	12,500
Changsha	85,300	1,048	12,300
Chenzhou	14,300	79	5,500
Chongqing	154,700	2,183	14,100
Chengdu	168,800	3,531	20,900
Subtotal (Central and Western China Region)	783,200	11,978	15,300
Beijing	38,000	2,433	64,000
Shenyang	5,400	50	9,300
Qingdao	47,000	299	6,400
Yantai	1,100	2	1,800
Ji'nan	110,900	2,266	20,400
Subtotal (Northern China Region)	202,400	5,050	25,000
Total	3,062,100	80,762	26,400

UNRECOGNISED SALES

As of 31 December 2024, the unrecognised sales value amounted to approximately RMB170.05 billion, representing a decrease of 14.7% as compared to that as of the beginning of the year, and the unrecognised sales GFA was approximately 4.57 million sq.m., representing a decrease of 15.6% as compared to that as of the beginning of the year. The average selling price was approximately RMB37,200 per sq.m., representing an increase of 1.1% as compared to that as of the beginning of the year.

LANDBANK

In 2024, the Group has newly acquired 24 land parcels located in Beijing, Shanghai, Guangzhou, Hangzhou, Hefei, Chengdu, Xi'an and Zhongshan with a total GFA of approximately 2.71 million sq.m..

The land parcels newly acquired in 2024 are summarised as follows:

No.	Project	Equity	Total GFA
		Holding	(sq.m.)
1	Guangzhou World Grand Land III	52.51%	50,700
2	Guangzhou Guangzhou Avenue Central Land	95.48%	29,900
3	Guangzhou Pazhou South TOD II	19.10%	583,700
4	Guangzhou Osmanthus Mansion	95.48%	94,100
5	Guangzhou Jiangwan High Tide	95.48%	93,000
6	Guangzhou Acme Mansion	95.48%	64,900
7	Guangzhou Gemstone Mansion	95.48%	43,200
8	Guangzhou Wonder City	51.39%	136,500
9	Zhongshan Yuexiu Glamorous Mansion	48.45%	197,500
10	Shanghai Jing'an Tianyue (previous name: Shanghai Jing'an Zhongxing Land)	95.00%	32,300
11	Shanghai Changning Land	66.50%	39,200
12	Shanghai Pudong Yangsi Land	27.55%	152,200

No.	Project	Equity Holding	Total GFA (sq.m.)
13	Shanghai Yangpu Tianyue (previous name: Shanghai Yangpu Land)	95.00%	26,600
14	Shanghai Yangpu Changbai Land	46.55%	50,100
15	Hangzhou River Inherit	31.04%	90,200
16	Hangzhou View Emerald	39.94%	131,200
17	Hefei Grand Mansion (previous name: Hefei Binhu Science City Land)	99.64%	114,700
18	Chengdu Abundant Mansion (previous name: Chengdu Wuhou Land)	48.45%	77,900
19	Chengdu Joy Gather (previous name: Chengdu Chenghua Land III)	99.17%	49,900
20	Chengdu Present Sands	27.73%	51,600
21	Xi'an Gemstone Joy	13.59%	67,100
22	Beijing Grand Mansion	99.64%	143,500
23	Beijing Shining Star	32.84%	207,100
24	Beijing Changping Xiaoshahe Land	74.73%	184,900
	Total		2,712,000

As of 31 December 2024, the landbank of the Group reached approximately 19.71 million sq.m., located in 25 cities in China and the structure and regional layout of the landbank continued to improve. Geographically, Greater Bay Area, Eastern China, Central and Western China, Northern China accounted for approximately 36.5%, 22.4%, 28.8% and 12.3%, respectively.

