粵海置地

GUANGDONG LAND HOLDINGS LIMITED
粵海置地控股有限公司
(Incorporated in Bermuda with limited liability)
(Stock Code: 00124)

2024 Annual Results Announcement

HIGHLIGHTS

	Year ended 31 December		
	2024	2023	Change
Revenue (HK$'000)	**6,759,320**	3,877,416	+74.3%
Gross profit (HK$'000)	**780,248**	371,346	+110.1%
Fair value (losses)/gains on investment properties (HK$'000)	**(44,942)**	230,115	-119.5%
Loss attributable to owners of the Company (HK$'000)	**(1,382,983)**	(2,444,888)	-43.4%
Basic loss per share (HK cents)	**(80.80)**	(142.85)	-43.4%
Proposed final dividend (HK cents)	**-**	-	N/A

	As at 31 December 2024	As at 31 December 2023	Change
Current ratio	**1.5 times**	1.3 times	+15.4%
Gearing ratio[1]	**402.9%**	307.9%	+95.0 ppt
Total assets (HK$ million)	**40,560**	48,933	-17.1%
Net asset value per share[2] (HK$)	**2.08**	2.94	-29.3%
Number of employees	**376**	568	-33.8%

Notes:
1. Gearing ratio = (Interest-bearing loans + Lease liabilities - Cash and cash equivalents - Pledged deposit) ÷ Net assets
2. Net asset value per share = Equity attributable to owners of the Company ÷ Number of issued shares

FINANCIAL RESULTS

The board of directors (the "**Board**") of Guangdong Land Holdings Limited (the "**Company**") announces the consolidated results of the Company and its subsidiaries (the "**Group**") for the year ended 31 December 2024 together with comparative figures for 2023 as follows:

Consolidated Statement of Profit or Loss
For the year ended 31 December 2024

	Notes	**2024** **HK$'000**	2023 HK$'000
Revenue	*4*	**6,759,320**	3,877,416
Cost of sales		**(5,979,072)**	(3,506,070)
Gross profit		**780,248**	371,346
Other income	*4*	**1,242**	1,258
Other losses, net	*4*	**(1,046,539)**	(2,231,950)
Fair value (losses)/gains on investment properties		**(44,942)**	230,115
Selling and marketing expenses		**(284,347)**	(362,351)
Administrative expenses		**(204,126)**	(268,019)
Operating loss		**(798,464)**	(2,259,601)
Finance income	*5*	**41,000**	77,073
Finance costs	*5*	**(388,614)**	(309,748)
Finance costs, net		**(347,614)**	(232,675)
Loss before tax	*6*	**(1,146,078)**	(2,492,276)
Income tax expense	*7*	**(350,725)**	(156,754)
Loss for the year		**(1,496,803)**	(2,649,030)
Attributable to:			
Owners of the Company		**(1,382,983)**	(2,444,888)
Non-controlling interests		**(113,820)**	(204,142)
Loss for the year		**(1,496,803)**	(2,649,030)
Loss per share			
Basic and diluted	*8*	**HK(80.80) cents**	HK(142.85) cents

Consolidated Statement of Comprehensive Income
For the year ended 31 December 2024

	2024 **HK$'000**	2023 HK$'000
Loss for the year	**(1,496,803)**	(2,649,030)
Other comprehensive income		
Other comprehensive income not to be reclassified to profit or loss in subsequent year:		
Equity investments designated at fair value through other comprehensive income - net movement in fair value reserves	**1,520**	2,039
Other comprehensive income to be reclassified to profit or loss in subsequent year:		
Exchange differences on translation of Chinese Mainland operations	**(122,029)**	(143,770)
Total comprehensive income for the year	**(1,617,312)**	(2,790,761)
Attributable to:		
Owners of the Company	**(1,482,320)**	(2,560,071)
Non-controlling interests	**(134,992)**	(230,690)
Total comprehensive income for the year	**(1,617,312)**	(2,790,761)

Consolidated Statement of Financial Position
As at 31 December 2024

	Note	**2024** **HK$'000**	2023 HK$'000
Assets			
Non-current assets			
Property, plant and equipment		**76,517**	87,124
Right-of-use assets		**3,034**	18,056
Intangible assets		**17,584**	18,252
Investment properties		**8,871,756**	9,110,859
Equity investments designated at fair value through other comprehensive income		**41,209**	39,689
Other receivables		**5,934**	7,196
Deferred tax assets		**355,939**	1,020,103
Total non-current assets		**9,371,973**	10,301,279
Current assets			
Completed properties held for sale		**12,849,321**	8,061,645
Properties held for sale under development		**13,146,472**	24,051,914
Other contract costs		**73,556**	99,407
Prepayments, land and other deposits and other receivables		**916,622**	1,336,135
Tax recoverable		**790,521**	547,139
Restricted bank balances		**2,086,729**	451,660
Cash and cash equivalents		**1,324,980**	4,083,905
Total current assets		**31,188,201**	38,631,805
Total assets		**40,560,174**	48,933,084
Liabilities			
Current liabilities			
Trade and other payables and accruals	*10*	**(4,123,729)**	(5,457,043)
Contract liabilities		**(9,385,824)**	(9,517,294)
Lease liabilities		**(2,539)**	(17,402)
Tax payable		**(826,432)**	(2,277,419)
Bank and other borrowings		**(1,925,917)**	(2,453,442)
Loans from related parties		**(3,913,876)**	(10,612,331)
Total current liabilities		**(20,178,317)**	(30,334,931)
Net current assets		**11,009,884**	8,296,874

Consolidated Statement of Financial Position (continued)
As at 31 December 2024

	2024	2023
	HK$'000	HK$'000
Total assets less current liabilities	**20,381,857**	18,598,153
Non-current liabilities		
Bank and other borrowings	**(9,820,071)**	(7,694,116)
Loans from related parties	**(4,790,823)**	(3,100,423)
Lease liabilities	**(671)**	(2,393)
Deferred tax liabilities	**(1,408,310)**	(1,355,432)
Other payables	**(16,161)**	(16,383)
Total non-current liabilities	**(16,036,036)**	(12,168,747)
Total liabilities	**(36,214,353)**	(42,503,678)
Net assets	**4,345,821**	6,429,406
Equity		
Equity attributable to owners of the Company		
Share capital	**171,154**	171,154
Reserves	**3,385,614**	4,867,934
	3,556,768	5,039,088
Non-controlling interests	**789,053**	1,390,318
Total equity	**4,345,821**	6,429,406

Notes:

(1) General Information

The Company is a limited liability company incorporated in Bermuda. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. In the opinion of the directors, the ultimate holding company of the Company is 廣東粵海控股集團有限公司 (Guangdong Holdings Limited, "**Guangdong Holdings**"), a company established in the People's Republic of China (the "**PRC**").

On 9 December 2024, the Company and its immediate parent by that time Guangdong Investment Limited ("**GDI**") made a joint announcement that GDI proposed declaration of special dividend by way of distribution in specie of 1,261,799,537 shares (representing approximately 73.72% of the issued share capital) of the Company (the "**Proposed Distribution**") held directly by GDI to the shareholders of GDI. On 21 January 2025, upon the completion of the Proposed Distribution, the Company ceased to be a subsidiary of GDI and the immediate parent of the Company changed to GDH Limited ("**GDH**"). GDH is a private company incorporated in Hong Kong.

Prior to the completion of the Proposed Distribution, GDI was the immediate parent of the Company. GDI is incorporated in Hong Kong and listed on The Stock Exchange of Hong Kong Limited ("**Hong Kong Stock Exchange**").

