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Radiance Holdings (Group) Company Limited

金輝控股(集團)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9993)

**ANNOUNCEMENT OF ANNUAL RESULTS
(1) FOR THE YEAR ENDED 31 DECEMBER 2024;
AND
(2) CHANGE OF COMPOSITION OF
THE NOMINATION COMMITTEE**

RESULTS HIGHLIGHTS

- Revenue was approximately RMB24,766,000,000.
- As at 31 December 2024, total interest-bearing debts was RMB24,600,000,000, representing a decrease of RMB4,830,000,000 as compared to that of RMB29,430,000,000 for the year ended 31 December 2023.
- Weighted average cost of indebtedness was 5.26%, representing a decrease 0.73 percentage point as compared with the corresponding period in 2023.

(1) ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

The board (the “**Board**”) of directors (the “**Directors**”) of Radiance Holdings (Group) Company Limited (the “**Company**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively the “**Group**”, “**we**”, “**our**” or “**us**”) for the year ended 31 December 2024 with comparative figures for the preceding financial year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2024

	<i>Notes</i>	2024	2023
		<i>RMB'000</i>	<i>RMB'000</i>
REVENUE	3	24,766,044	34,248,685
Cost of sales		<u>(30,565,283)</u>	<u>(31,719,977)</u>
Gross (loss)/profit		(5,799,239)	2,528,708
Other income and gains	3	27,518	23,105
Selling and distribution expenses		(784,580)	(1,030,479)
Administrative expenses		(566,453)	(686,337)
Finance income		21,143	51,611
Finance costs	4	(364,480)	(295,840)
Other expenses		(99,672)	(152,134)
Fair value (losses)/gains on investment properties		(619,518)	359,762
Fair value losses on financial assets at fair value through profit or loss		(84,375)	(1,418)
Share of profits and losses of:			
Joint ventures		(118,442)	(99,360)
Associates		(433,955)	139
(LOSS)/PROFIT BEFORE TAX	5	(8,822,053)	697,757
Income tax expense	6	<u>(1,230,123)</u>	<u>(1,131,700)</u>
LOSS FOR THE YEAR		<u>(10,052,176)</u>	<u>(433,943)</u>

	2024	2023
<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	<u>—</u>	<u>—</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	<u>(10,052,176)</u>	<u>(433,943)</u>
Attributable to:		
Owners of the parent	<u>(9,111,234)</u>	<u>(581,248)</u>
Non-controlling interests	<u>(940,942)</u>	<u>147,305</u>
	<u>(10,052,176)</u>	<u>(433,943)</u>
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT		
Basic and diluted loss per share	8	<u>RMB(2.25) yuan</u>
		<u>RMB(0.14) yuan</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2024

	<i>Notes</i>	31 December 2024 RMB'000	31 December 2023 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		987,488	884,656
Right-of-use assets		694,330	729,667
Investment properties		16,368,800	16,845,700
Intangible assets		19,777	21,697
Investments in joint ventures		3,615,935	2,581,944
Investments in associates		5,558,031	5,705,529
Financial assets at fair value through profit or loss		–	84,405
Deferred tax assets		1,857,739	2,286,927
Other non-current assets		940,000	1,402,644
		30,042,100	30,543,169
CURRENT ASSETS			
Properties under development		40,041,139	62,580,103
Completed properties held for sale		11,734,976	15,408,278
Trade receivables	9	37,491	39,458
Contract cost assets		802,815	899,672
Due from related parties		3,841,100	4,100,131
Prepayments, other receivables and other assets		6,846,278	8,028,479
Tax recoverable		918,739	1,082,370
Financial assets at fair value through profit or loss		2,315	23,408
Restricted cash		560,621	2,264,883
Cash and bank equivalents		1,829,772	4,808,037
		66,615,246	99,234,819
CURRENT LIABILITIES			
Trade payables	10	10,236,011	11,053,574
Other payables and accruals		3,614,388	2,676,974
Contract liabilities		20,419,460	37,659,856
Due to related parties		5,219,487	4,928,152
Tax payable		6,195,266	5,739,088
Interest-bearing bank and other borrowings		6,292,790	11,734,403
Proceeds from asset-backed securities		20,818	47,606
Senior notes		–	2,142,841
Corporate bonds		1,219,287	15,707
Lease liabilities within one year		2,266	3,354
		53,219,773	76,001,555
NET CURRENT ASSETS		13,395,473	23,233,264
TOTAL ASSETS LESS CURRENT LIABILITIES		43,437,573	53,776,433

	31 December 2024 RMB'000	31 December 2023 RMB'000
NON-CURRENT LIABILITIES		
Interest-bearing bank and other borrowings	13,275,377	11,036,720
Proceeds from asset-backed securities	1,659,824	1,672,856
Corporate bonds	2,134,120	2,778,304
Lease liabilities	1,013	2,497
Deferred tax liabilities	2,239,725	2,336,955
	<hr/>	<hr/>
Total non-current liabilities	19,310,059	17,827,332
	<hr/>	<hr/>
Net assets	24,127,514	35,949,101
	<hr/> <hr/>	<hr/> <hr/>
EQUITY		
Equity attributable to owners of the parent		
Share capital	35,095	35,095
Reserves	14,798,327	23,917,824
	<hr/>	<hr/>
	14,833,422	23,952,919
	<hr/>	<hr/>
Non-controlling interests	9,294,092	11,996,182
	<hr/>	<hr/>
Total equity	24,127,514	35,949,101
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards (“**IFRS Accounting Standards**”) (which include all standards and interpretations, International Accounting Standards (“**IASs**”) and Standing Interpretations Committee interpretations) approved by the International Accounting Standards Board (the “**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. These financial statements are presented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousand except when otherwise indicated.

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, 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, any non-controlling interest and the 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.

Going concern basis

The Group recorded a net loss of RMB10,052,176,000 for the year ended 31 December 2024, and the Group had short-term borrowings of RMB7,532,895,000, while its cash and cash equivalents amounted to RMB1,829,772,000 as at 31 December 2024. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

In view of these circumstances and the current economic environment, the directors of the Company have given consideration to the future liquidity of the Group and its available sources of financing including credit facilities in assessing whether the Group will have sufficient financial resources to continue as a going concern. The directors of the Company also have implemented various measures to ensure that the Group maintains adequate working capital, including:

- (i) accelerating the sale of properties and speeding up the collection of sales proceeds;
- (ii) closely monitoring the process of construction of its property development projects to ensure that construction and related payments are fulfilled and the relevant properties sold under pre-sale arrangements are completed and delivered to the customers on schedule;

- (iii) seeking continuously for re-financing of existing borrowings as well as new debt financing and bank borrowings at costs acceptable to the Group to finance the settlement of its existing financial obligations and future operating and capital expenditures; and
- (iv) not committing on significant capital expenditures and land acquisitions before securing the necessary funding.

