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DEVGREAT GROUP LIMITED

大方廣瑞德集團有限公司

(formerly known as Shanghai Zendai Property Limited 上海証大房地產有限公司*)

(Incorporated in Bermuda with limited liability)

(Stock code: 755)

RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

CONSOLIDATED INCOME STATEMENT

		Year ended 31 December	
		2024	2023
	Notes	HK\$'000	HK\$'000
			(Re-presented)
Continuing operations			
Revenue	5	204,651	294,455
Cost of revenue	7	(128,097)	(117,012)
Gross profit		76,554	177,443
Other income, gains and losses	6	14,456	(45,787)
Gain on disposal of subsidiaries	8	133,528	–
Net (impairment losses)/reversal of impairment losses on financial assets		(673)	468,705
Provision for financial guarantees	18	(430,524)	(174,497)
Selling and marketing expenses	7	(10,534)	(11,340)
Administrative expenses	7	(75,564)	(89,543)
Change in fair value of investment properties		(401,750)	(154,062)
Finance costs	9	(180,100)	(239,926)
Loss before income tax		(874,607)	(69,007)
Income tax credit	10	36,405	78,175
(Loss)/profit for the year from continuing operations		(838,202)	9,168
Discontinued operation			
Profit for the year from discontinued operation	17	29,279	17,078
(Loss)/profit for the year		(808,923)	26,246

CONSOLIDATED INCOME STATEMENT (CONTINUED)

		Year ended 31 December	
		2024	2023
		<i>HK\$'000</i>	<i>HK\$'000</i>
<i>Notes</i>			(Re-presented)
(Loss)/profit for the year attributable to:			
– Owners of the Company		(803,155)	89,504
– Non-controlling interests		(5,768)	(63,258)
		<u>(808,923)</u>	<u>26,246</u>
(Loss)/profit attributable to owners of the			
Company arises from:			
– Continuing operations		(832,434)	72,426
– Discontinued operation		29,279	17,078
		<u>(803,155)</u>	<u>89,504</u>
			(Restated)
(Loss)/earnings per share attributable to owners			
of the Company			
– From continuing operations	12	HK\$(5.60)	HK\$0.49
– From discontinued operation	12	HK\$0.20	HK\$0.11
		<u>HK\$(5.40)</u>	<u>HK\$0.60</u>

The above consolidated income statement should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 December	
	2024	2023
	HK\$'000	HK\$'000
		(Re-presented)
(Loss)/profit for the year	(808,923)	26,246
Other comprehensive income:		
Items that may be reclassified to profit or loss:		
Exchange differences arising on translation of foreign operations	(19,721)	35,640
Exchange differences arising on translation of foreign operations from discontinued operation	(2,392)	(3,210)
Release of exchange reserve upon disposal of subsidiaries	160,470	–
	138,357	32,430
Item that will not be reclassified to profit or loss:		
Changes in fair value of financial assets at fair value through other comprehensive income (“FVOCI”), net of tax	(60,935)	653
Other comprehensive income for the year, net of tax	77,422	33,083
Total comprehensive (loss)/income for the year	(731,501)	59,329
Total comprehensive (loss)/income attributable to:		
– Owners of the Company	(724,958)	137,027
– Non-controlling interests	(6,543)	(77,698)
Total comprehensive (loss)/income for the year	(731,501)	59,329
Total comprehensive (loss)/income attributable to owners of the Company arises from:		
– Continuing operations	(751,845)	123,159
– Discontinued operation	26,887	13,868
	(724,958)	137,027

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED BALANCE SHEET

	<i>Notes</i>	As at 31 December	
		2024	2023
		HK\$'000	HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment		2,061	565,588
Investment properties		251,351	2,628,284
Financial assets at FVOCI	15	–	67,215
Amounts due from former subsidiaries		310,197	–
Amount due from an associate		–	–
Properties under development		97,111	567,648
Pledged deposits	14	–	2,698
Total non-current assets		660,720	3,831,433
Current assets			
Completed properties held-for-sale		93,017	178,385
Inventories		–	1,328
Trade and other receivables and prepayments	13	40,093	317,569
Deposits for properties under development		12,780	14,314
Amounts due from former subsidiaries		83,062	410,683
Amount due from an associate		–	–
Tax prepayments		4,345	6,547
Pledged deposits	14	–	7,936
Cash and bank balances		58,428	122,665
Total current assets		291,725	1,059,427
Total assets		952,445	4,890,860
EQUITY			
Equity attributable to owners of the Company			
Share capital		297,587	297,587
Reserves		2,412,406	2,385,264
Accumulated losses		(2,312,614)	(1,560,514)
		397,379	1,122,337
Non-controlling interests		–	126,258
Total equity		397,379	1,248,595