During the year, the Group was involved in property development and investment businesses.

The Company's shares are listed on Hong Kong Stock Exchange.

(2) Basis of Preparation

The consolidated financial statements of the Group have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("**HKFRSs**"), which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards ("**HKASs**") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"), and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on Hong Kong Stock Exchange.

The HKICPA has issued certain amendments to HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. The Group has applied the following amendments to HKFRSs issued by the HKICPA to the consolidated financial statements for the current accounting period:

- Amendments to HKAS 1, Presentation of financial statements – Classification of liabilities as current or non-current and amendments to HKAS 1, Presentation of financial statements – Non-current liabilities with covenants

- Amendments to HKAS 16, Leases – Lease liability in a sale and leaseback

- Amendments to HKAS 7, Statement of cash flows and HKFRS 7, Financial instruments: Disclosures – Supplier finance arrangements

None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in the consolidated financial statements. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

The measurement basis used in the preparation of the consolidated financial statements is the historical cost basis except that the following assets are stated at their fair value:

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

- investments in equity securities.

(3) Segment Information

For management purposes, the Group is organised into business units based on the projects and has three reportable segments as follows:

(a) the property development segment consists of property development;

(b) the property investment segment consists of property investment, leasing and management operations; and

(c) the other segment consists of corporate and other income and expense items.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about the resource allocation and performance assessment. Segment performance is evaluated based on reportable segment result, which is a measure of adjusted profit before tax. The adjusted loss before tax is measured consistently with the Group's loss before tax except that finance and interest income and finance cost are excluded from such measurement.

Segment assets exclude deferred tax assets as these assets are managed on a group basis.

Segment liabilities exclude deferred tax liabilities as these liabilities are managed on a group basis.

The bank and other borrowings pledged by the assets of the property investment segment used in financing the property development activities were considered as segment liabilities in property development segment by management.

During the current and prior years, there were no intersegment transactions.

(3) **Segment Information** (continued)

	Property development HK$'000	Property investment HK$'000	Others HK$'000	Total HK$'000
Year ended 31 December 2024				
Segment revenue:				
Sales to external customers	**6,720,693**	**38,627**	**-**	**6,759,320**
Segment results	**(699,035)**	**(77,403)**	**(22,026)**	**(798,464)**
Reconciliation:				
Finance income				**41,000**
Finance costs				**(388,614)**
Loss before tax				**(1,146,078)**
Other information				
Write down of completed properties held for sale and properties held for sale under development	**(1,063,659)**	**-**	**-**	**(1,063,659)**
Fair value losses on investment properties	**-**	**(44,942)**	**-**	**(44,942)**
Depreciation	**(27,344)**	**-**	**(1,950)**	**(29,294)**
Amortisation	**(282)**	**-**	**-**	**(282)**
Capital expenditure	**(6,037)**	**-**	**(6)**	**(6,043)**

(3) Segment Information (continued)

	Property development HK$'000	Property investment HK$'000	Others HK$'000	Total HK$'000
Year ended 31 December 2023				
Segment revenue:				
Sales to external customers	3,842,660	34,756	-	3,877,416
Segment results	(2,591,207)	372,416	(40,810)	(2,259,601)
Reconciliation:				
Finance income				77,073
Finance costs				(309,748)
Loss before tax				(2,492,276)
Other information				
Write down of completed properties held for sale and properties held for sale under development	(2,407,761)	-	-	(2,407,761)
Gain on disposal of properties under relocation compensation agreements	-	169,167	-	169,167
Fair value gains on investment properties	-	230,115	-	230,115
Depreciation	(20,296)	-	(1,962)	(22,258)
Amortisation	(1,143)	-	-	(1,143)
Capital expenditure	(40,938)	(487,922)	(179)	(529,039)

(3) Segment Information (continued)

	Property development HK$'000	Property investment HK$'000	Others HK$'000	Total HK$'000
As at 31 December 2024				
Segment assets	**30,833,873**	**9,143,906**	**226,456**	**40,204,235**
Reconciliation:				
Unallocated assets				**355,939**
Total assets				**40,560,174**
Segment liabilities	**(33,915,843)**	**(17,531)**	**(872,669)**	**(34,806,043)**
Reconciliation:				
Unallocated liabilities				**(1,408,310)**
Total liabilities				**(36,214,353)**
As at 31 December 2023				
Segment assets	38,352,136	9,396,680	164,165	47,912,981
Reconciliation:				
Unallocated assets				1,020,103
Total assets				48,933,084
Segment liabilities	(40,217,050)	(1,394)	(929,802)	(41,148,246)
Reconciliation:				
Unallocated liabilities				(1,355,432)
Total liabilities				(42,503,678)

Geographical information

Revenue and non-current assets information is based on the locations of the customers and the locations of the assets. As the Group's major operations are principally located in Chinese Mainland, no further geographical segment information is provided.

Information about major customers

No revenue from the Group's sales to a single customer amounted to 10% or more of the Group's total revenue for each of the years ended 31 December 2024 and 2023.

(4) Revenue, Other Income and Other Losses, Net

An analysis of revenue, other income and other losses, net is as follows:

	2024 **HK$'000**	2023 HK$'000
Revenue		
From contract with customers:		
- Sale of properties recognised at a point in time	**6,720,693**	3,842,660
From other sources:		
- Rental income	**38,627**	34,756
	6,759,320	3,877,416
Other income		
Entrusted management service income	**1,242**	1,258
Other losses, net		
Write down of completed properties held for sale and properties held for sale under development	**(1,063,659)**	(2,407,761)
Gain on disposal of properties under relocation compensation agreements	**-**	169,167
Gain/(loss) on disposal of property, plant and equipment and right-of-use assets	**695**	(575)
Exchange losses, net	**(5,018)**	(8,550)
Sales deposits forfeiture	**5,742**	2,645
Others	**15,701**	13,124
	(1,046,539)	(2,231,950)

(5) Finance Income/Costs

	2024 **HK$'000**	2023 HK$'000
Finance income		
- bank interest income	**41,000**	77,073

	2024 **HK$'000**	2023 HK$'000
Finance costs		
- interest expenses on bank borrowings	**421,827**	439,038
- interest expenses on other borrowings	**518,093**	808,984
- others	**823**	2,658
Total finance costs incurred	**940,743**	1,250,680
Less: amount capitalised in property development projects	**(552,129)**	(940,932)
Total finance costs expensed	**388,614**	309,748

For the year ended 31 December 2024, the capitalised interest rate applied to funds borrowed and used for the development of properties is between 2.25% and 6.81% (2023: 2.28% and 6.78%) per annum.

(6) Loss Before Tax

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

	2024 HK$'000	2023 HK$'000
Carrying amount of inventory sold	**5,934,403**	3,499,621
Depreciation of property, plant and equipment	**14,397**	6,576
Depreciation of right-of-use assets	**14,897**	15,682
Amortisation of intangible assets	**282**	1,143
Rental expenses (short-term leases)	**381**	2,103
Taxes and surcharges	**27,383**	23,708
Auditor's remuneration		
- audit services	**1,740**	1,740
- non-audit services	**1,320**	1,320
Directors' emoluments	**5,309**	9,673
Rentals income from investment properties less direct outgoings of HK$37,700,000 (2023: HK$6,264,000)	**17,268**	(16,837)
Staff costs		
- wages and salaries	**113,506**	256,574
- contributions to defined contribution schemes	**27,902**	35,529
- forfeited contributions	**-**	(13)
	141,408	292,090
Less: amount capitalised in property development projects	**(27,021)**	(75,111)
Total staff costs expensed	**114,387**	216,979

(7) Income Tax Expense

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the year (2023: Nil). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates. PRC corporate income tax has been provided at the rate of 25% (2023: 25%) on the estimated assessable profit for the year.