The landbank of the Group is summarised as follows:

No.	Project	LANDBANK		
		GFA (sq.m.)	PUD GFA (sq.m.)	PFD GFA (sq.m.)
1	Guangzhou Tianhe Grand Mansion	185,500	185,500	—
2	Guangzhou Naturalistic Mansion	128,500	128,500	—
3	Guangzhou World Grand Land II	153,800	300	153,500
4	Guangzhou World Grand Land III	50,700	50,700	—
5	Guangzhou Guangzhou Avenue	29,900	—	29,900
	Central Land			
6	Guangzhou Pazhou South TOD	261,400	261,400	—
7	Guangzhou Pazhou South TOD II	583,700	269,400	314,300
8	Guangzhou Pazhou Shade	69,400	69,400	—
9	Guangzhou Pazhou West Land	49,100	49,100	—
10	Guangzhou River Mansion	34,100	34,100	—
11	Guangzhou Osmanthus Mansion	94,100	94,100	—
12	Guangzhou Galaxy Bay	91,800	91,800	—
13	Guangzhou Jiangwan High Tide	93,000	—	93,000
14	Guangzhou Jiangwan Grand Mansion	189,400	189,400	—
15	Guangzhou Acme Mansion	64,900	64,900	—
16	Guangzhou Joy Cloud	108,200	108,200	—
17	Guangzhou Joy Lake	201,900	201,900	—
18	Guangzhou Joy Golden Sands	183,700	183,700	—
19	Guangzhou Baiyun Starry City	170,900	9,400	161,500
20	Guangzhou Baiyun Guanglong Land II	90,600	—	90,600
21	Guangzhou Oasis Mansion	93,500	93,500	—
22	Guangzhou Gemstone Mansion	43,200	43,200	—
23	Guangzhou Wonder City	136,500	103,100	33,400
24	Guangzhou University Grow-up City	311,300	205,000	106,300
25	Guangzhou University Town Starry City	60,800	60,800	—
26	Guangzhou University Town	241,900	241,900	—
	Grand Mansion			

No.	Project	LANDBANK		
		GFA (sq.m.)	PUD GFA (sq.m.)	PFD GFA (sq.m.)
27	Guangzhou Voyage TOD	3,900	3,900	—
28	Guangzhou Mountain Living	131,300	131,300	—
29	Nansha Southern Le Sand	438,700	21,600	417,100
30	Nansha Tianyu Square	53,300	53,300	—
31	Nansha Flourishing Bay	214,700	214,700	—
32	Nansha Ocean One	37,700	37,700	—
33	Nansha Golden Bay	120,500	120,500	—
34	Nansha Joy Bay	58,100	58,100	—
35	Nansha Bay City	491,100	225,000	266,100
36	Nansha Qingsheng Industrial Park	153,700	75,900	77,800
37	Nansha Hong Kong People's Community	478,200	80,000	398,200
38	Guangzhou Galaxy TOD	475,800	192,800	283,000
39	Zengcheng Joy Mountain	86,100	86,100	—
40	Conghua Glade Village	55,800	32,100	23,700
41	Nanhai Imperial Pearl	7,400	7,400	—
42	Dongguan Joy Bay	67,800	67,800	—
43	Jiangmen Starry Guanlan	185,600	185,600	—
44	Zhongshan Yuexiu Empyrean	44,700	44,700	—
45	Zhongshan Yuexiu Glamorous Mansion	197,500	197,500	—
46	Hong Kong Yau Tong Project	68,800	68,800	—
47	Haikou Simapo Island Project	100,500	—	100,500
	Subtotal (Greater Bay Area)	7,193,000	4,644,100	2,548,900
48	Shanghai Jing'an Yue	18,500	18,500	—
49	Shanghai Jing'an Tianyue (previous name: Shanghai Jing'an Zhongxing Land)	32,300	32,300	—
50	Shanghai Yue Bund (previous name: Shanghai Hongkou Land)	38,300	38,300	—
51	Shanghai Grand Mansion (previous name: Shanghai Putuo Land)	106,200	106,200	—
52	Shanghai Changning Land	39,200	—	39,200