The directors of the Company are of the opinion that, taking into account the above plans and measures, the Group will have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due within the following twelve months from 31 December 2024. Accordingly, the directors of the Company are satisfied that it is appropriate to prepare the consolidated financial statements of the Group for the year ended 31 December 2024 on a going concern basis.

Notwithstanding the above, given the volatility of the property sector and the uncertainties to obtain continuous support by the banks and the Group’s creditors, material uncertainties exist as to whether management of the Company will be able to achieve its plans and measures as described above.

Should the going concern assumption be inappropriate, adjustments may have to be made to write down the values of assets to their recoverable amounts, to provide for any further liabilities that might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the consolidated financial statements.

1.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised IFRS Accounting Standards for the first time for the current year’s 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 nature and impact of the revised IFRS Accounting Standards are described below:

- a) Amendments to IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of IFRS 16, the amendments did not have any impact on the financial position or performance of the Group.

- b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

- c) Amendments to IAS 7 and IFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the Group's financial statements.

2. OPERATING SEGMENT INFORMATION

Management monitors the operating results of the Group's business which includes property development, property leasing, the provision of management consulting services and the hotel services. Property leasing, the provision of management consulting services and hotel services are not significant in revenue contribution. Thus, property development is the only reportable operating segment of the Group, and no further operating segment analysis thereof is presented.

Geographical information

No geographical information is presented as the Group's revenue from the external customers is derived solely from its operation in Mainland Chinese and no non-current assets of the Group are located outside Mainland Chinese.

Information about major customers

No revenue from sales to a single customer or a group of customers under common control accounted for 10% or more of the Group's revenue at the end of the reporting period.

3. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Revenue from contracts with customers	24,433,226	33,831,807
Revenue from other sources		
Property lease income	<u>332,818</u>	<u>416,878</u>
Total	<u><u>24,766,044</u></u>	<u><u>34,248,685</u></u>

Revenue from contracts with customers

(a) Disaggregated revenue information

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Types of goods or services		
Sale of properties	24,347,082	33,814,274
Hotel services	71,422	–
Management consulting services	14,722	17,533
	<u>24,433,226</u>	<u>33,831,807</u>
Total revenue from contracts with customers	<u>24,433,226</u>	<u>33,831,807</u>
Timing of revenue recognition		
Properties transferred at a point in time	24,347,082	33,814,274
Services transferred over time	86,144	17,533
	<u>24,433,226</u>	<u>33,831,807</u>
Total revenue from contracts with customers	<u>24,433,226</u>	<u>33,831,807</u>

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Sale of properties	<u>19,760,305</u>	<u>28,004,625</u>

(b) Performance obligations

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

Sale of properties

The performance obligation is satisfied upon delivery of the properties and the Group has already received the payment or has the right to receive the payment probably.

Management consulting services and hotel services

For management consulting services and hotel 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 management consulting service contracts and hotel services do not have a fixed term. The term of the contracts 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:

Amounts expected to be recognised as revenue:

	2024	2023
	RMB'000	RMB'000
Within one year	16,971,144	29,985,130
After one year	2,480,212	4,092,005
Total	19,451,356	34,077,135

An analysis of other income and gains is as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Other income and gains		
Subsidy income	1,817	5,152
Deposit forfeiture	15,306	9,240
Investment income from financial assets at fair value through profit or loss	–	108
Gain on disposal of items of property, plant and equipment	10,167	2,552
Others	228	6,053
	<hr/>	<hr/>
Total	27,518	23,105
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4. FINANCE COSTS

An analysis of finance costs is as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Interest on loans and borrowings	1,411,029	1,997,329
Interest expense arising from revenue contracts	312,905	506,474
Interest on lease liabilities	328	687
	<hr/>	<hr/>
Total interest expense on financial liabilities not at fair value through profit or loss	1,724,262	2,504,490
<i>Less: Interest capitalised</i>	<i>(1,359,782)</i>	<i>(2,208,650)</i>
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Total	364,480	295,840
	<hr/> <hr/>	<hr/> <hr/>

5. (LOSS)/PROFIT BEFORE TAX

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

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Cost of inventories sold (excluding impairment losses recognised for properties under development and properties held for sale)	21,397,542	30,708,935
Cost of services provided	10,306	12,273
Impairment losses recognised for properties under development	6,663,782	646,628
Impairment losses recognised for properties held for sale	2,493,653	352,141
Impairment losses (reversed)/recognised in financial assets	(12,997)	26,793
Depreciation of items of property, plant and equipment	42,173	21,993
Amortisation of intangible assets	4,975	4,472
Depreciation of right-of-use assets	34,504	38,839
Rental expenses	3,133	4,492
Auditors' remuneration	10,149	10,245
Employee benefit expense (including directors' and chief executive's remuneration):		
Wages and salaries	219,651	278,172
Pension scheme contributions and social welfare	37,068	47,385
Total	<u>30,903,939</u>	<u>32,152,368</u>

6. INCOME TAX

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, the Group's subsidiaries incorporated in the Cayman Islands and British Virgin Islands are not subject to any income tax.

Subsidiaries of the Group operating in Mainland Chinese were subject to PRC corporate income tax with a tax rate of 25% for the year

LAT is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sales of properties less deductible expenditures including land costs, borrowing costs and other property development expenditures. The Group has estimated, made and included in taxation a provision for LAT according to the requirements set forth in the relevant Mainland Chinese tax laws and regulations. The LAT provision is subject to the final review and approval by the local tax bureau.

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Current tax		
Corporate income tax	481,091	581,365
LAT	417,074	308,621
Deferred tax	<u>331,958</u>	<u>241,714</u>
Total tax charge for the year	<u><u>1,230,123</u></u>	<u><u>1,131,700</u></u>

Tax payable in the consolidated statement of financial position represents:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Tax payables:		
Corporate income tax	1,882,176	1,665,418
LAT	<u>4,313,090</u>	<u>4,073,670</u>
Total tax payable	<u><u>6,195,266</u></u>	<u><u>5,739,088</u></u>

7. DIVIDENDS

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

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

The calculation of the basic loss per share amount is based on the loss for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 4,045,227,000 (2023: 4,045,227,000) outstanding during the year.