Land appreciation tax ("**LAT**") has been provided in accordance with the requirements set forth in the relevant PRC laws and regulations. LAT has been provided at ranges of progressive rates of the appreciation values, with certain allowable deductions.

	2024 HK$'000	2023 HK$'000
Current tax		
- PRC corporate income tax	**(165,016)**	6,531
- PRC LAT	**(229,676)**	4,560
- Withholding tax	**9,940**	32,452
Deferred tax	**735,477**	113,211
	350,725	156,754

(8) Loss per Share Attributable to Equity Holders of the Company

The calculation of the basic loss per share amount is based on the loss for the year attributable to equity holders of the Company of HK$1,382,983,000 (2023: HK$2,444,888,000) and the number of shares of 1,711,536,850 (2023: 1,711,536,850) in issue during the year.

The Group had no potentially dilutive shares in issue for the year ended 31 December 2024 and 2023.

(9) Dividend

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

(10) Trade and Other Payables and Accruals

The Group's trade and other payables and accruals are non-interest bearing, except for bills payables are interest-bearing. Included in the Group's trade and other payables and accruals as at 31 December 2024 are trade and bills payables of HK$44,976,000 (2023: HK$164,334,000). An aging analysis of the Group's trade and bills payables as at the end of the reporting period, based on the payment due date, is as follows:

	31 December 2024 HK$'000	31 December 2023 HK$'000
Within 3 months	**44,976**	164,334

(11) Guarantees

As at 31 December 2024, the Group provided guarantees to certain banks in respect of mortgages granted by banks relating to the mortgage loans arranged for purchasers of the Group's properties. Pursuant to the terms of the guarantees, upon default in mortgage payments by any of these purchasers, the Group is responsible for repaying the outstanding mortgage principals together with the accrued interest and penalties owed by the defaulting purchasers to the banks, and the Group is entitled but not limited to take over the legal titles and possession of the related properties. The Group's guarantee period starts from the dates of grant of the relevant mortgage loans and ends upon issuance of the real estate ownership certificates. As at 31 December 2024, the Group's outstanding guarantees amounted to HK$4,709,488,000 (2023: HK$4,665,595,000) in respect of these guarantees.

In 2024, the economy in the mainland of the People's Republic of China (the "**PRC**") ("**Chinese Mainland**") overcame various difficulties and challenges arising from a complicated internal and external environment, meeting major targets and tasks. The progress effectively improved the quality of the economy and promoted its growth within a reasonable range, demonstrating the substantial merits of high-quality development. These achievements did not come easily. In 2024, the aggregate gross domestic product ("**GDP**") of the PRC amounted to RMB134.91 trillion, representing a year-on-year growth of 5.0% at constant prices; while GDP per capita amounted to RMB95,700, with per capita disposable income of residents increased by 5.3% in nominal terms as compared to the previous year.

In 2024, the Chinese government made significant adjustments to its real estate policies, shifting from an approach focused on "maintaining stability" to one pursuing "stable progress". Since the meeting of the Political Bureau of the Central Committee first proposed to "reverse the downturn of and stabilise the real estate market" in September, the policy orientation has clearly been on "actively supporting" the market. All kinds of accommodative policies have been rolled out. In October, the government implemented a comprehensive policy package, comprising lifting restrictions on purchase, sale, and price ceiling, and adjusting standards for ordinary and non-ordinary residences, lowering the interest rate for housing provident fund loans, reducing down payment ratios, decreasing the interest rate of existing loans, and cutting tax burden on selling old homes and buying new one transitions, and launching 1 million urban village and dilapidated housing renovations, and enhancing credit support for "white list" real estate developments. In December, the Central Economic Work Conference further emphasised that "sustained efforts shall be made to reverse the downturn of and stabilise the real estate market", injecting vital confidence into market stabilisation. We observe that the current phase of real estate policy interventions demonstrates increasing intensity, underscoring the central government's firm resolve to "stabilise the real estate sector". If more supporting policies aimed at "stabilising the market" and "enhancing residents' employment and income expectations" will be implemented at the local level, first-tier and major second-tier cities may take the lead in substantial bottoming out.

According to the National Bureau of Statistics, in 2024, the gross floor area ("**GFA**") of newly built commodity housing sold in the PRC was approximately 974 million square metres ("**sq. m.**"), representing a decrease of 12.9% as compared to the previous year; and the sales revenue of newly built commodity housing sold were approximately RMB9.68 trillion, representing a decrease of 17.1% as compared to the previous year. Amidst sustained policy efforts to promote industry-wide stabilization and recovery, the real estate market in the Guangdong-Hong Kong-Macao Greater Bay Area (the "**Greater Bay Area**") underwent a bottoming-out process across both supply and demand sides. According to data released by CRIC, new house supply of nine cities in Greater Bay Area decreased by 27% as compared to the previous year, and their transactions had a decline of 15% as compared to the previous year. The annual supply of operating land had a year-on-year decrease of 28%, and the transactions had a decrease of 21% as compared to the previous year. Against the backdrop of destocking, land market continued to shrink.

In 2024, the Group advanced courageously amidst challenges and opportunities. We implemented diversified innovative strategies including digital marketing to capture market windows and accelerate the pace of destocking. The Group deepened cost control plan throughout the whole process, furthered the basing production on sales mechanism, and strengthened cost reduction and efficiency in construction costs and sales, management, and financial expenses. In terms of product quality, efforts were made to overcome adverse factors such as falling prices. Our key projects delivered, including Zhongshan GDH City, Zhuhai Laurel House, Foshan Laurel House, and Jiangmen GDH City, achieved a one-time visit delivery rate over 96%, outperforming industry average. In terms of financial and capital management, the Group prioritised capital security, reducing interest-bearing liabilities by approximately HK$3,409 million annually in 2024. Multi-channel financing strategies secured long-term low-cost funding, notably obtaining property mortgage-backed financing of RMB4.0 billion for Shenzhen GDH City Project. In terms of workplace safety, the Group strengthened the role of culture in leading safe production, and did well in this respect with a sense of responsibility. The Land No. 11 of Guangzhou GDH Future City Project and Foshan Laurel House Project won the titles of "Safe Production and Civilised Construction Demonstration Sites of Housing and Municipal Engineering of Guangdong Province" and "Standardised Site for Safe Construction of Engineering Projects in Guangdong Province", respectively, solidifying our commitment to the timely delivery of housing projects, maintaining stable livelihoods, and shouldering social responsibilities.

Results

During the year under review, the Group was engaged in property development and investment businesses. The Group currently holds a number of property development projects and certain investment properties in the Greater Bay Area.

In 2024, the Group recorded a revenue of approximately HK$6,759 million (2023: HK$3,877 million), representing an increase of approximately 74.3% from the previous year. The Group recorded a loss attributable to owners of the Company for the year under review of approximately HK$1,383 million (2023: HK$2,445 million).

For the year under review, the increase in revenue was mainly attributable to the increased GFA of properties sold as compared to the previous year. For details of the Group's property sales in 2024, please refer to the section headed "Business Review" in the Management Discussion and Analysis. For the year under review, the decrease in loss attributable to owners of the Company was mainly attributable to a decrease in the impairment losses of inventory during the year.