CONSOLIDATED BALANCE SHEET (CONTINUED)

		As at 31 December	
		2024	2023
	Notes	HK\$'000	HK\$'000
LIABILITIES			
Non-current liabilities			
Borrowings		211,441	594,544
Lease liabilities		22,954	23,338
Deferred income tax liabilities		479	158,840
Other payables	16	8,254	—
Total non-current liabilities		243,128	776,722
Current liabilities			
Trade and other payables	16	292,043	1,174,279
Financial guarantee contracts provision	18	—	309,866
Amounts due to former subsidiaries		9,015	18,664
Amounts due to minority owners of subsidiaries		—	107,742
Borrowings		—	1,174,251
Lease liabilities		10,880	33,238
Tax payables		—	47,503
Total current liabilities		311,938	2,865,543
Total liabilities		555,066	3,642,265
Total equity and liabilities		952,445	4,890,860

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

DevGreat Group Limited (formerly known as Shanghai Zendai Property Limited) (the “**Company**”) is a public limited company incorporated in Bermuda. Its shares are listed on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”). Its registered office is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and its principal place of business is at Room 2429-2430, 24/F, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong.

Pursuant to a special resolution passed on 11 September 2024, the name of the Company was changed from “Shanghai Zendai Property Limited” to “DevGreat Group Limited”, and the second name of the Company in Chinese “大方廣瑞德集團有限公司” has been adopted and registered in place of the unregistered Chinese name of “上海証大房地產有限公司”.

The Company acts as an investment holding company. During the year, its subsidiaries are principally engaged in property development, property investment and provision of property management and hotel operation. The Company and all its subsidiaries are referred as the Group. The Group has operations mainly in the People’s Republic of China (the “**PRC**”).

The consolidated financial statements are presented in HK dollars (“**HK\$**”), unless otherwise stated.

These consolidated financial statements have been approved for issue by the board of directors (the “**Directors**”) of the Company (the “**Board**”) on 28 March 2025.

2. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622. The consolidated financial statements have been prepared on a historical cost basis, except for investment properties and certain financial assets at FVOCI, which are carried at fair value.

2.1 Going concern basis

When preparing the consolidated financial statements, the Group’s ability to continue as a going concern has been assessed. These consolidated financial statements have been prepared by the Directors on a going concern basis notwithstanding that the Group incurred a net loss attributable to owners of the Company of approximately HK\$808,923,000 for the year ended 31 December 2024 and as of that date, the Group’s current liabilities exceeded its current assets by approximately HK\$20,213,000. The Directors are of the opinion that the Group will have sufficient funds to meet its financial obligations when they fall due in the foreseeable future taking into account the followings: (i) the Group, from time to time, reviews the portfolio of investment properties and may adjust the investment strategies in order to enhance the cash flow position of the Group whenever it is necessary; (ii) the Group holds several completed properties which are held-for-sale. Sales of these properties will enhance the cash flows and financial position of the Group; (iii) the Group continues to take active measures to control administrative costs and contain capital expenditures. If necessary, the Group will seek alternative financing to fund the settlement of its existing financial obligations and future operating expenditure; and (iv) the Group continuously adjusts its property development plans based on market conditions and policy directions. If market conditions are favorable, the property development projects may resume, and upon completion, these projects are expected to enhance the Group’s cash flows and financial position.

