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Redsun Properties Group Limited

弘陽地產集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1996)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

FINANCIAL HIGHLIGHTS OF THE 2024 ANNUAL RESULTS ANNOUNCEMENT

- Contracted sales reached RMB8.82 billion, aggregated sales area was 644,838 square meters and the average selling price was RMB13,679 per square meter;
- Revenue amounted to RMB11,305.7 million, representing a decrease of 42.9% as compared with 2023;
- Gross loss and gross loss margin were RMB177.1 million and 1.6%, respectively; and
- Net loss amounted to RMB5,525.6 million (2023: net loss of RMB7,739.7 million).

STATEMENTS AND NOTES

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2024

	<i>Notes</i>	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
REVENUE	5	11,305,674	19,794,695
Cost of sales		<u>(11,482,748)</u>	<u>(20,464,412)</u>
Gross loss		(177,074)	(669,717)
Other income and gains	5	20,820	39,185
Selling and distribution expenses		(281,918)	(482,111)
Administrative expenses		(226,871)	(388,325)
Fair value losses on investment properties, net		(1,292,890)	(2,083,790)
Other expenses	5	(453,774)	(814,576)
Finance costs	7	(1,615,576)	(1,880,261)
Share of profits and losses of:			
Joint ventures		(555,501)	(380,421)
Associates		<u>(516,431)</u>	<u>(282,864)</u>
LOSS BEFORE TAX	6	(5,099,215)	(6,942,880)
Taxation	8	<u>(426,346)</u>	<u>(796,795)</u>
LOSS AND TOTAL COMPREHENSIVE LOSS FOR THE YEAR		<u>(5,525,561)</u>	<u>(7,739,675)</u>
Loss and total comprehensive loss attributable to:			
Owners of the parent		(5,021,994)	(7,214,511)
Non-controlling interests		<u>(503,567)</u>	<u>(525,164)</u>
		<u>(5,525,561)</u>	<u>(7,739,675)</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS (CONTINUED)

Year ended 31 December 2024

		2024	2023
	<i>Notes</i>		
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted (RMB cents)	<i>10</i>	<u>(150.41)</u>	<u>(216.09)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	<i>Note</i>	2024 RMB'000	2023 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		141,681	592,146
Investment properties		10,748,460	11,659,510
Right-of-use assets		22,226	24,913
Other intangible assets		2,485	2,807
Investments in joint ventures		2,666,125	2,554,118
Investments in associates		5,673,189	7,531,455
Deferred tax assets		140,677	304,575
		<hr/>	<hr/>
Total non-current assets		19,394,843	22,669,524
CURRENT ASSETS			
Inventories		7,393	174,708
Properties under development		10,244,722	18,236,670
Completed properties held for sale		7,569,461	7,934,408
Trade receivables	<i>11</i>	9,180	4,373
Prepayments, other receivables and other assets		10,872,510	11,334,307
Due from related parties		9,802,381	10,782,465
Financial assets at fair value through profit or loss		78,331	116,771
Tax recoverable		784,207	899,349
Cash and bank balances		1,242,346	2,753,863
		<hr/>	<hr/>
Total current assets		40,610,531	52,236,914

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 31 December 2024

	<i>Note</i>	2024 RMB'000	2023 RMB'000
CURRENT LIABILITIES			
Trade and bills payables	12	6,952,638	6,629,866
Other payables and accruals		5,109,144	4,692,006
Contract liabilities		5,645,521	13,331,799
Interest-bearing bank and other borrowings		6,852,939	6,751,056
Senior notes		10,609,906	10,453,896
Lease liabilities		42,681	88,766
Due to related parties		7,852,560	7,845,562
Tax payable		<u>3,800,737</u>	<u>3,427,328</u>
Total current liabilities		<u>46,866,126</u>	<u>53,220,279</u>
NET CURRENT LIABILITIES		<u>(6,255,595)</u>	<u>(983,365)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>13,139,248</u>	<u>21,686,159</u>
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		3,683,716	4,239,565
Lease liabilities		442,820	806,430
Deferred tax liabilities		<u>1,838,998</u>	<u>1,816,333</u>
Total non-current liabilities		<u>5,965,534</u>	<u>6,862,328</u>
Net assets		<u><u>7,173,714</u></u>	<u><u>14,823,831</u></u>
EQUITY			
Equity attributable to owners of the parent			
Share capital		28,411	28,411
Share premium		1,888,469	1,888,469
Other reserves		<u>(2,349,658)</u>	<u>2,768,279</u>
		(432,778)	4,685,159
Non-controlling interests		<u>7,606,492</u>	<u>10,138,672</u>
Total equity		<u><u>7,173,714</u></u>	<u><u>14,823,831</u></u>

NOTES TO FINANCIAL STATEMENTS

31 December 2024

1. GENERAL INFORMATION

Redsun Properties Group Limited was incorporated as an exempted company with limited liability in the Cayman Islands. The registered office of the Company is located at Walkers Corporate Limited, 190 Elgin Avenue, George Town, Grand Cayman, KY1 – 9008, Cayman Islands.

During the year, the Group was involved in the following principal activities:

- Property development and management services
- Commercial property investment and operations
- Hotel operations

In the opinion of the directors, the ultimate holding company and the ultimate controlling party of the Company is Hong Yang Group (Holdings) Limited, which is incorporated in the British Virgin Islands and Mr. Zeng Huansha (“**Mr. Zeng**”), an executive director of the Company respectively.

The consolidated financial statements are presented in Renminbi (“**RMB**”), which is also the functional currency of the Company. Unless otherwise stated, all amounts are rounded to the nearest thousand.

2. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“**IFRS Accounting Standards**”) (which include all International Financial Reporting Standards, International Accounting Standards (“**IASs**”) and Interpretations) issued by the International Accounting Standards Board (“**IASB**”) and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties and financial assets at fair value through profit or loss which have been measured at fair value.

Going concern basis

The Group recorded a net loss of approximately RMB5,525,561,000 for the year ended 31 December 2024. As at 31 December 2024, the Group’s current liabilities exceeded its current assets by approximately RMB6,255,595,000, of which approximately RMB2,977,069,000 of interest-bearing bank and other borrowings and approximately RMB10,460,666,000 of senior notes and interest payable were in default, included the amount of event triggered by default of certain interest-bearing bank and other borrowings and senior notes. Such that, the lenders and certain senior note holders have the right to demand immediate repayment of the entire outstanding balance as at 31 December 2024. Subsequent to the end of the reporting period, the Group also failed to repay approximately RMB2,977,069,000 of principal and interest payables for interest-bearing bank and other borrowings and approximately RMB13,047,758,000 for senior notes and interest payables. As at 31 December 2024, the Group’s cash and cash equivalents amounted to RMB1,242,346,000 only.

The above conditions indicate the existence of material uncertainties which cast significant doubt on the Group's ability to continue as a going concern. In view of such circumstances, the directors of the Company have undertaken a number of plans and measures to improve the Group's liquidity and financial position, including:

- (a) The Group has been actively negotiating with several banks and financial institutions on the extension for repayments of certain borrowings;
- (b) The Group has been actively negotiating with several financial institutions to obtain new loans at a reasonable cost for ensuring delivery of its property projects under development;
- (c) The Group will continue to seek for other alternative financing and borrowings to finance the settlement of its existing financial obligations and future operating and capital expenditures;
- (d) The Group has prepared a business strategy plan mainly focusing on the acceleration of the sales of properties;
- (e) The Group has implemented measures to speed up the collection of outstanding sales proceeds and effectively control costs and expenses; and
- (f) The Group will continue to seek suitable opportunities to dispose of its equity interests in certain project development companies in order to generate additional cash inflows.

The directors have reviewed the Group's cash flow projections prepared by management, which cover a period of not less than twelve months from 31 December 2024. They are of the opinion that, taking into account the abovementioned plans and measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within twelve months from 31 December 2024. Accordingly, the directors are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Notwithstanding the above, significant uncertainties exist as to whether the Group is able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend upon the following:

- (a) successfully negotiating with the Group's existing lenders for the renewal or extension for repayment of the Group's interest-bearing bank and other borrowings;
- (b) successfully securing project development loans for qualified project development;

- (c) successfully obtaining additional new sources of financing as and when needed;
- (d) successfully carrying out the Group's business strategy plan including the acceleration of the sales of properties;
- (e) successfully implementing measures to speed up the collection of outstanding sales proceeds and effectively control costs and expenses; and
- (f) successfully disposing of the Group's equity interests in project development companies when suitable.

Should the Group fail to continue as a going concern, adjustments may have to be made to write down the carrying values of assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effect of these adjustments has not been reflected in the consolidated financial statements.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 December 2024. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities of any non-controlling interest and exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

3. APPLICATION OF AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRS ACCOUNTING STANDARDS”)

Amendments to IFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to IFRS Accounting Standards issued by the IASB for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2024 for the preparation of the consolidated financial statements:

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

The application of the other amendments to IFRS Accounting Standards in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to IFRS Accounting Standards in issue but not yet effective

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

IFRS 18	<i>Presentation and Disclosure in Financial Statements³</i>
IFRS 19	<i>Subsidiaries without Public Accountability: Disclosures³</i>
Amendments to IFRS 9 and IFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments²</i>
Amendments to IFRS 9 and IFRS 7	<i>Contracts Referencing Nature-dependent Electricity²</i>
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture⁴</i>
Amendments to IAS 21	<i>Lack of Exchangeability¹</i>
Annual Improvements to IFRS Accounting Standards – Volume 11	<i>Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7²</i>

¹ Effective for annual periods beginning on or after 1 January 2025

² Effective for annual periods beginning on or after 1 January 2026

³ Effective for annual/reporting periods beginning on or after 1 January 2027

⁴ No mandatory effective date yet determined but available for adoption

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

Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture. The Group is in the process of assessing the detailed impact of IFRS 10 and IAS 28 on the Group's consolidated financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 Presentation of Financial Statements. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the consolidated financial statements and improve aggregation and disaggregation of information to be disclosed in the consolidated financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7.

Minor amendments to IAS 7 Statement of Cash Flows and IAS 33 Earnings per Share are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of IFRS 18 on the Group's consolidated financial statements.

4. OPERATING SEGMENT INFORMATION

In identifying its operating segments, the executive directors of the Company, being the chief operating decision makers, generally follow the Group's service lines, which represent the main products and services provided by the Group. The Group has identified the following reportable segments under IFRS 8 Operating Segments:

- (a) Property development and management services;
- (b) Commercial property investment and operations; and
- (c) Hotel operations.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment loss/profit, which is a measure of adjusted loss/profit before tax. The adjusted loss/profit before tax is measured consistently with the Group's loss/profit before tax except that bank interest income, fair value losses on financial assets at fair value through profit or loss, net, losses on disposal of financial assets at fair value through profit or loss, non-lease-related finance costs as well as head office and corporate expenses are excluded from such measurement.

Segment assets exclude unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

The Group's operations are mainly conducted in Mainland China. Management considered that there is one reportable geographic segment as all revenues from external customers are generated in Mainland China and the Group's significant non-current assets are located in Mainland China.