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

Business Review

In 2024, the real estate industry ushered in a major turning point of "reversing downturn of and stabilising the market" in September. Intensive market deregulation policies rolled out by central and first-tier city governments positioned prime properties in first-tier cities to take the lead to rebound. However, the stabilisation of overall market transactions still depended on the recovery of the macro economy and residents' incomes. The Group proactively and quickly adjusted the leasing and sales strategy of each project in relation to the favorable policies market trend and smoothly achieved the full year leasing and sales targets.

With the aspiration of being an influential comprehensive urban development expert in the Greater Bay Area, the Group actively embraced the State's directive. In addressing customers' shift from "just housing" to "quality housing", the Group persistently advanced its core mission of "refining and optimising the residential development and improving the quality and efficiency of the commercial and office operations". In 2024, the Group achieved an annual revenue of nearly HK$6.8 billion, with remarkable sales performance in projects such as the Guangzhou GDH Future City Project, the Jiangmen GDH City Project, Zhuhai Laurel House Project and other projects, which ranked at the forefront of their respective regions. The shopping malls operated steadily overall, while the offices of the Shenzhen GDH City Project adopted a "taking the lead + accelerating expansion" strategy. Under the demonstration effect of quality leading customers being secured first, the strategy has contributed to a sustained rise in occupancy rates. Meanwhile, the Group actively pursued diverse operation mode for its commercial and office assets. Based on the full cycle management of commercial assets, it adopted site-specific strategies based on the regions where the commercial and office projects are located and the progress of their development and operation, with the objectives of enhancing brand image, uplifting value, harnessing resources, promoting expansion, optimising services and fostering ecology, in order to further improve the operational efficiency of the projects.

Outlook

In 2025, the adverse impacts arising from changes in the external environment have intensified, and domestic economic operations still face numerous difficulties and challenges, including insufficient domestic demand and persistent risk exposures. However, China's economy maintains a solid foundation, multiple comparative advantages, strong resilience, and vast potential. The long-term favorable fundamental conditions and basic trend remain unchanged. Recently, professional organisations have estimated that the PRC's real GDP growth rate in 2025 is expected to reach 4.5%. On the whole, after the Central Economic Work Conference systematically arranged the economic work in 2025, the Chinese government will implement a more proactive fiscal policy to intensify counter-cyclical adjustments, actively hedge against external uncertainties, and provide robust support for stable economic growth and sustained positive momentum in 2025.

In December 2024, the Central Economic Work Conference further emphasised that sustained efforts should be made to reverse the downturn of and stabilise the real estate market, intensify the implementation of urban village and dilapidated housing renovations, and fully unleash the potential of rigid and improvement-driven housing demand. At the same time, it called for reasonably controlling the supply of new real estate land and revitalising existing land and commercial and office properties as a way to promote the disposal of existing commercial housing. All such efforts aimed to promote the building of a new model of real estate development, and set up relevant basic systems in an orderly manner. Overall, in 2025, the determination of Chinese government to stabilize the property market remains resolute. The stabilisation of the real estate sector is crucial for accomplishing the top priority task of "vigorously boosting consumption, improving investment efficiency, and comprehensively expanding domestic demand".

Since the promulgation of 《粵港澳大灣區發展規劃綱要》(The Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area) five years ago, the Greater Bay Area has implemented multifaceted initiatives across scientific and technological innovation, economic growth, social governance, livelihood improvement, cultural development, and ecological conservation. Its economic aggregate now ranks within the top tier of global bay areas, and the framework of a world-class city cluster has taken shape. It is projected that by 2025, the Greater Bay Area will continue to experience net population inflow and talent concentration, driven by the ongoing optimisation of multi-city collaborative development, the expanding synergistic effects of industrial layouts, and the accelerated formation of its "one-hour living circle". Demand for basic and improved housing in core cities in the region will remain relatively stable. As the economy of the Greater Bay Area maintains a strong growth momentum, the Group's projects, such as the Shenzhen GDH City, Guangzhou GDH Future City, Guangzhou Laurel House, Foshan Laurel House, Foshan One Mansion, Zhuhai Laurel House, Zhongshan GDH City, Jiangmen GDH City, Jiangmen One Mansion, Huizhou One Mansion, are all located in core cities of the Greater Bay Area and will benefit from the strong development momentum of this region.

In 2025, the Group will closely monitor policy developments and market trends, strike a balance between quantity and price, and flexibly adjust leasing and sales strategies in line with market conditions. We will promote the leasing and sales of existing projects as soon as possible to ensure the cash flow security of the company. The Group will focus on enhancing "brand strength", "product competitiveness", and "operational efficiency" as strategic breakthroughs. This will be achieved through revitalising brand image, deepening the product value system, and integrating customer relationship with the "粵商務" (GDH Commerce) brand promotion to empower sales. We will continue to benchmark against industry-leading real estate enterprises, further control costs, strictly manage sales, administrative, and financial expenses, and effectively reduce investment and operating costs. In addition, the Group will prudently replenish high-quality land reserves at opportune times, striving to achieve steady, sound, and sustainable development.

Last but not least, on behalf of the Board, I would like to acknowledge the contribution by management and staff to the Group over the previous year. Under the leadership of the Board, the Group is confident in the prospect of its business development and will actively promote the development of its property business in order to create greater returns for its shareholders as we did in the past.

ZHONG Yubin
Chairman

Hong Kong, 24 March 2025

RESULTS

The consolidated revenue of the Group for 2024 amounted to approximately HK$6,759 million (2023: HK$3,877 million), representing an increase of approximately 74.3% from the previous year. The increase in revenue was mainly attributable to the increase in the sale of GFA of properties held for sale. Please refer to the section headed "Business Review" hereof for details of the Group's property sale in 2024. During the year under review, the Group recorded a loss attributable to owners of the Company of approximately HK$1,383 million (2023: HK$2,445 million).

The major factors that affected the aforesaid results of the Group for the year ended 31 December 2024 include the following:

(a) the properties delivered of the Group during the year under review were mainly the Foshan Laurel House Project, the Zhongshan GDH City Project, the Zhuhai Laurel House Project and the Guangzhou GDH Future City Project, among which the Guangzhou GDH Future City Project had higher gross profit margins, therefore the profit derived from the sale of properties increased as compared to 2023;

(b) affected by the continued downturn in the real estate market, customers' wait-and-see attitude persists. The market still had obvious characteristics of exchanging price for volume. The Group made provision for inventory impairment of approximately HK$1,064 million (2023: HK$2,408 million) during the year under review due to further signs of impairment in some of the Group's property projects;

(c) during the year under review, the Group recorded fair value losses on investment properties (net of the relevant deferred tax expense) of approximately HK$33.71 million (2023: gains of HK$173 million);

(d) the Group generated a gain on disposal of properties of approximately HK$169 million in 2023 pursuant to the relocation compensation agreements for city renovation project. During the year under review, the Group did not have such gain; and

(e) due to the cessation of capitalisation of the Group's completed properties held for sale, net finance costs increased by approximately HK$115 million as compared to 2023.