		LANDBANK		
No.	Project	GFA <i>(sq.m.)</i>	PUD GFA <i>(sq.m.)</i>	PFD GFA <i>(sq.m.)</i>
53	Shanghai Pudong Yangsi Land	152,200	152,200	—
54	Shanghai City Gather	125,200	125,200	—
55	Shanghai Yangpu Tianyue (previous name: Shanghai Yangpu Land)	26,600	26,600	—
56	Shanghai Yangpu Changbai Land	50,100	50,100	—
57	Shanghai Ubran Prism	270,000	270,000	—
58	Hangzhou Starry City	196,100	—	196,100
59	Hangzhou Villa Layer	156,500	156,500	—
60	Hangzhou Celestial Ocean	236,600	236,600	—
61	Hangzhou River Inherit	90,200	90,200	—
62	Hangzhou View Emerald	131,200	131,200	—
63	Hangzhou Tide Joy City	258,000	258,000	—
64	Hangzhou Silk Villa	95,000	95,000	—
65	Hangzhou Jadeite	205,300	205,300	—
66	Hangzhou Infinite Island	405,100	405,100	—
67	Hangzhou Tingcui Mansion	194,100	194,100	—
68	Hangzhou Infinite Affluent	481,200	481,200	—
69	Hangzhou Twinkle Mansion	136,400	136,400	—
70	Hangzhou Joy Paragon	67,900	67,900	—
71	Hangzhou Joy Mansion	74,200	74,200	—
72	Suzhou Taicang Never Land	496,700	182,500	314,200
73	Nantong Luminous Mansion	91,000	91,000	—
74	Nanjing Grand Mansion	89,100	89,100	—
75	Nanjing Art Cloud	69,300	69,300	—
76	Nanjing Art Times	40,300	40,300	—
77	Nanjing Wonderland	45,200	45,200	—
	Subtotal (Eastern China Region)	4,418,000	3,868,500	549,500
78	Wuhan International Financial City	165,900	165,900	—
79	Wuhan Yuexiu Literary Luxe	120,400	120,400	—
80	Wuhan Hanyang Starry Winking	277,100	—	277,100

No.	Project	LANDBANK		
		GFA (sq.m.)	PUD GFA (sq.m.)	PFD GFA (sq.m.)
81	Xiangyang Joy Cloud	142,500	142,500	—
82	Hefei Starry Junnan	113,600	113,600	—
83	Hefei Central Luxury	98,800	98,800	—
84	Hefei Naturalistic Mansion (previous name: Hefei Binhu Land)	55,000	55,000	—
85	Heifei Grand Mansion (previous name: Hefei Binhu Science City Land)	114,700	114,700	—
86	Hefei Joy Yunting	215,200	215,200	—
87	Hefei Joy Winking	112,400	112,400	—
88	Zhengzhou Yuexiu Future Mansion	207,200	207,200	—
89	Zhengzhou Joy Bay	544,900	228,800	316,100
90	Changsha Scenery Culture	117,600	117,600	—
91	Changsha Smart Science City	108,900	108,900	—
92	Changsha Mountain Mansion	134,400	134,400	—
93	Changsha Starry City	148,500	148,500	—
94	Changsha Joy Star	255,600	180,300	75,300
95	Chenzhou Starry City	676,600	159,600	517,000
96	Chongqing Avant Garde	103,900	103,900	—
97	Chongqing Galaxy Garden	289,400	35,900	253,500
98	Chengdu Abundant Mansion (previous name: Chengdu Wuhou Land)	77,900	77,900	—
99	Chengdu Joy Cloud	135,800	135,800	—
100	Chengdu Joy Gather (previous name: Chengdu Chenghua Land III)	49,900	49,900	—
101	Chengdu Casa Style	88,500	88,500	—
102	Chengdu Present Sands	51,600	—	51,600
103	Chengdu Lakeside Life	175,900	175,900	—
104	Xi'an Oriental Mansion	370,100	370,100	—