Year ended 31 December 2024	Property development and management services RMB'000	Commercial property investment and operations RMB'000	Hotel operations RMB'000	Total RMB'000
Segment revenue				
Sales to external customers	<u>10,894,774</u>	<u>395,241</u>	<u>15,659</u>	<u>11,305,674</u>
Revenue				<u><u>11,305,674</u></u>
Segment results	(3,351,556)	(105,064)	1,573	(3,455,047)
<i>Reconciliation:</i>				
Bank interest income				6,596
Fair value losses on financial assets at fair value through profit or loss, net				(22,290)
Losses on disposal of financial assets at fair value through profit or loss				(3,190)
Finance costs (other than interest on lease liabilities)				(1,583,511)
Corporate and other unallocated expenses				<u>(41,773)</u>
Loss before tax				<u><u>(5,099,215)</u></u>
Segment assets	46,368,219	13,308,555	–	59,676,774
<i>Reconciliation:</i>				
Corporate and other unallocated assets				<u>328,600</u>
Total assets				<u><u>60,005,374</u></u>
Segment liabilities	51,162,038	1,604,175	–	52,766,213
<i>Reconciliation:</i>				
Corporate and other unallocated liabilities				<u>65,447</u>
Total liabilities				<u><u>52,831,660</u></u>
Other segment information				
Share of profits and losses of:				
Joint ventures	(555,501)	–	–	(555,501)
Associates	(516,431)	–	–	(516,431)
Impairment losses recognised on properties under development and completed properties held for sale, net	(1,622,740)	–	–	(1,622,740)
Fair value losses on investment properties, net	–	(1,292,890)	–	(1,292,890)
Depreciation and amortisation	30,648	501	–	31,149
Investments in joint ventures	2,666,125	–	–	2,666,125
Investments in associates	5,673,189	–	–	5,673,189
Capital expenditure*	170,339	1,682	132	172,153

Year ended 31 December 2023	Property development and management services <i>RMB'000</i>	Commercial property investment and operations <i>RMB'000</i>	Hotel operations <i>RMB'000</i>	Total <i>RMB'000</i>
Segment revenue				
Sales to external customers	<u>19,198,937</u>	<u>560,068</u>	<u>35,690</u>	<u>19,794,695</u>
Revenue				<u><u>19,794,695</u></u>
Segment results	(3,141,514)	(1,960,017)	(6,560)	(5,108,091)
<i>Reconciliation:</i>				
Bank interest income				28,563
Fair value loss on financial assets at fair value through profit or loss, net				(23,494)
Losses on disposal of financial assets at fair value through profit or loss				(1,359)
Finance costs (other than interest on lease liabilities)				(1,805,854)
Corporate and other unallocated expenses				<u>(32,645)</u>
Loss before tax				<u><u>(6,942,880)</u></u>
Segment assets	61,942,114	12,228,621	421,549	74,592,284
<i>Reconciliation:</i>				
Corporate and other unallocated assets				<u>314,154</u>
Total assets				<u><u>74,906,438</u></u>
Segment liabilities	58,379,704	1,641,502	14,564	60,035,770
<i>Reconciliation:</i>				
Corporate and other unallocated liabilities				<u>46,837</u>
Total liabilities				<u><u>60,082,607</u></u>
Other segment information				
Share of profits and losses of:				
Joint ventures	(380,421)	–	–	(380,421)
Associates	(282,864)	–	–	(282,864)
Impairment losses recognised on properties under development and completed properties held for sale, net	(2,626,487)	–	–	(2,626,487)
Fair value losses on investment properties, net	–	(2,083,790)	–	(2,083,790)
Depreciation and amortisation	38,543	3,420	11,174	53,137
Investments in joint ventures	2,554,118	–	–	2,554,118
Investments in associates	7,531,455	–	–	7,531,455
Capital expenditure*	27,478	206,968	757	235,203

* Capital expenditure consists of additions to property, plant and equipment, other intangible assets and investment properties.

Information about major customers

No major customer contributed over 10% of the total sales of the Group for the years ended 31 December 2024 and 2023.

5. REVENUE, OTHER INCOME AND GAINS, OTHER EXPENSES

An analysis of revenue is as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Revenue from contracts with customers		
Sale of properties	10,831,769	19,109,930
Hotel operations	15,659	35,690
Project management services	63,005	89,007
Others	32,147	36,083
	<u>10,942,580</u>	<u>19,270,710</u>
Revenue from other sources		
Rental income from investment property operating leases	363,094	523,985
Total	<u>11,305,674</u>	<u>19,794,695</u>
Timing of revenue recognition		
At point in time	10,831,769	19,109,930
Over time	110,811	160,780
	<u>10,942,580</u>	<u>19,270,710</u>

a) *Performance obligations*

Information about the Group's performance obligations is summarised below:

Sale of properties

For contracts entered into with customers on sales of properties, the relevant properties specified in the contracts are based on customers' specifications with no alternative use. Taking into the consideration of relevant terms, the legal environment and relevant legal precedent, the Group concluded that the Group does not have an enforceable right to receive payment prior to transfer of relevant properties to customers. Revenue from sales of residential properties and commercial buildings is therefore recognised at a point in time when the completed property is transferred to customers, being at the point that customer obtains the control of the completed property and the Group has present right to receive payment and collection of the consideration is probable.

The Group receives an upfront payment for different properties from customers for the subscription of properties and such amount will be treated as the deposits from customers after signing the sale and purchase agreement. However, depending on the market conditions, the Group may offer customers a discount compared to the listed sale price, provided that the customers agree to pay the rest of the consideration earlier.

For contracts entered into with customers on sales of properties, the expected duration of satisfying the performance obligation of which is within three years.

Hotel operations

Revenue from hotel operations is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation, as the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs. All hotel operation service is for periods less than one year.

Project management services

For project management services, the Group recognises revenue in the amount that equals to the right to invoice which corresponds directly with the value to the customer of the Group's performance to date. The Group has elected the practical expedient not to disclose the remaining performance obligations for these types of contracts. The majority of the project management service contracts do not have a fixed term. The term of the contracts for pre-delivery and project management services is generally set to expire when the counterparties notify the Group that the services are no longer required.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December are as follows:

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Amounts expected to be recognised as revenue:		
Within one year	4,061,183	11,187,796
After one year	964,669	2,657,481
	<hr/>	<hr/>
Total	<u>5,025,852</u>	<u>13,845,277</u>

The amounts of transaction prices allocated to the remaining performance obligations which are expected to be recognised as revenue after one year relate to the sale of completed properties with a significant financing component and are to be satisfied within three years.

b) An analysis of other income and gains is as follows:

	Note	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Other income and gains			
Bank interest income		6,596	28,563
Forfeiture of deposits		2,087	6,046
Government grants (<i>note</i>)		87	2,599
Gains on disposal of subsidiaries	6	1,850	–
Waive of other payables		5,782	–
Others		4,418	1,977
Total		20,820	39,185

Note: It mainly represented unconditional cash received from the local government to encourage the business operations in the Mainland China.

c) An analysis of other expenses is as follows:

	Note	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Other expenses			
Impairment losses on financial assets, net	6	383,419	699,817
Losses on disposal of subsidiaries	6	–	3,949
Losses on change in contract terms	6	27,007	1,541
Fair value losses on financial assets at fair value through profit or loss, net	6	22,290	23,494
Losses on disposal of property, plant and equipment	6	565	9,567
Losses on disposal of other intangible assets	6	–	2,513
Losses on disposal of financial assets at fair value through profit or loss		3,190	1,359
Losses on disposal of joint ventures and associates	6	–	54,942
Penalty		17,159	–
Others		144	17,394
Total		453,774	814,576

6. LOSS BEFORE TAX

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

	Note	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Cost of inventories sold		9,616,776	17,900,042
Cost of services provided		281,931	321,415
Impairment losses on financial assets, net	5	383,419	699,817
Impairment losses recognised on properties under development and completed properties held for sale, net		1,622,740	2,626,487
Depreciation of property, plant and equipment		27,532	44,399
Depreciation of right-of-use assets		2,687	6,508
Amortisation of other intangible assets		930	2,230
Fair value losses on investment properties, net		1,292,890	2,083,790
Fair value losses on financial assets at fair value through profit or loss, net	5	22,290	23,494
Losses on disposal of property, plant and equipment	5	565	9,567
Losses on disposal of other intangible assets	5	–	2,513
Losses on change in contract terms	5	27,007	1,541
(Gains)/losses on disposal of subsidiaries	5	(1,850)	3,949
Losses on disposal of joint ventures and associates	5	–	54,942
Share of profits and losses of:			
Joint ventures		555,501	380,421
Associates		516,431	282,864
Auditor's remuneration		1,900	3,880
Employee benefit expense (including directors' and chief executive's remuneration):			
Wages and salaries		190,980	332,350
Pension scheme contributions and social welfare		28,191	40,679
Less: Amount capitalised		(17,625)	(107,497)
Total		<u>201,546</u>	<u>265,532</u>

7. FINANCE COSTS

An analysis of finance costs is as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Interest on bank loans, senior notes and other loans	1,438,194	2,091,116
Interest expense arising from revenue contracts	410,288	349,225
Interest on lease liabilities	<u>32,065</u>	<u>74,407</u>
Total interest expense on financial liabilities not at fair value through profit or loss	1,880,547	2,514,748
Net foreign exchange losses on financing activities	182,157	196,826
Less: Interest capitalised	<u>(447,128)</u>	<u>(831,313)</u>
Total	<u><u>1,615,576</u></u>	<u><u>1,880,261</u></u>

8. TAXATION

The Group is subject to income tax on an entity basis on profits arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operate. Pursuant to the rules and regulations of the Cayman Islands and British Virgin Islands, the Group's subsidiaries incorporated in the Cayman Islands and British Virgin Islands are not subject to any income tax. The Group's subsidiaries incorporated in Hong Kong are not liable for income tax as they did not have any assessable profits currently arising in Hong Kong for both years.

Subsidiaries of the Group operating in Mainland China were subject to PRC corporate income tax at a rate of 25% for the both years.

According to the requirements of the Provisional Regulations of the PRC on Land Appreciation Tax (the “LAT”) (中華人民共和國土地增值稅暫行條例) effective from 1 January 1994 and the Detailed Implementation Rules on the Provisional Regulations of the PRC on LAT (中華人民共和國土地增值稅暫行條例實施細則) effective from 27 January 1995, all gains arising from a transfer of real estate property in the PRC effective from 1 January 1994 are subject to LAT at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from the sale of properties less deductible expenditures, including borrowing costs and all property development expenditures.