BUSINESS REVIEW

General Information of the Projects

Name of the property project	Status	Use	Interest held by the Group	Approximate GFA of project (sq. m.)	Approximate GFA included in calculation of plot ratio* (sq. m.)	Expected completion and filing date
Shenzhen City						
Shenzhen GDH City (Northwestern Land)	Completed	Business apartment/ Commercial	100%	167,376	122,083	N/A
Shenzhen GDH City (Northern Land)	Completed	Commercial/ Offices	100%	219,864	153,126	N/A
Shenzhen GDH City (Southern Land)	Completed	Commercial/ Offices	100%	255,373	206,618	N/A
Guangzhou City						
Guangzhou GDH Future City	Sale in progress	Residential/ Business apartment/ Commercial/ Offices	100%	726,990	506,000	2028
Guangzhou Laurel House	Completed	Car-parking spaces	100%	N/A	N/A	N/A
Ruyingju	Completed	Car-parking spaces	80%	N/A	N/A	N/A
Baohuaxuan	Completed	Car-parking spaces	100%	N/A	N/A	N/A
Foshan City						
Foshan Laurel House	Completed	Residential	100%	203,171	151,492	N/A
Foshan One Mansion	Sale in progress	Residential/ Commercial/Offices	51%	154,414	118,122	2026
Zhuhai City						
Zhuhai Laurel House	Sale in progress	Residential/ Commercial	100%	248,598	167,278	2025
Zhongshan City						
Zhongshan GDH City	Sale in progress	Residential	97.64%	321,456	247,028	2025
Jiangmen City						
Jiangmen One Mansion	Completed	Residential/ Business apartment/ Commercial	100%	222,708	164,216	N/A
Jiangmen GDH City (Land No. 3)	Completed	Residential	51%	163,181	122,331	N/A
Jiangmen GDH City (Land No. 4)	Sale in progress	Residential/ Business apartment/ Commercial	51%	299,029	207,419	2027
Jiangmen GDH City (Land No. 5)	To be developed	Residential	51%	89,201	63,150	2027
Huizhou City						
Huizhou One Mansion	Sale in progress	Residential/ Business apartment/ Commercial	100%	140,163	92,094	2025
Huizhou Huiyang Lijiang Garden	Completed	Car-parking spaces	100%	N/A	N/A	N/A

**Note: Including (1) underground commercial area of the Shenzhen GDH City Project with a GFA of 30,000 sq. m.; and (2) common area and area transfer to the government of each project.*

Sales of the Projects

Name of the property project	Approximate GFA available for sale (sq. m.)	Approximate GFA contracted: Year under review (sq. m.)	Approximate GFA contracted: Accumulated (sq. m.)	The proportion of accumulated GFA contracted to GFA available for sale	Approximate GFA delivered: Year under review (sq. m.)	Approximate GFA delivered: Accumulated (sq. m.)	The proportion of accumulated GFA delivered to GFA available for sale
Shenzhen City							
Shenzhen GDH City (Northwestern Land)	114,986	-	104,912	91.2%	-	104,912	91.2%
Shenzhen GDH City (Northern Land)	84,246	35,948	35,948	42.7%	35,948	35,948	42.7%
Guangzhou City							
Guangzhou GDH Future City	492,223	48,076	128,157	26.0%	15,332	15,332	3.1%
Guangzhou Laurel House (Car-parking spaces)	2,764	-	2,697	97.6%	-	2,697	97.6%
Ruyingju (Car-parking spaces)	8,052	61	6,682	83.0%	61	6,682	83.0%
Baohuaxuan (Car-parking spaces)	245	-	38	15.5%	-	38	15.5%
Foshan City							
Foshan Laurel House	146,382	26,407	98,285	67.1%	59,623	78,029	53.3%
Foshan Laurel House (Car-parking spaces)	9,914	5,101	5,101	51.5%	4,325	4,325	43.6%
Foshan One Mansion	117,692	27,606	38,368	32.6%	N/A	N/A	N/A
Zhuhai City							
Zhuhai Laurel House	145,773	17,477	81,801	56.1%	41,000	72,685	49.9%
Zhongshan City							
Zhongshan GDH City	236,728	36,670	104,965	44.3%	58,486	91,503	38.7%
Jiangmen City							
Jiangmen One Mansion	158,407	39,332	145,601	91.9%	31,567	133,310	84.2%
Jiangmen One Mansion (Car-parking spaces)	37,574	4,994	10,705	28.5%	4,444	9,642	25.7%
Jiangmen GDH City (Land No. 3)	119,334	21,400	104,683	87.7%	22,680	98,783	82.8%
Jiangmen GDH City (Land No. 3) (Car-parking spaces)	29,895	2,179	10,635	35.6%	2,373	9,609	32.1%
Jiangmen GDH City (Land No. 4)	204,229	38,100	51,509	25.2%	34,419	45,408	22.2%
Jiangmen GDH City (Land No. 5)	42,254	N/A	N/A	N/A	N/A	N/A	N/A
Huizhou City							
Huizhou One Mansion	89,240	10,273	24,788	27.8%	N/A	N/A	N/A
Huizhou Huiyang Lijiang Garden (Car-parking spaces)	1,504	13	229	15.2%	13	229	15.2%

During the year under review, the Group's properties recorded the total GFA contracted (including completed properties held for sale and properties held for sale under development) and delivered of approximately 314,000 sq. m. (2023: 274,000 sq. m.) and 310,000 sq. m. (2023: 222,000 sq. m.) respectively.

The Shenzhen GDH City Project

Located in Buxin Area, Luohu District, Shenzhen City, Guangdong Province, the PRC, the Shenzhen GDH City Project is a multi-functional commercial complex with jewelry as the main theme. The project, which is in close proximity to the urban highways and subway stations and adjoins Weiling Park, is surrounded by several municipal parks within a radius of 1.5 kilometres and enjoys convenient transportation and superb landscape resources. The filing for completion of construction of the whole project was made in August 2023.

For the search of potential commercial occupiers of the Shenzhen GDH City Project, the Group has entered into a property leasing services agreement with 廣東粵海天河城（集團）股份有限公司 (GDH Teem (Holdings) Limited) ("**GDH Teem**"), a fellow subsidiary of the Company, for the shopping mall under the Shenzhen GDH City Project, which operates by GDH Teem under the name of Shenzhen Teem. The Group will share the operating profit with GDH Teem. GDH Teem is principally engaged in the provision of property leasing services, property investment and development, department stores operation, hotel ownership and operations in the PRC, and has extensive industry experience. The agreement enables the Group to benefit from the branding effect of GDH Teem, which is conducive to attracting quality companies to locate in the property. Among which, the mall at the Northern Land of the Shenzhen GDH City Project has opened in December 2022 and the occupancy rate was approximately 94.4% as at 31 December 2024; the mall at the Southern Land of the project has opened in September 2024 and the occupancy rate was approximately 85.1% as at 31 December 2024.

The Guangzhou GDH Future City Project

The core area of Baiyun New Town, Baiyun District, Guangzhou City, Guangdong Province, the PRC, at which the Guangzhou GDH Future City Project is located, is positioned to be the hub for headquarters, and is planned as a cluster of corporate headquarters, aviation industry and commercial hotel service functions, focusing on the development of headquarters economy and attracting the headquarters of large corporations and small and medium-sized enterprises. Such project is located to the north of Yuncheng South Fourth Road and south of Qixin Road, on the two sides of Yuncheng West Road, and is connected to major transport networks. It is adjacent to Baiyun Park Station of Guangzhou Metro Line 2 and trunk roads such as the Airport Expressway and the Baiyun Avenue, and it is only about 30 kilometres away from the Guangzhou Baiyun International Airport. In addition, after the third phase of the Airport Avenue and Guangzhou Metro Line 12 are expected to open, travel between such project and its surrounding areas will be more convenient in due course. The project is situated in a well-developed neighborhood where commercial shopping centres, schools, hospitals, parks and the Guangzhou Gymnasium are within a three-kilometre radius, and it is close to the scenic area of Baiyun Mountain. With the significant advantage of such project and the development of industries nearby, it has promising market prospects.