No.	Project	LANDBANK		
		GFA (sq.m.)	PUD GFA (sq.m.)	PFD GFA (sq.m.)
105	Xi'an ICC (previous name: Xi'an Gaoxin Land I)	162,800	162,800	—
106	Xi'an Citypark Mansion	187,300	187,300	—
107	Xi'an Goblet Shade (previous name: Xi'an Gaoxin Land III)	295,400	295,400	—
108	Xi'an Gemstone Joy	67,100	—	67,100
	Subtotal	5,664,900	4,107,200	1,557,700
	(Central and Western China Region)			
109	Beijing Grand Mansion	143,500	—	143,500
110	Beijing Fragrant Shade	167,800	167,800	—
111	Beijing Yuexiu Melody	170,200	170,200	—
112	Beijing Shining Star	207,100	207,100	—
113	Beijing Changping Xiaoshahe Land	184,900	—	184,900
114	Beijing Hill Mansion	125,800	125,800	—
115	Shenyang Hill Lake	506,900	47,800	459,100
116	Qingdao Grand Mansion	134,500	134,500	—
117	Qingdao Magnificent Bay	30,600	30,600	—
118	Qingdao Inner Peace	309,100	106,900	202,200
119	Qingdao Starry City	141,100	500	140,600
120	Qingdao Yuexiu Starry City (previous name: Qingdao Pingdu Southern New Town Land II)	268,900	—	268,900
121	Yantai Joy Mansion	41,100	41,100	—
	Subtotal (Northern China Region)	2,431,500	1,032,300	1,399,200
	Total	19,707,400	13,652,100	6,055,300

Construction progress

The Group strived to accelerate development efficiency and turnover rate. During the year, project development was in line with the Group's schedule. New commencement of construction and completion projects are summarised as follows:

	2024	2025
	Actual	Planned
Construction progress	GFA	GFA
	<i>(sq.m.)</i>	<i>(sq.m.)</i>
New commencement of construction	3,708,200	2,726,500
Completion*	7,774,200	7,775,200

* Completion for consolidation GFA in 2024(A) and 2025(E) are 5.08 million sq.m. and 5.95 million sq.m. respectively.

OTHER GAINS AND LOSSES

Other losses, net for 2024 amounted to approximately RMB1,395 million, mainly including the gain on disposal of the ICC project of approximately RMB868 million (please refer to the announcements of the Company dated 9 September 2024, 25 October 2024, 28 November 2024 and 4 December 2024 for details of the ICC project), net losses on revaluation of investment properties for the year of approximately RMB727 million, impairment losses of long-term assets of approximately RMB1,628 million (mainly including: impairment provision of RMB713 million for a project in Hainan due to planning adjustments, and impairment provisions of RMB492 million and RMB186 million respectively for a self-owned residential building in Nansha and a hotel in Wuhan due to market reasons) and other miscellaneous income, net of approximately RMB92 million. In 2023, the Group's other losses, net amounted to approximately RMB1,348 million, mainly including net losses on revaluation of investment properties of approximately RMB1,502 million and other miscellaneous income, net of approximately RMB154 million.

As at 31 December 2024, the Group owned investment properties under lease of approximately 1,074,000 sq.m. in total, of which office buildings, commercial properties, car parks and others accounted for approximately 44.0%, 44.8% and 11.2%, respectively. The Group recorded rental income of approximately RMB668 million in 2024, representing an increase of 37.1% year-on-year, mainly due to the increase in the rental income of Guangzhou ICC and Wuhan International Financial City.

In 2024, the Group recorded net losses on revaluation of investment properties held for the year of approximately RMB727 million, mainly including: losses on revaluation of the self-owned properties in Luogang and Chentougang, Guangzhou for the year of approximately RMB236 million due to increased cost investments; net losses on revaluation of Wuhan International Financial City for the year of approximately RMB1,011 million due to the impact of the market environment; and gains on revaluation of an industrial park in Nansha for the year of approximately RMB329 million and gains on revaluation of an office building in Nansha for the year of approximately RMB219 million.