The weighted average number of ordinary shares used to calculate the basic loss per share amounts for the years ended 31 December 2024 and 2023 was based on 1 share of the Company as at 17 October 2019, 1 share of the Company issued on 6 March 2020, and 3,399,999,998 ordinary shares of the Company issued under the capitalisation issue occurred on 29 October 2020, as if the additional shares issued under the capitalisation issue had been in issue throughout the years ended 31 December 2024 and 2023. On 29 October 2020, the Company issued 600,000,000 new ordinary shares. On 25 November 2020, the over-allotment option has been partially exercised and the Company allotted and issued 45,227,000 additional shares.

No adjustment has been made to the basic loss per share amounts presented for the years ended 31 December 2024 and 2023 in respect of a dilution as the Group had no potentially dilutive ordinary shares outstanding during the years ended 31 December 2024 and 2023.

The calculation of the basic loss per share amounts is based on:

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Loss		
Loss attributable to ordinary equity holders of the parent	<u>(9,111,234)</u>	<u>(581,248)</u>
	Number of shares	
	2024	2023
Shares		
Weighted average number of ordinary shares in issue during the year	<u>4,045,227,000</u>	<u>4,045,227,000</u>
Loss per share		
Basic and diluted	<u>RMB(2.25) yuan</u>	<u>RMB(0.14) yuan</u>

9. TRADE RECEIVABLES

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivables	39,614	41,682
Impairment	(2,123)	(2,224)
	<u>37,491</u>	<u>39,458</u>
Total	<u>37,491</u>	<u>39,458</u>

The Group's trade receivables primarily consist of receivables from its property sales and property lease. Proceeds from property sales and property lease are generally received in accordance with the terms stipulated in the sale and purchase agreements. Trade receivables are settled based on the progress payment schedule stipulated in the contract. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

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	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year	36,629	39,042
1 to 3 years	862	416
	<u>37,491</u>	<u>39,458</u>
Total	<u>37,491</u>	<u>39,458</u>

The movements in the loss allowance for impairment of trade receivables are as follows:

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
At beginning of year	2,224	1,020
Impairment losses (<i>note 6</i>)	(101)	1,204
At the end of the year	<u>2,123</u>	<u>2,224</u>

An impairment analysis is performed at the end of each reporting period using a provision matrix to measure expected credit losses. The provision rates are based on ageing for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2024:

	Ageing			Total
	Less than 1 year	1 to 3 years	Over 3 years	
Expected credit loss rate	2.4%	15.9%	100.0%	5.4%
Gross carrying amount	37,514	1,025	1,075	39,614
Expected credit losses	885	163	1,075	2,123

As at 31 December 2023:

	Ageing			Total
	Less than 1 year	1 to 3 years	Over 3 years	
Expected credit loss rate	2.7%	10.3%	100.0%	5.3%
Gross carrying amount	40,143	464	1,075	41,682
Expected credit losses	1,101	48	1,075	2,224

10. TRADE PAYABLES

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

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year	9,621,850	10,390,127
Over 1 year	614,161	663,447
Total	<u>10,236,011</u>	<u>11,053,574</u>

There were no trade payables as at 31 December 2024 (31 December 2023: Nil) due to suppliers that have signed up to a supply chain financing program.

Trade payables are unsecured and are normally settled based on the progress of construction.

The fair values of trade payables as at the end of the reporting period approximated to their corresponding carrying amounts due to their relatively short maturity terms.

CHAIRMAN’S STATEMENT

Dear Shareholders,

I am pleased to present the annual results and business review for the year ended 31 December 2024 as well as the prospects for 2025 of Radiance Holdings (Group) Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”, “**we**”, “**us**” or “**our**”).

Annual Results

The Group recorded fair value losses on certain of its investment properties for the year ended 31 December 2024 with contracted sales prices declined and weaker-than-expected occupancy rates and rental income amid a generally weak market sentiment and the ongoing corrections in the real estate sector. For the year ended 31 December 2024, revenue of the Group amounted to RMB24,766.0 million, representing a year-on-year decrease of 27.7%. Loss attributable to the owners of the Company for the year ended 31 December 2024 was RMB9,111.2 million.

Market and Policy Review

In 2024, the real estate market in China saw a year-on-year decline in both investment and sales. However, macroeconomic regulation policies underwent a significant shift, with the primary focus on “halting the decline and stabilising the market”. Over the year, a series of policies and measures have been introduced intensively at all levels of the government of the People’s Republic of China (the “**PRC**”), which aimed at optimising real estate policies, lowering barriers and costs for homebuyers, and boosting market confidence. On the sales side, down payment ratios and mortgage interest rates hit historic lows, while adjustments to taxes such as deed tax and value-added tax further reduced the cost of purchasing property. On the supply side, initiatives such as the acquisition of commercial housing and the revitalisation of idle land were implemented to foster the steady and healthy development of the real estate market. The comprehensive restart of urban village renovations and the redevelopment of dilapidated housing emerged as key drivers for reducing inventory. Currently, first-tier and selected second-tier cities have shown signs of stabilisation.

Prudent Operations and Commitment to Delivery

Amid market volatility, the Group took proactive steps to reduce its leverage ratio and financial costs. As of 31 December 2024, the Group's outstanding debt stood at approximately RMB24,602.2 million, representing a decrease of approximately 16.4% compared to the same period in 2023. The weighted average cost of debt for the year ended 31 December 2024 was approximately 5.26%, down by approximately 0.73% year-on-year. In April 2024, it completed the repayment of its USD bonds, settling all credit bonds issued in the public market; and in July 2024, it successfully issued RMB550 million medium-term notes. These actions reflect the Group's prudent operations and robust financial fundamentals, which have been widely recognised by the market.

In 2024, the Group remained steadfast in its commitment to the “guaranteed delivery” initiative, honouring its promises to customers. It delivered over 27,000 high-quality residential units across 22 cities nationwide, with many projects exceeding expectations by being completed ahead of schedule. This achievement underscores the Group's exceptional ability to deliver on its commitments and reinforces its strong brand reputation, rooted in a long-term vision.