The project has adopted a model of development by phases. The filing for completion of construction of all properties on Land No. 11 has been made in November 2024. As at 31 December 2024, the construction works of basement and superstructure of the properties on Land No. 4 were being carried out and the renovation and masonry works of the properties on Land No. 9 were in progress. The filing for completion of construction of the whole project is expected to be made in 2028. The pre-sale of the project commenced in June 2022 and has maintained a satisfactory level of transaction volume since the pre-sale. The project ranked first in Baiyun District, Guangzhou City in terms of full-year amount of online registration of sales contracts in 2023 and 2024, with a higher sell-through rate of residential units and apartments than that of other property projects in the same area. The project entered the delivery stage in November 2024.

The Guangzhou Laurel House Project

The Guangzhou Laurel House Project is located at Zhuguang Road, Yuexiu District, Guangzhou City, Guangdong Province, the PRC. All residential units of the project had been delivered, and car-parking spaces of the project are being sold as planned. During the year under review, the commercial property "GD•Delin (粵海・得鄰)" of the Guangzhou Laurel House Project ushered in several leading businesses and brands with distinctive characters that perfectly fit the position and theme of the project, i.e. its core positioning "high-end education-oriented community". As at 31 December 2024, the occupancy rate of the commercial building of the Guangzhou Laurel House Project was approximately 87.9%.

The Foshan Laurel House Project

The Foshan Laurel House Project is located at west to Wenhua Road, south to Liming Second Road, Shiwan Area (Chengnan Sub-district) of Chancheng District, Foshan City, Guangdong Province, the PRC. The project is positioned as a modern, top-notch and strong central of Foshan City, which is a place ideal for living, starting business and fostering innovation. Near Wanhua Station, the interchange station of Lines 2 and 3 of Foshan Metro, the project is surrounded by two metro networks, its transportation is much convenient. Together with the well-established education, medical and commercial amenities nearby, the project has the advantages to be forged into an above-twin stations residential community featuring quality lifestyle. With the significant advantage in terms of location resources, the project enjoys promising market prospects. The filing for completion of construction of the whole project has been made in August 2024. The pre-sale of the project commenced in September 2021, and entered the delivery stage in December 2023.

The Foshan One Mansion Project

The Foshan One Mansion Project is located at west to Fenjiang Road, north to Lujing Road and east to Luying West Street, Chengnan Sub-district in Chancheng District, Foshan City, Guangdong Province, the PRC, which belongs to the commercial belt of Jihua, and about 200 metres away from Jihua Park Station, the interchange station of Foshan Metro Line 1 and Metro Line 4 (under construction). It is connected to convenient transport networks and its location is excellent. It has mature supporting amenities of education, medical care and commercial area nearby. In addition, the Foshan Municipal Government has actively launched a series of favorable policies, relaxing the threshold for talents to buy houses, and removing the purchase restrictions in Chancheng District, which effectively stimulated the demand of house purchases in the area. The project also complements the Foshan Laurel House Project of the Group in the area to create synergy benefits, achieve regional deep cultivation and increase cost efficiency. The project is being developed in phases. As at 31 December 2024, the superstructure of the first phase properties of the project was topped out and the renovation and masonry works were in progress. The construction works of the superstructures of other phase properties were being carried out. The filing for completion of construction of the whole project is expected to be made in 2026. The pre-sale of the project commenced in September 2023. The project ranked first in Chengnan Sub-district in Chancheng District, Foshan City in terms of full-year amount of online registration of sales contracts in 2024.

The Zhuhai Laurel House Project

The Zhuhai Laurel House Project is located at the west to Jinhui Road and north to Jinhe East Road, the Aviation New Town Sub-district in Jinwan District, Zhuhai City, Guangdong Province, the PRC. The high value potentials of the area where the project is located will enhance the future development of the project. It is expected that there will be sound living and education amenities in the area. With the significant advantage in terms of location resources, the project enjoys promising market prospects. The project is being developed in phases. As at 31 December 2024, the filing for completion of construction of the first phase properties of the project was made. The superstructures of other phase properties were topped out and the renovation and masonry works were in progress. The filing for completion of construction of the whole project is expected to be made in 2025. The pre-sale of the project commenced in June 2021. The project ranked first in Aviation New Town Sub-district in Jinwan District, Zhuhai City in terms of full-year amount of online registration of sales contracts in 2024. The project entered the delivery stage in December 2023.

The Zhongshan GDH City Project

The Zhongshan GDH City Project is located at the starting area of Tsuihang New District, Zhongshan City, Guangdong Province, the PRC. Sitting in the core centre of the Greater Bay Area, the area is the bridgehead at the west bank of the Pearl River connecting to the Shenzhen Zhongshan Bridge. It therefore undergoes a rapid development and generates increasing market demand. With a superior seaview, the project enjoys rich environmental landscape resources. Coupled with the plan to perfecting the region by education, medical care and commercial amenities, the project is suitable to be developed as a low-density, ecological and quality residential community. With the significant advantage in terms of location, industries and transportation resources, the project enjoys promising market prospects. The project is being developed in phases. As at 31 December 2024, the filing for completion of construction of the first phase properties has been made. The superstructures of other phase properties of the project were topped out and the renovation and masonry works were in progress. The filing for completion of construction of the whole project is expected to be made in 2025. The pre-sale of the project commenced in September 2021, and entered the delivery stage in October 2023.

The Jiangmen One Mansion Project

The Jiangmen One Mansion Project is located at the southeast to the intersection of Chenyuan Road and Longteng Road and west to Fengxiang Road in Pengjiang District, Jiangmen City, Guangdong Province, the PRC. Jiangmen is positioned as the western gateway of the Greater Bay Area. Subsequent to improvements in the transportation infrastructure across the eastern and western bays, the future development of such area is expected to prosper. The project is situated in a region with high planning position and enjoys strong market prospects, as well as convenient location as a bonus. Possessing rare landscape resources and sound living amenities, the project embraces the conditions in becoming a regional benchmark project. The filing for completion of construction of the whole project was made in August 2022. The pre-sale of the project commenced in January 2021, and entered the delivery stage in August 2022.

The Jiangmen GDH City Project

The Jiangmen GDH City Project is located at three adjourning parcels of land at the east of Ganbei Road, Pengjiang District, Jiangmen City, Guangdong Province, the PRC (the "**Jiangmen Land Nos. 3 to 5**"). The land has been approved for city and town residential and other commercial and service uses. In addition, there is a parcel of land adjacent to the Jiangmen Land Nos. 3 to 5 with a GFA of approximately 41,597 sq. m. (the "**Jiangmen Land No. 6**"), which has been approved for medical and health, and commercial service uses; while subject to the approval of the relevant government authorities in accordance with the policy of "Three Olds" Renovation (「三舊」改造) in relation to the resettlement of the residents. The Group shall be entitled to acquire the relevant land use right in respect of Jiangmen Land No. 6 without paying any land premium. The Jiangmen GDH City Project is located in a traditional old town district in Jiangmen City with high density population and a convenient transportation network. It is also adjacent to Xi River, connects to the Chaolian Talent Island and is accessible to five parks nearby, providing a quality living environment with an excellent river scenery.

The project is being developed in phases. The filing for completion of construction of all properties on Land No. 3 in the first phase has been made in August 2022, the filing for completion of construction of all properties on 4-1 and 4-5 parcels of Land No. 4 has been made in March 2023, the filing for completion of construction of all properties on 4-6 parcels of Land No. 4 has been made in September 2023 and the filing for completion of construction of all properties on 4-2 parcels of Land No. 4 has been made in December 2023. As at 31 December 2024, 4-3 and 4-4 parcels of Land No. 4 and Land No. 5 were pending for development. The filing for completion of construction of the whole project is expected to be made in 2027. The pre-sale of the project commenced in May 2021, and entered the delivery stage in November 2022.