SELLING AND MARKETING EXPENSES

In 2024, the Group's selling and marketing expenses were approximately RMB2,719 million, representing an increase of 10.9% year-on-year, which was mainly because the Group adopted more diversified marketing strategies to further facilitate properties sales. Selling and marketing expenses accounted for 3.1% of the revenue for the year, which was in line with that of last year.

ADMINISTRATIVE EXPENSES

The Group's administrative expenses amounted to approximately RMB1,489 million, representing a decrease of 17.2% year-on-year, which was mainly because the Group continued to strengthen control over expenses and strictly followed the annual expenses budget. The administrative expenses accounted for 1.7% of the revenue for the year, down by 0.5 percentage point from 2.2% for last year.

FINANCE COSTS

In 2024, the finance costs of the Group amounted to approximately RMB880 million, mainly including interest expense of RMB1,001 million and net gains related to foreign exchange of RMB121 million. Finance costs for the year increased by RMB207 million as compared to 2023, which was mainly due to an increase in interest expenses of RMB149 million and a decrease in net gains related to foreign exchange of RMB58 million. As the overall financing environment has remained moderate since 2024, the Group's weighted average borrowing interest rate for the year declined to 3.49% from 3.82% for 2023.

SHARE OF PROFIT FROM ASSOCIATES

In 2024, the overall net profits from associates attributable to the Group was approximately RMB1,021 million (2023: net profits of approximately RMB702 million), mainly including net gains on the investments in cooperative projects and losses on the investment in Yuexiu REIT of approximately RMB1,083 million and RMB62 million, respectively.

In 2024, the total distributable amount of Yuexiu REIT amounted to approximately RMB315 million, representing a decrease of 23.2% on a year-on-year basis, and the cash distribution attributable to the Group amounted to approximately RMB126 million.

BASIC EARNINGS PER SHARE

In 2024, basic earnings per share attributable to the equity holders of the Company (calculated based on the weighted average number of ordinary shares outstanding) were RMB0.2584 (2023: RMB0.8542).

By the end of 2023, the Company completed the Rights Issue of 928,936,826 rights shares at the subscription price of HKD9.00 per rights share on the basis of 30 rights shares for every 100 shares held by qualifying shareholders on the record date (i.e. 10 May 2023).

The weighted average number of 3,728,632,295 ordinary shares for the full year of 2023 was derived from ordinary shares outstanding as at 1 January 2023 after taking into account the effects of the Rights Issue abovementioned.

FINAL DIVIDEND

The Board proposed not to declare final dividend for 2024 (2023: HKD0.148 per share which was equivalent to RMB0.134 per share), total dividend for the year ended 31 December 2024 amounted to HKD0.189 per share which was equivalent to RMB0.173 per share.

Dividend payable to shareholders will be paid in Hong Kong dollars. The exchange rate adopted by the Company for its dividend payable is the average of central parity rates of HKD against RMB announced by the People's Bank of China ("PBOC") for the last five consecutive business days preceding the date of dividend resolved/proposed by the Board.

LIQUIDITY AND FINANCIAL RESOURCES

Cash receipts from operating activities and committed banking facilities are the Group's main sources of liquidity. The Group has always adhered to prudent financial management principles, emphasised on funding management and risk control, established an ongoing monitoring system to respond to market changes, ensured healthy and adequate liquidity and secured the business development. While continuing to maintain a good relationship with commercial banks in Chinese Mainland and Hong Kong, the Group also explores other funding channels, optimises the capital structure and lowers the funding costs, enhances the ability to protect its resources, and enhances its risk resistance capabilities.