After taking into consideration of the above factors and funds expected to be generated internally from operations based on the Directors’ estimation on the future cash flows of the Group, the directors are satisfied that the Group will have sufficient financial resources to meet its financial obligations as they fall due in the foreseeable future and consider that it is appropriate for the consolidated financial statements to be prepared on a going concern basis because there is no material uncertainty that may cast significant doubt on the Group’s ability to continue as a going concern.

Should the Group be unable to continue in business as a going concern, adjustments would have to be made to restate the value of assets to their recoverable amounts, to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively and to provide for any further liabilities which might arise.

3. ACCOUNTING POLICIES

(a) Amended standards adopted by the Group

The Group has applied the following amended standards for the first time for its annual reporting period commencing 1 January 2024:

- Amendments to HKAS 7 & HKFRS 7 - Supplier Finance Arrangements
- Amendments to HKFRS 16 - Lease Liability in a Sale and Leaseback
- Amendments to HKAS 1 - Classification of Liabilities as Current or Non-Current
- Amendments to HKAS 1 - Non-current Liabilities with Covenants
- Amendments to HK Int 5 (Revised) - Hong Kong Interpretation 5 (Revised) Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

The amended standards and interpretation listed above did not have any significant impact on the Group's accounting policies and did not require retrospective adjustments, and are not expected to significantly affect the current or future periods.

(b) New and amended standards and annual improvements issued but not yet applied by the Group

Certain new and amended standards, and annual improvements have been published that are not mandatory for the current reporting period and have not been early adopted by the Group. These new and amended standards and annual improvements are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

4. SEGMENT REPORTING

Management has determined the operating segments based on the internal reports reviewed by the Directors, being the chief operating decision maker in making operation decisions, for assessing the operating performance and resources allocation.

The Directors considers the business primarily on the basis of the types of goods and services supplied by the Group. The Group was mainly organized into three operating segments during the year which comprised (i) sales of properties; (ii) hotel operations; and (iii) properties rental, management and agency services.

The hotel operation segment was discontinued during the year ended 31 December 2024. Information about the discontinued operation is provided in Note 17. The comparative figures in the consolidated income statement and consolidated statement of comprehensive income have been re-presented to present the results of hotel operation segment as a discontinued operation.

The Directors assess the performance of the operating segments based on a measure of adjusted profit or loss before income tax. Certain income and expenses are not allocated to the operating segments as they are not included in the measure of the segments' results that is used by the Directors for assessment of segment performance.

Total segment assets mainly exclude pledged deposits, amounts due from former subsidiaries, and unallocated head office and corporate assets, all of which are managed on a centralized basis.

Total segment liabilities mainly exclude amounts due to former subsidiaries, financial guarantee contracts provision, unallocated borrowings and unallocated head office and corporate liabilities, all of which are managed on a centralized basis.

Transactions between segments are carried out at arm's length. The revenue from external parties reported to the Directors is measured in a manner consistent with that in the consolidated income statement.

4. SEGMENT REPORTING (CONTINUED)

Segment information is presented below:

(a) Information about reportable segment revenue, profit or loss before income tax and other information

	Continuing operations					
	Sales of properties		Properties rental, management and agency services		Total	
	2024	2023	2024	2023	2024	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Reportable segment revenue	1,675	–	205,983	296,067	207,658	296,067
Reportable segment revenue from internal sales	–	–	(3,007)	(1,612)	(3,007)	(1,612)
Reportable segment revenue from external sales (i)	<u>1,675</u>	<u>–</u>	<u>202,976</u>	<u>294,455</u>	<u>204,651</u>	<u>294,455</u>
Reportable segment loss before income tax	<u>(58,734)</u>	<u>(212,579)</u>	<u>(453,997)</u>	<u>(132,187)</u>	<u>(512,731)</u>	<u>(344,766)</u>
Other information (items included in determining the reportable segment loss):						
Interest income	2	9	799	1,066	801	1,075
Depreciation charge	(4)	(125)	(30,644)	(42,067)	(30,648)	(42,192)
Net impairment losses on financial assets	–	–	(1,846)	(8,659)	(1,846)	(8,659)
Change in fair value of investment properties	–	–	(401,750)	(154,062)	(401,750)	(154,062)
(Loss)/gain on disposal of property, plant and equipment, net	–	(46)	(335)	173	(335)	127
Gain on disposal of investment properties	–	–	115	2,109	115	2,109
Impairment of properties under development and completed properties held-for-sale	(39,279)	(136,531)	–	–	(39,279)	(136,531)
Finance costs	–	–	(102,075)	(134,468)	(102,075)	(134,468)
Reportable segment assets	207,316	787,245	343,656	3,066,855	550,972	3,854,100
Amounts included in the measure of segment assets:						
Additions to non-current assets (ii)	–	111	24,266	5,731	24,266	5,842
Reportable segment liabilities	<u>66,172</u>	<u>167,876</u>	<u>150,723</u>	<u>1,810,452</u>	<u>216,895</u>	<u>1,978,328</u>