	2024	2023
	RMB'000	RMB'000
Current tax:		
CIT	81,345	74,493
LAT	172,185	348,616
Deferred tax	172,816	373,686
	<u>426,346</u>	<u>796,795</u>
Total tax charge for the year	<u>426,346</u>	<u>796,795</u>

A reconciliation of income tax expense applicable to loss before tax at the statutory rate for the jurisdiction in which the Company and the majority of its subsidiaries are domiciled to the income tax expense at the effective income tax rate and reconciliation:

	2024	2023
	RMB'000	RMB'000
Loss before tax	(5,099,215)	(6,942,880)
At the statutory income tax rate	(1,274,804)	(1,735,720)
Profits and losses attributable to joint ventures and associates	267,213	165,821
Expenses not deductible for tax	60,832	509,906
Utilisation of tax losses not recognised	(36,541)	(10,608)
Unrecognised deductible temporary differences	704,611	622,201
Tax losses not recognised	575,896	983,733
Provision for LAT	172,185	348,616
Tax effect on LAT	(43,046)	(87,154)
	<u>426,346</u>	<u>796,795</u>
Tax charge at the Group's effective rate	<u>426,346</u>	<u>796,795</u>

The share of tax attributable to joint ventures and associates amounted to RMB574,546,000 for the year (2023: RMB355,514,000) is included in “Share of profits and losses of joint ventures and associates” in the consolidated statement of profit or loss and other comprehensive income.

9. DIVIDENDS

The directors of the Company do not recommend the payment of any dividend for the years ended 31 December 2024 and 2023.

10. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

(a) Basic

Basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the respective years.

	2024	2023
Loss attributable to owners of the Company during the years <i>(RMB'000)</i>	(5,021,994)	(7,214,511)
Weighted average number of ordinary shares in issue <i>(in thousand)</i>	3,338,898	3,338,614
Basic loss per share <i>(RMB cents)</i>	<u>(150.41)</u>	<u>(216.09)</u>

(b) Diluted

The Company did not have any potential dilutive shares outstanding during the years ended 31 December 2024 and 2023. Accordingly, diluted loss per share is the same as the basic loss per share.

11. TRADE RECEIVABLES

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Trade receivables, net of impairment	<u>9,180</u>	<u>4,373</u>

The carrying amounts of trade receivables approximate their respective fair values as at 31 December 2024 and 2023.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Within 1 month	8,885	3,851
1 to 3 months	–	144
3 to 6 months	75	3
6 to 12 months	220	–
Over 12 months	–	375
	<u>–</u>	<u>375</u>
Total	<u>9,180</u>	<u>4,373</u>

The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. Based on evaluation on the expected loss rate and gross carrying amount, the directors of the Company are of the opinion that the ECL in respect of these balances is considered to be immaterial, and therefore, there has not been a loss allowance provision.

12. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Within 1 year	1,573,609	3,117,036
Over 1 year	5,379,029	3,512,830
	<u>5,379,029</u>	<u>3,512,830</u>
Total	<u>6,952,638</u>	<u>6,629,866</u>

The trade payables are unsecured and interest-free and are normally settled based on the progress of construction.

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW FOR 2024

In 2024, China's gross domestic product (GDP) increased by 5.0% compared with 2023. The economic operation was generally stable with steady progress, new advancements were made in high-quality development, and the main goals and tasks of economic and social development were successfully completed. In 2025, the Chinese economy is expected to continue its recovery. Driven by policies and through measures such as expanding domestic demand and optimizing the investment structure, the economy is projected to achieve stable progress and positive momentum.

In terms of real estate, in 2024, the sales area of newly built commercial housing was 973.85 million sq.m., representing a decrease of 12.9% compared with 2023. The real estate market as a whole showed an adjustment trend, with the market presenting a trend of “low after stable then high (前穩中低後高)” throughout the year. Policymaking transitioned from deregulation to stimulus measures, with all essential policy tools being exhaustively deployed.

In the middle of the year, the Meeting of the Political Bureau of the CPC Central Committee clearly stated the goal of “transitioning from a downturn to stabilization”, releasing a strong signal of stabilizing the market. Subsequently, various regions followed up, and measures such as relaxing purchase restriction policies and lowering mortgage interest rates were introduced successively. The multi-faceted optimization of policies significantly boosted home buyers' confidence, and the market also achieved a phased halt to the decline in the fourth quarter.

Amid 2024's accommodative policies and market recalibration, the Group remained grounded in pursuing high-quality development. We proactively aligned with policy directives to lower purchasing barriers and drive sales. Upholding our “Customer Value Year (客戶價值年)” brand strategy, Redsun maintained a dual focus on “operation-oriented (以經營為中心)” and “customers-oriented (以客戶為中心)” demonstrating resilience amid challenges and collective determination during industry transformations.

The Group steadfastly prioritized responsibility and quality, emphasizing project delivery and service enhancement. Despite obstacles, we rigorously managed construction timelines and quality controls, ensuring on-schedule, specification-compliant deliveries across all projects. During the year, a total of 57 batches were delivered, fulfilling the promise of home for 21,836 property owners in 22 cities in 9 provinces, thereby winning market reputation.

During the Reporting Period, the Group achieved contracted sales of RMB8.82 billion, aggregate contracted sales in gross floor area of 644,838 square meters, and average selling price of RMB13,679 per square meter.

During the Reporting Period, the Group's recognised sales revenue amounted to RMB11,305.7 million, representing a decrease of approximately 42.9% as compared to the previous year. The gross loss was RMB177.1 million; the net loss was RMB5,525.6 million.

1. Property development and management services

During the Reporting Period, the Group's revenue from its property business amounted to RMB10,894.8 million. As at 31 December 2024, the Group's total gross floor area of land bank was approximately 7,867,028 sq.m., of which gross floor area of land bank attributable to the Group was approximately 4,555,500 sq.m.

2. Commercial property investment and operations

During the Reporting Period, the Group's sales revenue from commercial operations amounted to approximately RMB395.2 million.

3. Hotel operations

During the Reporting Period, the Group's sales revenue from hotel operations amounted to approximately RMB15.7 million.

BUSINESS REVIEW

1. Sales of Properties

As of 31 December 2024, the Group achieved contracted sales of approximately RMB8.82 billion, and contracted sales in gross floor area of approximately 644,838 sq.m.

Details of the contracted sales of the Group as at 31 December 2024 are set out as below:

Region	Contracted Sales Area in Total Gross Floor Area (sq.m.)	Contracted Sales Amount (RMB'000)	Average Contracted Selling Price (RMB/sq.m.)
Nanjing	91,816	211,651	23,052
Xuzhou	82,472	70,018	8,490
Weifang	46,833	34,305	7,325
Suzhou	40,958	70,191	17,137
Foshan	34,255	47,821	13,960
Chengdu	34,193	35,144	10,278
Huai'an	33,837	43,031	12,717
Chongqing	24,458	22,677	9,272
Suqian	24,385	19,601	8,038
Wuhan	22,552	29,573	13,113
Yancheng	22,348	23,951	10,717
Ningbo	21,533	42,696	19,828
Wuxi	20,508	48,968	23,878
Changzhou	16,597	23,723	14,293
Hefei	13,854	9,575	6,911
Xiangyang	13,316	7,647	5,743
Guangzhou	11,872	21,828	18,386
Zhenjiang	9,910	7,490	7,558
Nantong	9,534	9,749	10,226
Changsha	9,276	9,735	10,494
Qingdao	7,787	5,823	7,478
Yangzhou	6,984	11,389	16,306
Hengyang	5,391	2,677	4,965
Jiangmen	4,715	4,068	8,628
Huzhou	3,271	3,757	11,488
Nanchang	3,135	3,580	11,419
Anqing	3,063	2,060	6,725
Chuzhou	2,438	8,714	35,739
Wenzhou	2,253	4,371	19,406
Xi'an	1,694	2,015	11,893
Zhengzhou	358	208	5,800
Jinan	123	330	26,809
Others	19,120	43,694	22,852

Region	Contracted Sales Area in Total Gross Floor Area (sq.m.)	Contracted Sales Amount (RMB'000)	Average Contracted Selling Price (RMB/sq.m.)
Total	<u>644,838</u>	<u>882,059</u>	<u>13,679</u>

2. Land Bank

As of 31 December 2024, the Group had a land bank with an aggregate gross floor area of approximately 7,867,028 sq.m., including completed properties totaled 1,739,367 sq.m., rentable area held for investment totaled 1,039,949 sq.m., and properties under development totaled 5,087,712 sq.m.

Details of the land bank of the Group (including acquired in process) as of 31 December 2024 are set out as below:

Region	Name of Project	Area of Land (sq.m.)	Completed Total Gross Floor Area for Sale (sq.m.)	Rentable Area Held for Investment (sq.m.)	Total Gross Floor Area under Development (sq.m.)	Total Area of Land Bank (sq.m.)	The Group's Interests
Anqing	Anqing Hong Yang Upper City (安慶弘陽上城)	147,547	2,243	80,000	24,079	106,321	100%
Bengbu	Huadi Hongyang Residence (華地弘陽府)	32,646	5,328	-	-	5,328	50%
Bozhou	Verse of River and Mountain (formerly: Bozhou Land Lot No. 2017-217 (江山賦(原名稱:亳州2017-217號 地塊))	201,216	7,694	-	-	7,694	40%
Changshu	Hefeng Architecture in Xinhua Road (新華路和風名築)	45,742	423	-	-	423	40%
Changshu	Changshu Guli Tiejinqin Road Project (常熟古里鐵琴路項目)	40,805	36,168	-	-	36,168	34%
Changzhou	Commercial and Trading Peak (商貿雲峰)	50,921	15,020	-	-	15,020	57%

Region	Name of Project	Area of Land (sq.m.)	Completed Total Gross Floor Area for Sale (sq.m.)	Rentable Area Held for Investment (sq.m.)	Total Gross Floor Area under Development (sq.m.)	Total Area of Land Bank (sq.m.)	The Group's Interests
Changzhou	Phoenix East Phoenix One (formerly: Phoenix East Project) (鳳凰東錦鳳合 鳴(原名稱：鳳凰東項目))	115,615	8,521	30,086	94,266	132,873	48%
Changzhou	Golden Seal and Heaven Shire (金璽天郡)	88,719	1,608	-	-	1,608	50%
Changzhou	Emperor Looks at the First Court (君望甲第)	67,225	-	-	-	-	40%
Changzhou	Sang Ma Land Lot A (桑麻A 地塊)	44,524	-	11,690	-	11,690	70%
Changzhou	Yanlan Fenghua (燕瀾風華)	126,695	1,051	-	-	1,051	85%
Changzhou	Changzhou Hong Yang Plaza (常州弘陽廣場)	43,590	-	85,030	4,835	89,865	100%
Changzhou	Changzhou Hong Yang 1936 (formerly: Sang Ma Land Lot CD) (常州弘陽 1936(原名稱：桑麻CD地塊))	156,115	2,892	105,818	96,696	205,406	70%
Changzhou	Sanmao Longyun Tiancheng (formerly: Sanmao Land Lot) (三毛龍運天城 (原名稱：三毛地塊))	108,486	8,172	-	-	8,172	31%
Changzhou	Hong Yang Upper City Phase I-III (弘陽上城一-三期)	111,700	-	-	-	-	100%
Changzhou	Xi Xia Shu Yun Xi (西夏墅雲禧)	36,712	17,798	-	-	17,798	37%
Changzhou	Changzhou Yaoguan Yuhushanguan Garden (常州遙觀昱湖上觀花苑)	58,093	8,365	-	-	8,365	60%
Chengdu	Dujiangyan DJY2017-09 (都江堰 DJY2017-09)	26,393	2,457	-	-	2,457	100%
Chengdu	Dujiangyan DJY2017-10 (都江堰 DJY2017-10)	39,064	4,347	-	-	4,347	100%
Chengdu	Central Road Fanjin 108 (formerly: Central Road Project) (中環路梵錦 108(原名稱：中環路項目))	72,114	11,988	41,730	20,787	74,505	50%
Chengdu	Shuangliu Heyuan Project (雙流合園 項目)	19,794	433	-	-	433	49%
Chengdu	Qionglai Hong Yang Weilai Shiguang (邛崃弘陽未來時光)	39,809	7,088	-	-	7,088	100%
Chengdu	Chengdu Xinglonghu Lakeside Yun Jing Garden (formerly: Tianfu Xinqu 42 mou) (成都興隆湖湖畔雲璟花園 (原名稱：天府新區42畝))	28,432	11,863	-	-	11,863	51%
Chuzhou	Metropolitan Art Atmosphere (都會藝境)	60,189	7,689	-	-	7,689	33%
Chuzhou	Hong Yang Garden (弘陽苑)	8,782	1,851	-	-	1,851	100%
Chuzhou	Glory Residence (正榮府)	80,867	11,788	-	-	11,788	30%