In 2024, the Group obtained new borrowings of approximately RMB41.69 billion, including onshore borrowings of approximately RMB30.50 billion and offshore borrowings of approximately RMB11.19 billion. During the year, the sell-back period for two tranches of corporate bonds issued by a subsidiary of the Company on the Shanghai Stock Exchange commenced, with the sell-back amounts calculated at par value amounting to RMB1.16 billion and RMB0.193 billion, respectively. Meanwhile, the Group has fully resold the sell-back portions of the aforementioned two tranches of corporate bonds during the year. As at 31 December 2024, total borrowings amounted to approximately RMB103.89 billion (31 December 2023: RMB104.37 billion), cash and cash equivalents, time deposits, charged bank deposits, time deposits and other restricted deposits amounted to approximately RMB50.05 billion, and the net gearing ratio was 51.7%, which was calculated as net debt (i.e., total borrowings less cash and cash equivalents, time deposits, charged bank deposits, time deposits and other restricted deposits) divided by total equity. Borrowings due within one year accounted for approximately 22% of the total borrowings (31 December 2023: 22%), fixed-rate borrowings accounted for approximately 44% of the total borrowings (31 December 2023: 44%). The Group's weighted average borrowing interest rate for the year decreased by 33 basis points to 3.49% from 3.82% for 2023.

As at 31 December 2024, among the Group's total borrowings, approximately 51% was RMB denominated bank borrowings and other borrowings (31 December 2023: 54%), 11% was Hong Kong dollar denominated bank borrowings (31 December 2023: 10%), 7% was Hong Kong dollar and US dollar denominated medium-to-long term notes (31 December 2023: 7%), and 31% was RMB denominated medium-to-long term notes (31 December 2023: 29%).

WORKING CAPITAL

As at 31 December 2024, the Group's working capital (current assets less current liabilities) amounted to approximately RMB120.28 billion (31 December 2023: approximately RMB128.08 billion). The Group's current ratio (current assets divided by current liabilities) was 1.5 times (31 December 2023: 1.6 times). Cash and cash equivalents and current portion of time deposits amounted to approximately RMB30.20 billion (31 December 2023: RMB29.27 billion). Charged bank deposits amounted to approximately RMB17.56 billion (31 December 2023: RMB16.83 billion). Undrawn committed bank facilities amounted to approximately RMB61.91 billion.

CAPITAL AND FINANCIAL STRUCTURE ANALYSIS

Set out below is a summary of the Group's debts:

	As at	
	31 December 2024	31 December 2023
	<i>RMB '000</i>	<i>RMB '000</i>
Borrowings and notes		
Denominated in RMB	85,024,128	86,572,838
Denominated in HKD	13,124,046	12,144,144
Denominated in USD	5,740,529	5,653,881
	<hr/>	<hr/>
Total borrowings and notes	103,888,703	104,370,863
Bank overdrafts	39	35
	<hr/>	<hr/>
Total debts	<u>103,888,742</u>	<u>104,370,898</u>
Ageing analysis:		
Within one year	23,268,833	22,975,869
In the second year	34,277,646	22,785,857
In the third to fifth year	33,645,363	46,005,776
Beyond five years	12,696,900	12,603,396
	<hr/>	<hr/>
Total borrowings	103,888,742	104,370,898
Lease liabilities	787,711	839,021
Less: Cash and cash equivalents and current portion of time deposits	(30,195,576)	(29,265,250)
	<hr/>	<hr/>
Net borrowings	74,480,877	75,944,669
Total equity	104,079,168	102,208,780
	<hr/>	<hr/>
Total capital	<u>178,560,045</u>	<u>178,153,449</u>
Gearing ratio (net borrowings divided by total capital)	<u>41.7%</u>	<u>42.6%</u>

INTEREST RATE EXPOSURE

The Group's interest rate exposure is mainly derived from floating rate loans and deposits denominated in Renminbi, Hong Kong dollars and US dollars. As of 31 December 2024, among the total borrowings of the Group, approximately 45% was floating rate bank loans denominated in Renminbi, approximately 11% was floating rate bank loans denominated in Hong Kong dollars, approximately 6% was fixed rate bank loans and other borrowings denominated in Renminbi, approximately 31% was fixed rate bonds denominated in Renminbi, and approximately 7% was fixed rate notes denominated in US dollars and Hong Kong dollars. The weighted average borrowing interest rate for the full year of 2024 was approximately 3.49% per annum, decreased by 33 basis points from 3.82% per annum for the same period of 2023.