(i) For the year ended 31 December 2024, revenue from sales of properties of HK\$1,675,000 (2023: HK\$nil) was recognized at a point in time. The revenue from management and agency services of HK\$130,905,000 (2023: HK\$168,895,000) were recognized over time. Rental income of HK\$72,071,000 (2023: HK\$125,560,000) was recognized on a straight-line basis over the term of respective leases.

(ii) Amounts comprise additions to investment properties and certain property, plant and equipment.

4. SEGMENT REPORTING (CONTINUED)

Segment information is presented below: (Continued)

(b) Reconciliation of reportable segment profit or loss before income tax, assets and liabilities

	Year ended 31 December	
	2024 HK\$'000	2023 HK\$'000
Continuing operations		
Reportable segment loss before income tax	(512,731)	(344,766)
Unallocated interest income	31,494	85,771
Guarantee fee income	–	13,228
Gain on disposal of subsidiaries (Note 8)	133,528	–
Net reversal of impairment losses on amounts due from former subsidiaries	1,173	477,364
Provision for financial guarantees	(430,524)	(174,497)
Unallocated finance costs	(78,025)	(105,458)
Unallocated depreciation charge	(298)	(1,180)
Unallocated head office and corporate expenses	(19,224)	(19,469)
Loss before income tax	<u>(874,607)</u>	<u>(69,007)</u>
	As at 31 December	
	2024 HK\$'000	2023 HK\$'000
Assets		
Reportable segment assets	550,972	3,854,100
Assets related to discontinued operation disposed in 2024	–	598,311
Pledged deposits	–	10,634
Amounts due from former subsidiaries	393,259	410,683
Unallocated head office and corporate assets	8,214	17,132
Total assets	<u>952,445</u>	<u>4,890,860</u>
	As at 31 December	
	2024 HK\$'000	2023 HK\$'000
Liabilities		
Reportable segment liabilities	216,895	1,978,328
Liabilities related to discontinued operation disposed in 2024	–	102,134
Amounts due to former subsidiaries	9,015	18,664
Financial guarantee contracts provision	–	309,866
Unallocated borrowings	211,441	1,127,261
Unallocated head office and corporate liabilities	117,715	106,012
Total liabilities	<u>555,066</u>	<u>3,642,265</u>

4. SEGMENT REPORTING (CONTINUED)

Segment information is presented below: (Continued)

(c) Geographical information

The Group's revenue are all derived from operations conducted in the PRC and the majority of the Group's non-current assets are also located in the PRC.

The Group has a large number of customers, and there is no significant revenue derived from specific external customers for the years ended 31 December 2024 and 2023.

5. REVENUE

Revenue representing the aggregate of proceeds from sales of properties and amounts received and receivable from the properties rental, management and agency income is summarized as follows:

	Year ended 31 December	
	2024	2023
	HK\$'000	HK\$'000
		(Re-presented)
Continuing operations		
Sales of properties	1,675	—
Properties rental, management and agency income (a)	202,976	294,455
	204,651	294,455

(a) Properties rental income represented fixed lease payments from operating lease.