Prospects for 2025

In 2025, the Central People's Government has outlined plans to implement more proactive macroeconomic policies in order to boost domestic demand and stabilise both the property and stock markets. Guided by policy measures and market adjustments, the real estate sector in the PRC is expected to gradually achieve “halting the decline and stabilising the market”. The ongoing adjustments in the real estate market are set to drive industry-wide transformation and restructuring. The Central People's Government will accelerate the development of a new real estate model, improve the housing supply system, and promote high-quality growth in the sector. The Group is poised to seize emerging opportunities, embrace change, and actively refine its business strategies. By building a new management model and focusing on creating “quality homes,” the Group aims to align with evolving market and industry demands, ensuring continued steady progress in the years ahead.

Appreciation

On behalf of members of the board (the “**Board**”) of directors (the “**Director(s)**”) of the Company, I would like to express the most sincere appreciation to all the shareholders of the Company (the “**Shareholder(s)**”), investors, business partners and customers of the Group for their supports to, and trust in, the Company, and all members of the management team and all employees for their dedication and hard work in the preceding year. In the future, the Group will continue to maintain a stable, balanced and high-quality corporate development prospects, and adhere to the philosophy of “Building Properties with Craftsmanship and Make Better Homes” to facilitate urban development, help people live a better life, bring better products and services to the industry and users and create higher value for shareholders and investors.

Lam Ting Keung
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

Performance Highlights

	As of 31 December	
	2024	2023
Highlights of financial information		
Recognised revenue (<i>RMB'000</i>)	24,766,044	34,248,685
Gross (loss)/profit (<i>RMB'000</i>)	(5,799,239)	2,528,708
Loss attributable to the owners of the Company (<i>RMB'000</i>)	(9,111,234)	(581,248)
Gross profit margin (%)	-23.4%	7.38%
Net profit margin (%)	-40.6%	-1.27%
Loss per Share (basic and diluted) (<i>RMB cents</i>)	(225)	(14)
Total assets (<i>RMB'000</i>)	96,657,346	129,777,988
Total indebtedness (<i>RMB'000</i>) ⁽¹⁾	24,602,216	29,428,437
Net indebtedness (<i>RMB'000</i>) ⁽²⁾	22,211,823	22,355,517
Equity attributable to owners of the parent company (<i>RMB'000</i>)	14,833,422	23,952,919
Current ratio (<i>times</i>) ⁽³⁾	1.3	1.3
Weighted average cost of indebtedness (%) ⁽⁴⁾	5.26%	5.99%
Net gearing ratio (%) ⁽⁵⁾	92.1%	62.19%
Liability asset ratio after excluding receipts in advance (%) ⁽⁶⁾	68.4%	60.98%

Notes:

1. Total indebtedness represents total interest-bearing bank and other borrowings, proceeds from asset-backed securities, corporate bonds and senior notes.
2. Net indebtedness is calculated by total borrowings (including current and long-term interest-bearing bank and other borrowings, current and long-term proceeds from asset-backed securities, current and long-term senior notes as well as current and long-term corporate bonds) minus cash and bank balances (including restricted cash, pledged deposits as well as cash and cash equivalents).
3. Current ratio is calculated based on total current assets divided by total current liabilities as of the respective dates.
4. Weighted average cost of indebtedness represents the weighted average of interest costs of all outstanding indebtedness.
5. Net gearing ratio is calculated by dividing total borrowings (including current and long-term interest-bearing bank and other borrowings, current and long-term proceeds from asset-backed securities, current and long-term senior notes as well as current and long-term corporate bonds) minus cash and bank balances (including restricted cash, pledged deposits as well as cash and cash equivalents) by total equity.
6. Liability asset ratio after excluding receipts in advance is calculated by dividing total liabilities minus contract liabilities by total assets minus contract liabilities.

Property development and sales

We focus on suitable locations in selected cities in eight major regions of Yangtze River Delta, the Bohai Economic Rim, Southeastern China, Eastern China, Central China, Southwestern China, Northwestern China and Shenzhen/Huizhou. The table below sets forth our revenue generated from each region, total gross floor area (“GFA”) delivered in each region and the respective recognised average selling price (“ASP”) per square meter for each region for the periods indicated:

	Year ended 31 December							
	2024				2023			
	Revenue		GFA	Recognised	Revenue		GFA	Recognised
	<i>RMB'000</i>	<i>%</i>	<i>Delivered sq.m.</i>	<i>ASP RMB/sq.m.</i>	<i>RMB'000</i>	<i>%</i>	<i>Delivered sq.m.</i>	<i>ASP RMB/sq.m.</i>
Yangtze River Delta	2,075,338	8.5	109,860	18,891	9,094,232	26.9	481,558	18,885
Northwestern China	5,859,699	24.1	358,728	16,335	5,767,467	17.0	368,772	15,640
Southwestern China	1,311,142	5.4	88,510	14,814	2,059,481	6.1	200,496	10,272
Southeastern China	2,458,995	10.1	247,414	9,939	3,052,760	9.0	271,310	11,252
Central China	4,891,400	20.1	442,162	11,062	1,667,332	4.9	185,006	9,012
Eastern China	5,946,583	24.4	538,353	11,046	6,477,204	19.2	632,905	10,234
Bohai Economic Rim	339,334	1.4	34,224	9,915	5,124,246	15.2	472,789	10,838
Shenzhen/Huizhou	1,464,591	6.0	100,671	14,548	571,552	1.7	45,212	12,642
Total	24,347,082	100	1,919,922	12,681	33,814,274	100	2,658,048	12,721

Investment Properties

As at 31 December 2024, the Group had 27 investment properties with a total GFA of approximately 1,348,098 square meters (“sq.m.”), and one investment property held for future development with a total GFA of approximately 69,530 sq.m.

Projects under Construction

As at 31 December 2024, the total planned GFA of the Group’s projects under construction was approximately 10,566,823 sq.m., representing a decrease of approximately 13.0% compared to the total planned GFA of approximately 12,141,245 sq.m. as at 31 December 2023.

Land Bank

As of 31 December 2024, the Group's land bank GFA and total land bank GFA attributable to the Group were approximately 19,397,626 sq.m. and 15,617,671 sq.m., respectively.