With respect to US dollar interest rates, from early 2022 to July 2023, the Federal Reserve has significantly raised interest rates to control high inflation. Subsequently, it halted these interest rate hikes and commenced three rounds of interest rate cuts starting from September 2024. Currently, inflation has moderated but the decline has not yet met the expectation of 2%. The new tariff policies introduced by the US President have brought significant uncertainties to the world and fueled further inflation in the US in the second half of the year. As such, the market expects higher risks of a mild recession in the US. Although the US economic performance remains robust with a relatively low unemployment rate, there are market concerns that the economy may decline sharply in the future. The Federal Reserve is expected to restart interest rate cuts in the second half of 2025, with two rate cuts of 25 basis points each during the year. However, the timing and size of the interest rate cuts will ultimately depend on the US inflation data and the impact of subsequent policies of the US government on the economy and the geopolitical situation.

With respect to Hong Kong dollar interest rates, they are expected to follow the downward trend of US dollar interest rates in the future. The Group did not arrange interest-rate hedging instruments during the reporting year. The Group continuously tracks the IRS and CCS quotes of market interest rates to arrange for interest rate risk hedging when necessary and at reasonable costs.

With respect to Renminbi interest rates, in recent years, the PBOC has been implementing a relatively easing monetary policy to stimulate economic recovery and enhance the management and control of the domestic property market exposure. Since 2025, the primary risks to China have been the significant increase in tariffs on Chinese goods imported by the US and the ongoing crackdown on Chinese companies in the technology sector. It is expected that the central government will continue to introduce policies to support economic recovery, thereby stabilising the financial market and controlling the risk of significant fluctuations in exchange rates.

The Group will continue to pay close attention to changes in domestic and foreign interest rate market and continuously optimise its debt structure to manage its interest rate exposure.

FOREIGN EXCHANGE RISK

Since the main business operations of the Group are conducted in Chinese Mainland, its income and assets are denominated primarily in Renminbi. The Group has foreign currency denominated financing and is thus exposed to foreign exchange risk. Since 2016, the Group has actively adopted various measures to enhance the management and control of the foreign exchange exposure. As at 31 December 2024, among the borrowings denominated in foreign currencies, approximately HKD11.88 billion (equivalent to approximately RMB11.00 billion) was bank borrowings denominated in Hong Kong dollar, approximately USD0.80 billion (equivalent to approximately RMB5.74 billion) was notes denominated in US dollars, and approximately HKD2.29 billion (equivalent to approximately RMB2.12 billion) was notes denominated in Hong Kong dollars. Approximately 18% of the total borrowings of the Group was borrowings denominated in foreign currencies, among which, financial products were purchased to manage part of foreign exchange exposures with respect to the borrowings denominated in foreign currencies equivalent to approximately RMB6.97 billion. The Group currently has limited foreign exchange exposure with controllable exchange rate risks.

In 2024, China's economic recovery was slower than expected due to challenges faced by its domestic economy, such as the under-performance of the stabilisation in real estate market and domestic consumption, putting pressure on the RMB exchange rates. During the year, the US imposed a 20% tariff on goods imported from China and continued crackdowns and embargoes on certain Chinese technology companies, posing further challenges to China. China is expected to hit back and introduce more policies to support economic growth and stabilise finance and exchange rates.

Since 2025, the exchange rate of RMB against US dollar has continued to fluctuate and slightly weakened. It is expected that the RMB-US dollar exchange rate will continue to fluctuate sharply in both directions during the year, and the Chinese economy may improve significantly in the second half of the year under the strong support of national policies. Combined with the potential slowdown of the US economy and resumption of interest rate cuts by the Federal Reserve in the second half of the year, the RMB exchange rate would be supported. It is expected that the exchange rate of RMB against US dollar will stabilise by the end of the year.