6. OTHER INCOME, GAINS AND LOSSES

	As at 31 December	
	2024	2023
	HK\$'000	HK\$'000
		(Re-presented)
Continuing operations		
Interest income	32,295	86,846
Impairment of properties under development (a)	—	(128,414)
Government grants	1,574	265
Guarantee fee income	—	13,228
(Loss)/gain on disposal of property, plant and equipment, net	(335)	127
Gain on disposal of investment properties	115	2,109
Exchange loss, net	(9,240)	(23,698)
(Provision)/reversal of provision for litigations	(8,686)	4,971
Others	(1,267)	(1,221)
	14,456	(45,787)

(a) The impairment for the year ended 31 December 2023 was related to properties under development held by Hainan Huayi Real Estate Co., Ltd. (海南華意置業有限公司) ("Huayi"), a non wholly-owned subsidiary of the Company, which was disposed to a third party through a judicial auction as disclosed in Note 8(a).

7. EXPENSES BY NATURE

Expenses by nature comprise cost of revenue, selling and marketing expenses and administrative expenses as follows:

	Year ended 31 December	
	2024	2023
	HK\$'000	HK\$'000
		(Re-presented)
Continuing operations		
Cost of properties sold	1,040	—
Cost of rendering property management service and others (a)	73,035	83,065
Tax and levies	11,441	20,853
Impairment of properties under development and completed properties held-for-sale	39,279	8,117
Employee benefit expense	44,360	47,993
Auditors' remuneration:		
– Audit services	950	1,100
– Non-audit services	350	150
Consulting and service expenses	9,433	9,188
Depreciation charge	30,946	43,372
Advertising costs	410	400
Short-term leasing expenses	1,294	1,573
Other expenses	1,657	2,084
Total	214,195	217,895

- (a) Cost of rendering property management service and others mainly includes cost of maintenance, cleaning and security relating to the provision of property management services.

8. DISPOSAL OF SUBSIDIARIES

Details of the net assets of the subsidiaries disposed of during the year and their financial impacts are summarized below:

	(note (a)) Huayi Disposal HK\$'000	(note (b)) Xiongjun Disposal HK\$'000	(note (c)) 2024 Disposal HK\$'000	Total HK\$'000
Property, plant and equipment	–	–	523,362	523,362
Investment properties	–	–	1,936,970	1,936,970
Financial assets at FVOCI	–	–	5,674	5,674
Properties under development and completed properties held-for-sales	261,923	–	258,645	520,568
Inventories	–	–	1,055	1,055
Trade and other receivables and prepayments	–	35	158,476	158,511
Deposits for properties under development	3	–	7,990	7,993
Amounts due from the Group	–	16,376	1,019,731	1,036,107
Tax prepayments	–	–	2,372	2,372
Pledged deposits	–	–	9,247	9,247
Cash and bank balances (including restricted bank balances of HK\$16,161,000)	–	6	50,738	50,744
Trade and other payables	(17,606)	(1,521)	(683,194)	(702,321)
Amounts due to the Group	(48,622)	(358)	(1,791,698)	(1,840,678)
Amounts due to minority owners of subsidiaries	–	–	(107,121)	(107,121)
Borrowings	–	(46,136)	(1,480,717)	(1,526,853)
Financial guarantee contracts provision	–	–	(749,018)	(749,018)
Tax payables	–	–	(48,136)	(48,136)
Deferred income tax liabilities	–	–	(123,708)	(123,708)
Net assets/(liabilities) disposed of	<u>195,698</u>	<u>(31,598)</u>	<u>(1,009,332)</u>	<u>(845,232)</u>
Cash consideration	–	–	10,941	10,941
Settlement of interest payable through judicial auction	92,332	–	–	92,332
Exchange reserve released	(29,717)	2,808	(133,561)	(160,470)
Net (assets)/liabilities disposed of	(195,698)	31,598	1,009,332	845,232
Non-controlling interests	78,279	–	41,436	119,715
Amounts due to the Disposal Group	–	–	1,019,731	1,019,731
Amounts due from the Disposal Group	–	–	(1,791,698)	(1,791,698)
Transaction costs attributable to the 2024 Disposal	–	–	(2,255)	(2,255)
(Loss)/gain on disposal of subsidiaries	<u>(54,804)</u>	<u>34,406</u>	<u>153,926</u>	<u>133,528</u>
Net cash outflow arising on disposal:				
Cash received	–	–	10,941	10,941
Cash and bank balances disposed of	–	(6)	(50,738)	(50,744)
Transaction costs attributable to the 2024 Disposal	–	–	(2,255)	(2,255)
Total	<u>–</u>	<u>(6)</u>	<u>(42,052)</u>	<u>(42,058)</u>