The Huizhou One Mansion Project

The Huizhou One Mansion Project is located at Mamiao, Aotou, Dayawan District, Huizhou City, Guangdong Province, the PRC. It is close to Xin'ao Avenue, a trunk road connecting Huiyang District and Dayawan District, and is only 7 kilometres away from the Highspeed Railway Huiyang Station. The project is positioned to be a quality urban residential community with natural slope land garden view. The project is being developed in one phase. As at 31 December 2024, the superstructure of properties of the project was topped out and the renovation and masonry works were in progress. The filing for completion of construction of the whole project is expected to be made in 2025. The pre-sale of the project commenced in July 2022.

FINANCIAL REVIEW

Key Financial Indicators

	Note	**2024**	2023	Change
Loss attributable to owners of the Company (HK$ million)		**(1,383)**	(2,445)	-43.4%
Return on equity (%)	*1*	**-32.2%**	-38.1%	+5.9 ppt

	31 December 2024	31 December 2023	Change
Net assets (HK$ million)	**4,346**	6,429	-32.4%

Note:

1. Return on equity = Loss attributable to owners of the Company ÷ average equity attributable to owners of the Company

During the year under review, the decrease in loss attributable to owners of the Company compared to the previous year was mainly attributable to a decrease in the impairment losses of inventory during the year. For details, please refer to the section headed “Results” in this Management Discussion and Analysis.

Operating Income, Expenses and Finance Costs

The Group disposed certain property, plant and equipment to a third party under a relocation compensation agreement for a city renovation project in 2023 resulting in a disposal gain of HK$169 million. During the year under review, the Group did not have such gain.

In 2024, the Group recorded selling and marketing expenses of approximately HK$284 million (2023: HK$362 million), representing a decrease of approximately 21.5% from the previous year. The decrease in selling and marketing expenses was mainly due to the decrease in the labour cost and the promotion fee. The Group’s administrative expenses for 2024 amounted to approximately HK$204 million (2023: HK$268 million), representing a decrease of approximately 23.9% from the previous year. The decrease in administrative expenses was mainly attributable to the decrease in the labour cost and the professional service fee.

During the year under review, the Group borrowed loans to support its business development and recorded finance costs of approximately HK$941 million (2023: HK$1,250 million), of which approximately HK$552 million was capitalised while the remaining portion of approximately HK$389 million was charged to the statement of profit or loss.

Properties for Sale and Contract Liabilities

As at 31 December 2024, the Group held completed properties for sale amounted to approximately HK$12,849 million (31 December 2023: HK$8,062 million) and properties for sale under development amounted to approximately HK$13,147 million (31 December 2023: HK$24,052 million), with a total amount of approximately HK$25,996 million (31 December 2023: HK$32,114 million). Amongst them, the sales amount of properties that have been contracted and received but have not yet been delivered was approximately HK$9,386 million (31 December 2023: HK$9,517 million), which was stated as contract liabilities and would be recognised as revenue upon delivery of the relevant properties

Capital Expenditure

The capital expenditure of the Group during the year was approximately HK$6.04 million (2023: HK$529 million). The capital expenditure in the previous year was mainly used for the development of investment properties under development of the Shenzhen GDH City Project.

Financial Resources and Liquidity

As at 31 December 2024, the equity attributable to owners of the Company was approximately HK$3,557 million (2023: HK$5,039 million), representing a decrease of approximately 29.4% from that as at the end of 2023. Based on the number of shares in issue as at 31 December 2024, the net asset value per share at the end of the year was approximately HK$2.08 (2023: HK$2.94) per share, representing a decrease of approximately 29.3% from that as at the end of 2023.

The Group's cash and bank balances (including restricted bank balances and cash and cash equivalents) as at 31 December 2024 was approximately HK$3,412 million (2023: HK$4,536 million), representing a decrease of approximately 24.8% from the previous year. The decrease in cash and bank balances was mainly due to more repayments of borrowings from banks and related parties during the year under review; approximately 94.7% was in RMB and approximately 5.3% was in HKD. Net cash inflows from operating activities for the year amounted to approximately HK$1,936 million (2023: HK$3,607 million), representing a decrease from the previous year, which was mainly due to less proceeds recovered from property sales during the year under review.

As most of the transactions in the Group's daily operations in Chinese Mainland are denominated in RMB, currency exposure from these transactions is low. During the year under review, the Group did not take the initiative to perform currency hedge for such transactions. The Group believed that no significant impact was caused by the fluctuation of RMB exchange rate on the Group's financial position as there is a natural hedging mechanism. Meanwhile, the Group dynamically monitored the foreign exchange exposure and made necessary adjustments in accordance with the change in market environment.

As at 31 December 2024, the Group had interest-bearing borrowings from certain banks and related parties of the Company amounting to approximately HK$20,451 million (31 December 2023: HK$23,860 million) in aggregate, from which interest-bearing borrowings from related parties amounting to approximately HK$8,705 million (31 December 2023: HK$13,713 million), accounting for approximately 42.6% (31 December 2023: 57.5%) of the total interest-bearing borrowings; the gearing ratio [1] was approximately 402.9% (31 December 2023: 307.9%). According to the relevant loan agreements, approximately HK$5,840 million of the interest-bearing loans are repayable within one year; approximately HK$3,473 million are repayable within one to two years; approximately HK$7,247 million are repayable within two to five years; and the remaining approximately HK$3,891 million are repayable after five years. The Group obtained funds for business development through different financing channels and effectively controlled its finance costs. As at 31 December 2024, the weighted average effective interest rate of the Group's bank and other borrowings was 3.92% (31 December 2023: 4.02%) per annum. As at 31 December 2024, the banking facilities available to the Group were approximately RMB2,233 million (equivalent to approximately HK$2,411 million). The Group reviews its funding needs from time to time according to the existing projects and other new investment businesses and considers obtaining funds through various financing means and channels so as to secure adequate financial resources for business development.

Asset Pledged and Contingent Liabilities

As at 31 December 2024, the Group's certain assets amounting to approximately HK$11,218 million (31 December 2023: HK$8,742 million) were pledged to secure certain bank loans.

In addition, as at 31 December 2024, the Group provided guarantees of approximately HK$4,709 million (31 December 2023: HK$4,666 million) to certain banks in relation to the mortgage loans on properties sold (please refer to note 11 to this announcement for details). Save for the above, the Group did not have any other material contingent liabilities as at 31 December 2024.

RISKS AND UNCERTAINTIES

As the Group is engaged in property development and investment businesses in the Chinese Mainland, the risks and uncertainties of its business are principally associated with the property market and property prices in the Chinese Mainland, and the Group's income in the future will be directly affected accordingly. The property market in the Chinese Mainland is affected by a number of factors which include, among others, economic environment, property supply and demand, the PRC government's fiscal and monetary policies, taxation policies and austerity measures on the real estate sector, etc. At present, property projects held by the Group are all located in first-tier cities or the Greater Bay Area and comprise different property types and uses, thereby effectively diversify the operating risks of the Group.

As property projects have a relatively long development period, the Company may need to seek external funding to partially finance the development of such projects. As such, financing channels and finance costs are subject to the prevailing market conditions, loan interest rates and the financial position of the Group. As at 31 December 2024, the Group had total outstanding interest-bearing loans of approximately HK$20,451 million (31 December 2023: HK$23,860 million).