Region	Name of Project	Area of Land (sq.m.)	Completed Total Gross Floor Area for Sale (sq.m.)	Rentable Area Held for Investment (sq.m.)	Total Gross Floor Area under Development (sq.m.)	Total Area of Land Bank (sq.m.)	The Group's Interests
Chuzhou	Garden In Times (Chuzhou Times Billow) (時光裡花園(滁州時光瀾庭))	89,886	1,757	-	-	1,757	100%
Chuzhou	Jingzi Road Times Magnificence (敬梓路時光風華)	55,719	13,625	-	-	13,625	50%
Danyang	Phoenix Terrace (鳳臺台)	88,498	5,292	-	-	5,292	20%
Foshan	Hongyang Shan Xin Garden (弘陽山馨花園)	63,132	2,906	-	-	2,906	100%
Foshan	Benevolence Lake No.1 (博愛湖一號)	44,156	3,864	8,011	-	11,875	100%
Foshan	Foshan Lakeside Mansion (formerly: Lv Dao Hu) (佛山綠島湖公館 (原名稱：綠島湖))	51,240	5,234	-	16,231	21,465	31%
Foshan	Nanyou Park No.1 (南油公園一號)	67,582	22,066	-	-	22,066	33%
Foshan	Foshan Jihua North Joy River No.1 (佛山季華北悅江一號)	33,220	11,444	-	-	11,444	49%
Foshan	Foshan Zhangcha Sunrise Joy Residence (佛山張槎昕悅府)	17,059	6,951	-	-	6,951	51%
Fuyang	Yingzhou Hong Yang Residence (潁州弘陽府)	38,297	3,924	-	-	3,924	50%
Guangzhou	Guangzhou Wanjiang No.1 (廣州灣環壹號)	32,387	39,052	-	-	39,052	24%
Haimen	Jianghai Road The One World (formerly: Jianghai Road Zuo An Gong Yuan) (江海路水岸觀瀾苑(原名稱：江海 路左岸公元))	75,028	313	-	-	313	67%
Hangzhou	Hangxing Road Project (杭行路項目)	18,703	1,931	-	-	1,931	30%
Hangzhou	Fuchun Bay Jichen Residence (富春灣濟宸府)	39,313	55,524	-	-	55,524	35%
Hangzhou	Hangzhou Binyao Mansion (formerly: Binjiang Pule Project) (杭州濱耀學府 (原名稱：濱江浦樂項目))	44,633	4,437	-	-	4,437	30%
Hefei	Changfeng In Times (長豐時光裡)	42,621	6,789	-	-	6,789	100%
Hefei	Yaohai Joy Residence (瑤海昕悅府)	37,254	2,133	-	-	2,133	80%
Hefei	Glance River Terrace (望江台)	139,536	-	-	-	-	25%
Hefei	Dongfangyin (東方印)	28,081	4,553	-	-	4,553	51%

Region	Name of Project	Area of Land (sq.m.)	Completed Total Gross Floor Area for Sale (sq.m.)	Rentable Area Held for Investment (sq.m.)	Total Gross Floor Area under Development (sq.m.)	Total Area of Land Bank (sq.m.)	The Group's Interests
Hefei	Fengle Oriental Jade (formerly: Yaohai Prosper and Joy) (豐樂翡翠東方 (原名稱：瑤海豐樂))	59,233	10,699	-	-	10,699	34%
Hefei	Longzi Lake Times (龍子湖湖語時光)	68,461	10,593	-	-	10,593	30%
Hefei	Lujiang Lakeside Shade Mountain (廬江湖畔懋山)	161,263	57,207	-	170,065	227,272	50%
Hengyang	Yangliu Road Sunrise Joy Residence (楊柳路昕悅府)	36,912	6,925	-	-	6,925	100%
Huzhou	Ren Huang 43 Yan Lan Residence (仁皇43燕瀾府)	48,652	4,079	-	-	4,079	100%
Huzhou	Ren Huang 58 Yan Lan Residence (formerly: Huzhou Ren Huang No.58#) (仁皇58燕瀾府(原名稱：湖州仁皇58#))	102,218	6,672	-	-	6,672	100%
Huzhou	Huzhou Southwest Development Zone Qinlan Residence (formerly: Huzhou South Taihu New District Project) (湖州西南開發區沁瀾府(原名稱：湖州南太湖新區項目))	30,200	36,737	-	-	36,737	36%
Huai'an	Heyi Road Yunhe Fenghua (合意路運河風華)	68,362	4,623	-	-	4,623	47%
Huai'an	Huai'an Fengdeng Road Jinyuefu (formerly: Huai'an Fengdeng Road) (淮安豐登路金樾府(原名稱：淮安豐登路))	41,476	5,738	-	-	5,738	34%
Huai'an	Huai'an Eco-City Grand One (淮安生態新城泓著大觀)	82,734	13,417	-	114,841	128,258	50%
Jinan	Jiqi Road Leisure's Mansion (formerly: Jiqi Road Project) (濟齊路君逸府(原名稱：濟齊路項目))	34,290	4,639	-	-	4,639	45%
Jiangmen	Liyue Guoyue Residence (formerly: Liyue Project) (禮樂園樾府(原名稱：禮樂項目))	30,231	19,831	-	-	19,831	33%
Jiangyin	Yunting Joy Residence (雲亭昕悅府)	138,902	-	-	-	-	100%
Jiangyin	Xinqiao Leiden Town (formerly: Jing Garden of Superior Class) (新橋萊頓小鎮(原名稱：上品瓊苑))	203,609	-	-	-	-	20%

Region	Name of Project	Area of Land (sq.m.)	Completed Total Gross Floor Area for Sale (sq.m.)	Rentable Area Held for Investment (sq.m.)	Total Gross Floor Area under Development (sq.m.)	Total Area of Land Bank (sq.m.)	The Group's Interests
Jiangyin	Yunting Tangyue Jinyuan (formerly: Yunting Primary School Project) (雲亭棠樾錦園(原名稱:雲亭小學 項目))	92,953	7,508	-	-	7,508	50%
Jurong	Jurong C Ziyue Residence (formerly: Land Lot No.2018-J1-06) (句容C紫悅 府(原名稱:2018-J1-06號地塊))	72,609	40,290	-	-	40,290	33%
Jurong	Jurong B Project (formerly: Jurong Land Lot No.B) (句容B項目(原名稱: 句容B地塊))	38,731	-	-	74,274	74,274	19%
Kaifeng	Zhong Yi Hu Yan Lan Residence (formerly: Kaifeng Yan Lan Residence) (中意湖燕瀾府(原名稱: 開封燕瀾府))	63,533	10,053	-	-	10,053	49%
Ma' anshan	Hexian Peacock City (和縣孔雀城)	97,340	2,146	-	-	2,146	20%
Meishan	Renshou In Times (仁壽時光裡)	68,107	526	-	45,421	45,947	100%
Nanchang	Nanchang Hong Yang Residence (南昌弘陽府)	43,410	10,177	-	-	10,177	46%
Nanchang	Yao Lake Times Sky Shade (瑤湖時 光天樾)	102,269	18,995	-	129,965	148,960	66%
Nanchang	Zhong Da Hong Yang (formerly: Qing Yun Pu) (中大弘陽(原名稱:青雲譜))	29,452	14,005	-	-	14,005	49%
Nanchang	Wanli In Times (灣里時光里)	13,717	3,336	-	-	3,336	100%
Nanchang	Nanchang Qingshan Lake Avenue Times Garden (南昌青山湖大道時光玖悅)	20,182	-	-	32,781	32,781	49%
Nanjing	Solaris Loving City Section 8 (旭日愛上城八區)	40,552	4,992	-	-	4,992	100%
Nanjing	Shiguang Chunxiao (時光春曉)	32,246	449	-	-	449	49%
Nanjing	Binhuli (濱湖裡)	52,763	5,426	-	-	5,426	51%
Nanjing	Qilin Garden in the East (麒麟領東苑)	67,810	14,219	-	-	14,219	33%
Nanjing	Yanlan Qijin (燕瀾七縉)	57,503	3,220	-	-	3,220	49%
Nanjing	Shiguang Yinxiang (時光印象)	61,145	119	-	-	119	49%
Nanjing	Gaoxin G27 Yinyue Residence (高新G27印悅府)	68,644	12,212	-	-	12,212	20%
Nanjing	Mountain and Lake View in Times (時光山湖)	14,338	826	-	-	826	25%

Region	Name of Project	Area of Land (sq.m.)	Completed Total Gross Floor Area for Sale (sq.m.)	Rentable Area Held for Investment (sq.m.)	Total Gross Floor Area under Development (sq.m.)	Total Area of Land Bank (sq.m.)	The Group's Interests
Nanjing	Shidai Tianyue (formerly: Nanjing Land Lot No.2017G36) (時代天樾(原名稱：南京•2017G36地塊))	54,173	-	-	78,508	78,508	20%
Nanjing	Xiaolongwan Garden of Joy and Happiness (formerly: Land Lot No.2017G57) (小龍灣悅禧苑(原名稱：2017G57地塊))	58,024	14,187	-	-	14,187	100%
Nanjing	Gaoxin Xingyuecheng Phase 2 (高新星悅城二期)	7,025	-	-	14,770	14,770	50%
Nanjing	Gaochun Pinglan Residence (formerly: Gaochun Land Lot No. 02-03) (高淳平瀾府(原名稱：高淳02-03地塊))	102,787	12,766	-	-	12,766	12%
Nanjing	Solaris Jingcheng Store (旭日景城商舖)	1,371	-	4,450	-	4,450	100%
Nanjing	Solaris Loving City Section 6 Store (旭日愛上城六區商舖)	989	-	7,301	-	7,301	100%
Nanjing	Nanjing Hong Yang Plaza (南京弘陽廣場)	230,871	-	504,373	-	504,373	100%
Nanjing	3rd-4th Floor of Redsun Tower (弘陽大廈3-4層)	277	-	4,964	-	4,964	100%
Nanjing	Lishui Times Joy Residence (formerly: Shiqiu Project) (溧水時光悅府(原名稱：石湫項目))	131,964	34,912	-	-	34,912	51%
Nanjing	Lukou Lakeside Mansion (formerly: Lukou Project) (祿口雲溪環園(原名稱：祿口項目))	73,686	-	-	68,622	68,622	49%
Nanjing	Puzhu North Road Shangshang Joy Garden (浦珠北路上悅苑)	7,232	5,934	-	-	5,934	70%
Nanjing	Lishui Sunrise Joy Shangchen (溧水昕悅尚宸)	41,931	9,946	-	-	9,946	50%
Nanjing	Qiaolin Shiguang Boyueyuan (橋林時光泊月園)	28,188	5,323	-	-	5,323	50%
Nanjing	Nanjing Times Avenue Lan Wan Jiu Zhu (formerly: Times Avenue Project) (南京時代大道攬灣玖築(原名稱：時代大道項目))	60,138	8,809	-	81,602	90,411	15%