8. DISPOSAL OF SUBSIDIARIES (CONTINUED)

- (a) On 14 March 2024, the pledged equity interest of Huayi was disposed of through a judicial auction process on the network platform by the Intermediate People's Court of Lanzhou (the **"Huayi Disposal"**) for a transaction price of RMB85 million to partially settle the Qingdao Defaulted Borrowing as defined in the Company's Annual Report for the year ended 31 December 2023.
- (b) On 28 March 2024, the Group entered into a share transfer agreement for the disposal of its entire equity interests in Jiangsu Xiongjun Construction & Development Limited (江蘇雄駿建設發展有限公司) with two transferees (the **"Xiongjun Disposal"**) for a total cash consideration of RMB10.
- (c) On 26 July 2024, the Group as a seller entered into a sale and purchase agreement (**"Disposal Agreement"**) with Fortunate Omen (HK) Limited (**"Fortunate Omen"**) as purchaser and the disposal targets, including Auto Win Investments Limited, Giant Hope Investments Limited, Best East Developments Limited and Ample Century Limited (collectively the **"Disposal Targets"**) in respect of the disposal of its entire equity interests of each of the Disposal Targets and the assignment of the amounts due from and due to the Disposal Targets and their respective subsidiaries (collectively the **"Disposal Group"**) to Fortunate Omen by the Company (the **"2024 Disposal"**) for a total cash consideration of RMB10 million (equivalent to approximately HK\$11 million). The transaction was completed in October 2024.

9. FINANCE COSTS

	Year ended 31 December	
	2024	2023
	HK\$'000	HK\$'000
		(Re-presented)
Continuing operations		
Interest expenses:		
– Bank borrowings	48,978	70,418
– Other borrowings	119,522	155,379
Interest and finance charges paid/payable on lease liabilities	3,697	4,724
Guarantee fee expense	7,903	9,405
	<u>180,100</u>	<u>239,926</u>

10. INCOME TAX CREDIT

The amount of income tax in the consolidated income statement represents:

	Year ended 31 December	
	2024	2023
	HK\$'000	HK\$'000
		(Re-presented)
Continuing operations		
Current income tax:		
– PRC Enterprise Income Tax ("EIT")	–	3,815
– PRC Land Appreciation Tax ("LAT")	587	1,179
	<u>587</u>	<u>4,994</u>
Over-provision in prior years:		
– PRC EIT	(290)	(21,387)
– PRC LAT	–	(4,549)
	<u>(290)</u>	<u>(25,936)</u>
Deferred income tax credit	<u>(36,702)</u>	<u>(57,233)</u>
Income tax credit	<u><u>(36,405)</u></u>	<u><u>(78,175)</u></u>

10. INCOME TAX CREDIT (CONTINUED)

Hong Kong Profits Tax

No provision for Hong Kong Profits Tax has been made as the Group has no assessable profits in Hong Kong for the years ended 31 December 2024 and 2023.

EIT

The PRC subsidiaries are subject to PRC Enterprise Income Tax at 25% (2023: 25%) during the year ended 31 December 2024.

LAT

LAT is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including costs of land and development and construction expenditures, with an exemption provided for property sales of ordinary residential properties (普通標準住房) if their appreciation values do not exceed 20% of the sum of total deductible items. Certain property development projects are subjected to LAT which is calculated based on deemed levying rates of their revenue under the approved taxation method if the specific circumstances as approved by the local tax authority are met and the companies have been de-registered or the approval has exceeded three years whichever is earlier.

11. DIVIDENDS

No dividend was proposed by the Board for the years ended 31 December 2024 and 2023.

12. (LOSS)/EARNINGS PER SHARE

The weighted average number of ordinary shares used to calculate the basic and diluted (loss)/earnings per share for the years ended 31 December 2024 and 2023 have been adjusted to reflect the share consolidation (Note 19) implemented on 11 March 2025. Accordingly, the basic and diluted earnings per share for the year ended 31 December 2023 are restated. The share consolidation reduced the number of ordinary shares outstanding without a corresponding change in resources.