The table below sets forth the breakdown of the total land bank of the subsidiaries, joint ventures and associate companies of the Group as at 31 December 2024:

Region

Land Bank of the Group	Area of Land Bank Sq. m	Area of Attributable Land Bank Sq. m
Chongqing Company	929,874	714,955
Wuhuan Company	2,510,476	1,919,615
Beijing Company	1,113,590	1,056,209
Shanghai Company	4,209,171	3,811,293
Xi'an Company	4,678,708	4,491,560
Fujian Company	<u>2,335,822</u>	<u>2,015,584</u>
Subtotal of land bank of the Group	<u>15,777,641</u>	<u>14,009,215</u>
Land bank of the Group's joint ventures and associates		
Chongqing Company	142,319	54,340
Wuhuan Company	60,280	23,514
Beijing Company	718,706	238,466
Shanghai Company	1,550,820	733,797
Xi'an Company	358,323	181,073
Fujian Company	<u>789,537</u>	<u>377,265</u>
Subtotal of land bank of the Group's joint ventures and associates	<u>3,619,985</u>	<u>1,608,456</u>
Total	<u><u>19,397,626</u></u>	<u><u>15,617,671</u></u>

Note:

The GFA of the Group's land bank includes (i) GFA available for sale and total rentable GFA of completed projects; (ii) total GFA for properties under development; and (iii) total GFA for properties held for future development. In respect of the non-wholly owned projects, the GFA will be adjusted according to the equity interests of the Group in relevant projects.

FINANCIAL REVIEW

Revenue

For the year ended 31 December 2024, the revenue of the Group was approximately RMB24,766.0 million, representing a decrease of approximately 27.7% as compared to approximately RMB34,248.7 million of the corresponding period last year. Our revenue mainly derived from the development and sales of the Group's residential properties and commercial properties. We also derived revenue from leasing of commercial properties, provision of management consulting services for the overall operation of property projects to our joint ventures and associates and provision hotel services.

The table below sets forth the information related to our revenue for the periods indicated:

	Year ended 31 December			
	2024		2023	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%
Property development and sales	24,347,082	98.3	33,814,274	98.7
Residential	23,356,433	94.3	33,098,817	96.6
Commercial	990,649	4.0	715,457	2.1
Property leasing	332,818	1.3	416,878	1.2
Management consulting services	14,722	0.1	17,533	0.1
Hotel services	71,422	0.3	–	–
Total	<u>24,766,044</u>	<u>100</u>	<u>34,248,685</u>	<u>100</u>

Revenue from Property Development and Sales

As of 31 December 2024, the revenue from property development and sales was approximately RMB24,347.1 million, representing a decrease of approximately 28.0% as compared to approximately RMB33,814.3 million of the corresponding period last year. The decrease in the Group's revenue from property development and sales was primarily attributable to a decrease in the total GFA delivered by the Group due to the generally weak market sentiment in the PRC and adjustments in the real estate industry which has posed downward pressure on the Group's contracted sales prices during the year ended 31 December 2024.

Rental Income

Revenue from property leasing consists of recurring rental revenue from leasing our commercial properties, such as office buildings, shopping malls and shopping streets. Our rental income decreased by approximately 20% to approximately RMB332.8 million for the year ended 31 December 2024 from approximately RMB416.9 million for the year ended 31 December 2023 caused by decline of business economic environment leading to lower than expected occupancy rates and rental levels of properties during the year ended 31 December 2024.

Management Consulting Services

The Group provides management consulting services to its joint ventures and associates, such services mainly include management consultation services provided to these entities in connection with the construction, sales and marketing of properties, and overall project management during the development and sales of properties. Our revenue from management consulting services decreased by approximately 16% to approximately RMB14.7 million for the year ended 31 December 2024 from approximately RMB17.5 million for the year ended 31 December 2023, which was mainly due the decrease in scale of projects developed by our joint ventures and associates to which we provided management consulting services.

Hotel services

During the year ended 31 December 2024, the Group recorded revenue amounting to RMB71.4 million from the provision of hotel services.

Cost of Sales

Cost of property development and sales mainly consists of construction costs, land acquisition costs and capitalized interest. During the year ended 31 December 2024, our cost of sales amounted to approximately RMB30,565.3 million, representing a decrease of 3.6% as compared to that of RMB31,720 million for the year ended 31 December 2023, which was primarily attributable to a decrease in the total GFA delivered and the increase in the Group's provision for impairment of inventories during the year ended 31 December 2024.

Gross Loss and Gross Profit Margin

As a result of the foregoing, for the year ended 31 December 2024, the Group recorded gross loss of approximately RMB5,799.2 million, as compared to gross profit of RMB2,528.7 million for the year ended 31 December 2023.

The Group recorded negative gross margin of approximately 23.4% for the year ended 31 December 2024, as compared to gross profit margin of approximately 7.4% for the year ended 31 December 2023.

Finance Income

The Group's finance income primarily consists of interest income from bank deposits, interest income from funds the Group advanced to our joint ventures and associates and interest received from third parties. For the year ended 31 December 2024, the Group's finance cost was approximately RMB21.1 million, representing a decrease of approximately 59.0% as compared to approximately RMB51.6 million for the year ended 31 December 2023, which was mainly due to the decrease in average bank deposits of the Group as a result of the Group's efforts in settling its outstanding debts during the year ended 31 December 2024.

Other Income and Gains

The Group's other income and gains increased to approximately RMB27.5 million for the year ended 31 December 2024 from approximately RMB23.1 million for the year ended 31 December 2023, which was mainly due to gain on disposal of property, plant and equipment in 2024.

Selling and Distribution Expenses

The Group's selling and distribution expenses mainly consist of (i) promotion and advertising expenses, which primarily represent costs incurred in connection with advertisement in media and promotional events; (ii) employee benefit expenses, which primarily represent salaries paid to our Group's selling and marketing personnel; (iii) office and property management expenses, which primarily represent the expenses incurred in daily operation and management of the Group's sales offices; (iv) sales expenses, which primarily represent commissions paid to third-party sales agencies; (v) depreciation and amortization, which primarily represent the depreciation and amortization of equipment and devices used by the Group's selling and marketing personnel; (vi) travelling and entertainment expenses; and (vii) after-sales service expenses, which primarily represent expenses incurred during the provision of our Group's after-sales services to our customers.

The Group's selling and distribution expenses decreased by approximately 23.9% to approximately RMB784.6 million for the year ended 31 December 2024 from approximately RMB1,030.5 million for the year ended 31 December 2023, which was mainly due to the carry-forward of projects pre-sold in 2024 in the current period, and the contract assets carried forward as sales agency fees in accordance with the carry-forward ratio of projects decreased during the year ended 31 December 2024 as compared with the corresponding period of last year.