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[1] Gearing ratio = (Interest-bearing loans + Lease liabilities - Cash and cash equivalents - Pledged deposit) ÷ Net assets

According to the applicable accounting standards, investment properties of the Group were carried at fair value. The fair values of these investment properties are subject to the prices in the property markets in which they are located as at the end of each reporting periods. The fair value changes of such investment properties are recognised in the statement of profit or loss and affect the profit of the Group.

As the property development business has a relatively long product life cycle, the Group's future results and cash flows will be relatively volatile. To reduce the volatility of its revenue and profit, the commercial properties of the Guangzhou Laurel House Project and investment properties of the Shenzhen GDH City Project are held by the Group for lease in order to generate stable rental income for the Group in the future.

As most of the Company's business operations are located in Chinese Mainland, the Company faces foreign currency risks due to exchange gain/loss from exchange rate fluctuations as well as currency conversion risk due to converted net asset value fluctuations of property development and investment projects in Chinese Mainland. To effectively manage foreign currency risk, the Company closely monitors foreign exchange markets, and utilises multiple strategic approaches, such as optimising cash management strategy and deploying project finance instruments, to control foreign exchange risk.

RELATIONSHIP WITH CUSTOMERS AND SUPPLIERS

Holding the interest of every customer in high regard, the Group provides training to its sales staff on a regular basis. The Group also provides its customers with adequate information about its products and responds to any issue and question raised by customers or potential customers regarding the products offered with the aim of building customers' confidence in the Company's products. The Group focuses on customer satisfaction after products sold and delivered. It regularly organises customer satisfaction surveys and continuously improves the company's product attractiveness and customer satisfaction through survey results and customer opinions.

The Group's properties in relation to the property business were largely designed or constructed by a variety of suppliers and contractors. The Group selects appropriate suppliers for its major projects through an open, fair and impartial tendering process, maintains databases of supplier information and brand information, and have proper procedures in place to assess and evaluate suppliers. Besides, the Group attaches great importance to anti-graft and anti-corruption measures, meets with suppliers regularly, and conveys such information to them.

POLICY AND PERFORMANCE ON ENVIRONMENTAL, SOCIAL AND GOVERNANCE

The Group strictly complies with the regulations enacted by the Chinese Mainland and Hong Kong governments, including those in relation to environmental protection, social and governance. The Company's internal management for environmental, social and governance ("**ESG**") takes into consideration the views of various stakeholders, especially for important ESG issues, and is supported by staff members from all levels and departments of the Group. Staff members jointly implement and execute relevant internal policies and promptly respond to the expectations of stakeholders.

To further refine its ESG policies, the Group has been actively communicating with stakeholders such as employees, customers, business partners and suppliers, shareholders and investors, government authorities and regulators through various channels in order to gather comments and suggestions from them. Coupled with the management's expectations on development, the Group identifies and analyses important topics at two dimensions, namely "Importance to our Stakeholders" and "Importance to Guangdong Land's Development", by conducting proactive and comprehensive stakeholder communication from multiple perspectives in various ways, such as electronic questionnaire, face-to-face communication, email correspondence and telephone interviews, with the assistance of an independent third-party professional consultant, thereby allowing the Group to envisage changes in the operating environment and consequently achieving the goals of sustainability and proper risk management.

The Group operates in the real estate industry and it is very important to strictly comply with environmental laws and regulations on construction works. Any failure to observe the relevant environmental laws and regulations may result in the relevant authorities' rejection of the applications for construction projects. The Group ensures that all newly constructed buildings comply with the environmental protection and energy conservation requirements set by the central and local governments. It also spares no efforts in contributing to environmental protection by actively collaborating with the main contractors of its development projects.

The Company is in the process of preparing its ESG report for the year ended 31 December 2024. The information contained in this announcement is based solely on the Company's ESG policies, performance, along with information of internal management. As at the date of this announcement, the ESG information of the Group for the year ended 31 December 2024 has yet to be finalised and may be subject to necessary adjustments. Such information, which may differ from the information contained in this announcement, is expected to be published in April 2025.

EMPLOYEE AND REMUNERATION POLICY

The Group had 376 (31 December 2023: 568) employees as at 31 December 2024. The total employee remuneration and defined contribution schemes (excluding directors' remuneration) in 2024 amounted to approximately HK$141 million (2023: HK$292 million).

The remuneration policy of the Group is designed to ensure that the remuneration is competitive and in line with the development objectives and business performance of the Group. The remuneration package includes fixed salary, discretionary bonus, insurance and fringe benefits. The remuneration standards are based on factors such as qualifications, experience, job responsibility and performance of individual employees and market conditions. Discretionary bonus is subject to the performance-based incentive policy.

In terms of employee training, in order to enhance its employees' capabilities and skills, the Group encourages them to attend training and refresher programmes in their spare time for self-improvement, and provides targeted professional training sessions as per its business development requirements and on an as-needed basis.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Corporate Governance Code

The Group recognises the importance of achieving the highest standard of corporate governance consistent with the needs and requirements of its businesses and the best interest of all of its stakeholders and is fully committed to doing so. It is also with these objectives in mind that the Group has applied the principles of the code provisions of the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Listing Rules.

In the opinion of the Directors, the Company has complied with the code provisions and, where appropriate, adopted the applicable recommended best practices set out in the CG Code throughout the year ended 31 December 2024, save as disclosed below:

Due to other business commitment, Mr. LAN Runing, the then chairman of the Board and the then chairman of the Nomination Committee, was unable to attend the annual general meeting of the Company held on 18 June 2024 (the "**2024 Annual General Meeting**") as required by code provision F.2.2. With the consent of other Directors present, Mr. KUANG Hu, the then vice chairman of the Board, chaired the 2024 Annual General Meeting.

Purchase, Sale and Redemption of Listed Securities

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year.

Closure of Register of Members

The annual general meeting of the Company will be held on Tuesday, 17 June 2025 (the "**2025 Annual General Meeting**").

The register of members of the Company will be closed and no transfer of shares will be effected during the period from Thursday, 12 June 2025 to Tuesday, 17 June 2025, both days inclusive, for determining the shareholders' eligibility to attend and vote at the 2025 Annual General Meeting.

In order to qualify for attending and voting at the 2025 Annual General Meeting, unregistered holders of shares of the Company should ensure that all transfers documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Wednesday, 11 June 2025.

Review of Annual Results

The annual results of the Group for the year ended 31 December 2024 have been reviewed by the Audit Committee of the Company.

Review of Preliminary Announcement

The figures in respect of the Group's consolidated balance sheet, consolidated statement of profit or loss, consolidated statement of comprehensive income, and the related notes thereto for the year ended 31 December 2024 as set out in this preliminary announcement have been agreed by the Company's auditor to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by the Company's auditor in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements and Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by the Company's auditor on this preliminary announcement.

By Order of the Board
Guangdong Land Holdings Limited
ZHONG Yubin
Chairman

Hong Kong, 24 March 2025

In this announcement, the English names of the PRC entities are translations of their Chinese names, and are included herein for identification purposes only. In the event of any inconsistency, the Chinese names shall prevail.

As at the date of this announcement, the Board comprises two Executive Directors, namely Mr. ZHONG Yubin and Mr. WANG Jian; two Non-Executive Directors, namely Ms. YUAN Jing and Mr. LI Wenchang; and three Independent Non-Executive Directors, namely Mr. Felix FONG Wo, Mr. Vincent Marshall LEE Kwan Ho and Mr. LEUNG Luen Cheong.