The Group will continue to keep track of developments in the foreign exchange market, appropriately adopt financial instruments to manage its foreign exchange exposure, and optimise its debt structure to manage its foreign exchange exposure.

COMMITMENTS FOR PROPERTY, PLANT AND EQUIPMENT

As at 31 December 2024, the Group did not have contractual commitments in respect of purchases of property, plant and equipment (31 December 2023: nil).

CONTINGENT LIABILITIES

The Group provided guarantees in respect of mortgage facilities granted by certain banks relating to the mortgage loans arranged for certain purchasers of the Group's properties. Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible for repaying the outstanding mortgage principals together with accrued interest and penalty owed by the defaulted purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties. Such guarantees shall terminate upon issuance of the relevant property ownership certificates. As of 31 December 2024, the total contingent liabilities relating to these guarantees amounted to approximately RMB44.11 billion (31 December 2023: RMB42.36 billion).

As at 31 December 2024, certain subsidiaries of the Group provided guarantee up to a limit of approximately RMB6,554 million (31 December 2023: RMB9,316 million) in respect of loans borrowed by joint ventures and associates of the Group, among which, guarantee of approximately RMB725 million (31 December 2023: RMB2,385 million) was utilised and guarantee of approximately RMB5,829 million (31 December 2023: RMB6,931 million) was not utilised yet.

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2024, the Group had approximately 15,180 employees (30 June 2024: 18,800 employees). The Group offers its employees reasonable remuneration in accordance with industry practice. Salary increment and promotion of employees are based on performance and achievements. In the meantime, the Group provides employees with other benefits, such as mandatory provident funds, medical insurance, educational allowances and professional training. The Group adopted the Share Incentive Scheme on 2 December 2016 and the Share Award Scheme on 17 March 2017. Both schemes will (i) provide the selected participants (including senior management, middle management and other employees) with an opportunity to acquire a proprietary interest in the Company; (ii) encourage and retain such individuals to work with the Company and the Group; and (iii) provide additional incentive for them to achieve performance goals and promote the pursuit of long-term interests of the Group, the Company and its shareholders, with a view to achieving the objective of aligning the interests of the selected participants with those of the shareholders of the Company. Details of the Share Incentive Scheme and Share Award Scheme have been respectively disclosed in the announcements dated 2 December 2016 and 17 March 2017.

CORPORATE GOVERNANCE

The Company has complied with the code provisions as set out in the Corporate Governance Code throughout the year ended 31 December 2024.

REVIEW OF ANNUAL RESULTS

The annual results have been reviewed by the audit committee of the Company. The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2024 have been agreed by the Group's auditors, Ernst & Young, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Ernst & Young on the preliminary announcement.

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

Saved as disclosed herein, the Company has not redeemed any of its listed securities during the year. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's listed securities during the year.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 17 June 2025 to Friday, 20 June 2025, both days inclusive, during which period no transfer of shares will be registered. For the purpose of ascertaining the shareholders' eligibility to participate in the forthcoming annual general meeting of the Company to be held on 20 June 2025, 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 4:30 p.m. on Monday, 16 June 2025.

By order of the Board
Yuexiu Property Company Limited
LIN Zhaoyuan
Chairman

Hong Kong, 31 March 2025

As at the date of this announcement, the Board comprises:

Executive Directors: *LIN Zhaoyuan (Chairman), ZHU Huisong, JIANG Guoxiong, HE Yuping, CHEN Jing and LIU Yan*

Non-executive Directors: *ZHANG Yibing and SU Junjie*

Independent Non-executive Directors: *YU Lup Fat Joseph, LEE Ka Lun, LAU Hon Chuen Ambrose and CHEUNG Kin Sang*