Region	Name of Project	Area of Land (sq.m.)	Completed Total Gross Floor Area for Sale (sq.m.)	Rentable Area Held for Investment (sq.m.)	Total Gross Floor Area under Development (sq.m.)	Total Area of Land Bank (sq.m.)	The Group's Interests
Nanjing	Nanjing Zhuangyuanfang Xiyue Garden (formerly: Lishui Zhuangyuanfang Project) (南京狀元坊熹樾花園 (原名稱：溧水狀元坊項目))	67,192	9,510	-	73,973	83,483	33%
Nanjing	Nanjing Yaohuamen Qiyao Meizhu (南京堯化門棲堯美著)	14,670	4,080	-	-	4,080	83%
Nanjing	Nanjing Kangjian Road Glance River Joy Residence (南京康健路望江悅府)	65,227	26,580	-	-	26,580	49%
Nanjing	Nanjing Jiangbei Core District Yuejiang Shidai (南京江北核心區越江時代)	66,057	32,203	-	2,852	35,055	25%
Nanjing	Nanjing Dachang Top Cloud Mansion (南京大廠雲羽美著)	18,130	6,250	-	26,822	33,072	51%
Nanjing	Nanjing Tangshan Yunchen Yuanlu (南京湯山雲辰原麓)	68,029	-	-	115,669	115,669	33%
Nanjing	Nanjing Qinhuai Chengdong Atmosphere of Mind (南京秦淮城東 玖樾印象)	31,813	14,912	-	27,286	42,198	33%
Nantong	Yunyue Oriental (雲樾東方)	86,652	4,116	1,163	-	5,279	17%
Nantong	Upper Joy City (上悅城)	82,741	9,125	-	-	9,125	25%
Nantong	New Metropolitan (新都會)	109,890	2,390	-	-	2,390	13%
Nantong	Center Creation Metropolitan (中創大都會)	47,963	-	1,035	-	1,035	24%
Nantong	Sutong Yongjin Lanwan (蘇通雍錦瀾灣)	47,405	7,363	-	-	7,363	36%
Nantong	Zisheng Road Junlan Tianyue (資生路君蘭天悅)	40,689	540	-	-	540	100%
Nantong	Nantong Gaotie Xincheng Honored Palace (formerly: Pingchao Gaotie Xincheng) (南通高鐵新城時光峰匯 (原名稱：平潮高鐵新城))	84,022	41,830	-	101,707	143,537	60%
Nantong	Nantong Fuxing Road Guanjianghai (formerly: Nantong Fuxing Road Project) (南通富興路觀江海 (原名稱：南通富興路項目))	69,966	7,146	-	-	7,146	19%
Nantong	Antai Road Jingchen Residence (安泰路璟宸府)	53,761	-	-	116,056	116,056	30%
Ningbo	Chen Po Du Yong Chao Yin Residence (formerly: Chen Po Du) (陳婆渡湧潮 印府(原名稱：陳婆渡))	40,148	4,163	-	-	4,163	30%

Region	Name of Project	Area of Land (sq.m.)	Completed Total Gross Floor Area for Sale (sq.m.)	Rentable Area Held for Investment (sq.m.)	Total Gross Floor Area under Development (sq.m.)	Total Area of Land Bank (sq.m.)	The Group's Interests
Ningbo	Cixi Chengdong Shangdongchen Residence (慈溪城東上東辰府)	84,775	64,007	42,129	-	106,136	50%
Pengzhou	Chinoiserie Mansion (formerly: Pengzhou 50+55 mou Project) (彭州玖峰(原名稱: 彭州50+55畝 項目))	70,603	26,930	-	759	27,688	70%
Qingdao	Jinshatan Beyond the Sea (金沙灘天賦雲海)	14,077	11,105	-	40,185	51,290	30%
Qingdao	Jimo Yunhai Road Beauty Collection In Times (即墨雲海路集美時光)	116,220	-	-	129,851	129,851	35%
Rugao	Wanshou Road Zi Yun Ji (formerly: Wanshou Road Project) (萬壽路紫雲 集(原名稱: 萬壽路項目))	89,669	11,035	-	-	11,035	29%
Suzhou	Upper Sunny Masterpiece Garden (上熙名苑)	44,701	1,939	-	-	1,939	50%
Suzhou	Shangshui Garden of Elegance (上水雅苑)	69,325	95	-	-	95	100%
Suzhou	Xiangcheng Shangchen View Mansion (formerly: Fuyuan Road Project) (相城天境上辰(原名稱: 富元路 項目))	154,101	55,181	-	227,496	282,677	80%
Suzhou	Suzhou Lumu Heaven Billow (蘇州陸慕天境瀾庭)	37,963	-	-	49,544	49,544	41%
Suqian	Wutaishan Heyue Garden (五台山和 樾花園)	139,947	24,531	-	256,959	281,491	20%
Taizhou (泰州)	Taixing Jinjiang Residence (泰興襟 江府)	56,230	6,289	-	-	6,289	100%
Tongxiang	Wuzhen Joy Court (formerly: Wuzhen Longxiang Avenue Project) (烏鎮昕 悅棠(原名稱: 烏鎮龍翔大道項目))	42,811	2,013	-	-	2,013	100%
Weifang	Weifang Kuiwen North District Project (濰坊奎文北項目)	202,107	-	93,430	529,056	622,486	100%
Wenzhou	Huichang River Prosperous Seasons (formerly: Huichang River B03 Project) (會昌河潮啟四季(原名稱: 會昌河B03 項目))	25,721	12,538	-	-	12,538	50%

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Wenzhou	Huichang River West Lakeside Seasons (formerly: Huichang River B07 Project) (會昌河西湖四季(原名稱: 會昌河B07 項目))	19,967	12,771	-	-	12,771	50%
Wenzhou	Guanghuaqiao Jiangbin ONE (廣化橋江濱ONE)	21,191	446	-	-	446	44%
Wenzhou	Yueqing Central District Junlan Hezhu (樂清中心區君蘭和著)	41,342	1,094	-	-	1,094	26%
Wuxi	Hong Yang Sanwan Qing (弘陽三萬頃)	800,000	6,433	-	-	6,433	100%
Wuxi	Huishan Sunrise Joy Court (惠山昕悅棠)	85,122	3,122	-	-	3,122	100%
Wuxi	Liyuan The Art of Shine (formerly: Liyuan Project) (利源長江映 (原名稱: 利源項目))	39,021	3,833	-	-	3,833	30%
Wuxi	Yangjian Platinum Residence (formerly: Yangjian Project) (羊尖鉞悅名邸 (原名稱: 羊尖項目))	63,050	1,775	-	-	1,775	98%
Wuxi	Wuxi Qingyuan Avenue Time's Lakeside (formerly: Wuxi Qingyuan Avenue) (無錫慶源大道時光沈樾 (原名稱: 無錫慶源大道))	57,962	8,809	-	-	8,809	48%
Wuxi	Jade Seal (formerly: Wuxi Yangshan) (無錫錫山悅陽九璽(原名稱: 無錫 陽山))	28,166	9,886	-	-	9,886	30%
Wuxi	Wuxi Lakefort Hotel (無錫弘陽洛克 菲酒店)	16,000	-	18,739	-	18,739	100%
Wuhu	Mengxi Road Shiguang Lane (夢溪路時光裡)	74,135	13,074	-	-	13,074	40%
Wuhan	NK1 Hong Yang Tian Yue (formerly: Yin Yue Residence) (NK1弘陽天悅 (原名稱: 印月府))	106,207	113,399	-	-	113,399	95%
Wuhan	Wuhan Xiao Jun Shan Aesthetics of Life (formerly: Xiao Jun Shan) (武漢小軍 山天璽尚院(原名稱: 小軍山))	128,129	-	-	370,338	370,338	50%
Wuhan	Wuhan Huangjia Hu Project (武漢黃家湖項目)	25,290	-	-	60,303	60,303	95%
Xi'an	Yan Liang Sunrise Joy Residence (閩良昕悅府)	24,649	5,131	-	-	5,131	51%

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Xi'an	Xi'an Jinghe New Town The Polaris Mansion (西安涇河新城北宸天樾)	95,017	-	-	168,709	168,709	32%
Xiangyang	Prime Watery Court (襄御瀾庭)	45,761	9,008	-	-	9,008	95%
Xiangyang	Xiangzhou Park 1873 (襄州公園1873)	93,846	9,264	-	135,267	144,531	50%
Xiangyang	Taiziwan Lu Yun Ting (台子灣路雲庭)	29,569	7,122	-	-	7,122	100%
Xuzhou	Fengming Residence (鳳鳴府)	104,284	10,561	-	-	10,561	76%
Xuzhou	Hong Yang Vanke Jieliu (弘陽萬科結廬)	181,244	-	-	-	-	33%
Xuzhou	Beautiful Scenery Residence (麗景府)	26,646	2,214	-	-	2,214	33%
Xuzhou	Metropolitan City in Xinyuan Avenue (新元大道大都會)	90,236	8,888	-	-	8,888	100%
Xuzhou	Phoenix Hill Puyue Residence (鳳凰山璞樾門第)	59,770	4,596	-	-	4,596	96%
Xuzhou	Dawu Park Avenue (大吳公園大道)	213,207	24,447	-	313,684	338,131	51%
Xuzhou	Dawu Shugang Road Project (大吳疏港大道項目)	65,828	-	-	182,340	182,340	51%
Xuzhou	Xuzhou Songshan Road One Sino Long (formerly: Songshan Road Project) (徐州嵩山路山河龍胤(原名稱:嵩山路項目))	142,721	-	-	258,200	258,200	15%
Xuzhou	Xuzhou Damiao Heping Gongguan (formerly: Zhongtian Shiming Road Project) (徐州大廟和平公館(原名稱:中天仕名路項目))	55,614	37,496	-	21,021	58,517	51%
Xuzhou	Taoloushan Land Lot Project B (陶樓山B地塊項目)	25,157	-	-	63,517	63,517	50%
Xuzhou	Taoloushan Land Lot Project C (陶樓山C地塊項目)	24,514	-	-	67,973	67,973	50%
Yancheng	Begonia View Residence in Yanzhen Road (鹽枕路觀棠府)	69,049	7,452	-	-	7,452	33%
Yancheng	Dongjin Road Sunrise Joy Residence (東進路昕悅府)	103,847	21,282	-	-	21,282	34%
Yancheng	Haikuo Road Fenglin Residence (海闊路鳳麟府)	100,491	37,766	-	-	37,766	35%
Yancheng	Yancheng Yandangshan Road Fengyue Residence (formerly: Yancheng Yandangshan Road Project) (鹽城雁蕩山路鳳樾府(原名稱:鹽城雁蕩山路項目))	104,088	448	-	48,309	48,757	14%