Administrative Expenses

Our administrative expenses mainly consist of (i) employee benefit expenses, which primarily represent salaries paid to our Group's administrative personnel; (ii) tax and surcharges, which primarily represent stamp duties in relation to sales contracts the Group entered into and property tax in relation to properties our Groups leased; (iii) depreciation and amortization, which primarily represent the depreciation and amortization of the Group's offices and office equipment; (iv) office expenses, which primarily represent the expenses incurred by our Group's administrative personnel in the daily operations of our Group's offices; (v) professional consulting expenses, which primarily represent the expenses for the consulting services the Group engaged in order to increase our operational efficiency; (vi) bank service charges, which primarily represent the expenses for miscellaneous bank services; (vii) travelling and entertainment expenses; and (viii) service expenditures.

The Group's administrative expenses decreased by approximately 17.5% to approximately RMB566.5 million for the year ended 31 December 2024 from approximately RMB686.3 million for the year ended 31 December 2023, which was primarily attributable to the decrease in staff salaries and office expenses.

Finance Cost

Our finance costs mainly consist of (i) interest on bank and other borrowings, corporate bonds, asset-backed securities, senior notes and lease liabilities; and (ii) interest expense arising from revenue contracts, which represents interest expenses recognised for the significant financing components included in contract liabilities during the period from the receipt of sales proceeds to the delivery of the underlying properties, less capitalized interest directly relating to properties under development.

The Group's finance cost increased by approximately 23.2% to approximately RMB364.5 million for the year ended 31 December 2024 from approximately RMB295.8 million for the year ended 31 December 2023, which was primarily attributable to the increase in the expensed project interest expenses due to the completion of property projects of the Group in 2024.

The Group's weighted average cost of debt as at 31 December 2024 was approximately 5.26% (31 December 2023: 5.99%).

Other Expenses

The Group's other expenses decreased by approximately 34.5% to RMB99.7 million for the year ended 31 December 2024 from RMB152.1 million for the year ended 31 December 2023, which was primarily due to the reduction of compensation and liquidated damages incurred by the Group during the year ended 31 December 2024.

Fair Value Gains and Losses on Investment Properties

Fair value gains on investment properties represent the changes in the fair value of our investment properties. For the year ended 31 December 2024, the Group recorded fair value losses on investment properties of approximately RMB619.5 million, representing a decrease of approximately 272.2% compared to fair value gains on investment properties of approximately RMB359.8 million for the year ended 31 December 2023. Such turnaround from gain to loss was mainly due to the decrease in assessed value of the investment properties as a result of the decrease in rental income in 2024 caused by decline of the business economic environment leading to lower than expected occupancy rates and rental levels of properties during the year ended 31 December 2024.

Share of Profits and losses of Joint Ventures

For the year ended 31 December 2024, the Group recorded share of losses of joint ventures of approximately RMB118.4 million, while we recorded share of losses of joint ventures of approximately RMB99.4 million for the year ended 31 December 2023. Such increase was mainly attributable to decrease in the gross profit margin of the Group's joint ventures during the year ended 31 December 2024.

Share of Profits and Losses of Associates

For the year ended 31 December 2024, the Group recorded share of losses of associates of RMB434.0 million, while we recorded share of profits of associates of RMB0.1 million for the year ended 31 December 2023. This change was primarily attributable to the decrease in the gross profit margin of the Group's associates during the year ended 31 December 2024.

(Loss)/Profit before Tax

The Group recorded loss before tax of approximately RMB8,822.1 million for the year ended 31 December 2024, as compared to the profit before tax recorded of approximately RMB697.8 million for the year ended 31 December 2023.

Income Tax Expenses

The Group's income tax expenses for the year ended 31 December 2024 included the provision made for PRC enterprise Income tax and land appreciation tax. The Group's income tax expenses increased by approximately 8.7% to RMB1,230.1 million for the year ended 31 December 2024 from RMB1,131.7 million for the year ended 31 December 2023, which was primarily attributable to the increase in land appreciation tax for the current year.

Loss for the Year

As a result of the change in the Group's financial data mentioned above, the Group recorded a net loss of approximately RMB10,052.2 million for the year ended 31 December 2024, as compared to the net loss of approximately 433.9 million for the year ended 31 December 2023, representing an increase of approximately 2,216.5%.

LIQUIDITY AND FINANCIAL RESOURCES

Net Current Assets

As at 31 December 2024, the Group's net current assets was approximately RMB13,395.5 million (2023: approximately RMB23,233.3 million). In particular, the Group's total current assets decreased by approximately 32.9% to approximately RMB66,615.2 million as at 31 December 2024 from approximately RMB99,234.8 million as at 31 December 2023. The Group's total current liabilities decreased by approximately 30.0% to RMB53,219.8 million as at 31 December 2024 from RMB76,001.6 million as at 31 December 2023. The decrease of the Group's net current assets was mainly attributable to (i) the decrease in properties under development as a result of our completion and delivery of properties during the year ended 31 December 2024; (ii) the decrease in cash and bank balances during the year ended 31 December 2024 for settlement of certain of the Group's outstanding debts; and (iii) the increase in provision for inventory impairment for the year ended 31 December 2024 due to the prolonged downturn in the real estate market in the PRC and deteriorating consumer sentiment.

Cash Position

As at 31 December 2024, the Group's cash and bank balances was approximately RMB2,390.4 million (2023: approximately RMB7,072.9 million).

Indebtedness

As at 31 December 2024, the Group's outstanding borrowings amounted to approximately RMB24,602.2 million (2023: approximately RMB29,428.4 million). Among them the RMB-denominated borrowings in 2024 amounted to approximately RMB23,575.9 million (2023: approximately RMB27,285.6 million), and the US dollar-denominated borrowings in 2024 amounted to RMB1,026.3 million (2023: approximately RMB2,142.8 million). The weighted average cost of indebtedness in 2024 was 5.26% (2023: 5.99%).