Region	Name of Project	Area of Land (sq.m.)	Completed Total Gross Floor Area for Sale (sq.m.)	Rentable Area Held for Investment (sq.m.)	Total Gross Floor Area under Development (sq.m.)	Total Area of Land Bank (sq.m.)	The Group's Interests
Yangzhou	Yangzhou City Two Central Mansion (揚州二城和光昕悅)	23,234	7,196	–	16,243	23,439	67%
Yizheng	Yizheng 38 Yuedi Bay (儀征38悅堤灣)	69,788	12,061	–	–	12,061	50%
Yizheng	Yizheng 39 Yuejiang Bay (formerly: Yizheng 39) (儀征39悅江灣 (原名稱：儀征39))	66,358	17,722	–	–	17,722	50%
Yizheng	Yizheng Yuelong Bay (儀征悅龍灣)	27,589	8,191	–	–	8,191	100%
Zhangjiagang	Tang Qiao Xing Tang Residence (塘橋星唐府)	36,829	3,369	–	–	3,369	50%
Zhangjiagang	Daxin Sunrise Joy Masterpiece Residence (大新昕悅名邸)	47,706	307	–	–	307	70%
Zhangjiagang	Jinfeng Beautiful in Ten (錦豐十里錦綉)	98,783	1,145	–	–	1,145	16%
Zhangjiagang	Tang Qiao Cloud Mansion (formerly: Tang Qiao Fumin Road Project) (塘橋雲築(原名稱：塘橋富民路 項目))	40,317	11,753	–	–	11,753	48%
Zhangjiagang	Zhangjiagang Chengdong Tangyue Royalty (formerly: Zhangjiagang Jiangcheng Road) (張家港城東棠 樾世家(原名稱：張家港蕙乘路))	44,590	2,013	–	34,300	36,313	45%
Changsha	Deyi In Times (德一時光裡)	12,956	9,687	–	–	9,687	70%
Changsha	Black Stone Sunrise Joy Residence (formerly: Black Stone Project) (黑石昕悅府(原名稱：黑石項目))	32,684	7,878	–	–	7,878	100%
Changsha	Changsha Wanhou Residence (formerly: Wanhou Road) (長沙萬侯府 (原名稱：萬侯路))	21,967	5,215	–	–	5,215	100%
Changsha	Changsha Wayao Road Sunrise Joy Court (formerly: Wayao Road) (長沙瓦窯路昕悅棠(原名稱： 瓦窯路))	34,269	2,370	–	1,105	3,475	51%
Changsha	Changsha Xinglian Road Natural Bustling (formerly: Xinglian Road) (長沙興聯路雲瀟賦(原名稱： 興聯路))	16,111	16,763	–	27,094	43,857	50%
Zhenjiang	Zhenjiang Zhoujiazhuang Jingkou Times (鎮江周家莊京口時光)	16,168	2,370	–	–	2,370	51%
Zhenjiang	Xiaoni Hill No. 1 Four Seasons Magnificence (小牛山一號四季風華)	20,536	2,277	–	–	2,277	33%

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Zhenjiang	Xiaoni Hill No. 2 Four Seasons Magnificence (小牛山二號四季風華)	28,920	4,753	-	-	4,753	33%
Zhengzhou	Zhongmou Hong Yang Residence (中牟弘陽府)	119,924	-	-	261,447	261,447	95%
Chongqing	Taojia Times Billow (formerly: Cypress View•Seattle) (陶家時光瀾庭 (原名稱：柏景•西雅圖))	89,273	27,252	-	47,367	74,619	100%
Chongqing	Shiqiaopu Tianchen Yipin (石橋鋪天宸一品)	8,749	-	-	-	-	50%
Chongqing	Bishan Sunrise Joy Residence (formerly: Bishan 295) (璧山昕悅府(原名稱： 璧山295))	106,259	589	-	28,593	29,182	50%
Chongqing	Guan Yin Tang Sunrise Joy Residence (觀音塘昕悅府)	14,785	5,962	-	-	5,962	49%
Chongqing	Beibei Utopia (formerly: Beibei Project) (北碚懋景台(原名稱：北碚項目))	109,540	11,634	-	8,094	19,728	49%
Chongqing	Chongqing Central Park Sunrise Joy Court (formerly: Central Park) (重慶中央公園昕悅棠(原名稱： 中央公園))	39,636	6,858	-	-	6,858	100%
Chongqing	Chongqing Babin Road Glistening River (formerly: Babin Road Project) (重慶巴濱路一曲晴江(原名稱： 巴濱路項目))	66,926	21,859	-	1,403	23,262	51%
Chongqing	Chongqing Jieshi Xiao Feng Jiang Nan 71 mou Project (重慶界石曉風江南 71畝項目)	47,039	15,837	-	-	15,837	24%
Chongqing	Chongqing Jieshi Xiao Feng Jiang Nan 141 mou Project (重慶界石曉風江南 141畝項目)	94,061	-	-	206,447	206,447	20%
		<u>12,439,365</u>	<u>1,739,367</u>	<u>1,039,949</u>	<u>5,087,712</u>	<u>7,867,028</u>	

3. Commercial Operations

During the Reporting Period, the Group's sales revenue from commercial operations amounted to approximately RMB395.2 million, representing a decrease of 29.4% as compared to the corresponding period last year. It was due to the decrease in the rentable area of some stores, and the reduction of the rental unit prices.

4. Hotel Operations

During the Reporting Period, the Group achieved sales revenue of approximately RMB15.7 million from its hotel operations, representing a decrease of 56.1% as compared to the corresponding period last year. It was due to the decrease in the number of hotel rooms, occupancy rate, and average price.

FINANCIAL REVIEW

1. Revenue

During the Reporting Period, the Group's revenue amounted to approximately RMB11,305.7 million, representing a decrease of 42.9% from approximately RMB19,794.7 million for the same period last year. The revenue mainly included income generated from property sales, commercial operations and hotel operations, of which income generated from: (i) property sales, which decreased by 43.3% to approximately RMB10,894.8 million as compared to the same period last year, accounting for 96.4% of the total recognised revenue; (ii) commercial operations, which decreased by 29.4% to approximately RMB395.2 million as compared to the same period last year; and (iii) hotel operations, which decreased by 56.1% to approximately RMB15.7 million as compared to the same period last year.

Details of recognised revenue are set out as follows:

	2024		2023		
	Recognised Revenue (RMB'000)	Percentage of Total Recognised Revenue (%)	Recognised Revenue (RMB'000)	Percentage of Total Recognised Revenue (%)	Year-on-year change (%)
Property sales	10,894,774	96.4	19,198,937	97.0	-43.3
Commercial operations	395,241	3.5	560,068	2.8	-29.4
Hotel operations	15,659	0.1	35,690	0.2	-56.1
Total	<u>11,305,674</u>	<u>100.0</u>	<u>19,794,695</u>	<u>100.0</u>	<u>-42.9</u>

2. Cost of Sales

During the Reporting Period, the cost of sales of the Group was approximately RMB11,482.7 million, representing a decrease of 43.9% as compared to that of approximately RMB20,464.4 million for the same period last year. The decrease was primarily due to the decrease in impairment recognised for properties under development and completed properties held for sale as compared with the corresponding period last year. The number of projects delivered within the year decreased as compared with the corresponding period last year. Several projects delivered during the year included Fengdeng Road Jinyuefu (豐登路金樾府) project in Huai'an, Cixi Chengdong Shangdongchen Residence (慈溪城東上東辰府) project in Ningbo, Damiao Heping Gongguan (大廟和平公館) project in Xuzhou, Xiangcheng Shangchen View Mansion (相城天境上辰) project in Suzhou.

3. Gross Loss and Gross Loss Margin

During the Reporting Period, the Group's gross loss was approximately RMB177.1 million, representing a decrease from the gross loss of approximately RMB669.7 million for the corresponding period last year. During the Reporting Period, the gross loss margin was 1.6%, as compared to the gross loss margin of 3.4% for the corresponding period last year. The decrease in gross loss margin was mainly due to the decrease in impairment recognised for properties under development and completed properties held for sale as compared with the corresponding period last year.

4. Changes in Fair Value of Investment Properties

During the Reporting Period, the Group recognised fair value loss on investment properties of approximately RMB1,292.9 million. The fair value loss on investment properties recorded was primarily due to a decrease of the overall capital value.

5. Selling and Distribution Expenses

During the Reporting Period, the Group's selling and distribution expenses amounted to approximately RMB281.9 million, representing a decrease of 41.5% from approximately RMB482.1 million for the corresponding period last year. Such decrease was due to the decrease in the launch of new property projects of the Group in 2024.

6. Administrative Expenses

During the Reporting Period, the Group's administrative expenses amounted to approximately RMB226.9 million, representing a decrease of 41.6% from approximately RMB388.3 million for the corresponding period last year. Such decrease was mainly due to the Group's further development in major metropolitan areas and core cities, and the strengthened control in administrative expenses and costs.

7. Share of Losses of Joint Ventures and Associates

During the Reporting Period, the Group's share of losses of joint ventures and associates amounted to approximately RMB1,071.9 million, representing an increase of 61.6% from approximately RMB663.3 million for the corresponding period last year, mainly due to the increase in losses incurred by the joint ventures and associates held by the Group. There were various cooperation projects with profit carried forward during the period, such as Fuchun Bay Jichen Residence (富春灣濟宸) project in Hangzhou, Jiangbei Core District Yuejiang Shidai (江北核心區越江時代) project in Nanjing, Wutaishan Heyue Garden (五台山和樾花園) project in Suqian, and Liyuan The Art of Shine (利源長江映) project in Wuxi.

8. Finance Costs

During the Reporting Period, the Group's finance costs expended amounted to approximately RMB1,615.6 million, representing a decrease of 14.1% from approximately RMB1,880.3 million for the corresponding period last year. Such change in finance costs was mainly due to the decrease of interest expense and the decrease of exchange loss on US\$-denominated borrowings of the Group during the Reporting Period.

9. Income Tax Expense

The Group's income tax expense included provisions for the corporate income tax and land appreciation tax net of deferred tax during the year.

During the Reporting Period, the Group's income tax amounted to approximately RMB254.2 million, representing a decrease of 43.3% from approximately RMB448.2 million for the corresponding period last year.

During the Reporting Period, the provision made for land appreciation tax by the Group was approximately RMB172.2 million, as compared with approximately RMB348.6 million for the corresponding period last year.

10. Loss for the Reporting Period

As a result of the aforementioned factors, the loss before tax of the Group during the Reporting Period was approximately RMB5,099.2 million, representing a decrease of 26.6% from approximately RMB6,942.9 million for the corresponding period last year. During the Reporting Period, the net loss was RMB5,525.6 million, representing a decrease of 28.6% as compared with the corresponding period last year.