The table below sets forth the components of the Group's borrowings as at the dates indicated:

	As of 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Current		
Current portion of long term bank loans – secured	5,638,676	11,141,143
Current portion of other loans – secured	652,836	593,260
Current portion of other loans – unsecured	1,278	–
Corporate bonds	1,219,287	15,707
Senior notes	–	2,142,841
Proceeds from asset-backed securities	20,818	47,606
	<u>7,532,895</u>	<u>13,940,557</u>
Non-current		
Bank loans – secured	8,250,310	10,268,920
Bank loans – unsecured	–	–
Other loans – secured	4,000,000	767,800
Other loans – unsecured	1,025,067	–
Corporate bonds	2,134,120	2,778,304
Senior notes	–	–
Proceeds from asset-backed securities	1,659,824	1,672,856
	<u>17,069,321</u>	<u>15,487,880</u>
Total borrowings	<u>24,602,216</u>	<u>29,428,437</u>
Secured	23,575,871	27,285,596
Unsecured	1,026,345	2,142,841
Total borrowings	<u>24,602,216</u>	<u>29,428,437</u>

The following table sets out the maturity of the Group's total borrowings and the extent of the Group's total borrowings subject to fixed or floating interest rates as at the dates indicated:

	As of 31 December	
	2024	2023
	RMB'000	RMB'000
Bank loans repayable:		
Within one year	5,638,676	11,141,143
Between one and two years	5,239,338	4,475,407
Between two and five years	2,642,172	1,740,387
More than five years	368,800	4,053,126
	13,888,986	21,410,063
Other borrowings repayable:		
Within one year	654,114	593,260
Between one and two years	395,000	599,800
Between two and five years	1,485,067	168,000
Over five years	3,145,000	–
	5,679,181	1,361,060
Other corporate bonds and asset-backed securities repayable		
Within one year	1,240,105	2,206,154
Between one and four years	1,667,921	2,850,026
Over four years	2,126,023	1,601,134
	5,034,049	6,657,314
Total	24,602,216	29,428,437
By fixed or floating interest rates		
Fixed interest rate	14,196,117	15,994,087
Floating interest rate	10,406,099	13,434,350
Total Indebtedness	24,602,216	29,428,437

Pledged Assets

As at 31 December 2024, the Group's borrowings were secured by the Group's assets in the amount of approximately RMB41,233.3 million (2023: approximately RMB44,992.8 million), such assets included (i) property, plant and equipment; (ii) land use rights; (iii) investment properties; (iv) properties under development; (v) completed properties held for sale; and (vi) pledged deposits.

Financial Risk

The Group's businesses exposed us to various financial risks, including interest rate risk, foreign exchange risk, credit risk and liquidity risk. In order to minimize such risk exposures of the Group, we do not use any derivatives and other instruments for hedging. The Group does not hold or issue financial derivatives for trading purpose.

Interest Rate Risk

The Group's exposure to changes in market interest rate relates primarily to the Group's interest-bearing bank and other borrowings. The Group does not use financial derivatives to hedge interest rate risk, and uses variable rate bank borrowings and other borrowings to manage its interest cost.

Foreign Exchange Risk

The Group mainly operates its business in China, and substantial of its revenue and expenses are denominated in Renminbi. As at 31 December 2024, among the Group's cash and bank balances, approximately RMB0.8 million and RMB1.5 million was denominated in Hong Kong dollars and US dollars, respectively, such amounts were subject to the exchange rate fluctuation. The Group does not have any policy to hedge against foreign exchange risk. However, the Group will closely monitor its foreign exchange exposure, and strive to maintain the value of the Group's cash.

Credit Risk

The Group divides financial instruments on basis of shared credit risk characteristics, such as instrument type and credit risk ratings for the purpose of determining significant increases in credit risk and calculation of impairment. To manage risk arising from trade receivables, the Group has policies in place to ensure that credit terms are made only to counterparties with an appropriate credit history and management performs ongoing credit evaluations of the Group's counterparties. The credit quality of these customers is assessed after taking into account their financial position, past experience and other factors. The Group also has other monitoring procedures to ensure that follow-up action is taken to recover overdue receivables. In addition, the Group regularly reviews the recoverable amount of trade receivables to ensure that adequate impairment losses are made for irrecoverable amounts. The Group has no significant concentrations of credit risk, with credit risk spread over a large number of counterparties and customers.

Liquidity Risk

The Group's objective is to maintain a balance between sustainability and flexibility of funding through the use of interest-bearing bank and other borrowings. The Group reviews its liquidity position on an ongoing basis.

Contingent Liabilities

The Group has arrangements with various banks for the provision of mortgage financing and, where required, provides our customers with guarantees as security for mortgage loans. The terms of such guarantees typically last until the issuance of the real estate ownership certificate upon the completion of guarantee registration or satisfaction of mortgage loan by the purchaser. As a guarantor, if the purchaser defaults in payment, the Group is obligated to repay all outstanding amounts owed by the purchaser to the mortgagee bank under the loan and have the right to claim such amount from the defaulting purchaser. As at 31 December 2024, the Group did not incur any material losses in respect of the guarantees provided for mortgage facilities granted to purchasers of the Group's completed properties held for sale. The Directors considered that the likelihood of default in payments by purchasers is minimal and therefore the financial guarantees measured at fair value was immaterial. As such, no provision has been made in connection with the guarantees.

As at 31 December 2024, the Group has provided guarantee to the banks amounting to RMB15,729.9 million (2023: approximately RMB27,106.0 million) in total for the financing granted to the purchasers of the Group's properties. As at 31 December 2024, the Group has provided guarantee to the banks and other institutions amounting to approximately RMB1,242.1 million (2023: approximately RMB1,341.7 million) in total for the financing granted to the Group's related companies. As at 31 December 2024, the Group did not have any outstanding loan capital, bank overdrafts and acceptance liabilities or other similar indebtedness, debentures, mortgages, charges or loans, or acceptance credits or hire purchase commitments, guarantees or other material contingent liabilities or any covenant. The Directors have confirmed that there had not been any material change in the indebtedness, capital commitments and contingent liabilities of the Group up to the latest practicable date for the purpose of the indebtedness statement.

Legal Contingents

The Group may be involved in lawsuits and other proceedings from time to time during the ordinary course of business. The Group believes that the liabilities resulting from these proceedings will not have a material adverse effect on our business, financial condition or operating results.

Commitment

As at 31 December 2024, the Group had capital commitment of approximately RMB13,157.8 million (2023: approximately RMB18,430.8 million) in respect of properties under development, merger and acquisition of equity interest and capital injection for investment in joint ventures and associates.

Off-Balance Sheet Commitment and Arrangements

Save for the contingent liabilities disclosed above, as at 31 December 2024, the Group did not have any outstanding loan capital issued or agreed to be issued, bank overdrafts, loans, loan securities, borrowings or other similar indebtedness, acceptance liabilities (save for normal commercial notes), acceptance credits, debentures, mortgages, charges, finance lease or hire purchase commitments, guarantees or other material contingent liabilities.

Significant Investments Held, Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

During the year ended 31 December 2024, the Company has no significant investments held or material acquisitions or disposals of subsidiaries, associates and joint ventures.

Future Plan for Significant Investment

The Group did not have any immediate plans for material investments and capital assets as at 31 December 2024.