LIQUIDITY, FINANCE AND CAPITAL

1. Cash Position

As at 31 December 2024, the Group's cash and bank balances were approximately RMB1.24 billion (as at 31 December 2023: approximately RMB2.75 billion), of which, restricted cash amounted to RMB0.58 billion (as at 31 December 2023: RMB1.62 billion), and pledged deposits amounted to approximately RMB0.02 billion (as at 31 December 2023: RMB0.06 billion).

2. Borrowings and Pledged Assets

As at 31 December 2024, the Group's total borrowings (including interest-bearing bank loans and other borrowings and senior notes) amounted to approximately RMB21.15 billion (as at 31 December 2023: approximately RMB21.44 billion), of which, interest-bearing bank loans and other borrowings were approximately RMB10.54 billion (as at 31 December 2023: approximately RMB10.99 billion) and senior notes were approximately RMB10.61 billion (as at 31 December 2023: approximately RMB10.45 billion).

The Group's total borrowings were repayable as follows:

	31 December 2024 RMB'000	31 December 2023 RMB'000
Interest-bearing bank loans and other borrowings:		
Repayable within one year or on demand	6,852,939	6,751,056
Repayable in the second year	2,129,216	2,031,925
Repayable within third to fifth years	1,154,500	1,610,140
Repayable beyond five years	400,000	597,500
Sub-total	<u>10,536,655</u>	<u>10,990,621</u>
Senior notes:		
Repayable on demand	<u>10,609,906</u>	<u>10,453,896</u>
Total borrowings	<u><u>21,146,561</u></u>	<u><u>21,444,517</u></u>

As at 31 December 2024, except for the borrowings in the amount of RMB12,024.6 million (as at 31 December 2023: RMB11,410.1 million) denominated in US\$, the remaining borrowings of the Group were denominated in RMB.

As at 31 December 2024, except for certain interest-bearing bank and other borrowings of RMB3,327,042,000 (as at 31 December 2023: RMB3,705,249,000) with fixed interest rates, all of the Group's interest-bearing bank and other borrowings bear interest at floating interest rates.

As at 31 December 2024, assets with an aggregate value of approximately RMB15,839.5 million (as at 31 December 2023: approximately RMB23,378.7 million) have been pledged to interest-bearing banks and other financial institutions to secure the credit facilities granted to the Group and its joint ventures and associates.

3. Gearing Ratio

As at 31 December 2024, the Group's net gearing ratio (total borrowings less cash and bank balances divided by total equity) was approximately 277.5%, as compared with approximately 126.1% as at 31 December 2023. As at 31 December 2024, the Group's debt to asset ratio (total debts divided by total assets) was approximately 88.0%, as compared with approximately 80.2% as at 31 December 2023. As at 31 December 2024, the Group's current ratio (current assets divided by current liabilities) was approximately 0.87 times, as compared with approximately 0.98 times as at 31 December 2023.

As at 31 December 2024, cash to short-term debt ratio (cash and bank balances divided by short-term borrowings) was approximately 0.07 times, as compared with approximately 0.16 times as at 31 December 2023.

4. Capital and Property Development Expenditure Commitments

As at 31 December 2024, the Group had capital and property development expenditure commitments contracted but not provided for of approximately RMB3.11 billion (as at 31 December 2023: approximately RMB5.32 billion).

OUTLOOK FOR 2025

Looking ahead to 2025, despite lingering uncertainties in the global economy, it is expected to maintain a stable recovery overall. Meanwhile, China's economy is anticipated to continue its growth trend, playing an important role and facing numerous challenges in the global economic landscape. In December 2024, the Central Economic Work Conference called for implementing more proactive fiscal policies and moderately loose monetary policies, to create a well-coordinated policy "combination punch". In 2025, it is necessary to maintain stable economic growth, ensure overall stability in employment and price levels, keep the balance of international payments, and promote the synchronization of growth in residents' income and economic expansion.

In 2025, the real estate policy environment will remain loose, with the policy focus on transitioning the market from a downturn to stabilization. Subsequent policies will focus on implementing the measures already introduced, such as further reducing mortgage interest rates, allowing existing mortgage rates to decrease in tandem with new loans, and fully lifting purchase restrictions in Beijing, Shanghai, Shenzhen, Hainan and so on. At the same time, the government will acquire idle land and stock commercial housing from property enterprises for the construction of affordable housing, advancing the "white list" financing coordination mechanism to ensure delivery and stabilize expectations. These measures aim to rebalance supply and demand in the market, reverse the downward expectation of housing prices, and achieve stability in the real estate market.

In 2025, the real estate industry is entering a critical period of profound transformation under the intertwined influence of policies and the market environment. Confronting external complexities, the Group will uphold a firm belief and decisive actions, actively adapt to new trends in industry development, continuously explore innovative development paths, and strive to achieve high-quality, sustainable and stable growth.

In terms of ensuring delivery, we will further strengthen project management by establishing a dedicated delivery assurance team to monitor and control the construction progress and quality of each project throughout the entire process. We will optimize construction workflows and allocate resources reasonably to ensure the project progresses as planned. Meanwhile, we will strengthen communication and collaboration with contractors and suppliers to establish good cooperative relationships, ensuring the smooth supply of raw materials and the progress of construction projects. In addition, delivery contingency plans will be formulated in advance, and measures will be prepared in advance to address potential issues, ensuring that the project will be delivered on time and with high quality, thereby fulfilling commitments to customers and maintaining corporate reputation and image.

In terms of financial management, the Group will adhere to the business orientation of "protecting assets, strengthening debt removal and controlling risks (保資產、強化債、控風險)", with ensuring cash flow safety as the top priority, continuously optimizing the capital structure and reducing leverage costs. We will ensure a stable and smooth capital chain through reasonable planning of financing plans, expanding diversified financing channels and optimizing the debt structure. We will also strengthen asset management, improve asset operation efficiency, achieve optimal allocation and appreciation of assets, strictly control costs, and enhance corporate profitability.

In terms of talent management, great emphasis is placed on building the talent team, attracting and retaining talents through competitive compensation, broad career development opportunities and excellent corporate culture. We will build a comprehensive training system to support employee growth. We will also optimize organizational structure and advance streamlined management to fully stimulate employees' vitality and creativity.

In terms of customer service, we unwaveringly focus on customer needs as the core orientation, taking the fulfillment of customers' aspirations for a better life as the fundamental goal of corporate development. We will continuously improve the after-sales service system, establish a rapid response mechanism and promptly resolve customer issues to enhance customer satisfaction and loyalty, and establish a good brand image with premium products and services.

Looking ahead, the Group will implement the Jinggangshan Spirit, which emphasizes "firm belief, hard work, seeking truth from facts, daring to blaze new trails, relying on the masses, and striving to win (堅定信念、艱苦奮鬥、實事求是、敢闖新路、依靠群眾、勇於勝利)". We will seize every opportunity brought by policy and market changes to strive for a better future.

CORPORATE GOVERNANCE AND OTHER INFORMATION

1. Material Investments, Acquisitions and Disposals

During the year ended 31 December 2024 and up to the date of this announcement, the Group did not have any significant investments.

On 9 August 2023, Guangzhou Hongzong Real Estate Development Company Limited* (廣州市弘宗房地產開發有限公司) (an indirect non-wholly-owned subsidiary of the Company), Guangzhou Pearl River Industrial Real Estate Company Limited* (廣州珠寶地產有限公司) (“**PRI Real Estate**”) and Guangzhou Jingrun Real Estate Development Company Limited* (廣州璟潤房地產開發有限公司) (“**Project Company**”) entered into the equity and debt transfer agreement, pursuant to which Hongzong Real Estate agreed to sell and PRI Real Estate agreed to purchase the 34% equity interests in the Project Company held by Hongzong Real Estate (the “**Sale Shares**”) and the shareholder’s loan owed by the Project Company to Hongzong Real Estate in the amount of RMB479.3885 million (the “**Sale Loan**”) for an aggregate consideration of RMB295 million (the “**Disposal**”). Upon completion of the Disposal, the Group has ceased to hold any interest in the Project Company.

For details, please refer to the announcement and circular titled “MAJOR TRANSACTION — DISPOSAL OF 34% EQUITY INTERESTS IN PROJECT COMPANY” of the Company dated 9 August 2023 and 29 April 2024 respectively.

Save as disclosed above, during the year ended 31 December 2024 and up to the date of this announcement, the Group did not have any material acquisition or disposal of subsidiaries and associated companies.

2. Employment and Remuneration Policies

As of 31 December 2024, the Group had a total of 785 employees, of which 668 employees were engaged in the real estate development business, 117 employees were engaged in the commercial operation business.

The emolument of the employees of the Group is mainly determined based on the prevailing market level of remuneration and the individual performance and work experience of the employees. Bonuses are also distributed based on the performance of the employees. The Group provides employees with career development opportunities and considers if their remuneration should be raised or if they should be promoted with reference to their individual performance and potential. Other benefits provided by the Group include medical benefits and specialized training schemes.

3. Events after the Reporting Period

- (1) On 23 January 2025, the Company and its advisers have engaged in constructive dialogues with various stakeholders of the Company on the proposed restructuring of the Existing Debt. Significant progress has been made with a number of major beneficial owners of the Existing Debt in relation to the implementation of a holistic restructuring proposal in respect of the Company's offshore indebtedness (the "**Proposed Restructuring**"). Further to these discussions, the Company has entered into a restructuring support agreement with the relevant Consenting Creditors to support the implementation of the Proposed Restructuring. The Proposed Restructuring is expected to be implemented by the Company through a scheme of arrangement proposed to be effected in Hong Kong.

For details, please refer to the announcement of the Company dated 23 January 2025.

- (2) On 17 February 2025, the Company and Redsun Services Group Limited (the "**Purchaser**") entered into a parking spaces transfer framework agreement, pursuant to which the Company conditionally agreed to sell, and the Purchaser conditionally agreed to purchase the property right or the right of use (as the case may be) of the target parking spaces at a total consideration of approximately RMB230.92 million, subject to the terms and conditions of the agreement.

On the same day, each of Chengdu Hong Yang Jin Xing Real Estate Development Co., Ltd. ("**Chengdu Hong Yang Jin Xing**"), Xuzhou Hong Qi Real Estate Development Co., Ltd. ("**Xuzhou Hong Qi**") and Nanjing Hong Tai Pu Yang Property Co., Ltd. ("**Nanjing Hong Tai Pu Yang**") (all being indirect wholly-owned subsidiaries of the Company) and Nanjing Hong Life Real Estate Consulting Co., Ltd. ("**Nanjing Hong Life**") (an indirect wholly-owned subsidiary of the Purchaser) entered into the respective equity transfer agreements, pursuant to which each of Chengdu Hong Yang Jin Xing, Xuzhou Hong Qi and Nanjing Hong Tai Pu Yang conditionally agreed to sell, and Nanjing Hong Life conditionally agreed to purchase: (a) 70% of the equity interests in the Chengdu Hong Sheng He Ding Real Estate Development Co., Ltd. held by Chengdu Hong Yang Jin Xing; (b) 20% of the equity interests in the Suqian Tong Jin Hong Real Estate Co., Ltd. held by Xuzhou Hong Qi; and (c) 19% of the equity interests in Jurong Jin Jia Run Real Estate Development Co., Ltd. held by Nanjing Hong Tai Pu Yang, together with all other assets, liabilities and owners' equity attached to the equity interests abovementioned at a consideration of approximately RMB142.4 million, RMB73.95 million and RMB41.34 million, respectively.

The final consideration of the acquisitions and scope of the target parking spaces abovementioned are subject to adjustments and will be disclosed in the circular regarding the parking spaces transfer framework agreement and the equity transfer agreements and acquisitions contemplated thereunder to be despatched to the Shareholders in due course.

For further details, please refer to the Company's announcement dated 17 February 2025.

- (3) On 14 February 2024, a winding-up petition was filed against the Company at the High Court of the Hong Kong Special Administrative Region (the “**High Court**”), in connection with a financial obligation in the amount of not less than USD228,500,000, being the amount of payment under the USD200,000,000 9.50% guaranteed notes due 2023 issued by the Company.

On 26 March 2025, the High Court has approved the adjournment application jointly proposed by The Bank of New York Mellon, London Branch, the petitioner, and the Company. The hearing of the Petition is now adjourned to 22 September 2025.

As at the date of this announcement, no winding-up order has been made by the High Court against the Company. The Company is grateful to the creditors for their continuing support and engagement and will continue to progress the consensual restructuring in an orderly manner.

For details, please refer to the announcements of the Company dated 16 February 2024, 13 March 2024, 16 September 2024 and 26 March 2025.

Saved as disclosed above, the Group had no other significant events after the Reporting Period.

4. Payment of Dividends

The Board does not recommend payment of any dividend in respect of the year ended 31 December 2024 (2023: Nil).

5. Purchase, Sale or Redemption of Any of the Company's Listed Securities

The Group has not purchased, sold or redeemed any of the Company's listed securities (including treasury shares as defined under the Rules Governing the Listing of Securities (“**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”)). during the Reporting Period.

For the year ended 31 December 2024, the Company did not hold any treasury shares.

6. Foreign Currency Risk

The Group primarily operates in the PRC and majority of the Group's transactions are denominated and settled in RMB.

7. Corporate Governance

The Group is committed to implementing high standards of corporate governance to safeguard the interests of the shareholders of the Company and enhance the corporate value as well as the responsibility commitments. The Company has adopted the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the Listing Rules as its own code of corporate governance.

Under code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separated and performed by different individuals. For the year ended 31 December 2024, the roles of chairman and chief executive officer of the Company were not separated and Mr. Zeng Huansha is currently taking the roles of chairman and chief executive officer of the Company. Taking into account that Mr. Zeng Huansha has extensive experience in the real estate industry, the Board considered that the roles of chairman and chief executive officer being performed by Mr. Zeng Huansha will enable more effective business planning and implementation of the Company. In order to maintain good corporate governance and fully comply with the provisions of the CG Code, the Board will regularly review the necessity to appoint different individuals to perform the roles of chief executive officer separately.

To the knowledge of the Directors, save as disclosed above, the Company has complied with all applicable code provisions under Part 2 of the CG Code during the Reporting Period. The Directors will use their best endeavors to procure the Company to continue to comply with the CG Code.

Pursuant to Rule 13.92 of the Listing Rules, a single gender board of directors will not be considered to have achieved board diversity. By virtue of the appointment of Ms. Hu Fang as the executive Director with effect from 20 November 2024, the Company has complied with Rule 13.92 of the Listing Rules as at the date of this announcement.

8. Annual General Meeting

The forthcoming annual general meeting (“**AGM**”) will be held on Thursday, 26 June 2025 and its notice and all other relevant documents will be published and despatched to the Shareholders in April 2025.

9. Closure of Register of Members

For the purpose of determining the rights to attend and vote at the AGM, the register of members of the Company will be closed from Monday, 23 June 2025 to Thursday, 26 June 2025, both days inclusive, during which period no transfer of shares will be registered. All transfer documents of the Company accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, MUFG Corporate Markets Pty Limited at Suite 1601, 16/F Central Tower, 28 Queen's Road Central, Central, Hong Kong, for registration no later than 4:30 p.m. on Friday, 20 June 2025.

10. Compliance with the Model Code for Securities Transactions by Directors of Listed Issuers

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as its code for dealing in securities of the Company by the Directors.

After specific enquiries made to all Directors, Directors have confirmed their compliance with the required standards as set out in the Model Code for the Reporting Period.

11. Review of Annual Results by the Audit Committee

The Board has established its audit committee with written terms of reference in compliance with Rules 3.21 and 3.22 of the Listing Rules and code provision D.3 of the CG Code.

The primary duties of our audit committee are to review and monitor the Group's financial reporting process, risk management and internal control system, to oversee the audit process, to provide recommendation and advice to the Board, and to perform other duties and responsibilities as may be assigned by the Board. Our audit committee consists of three members (all are independent non-executive Directors), namely, Mr. Leung Yau Wan John, Mr. Lee Kwok Tung Louis and Mr. Au Yeung Po Fung. Our audit committee is chaired by Mr. Leung Yau Wan John, who has appropriate professional qualifications.

Our audit committee has reviewed the Company's consolidated financial statements during the Reporting Period and confirmed that it has complied with all applicable accounting principles, standards and requirements, and made sufficient disclosures. Our audit committee has also discussed the matters of audit and financial reporting.

12. Extract of Independent Auditor’s Report

The following is an extract of the independent auditor’s report for the year ended 31 December 2024 from the external auditor of the Company:

“Disclaimer of Opinion

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

Basis for disclaimer of opinion

Material uncertainties relating to going concern

As set out in note 2 to the consolidated financial statements, the Group recorded a net loss of approximately RMB5,525,561,000 for the year ended 31 December 2024. As at 31 December 2024, the Group’s current liabilities exceeded its current assets by approximately RMB6,255,595,000, of which approximately RMB2,977,069,000 of interest-bearing bank and other borrowings and approximately RMB10,460,666,000 of senior notes and interest payables were in default, included the amount of event triggered by default of certain interest-bearing bank and other borrowings and senior notes. Such that, the lenders and certain senior note holders have the right to demand immediate repayment of the entire outstanding balance as at 31 December 2024. Subsequent to the end of the reporting period, the Group also failed to repay approximately RMB2,977,069,000 of principal and interest payables for interest-bearing bank and other borrowings and approximately RMB13,047,758,000 for senior notes and interest payables. As at 31 December 2024, the Group’s cash and cash equivalents amounted to RMB1,242,346,000 only. These conditions, together with other matters described in the notes 2, 29 and 30 to the consolidated financial statements, indicated that the existence of material uncertainties which may cast significant doubt on the Group’s ability to continue as a going concern.

The directors of the Company have been undertaking restructuring plans and measures to improve the Group's liquidity and financial position, which are set out in note 2 to the consolidated financial statements. The validity of the going concern assumption on which the consolidated financial statements have been prepared depends on the outcome of these measures, which are subject to material uncertainties, including: (a) successfully negotiating with the Group's existing lenders for the renewal or extension for repayment of the Group's interest-bearing bank and other borrowings; (b) successfully securing project development loans for qualified project development; (c) successfully obtaining additional new sources of financing as and when needed; (d) successfully carrying out the Group's business strategy plan including the acceleration of the sales of properties; (e) successfully implementing measures to speed up the collection of outstanding sales proceeds and effectively control costs and expenses; and (f) successfully disposing of the Group's equity interests in project development companies when suitable.

However, we have not been able to obtain sufficient appropriate audit evidence to satisfy ourselves that the events or conditions underpinning the cash flow forecast of the Group for going concern assessment are reasonable and supportable, including but not limited to the reasonableness of the management's plan regarding on the renewal or extension of existing interest-bearing bank and other borrowings by existing lenders, and securing additional new sources of financing as and when needed. As a result, we were unable to satisfy ourselves about the appropriateness of the use of the going concern basis of accounting in the preparation of the consolidated financial statements by the management of the Group.

Should the Group fail to continue as a going concern, adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities. The effect of these adjustments has not been reflected in these consolidated financial statements."

13. The Company and the audit committee's view and the plan to address the disclaimer of audit opinion

The management of the Company has provided such explanation and information to the Board as necessary to enable the Board to carry out an informed assessment of the financial information and position of the Company in order to put forward such information to the Board for approval.

In view of the above circumstances indicating the existence of material uncertainties, which cast significant doubt over the Group's ability to continue as a going concern by the independent auditor of the Company, the Directors have undertaken a number of plans and measures to improve the Group's liquidity and financial position, including: (a) the Group has been actively negotiating with several banks and financial institutions on the extension for repayments of certain borrowings; (b) the Group has been actively negotiating with several financial institutions to obtain new loans at a reasonable cost for ensuring delivery of its property projects under development; (c) the Group will continue to seek for other alternative financing and borrowings to finance the settlement of its existing financial obligations and future operating and capital expenditures; (d) the Group has prepared a business strategy plan mainly focusing on the acceleration of the sales of properties; (e) the Group has implemented measures to speed up the collection of outstanding sales proceeds and effectively control costs and expenses; and (f) the Group will continue to seek suitable opportunities to dispose of its equity interests in certain project development companies in order to generate additional cash inflows.

The Directors have reviewed the Group's cash flow projections prepared by management, which cover a period of not less than twelve months from 31 December 2024. They are of the opinion that, taking into account the abovementioned plans and measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within twelve months from 31 December 2024. Accordingly, the Directors are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Our audit committee had independently reviewed the disclaimer of opinion and also the Board's position and its view as well as the measures to address the related issue. Our audit committee respects the independent judgment of the Company's auditor in relation to the disclaimer of opinion. Our audit committee is in agreement with the Board and the management in relation to the Group's ability to continue as a going concern, and in particular the aforementioned measures to be implemented by the Group. Our audit committee is of the view that the Board should continue its efforts in implementing the measures with the intention of improving the Group's liquidity and financial position and removing the disclaimer of opinion.

14. Scope of work of CCTH CPA Limited on the Preliminary Announcement

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and consolidated statement of comprehensive income and related notes thereto for the year ended 31 December 2024 as set out in this announcement have been agreed by the Group's auditors, CCTH CPA Limited, to the amounts set out in the Group's draft consolidated financial statements for the year ended 31 December 2024. The work performed by CCTH CPA Limited 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 CCTH CPA Limited on this announcement.

15. Publication of Annual Results and Annual Report on the Websites of the Stock Exchange and the Company

This annual results announcement is published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.rsunproperty.hk). The annual report of the Company for the year ended 31 December 2024 will be despatched to the shareholders of the Company in the manner as they elect to receive corporate communication, and available for viewing on the aforesaid websites of the Stock Exchange and the Company in due course.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to extend my wholehearted gratitude to all parties for their unfailing support and to all employees for their contribution and hard work to the Company in year 2024.

By order of the Board
Redsun Properties Group Limited
Zeng Huansha
Chairman

Hong Kong, 27 March 2025

As of the date of this announcement, the executive Directors are Mr. Zeng Huansha, Mr. Chen Bin and Ms. Hu Fang; and the independent non-executive Directors are Mr. Lee Kwok Tung Louis, Mr. Leung Yau Wan John and Mr. Au Yeung Po Fung.