Employees

As at 31 December 2024, the Group has a total of 713 employees (2023: 1,432 employees), with most of them based in China. For the year ended 31 December 2024, staff costs (including Directors) were approximately RMB256.7 million (2023: approximately RMB325.6 million). The Group determined the salary based on the qualifications, position and experience of each employee. The Group has established a regular assessment mechanism to assess the performance of our employees, the assessment results are used as the basis for determining salary increment, bonuses and promotions.

SUBSEQUENT EVENTS

No material events were undertaken by the Group subsequent to 31 December 2024 and up to the date of this announcement.

CORPORATE GOVERNANCE

The Group is committed to achieving high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. During the year ended 31 December 2024, the Company applied the principles of good corporate governance and complied with the code provisions as set out in Part 2 of the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) except for the following deviation from code provision C.2.1 of the CG Code for reasons set out below. The Company regularly reviews its corporate governance practices to ensure compliance with the CG Code.

Chairman and Chief Executive Officer

Code provision C.2.1 of the CG Code stipulates that the roles of the chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Lam Ting Keung is the chairman of the Board and the chief executive officer of the Company. In view of the fact that Mr. Lam Ting Keung has been assuming day-to-day responsibilities in operating and managing the Group since its establishment, the Board believes that it is in the best interest of the Group to have Mr. Lam Ting Keung taking up both roles for effective management and business development. Therefore, the Directors consider that the deviation from code provision C.2.1 of the CG Code is appropriate in such circumstance.

Notwithstanding from the above, the Board views that this management structure is effective for the Group's operations and sufficient checks and balances are in place.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as contained in Appendix C3 to the Listing Rules (the “**Model Code**”) as the guidelines for the Directors' dealings in the securities of the Company. Having made specific enquiries to each of the Directors, they have confirmed their compliance with the required standards set out in the Model Code during the year ended 31 December 2024.

REVIEW OF AUDITED ANNUAL RESULTS

The Board established an audit committee (the “**Audit Committee**”) with written terms of reference in compliance with the CG Code. The terms of reference of the Audit Committee has been uploaded to the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.radiance.com.cn).

The primary duties of the Audit Committee are to review, supervise and approve the financial reporting process and internal control system and to provide advice and comments to the Board. The Audit Committee consists of three members, namely Mr. Chung Chong Sun, Mr. Zhang Huaqiao and Mr. Tse Yat Hong, each of them is an independent non-executive Director. The chairman of the Audit Committee is Mr. Chung Chong Sun, who possesses appropriate professional qualifications.

The Audit Committee has discussed, reviewed and agreed with the management of the Company regarding the accounting principles and practices adopted by the Group, together with the internal control and financial reporting matters as well as the annual results of the Group for the year ended 31 December 2024.

SCOPE OF WORK OF ERNST & YOUNG

The figures in respect of the Group's consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 December 2024 as set out in this announcement have been agreed by the Group's independent auditor, Ernst & Young, Certified Public Accountants of Hong Kong, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 December 2024. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Ernst & Young on this announcement.

EXTRACT OF INDEPENDENT AUDITOR'S REPORT

The following is an extract of the independent auditor's report issued by the Group's independent auditor, Ernst & Young, Certified Public Accountants of Hong Kong on the consolidated financial statements of the Group for the year ended 31 December 2024:

Opinion

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

Material uncertainty related to going concern

We draw attention to Note 2.1 to the consolidated financial statements, which indicates that the Group recorded a net loss of RMB10,052,176,000 for the year ended 31 December 2024, and the Group had short-term borrowings of RMB7,532,895,000, while its cash and cash equivalents amounted to RMB1,829,772,000 as at 31 December 2024. These conditions along with other matters as set forth in note 2.1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Going concern basis

The Group recorded a net loss of RMB10,052,176,000 for the year ended 31 December 2024, and the Group had short-term borrowings of RMB7,532,895,000, while its cash and cash equivalents amounted to RMB1,829,772,000 as at 31 December 2024. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

Further details of the above is disclosed as note 1.1 to this announcement.

PUBLICATION OF ANNUAL RESULTS

This announcement is published on the website of the Stock Exchange at www.hkexnews.hk as well as the website of the Company at www.radiance.com.cn. The Company's annual report for the year ended 31 December 2024 will be despatched to the Shareholders (if requested) and published on the aforementioned websites in due course.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

The Company and its subsidiaries did not purchase, sell or redeem any of the listed securities of the Company (including sale of treasury shares) during the year ended 31 December 2024. As at 31 December 2024, the Company does not hold any treasury shares.

FINAL DIVIDEND

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

2025 AGM AND CLOSURE OF REGISTER OF MEMBERS

The annual general meeting of the Company (the “**2025 AGM**”) will be convened and held on Friday, 27 June 2025. A notice convening the 2025 AGM (the “**2025 AGM Notice**”) will be published on the Company’s website and the Stock Exchange’s website and despatched to the Shareholders (if requested) in accordance with the requirements of the Listing Rules in due course. For the purposes of determining the Shareholders’ eligibility to attend, speak and vote at the 2025 AGM, the register of members of the Company will be closed from Tuesday, 24 June 2025 to Thursday, 26 June 2025, both days inclusive, during which period no transfer of the shares of the Company will be effected. In order to determine the identity of the Shareholders who are entitled to attend and vote at the 2025 AGM, all share transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Monday, 23 June 2025.

(2) CHANGE OF COMPOSITION OF THE NOMINATION COMMITTEE

Pursuant to Rule 13.51(2) of the Listing Rules, the Board further announces that with effect from 28 March 2025, Ms. Wu Yankun and Mr. Tse Yat Hong have been appointed as members of the nomination committee of the Board (the “**Nomination Committee**”) in order to enhance the corporate governance of the Company and to fulfill the new gender diversity requirement of the Nomination Committee under the Listing Rules which will be implemented with effect from 1 July 2025. Following the above change, the Nomination Committee comprises five members, namely Mr. Lam Ting Keung (chairman), Ms. Wu Yankun, Mr. Zhang Huaqiao, Mr. Tse Yat Hong and Mr. Chung Chong Sun.

By order of the Board
Radiance Holdings (Group) Company Limited
Lam Ting Keung
Chairman

Hong Kong, 28 March 2025

As at the date of this announcement, the Board comprises four executive Directors, namely, Mr. Lam Ting Keung, Mr. Lam Yu, Mr. Huang Junquan and Ms. Wu Yankun and three independent non-executive Directors, namely, Mr. Zhang Huaqiao, Mr. Tse Yat Hong and Mr. Chung Chong Sun.