Basic (loss)/earnings per share

The calculations of the basic (loss)/earnings per share from continuing and discontinued operations attributable to owners of the Company are as below:

	Year ended 31 December	
	2024	2023 (Restated)
(Loss)/earnings		
(Loss)/profit for the year from continuing operations attributable to the owners of the Company (HK\$'000)	(832,434)	72,426
Profit for the year from discontinued operation attributable to the owners of the Company (HK\$'000)	29,279	17,078
(Loss)/profit for the year attributable to the owners of the Company (HK\$'000)	<u>(803,155)</u>	<u>89,504</u>
Number of shares		
Weighted average number of ordinary shares in issue	<u>148,793,515</u>	<u>148,793,515</u>
	HK\$	HK\$
Basic (loss)/earnings per share		
(Loss)/earnings per share for (loss)/profit from continuing operations attributable to the owners of the Company	(5.60)	0.49
Earnings per share for profit from discontinued operation attributable to the owners of the Company	0.20	0.11
Basic (loss)/earnings per share	<u>(5.40)</u>	<u>0.60</u>

12. (LOSS)/EARNINGS PER SHARE (CONTINUED)

Diluted (loss)/earnings per share

Since there was no dilutive ordinary share during the years ended 31 December 2024 and 2023, diluted (loss)/earnings per share is equal to basic (loss)/earnings per share.

13. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	As at 31 December	
	2024 HK\$'000	2023 HK\$'000
Trade receivables	41,130	111,219
Less: provision for loss allowance	(6,723)	(14,593)
Trade receivables – net (a)	34,407	96,626
Other receivables	1,956	301,088
Deposits	2,225	9,152
	4,181	310,240
Less: provision for loss allowance (b)	(414)	(93,038)
Other receivables – net	3,767	217,202
Prepayments	1,919	3,741
	40,093	317,569

As at 31 December 2024 and 2023, the majority of the Group's trade and other receivables and prepayments are denominated in RMB.

As at 31 December 2024, the carrying amounts of trade and other receivables and prepayments approximated their fair values.

The Group generally grants no credit period to its customers of hotel operation, and up to 30 days for properties rental, management and agency service, except for certain significant transactions where credit terms or settlement schedules are negotiated on an individual basis.

- (a) The aging analysis of trade receivables before provision for loss allowance based on the date of services provided at the end of reporting period is as follows:

	As at 31 December	
	2024 HK\$'000	2023 HK\$'000
Within 3 months	12,756	83,213
More than 3 months but less than 12 months	23,210	14,365
More than 12 months	5,164	13,641
	41,130	111,219

13. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (CONTINUED)

- (a) The aging analysis of trade receivables before provision for loss allowance based on the date of services provided at the end of reporting period is as follows: (Continued)

Movements in the provision for loss allowance on trade receivables are as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
At 1 January	(14,593)	(5,468)
Net reversal of provision/(provision) for the year	288	(9,211)
Disposal of subsidiaries	7,318	–
Exchange differences	264	86
	<u> </u>	<u> </u>
At 31 December	<u><u>(6,723)</u></u>	<u><u>(14,593)</u></u>

- (b) Movements in the provision for loss allowance on other receivables are as follows:

	<u>As at 31 December</u>	
	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
At 1 January	(93,038)	(66,476)
Net reversal of provision/(provision) for the year	3,720	(26,810)
Disposal of subsidiaries	88,361	–
Exchange differences	543	248
	<u> </u>	<u> </u>
At 31 December	<u><u>(414)</u></u>	<u><u>(93,038)</u></u>

14. PLEDGED DEPOSITS

	<u>As at 31 December</u>	
	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Non-current portion	–	2,698
Current portion	–	7,936
	<u> </u>	<u> </u>
	<u><u>–</u></u>	<u><u>10,634</u></u>

None of the Group's bank deposits were pledged as at 31 December 2024. Pledged deposits of HK\$10,634,000 are pledged to banks and a financial institution to secure certain borrowings of the Group as at 31 December 2023. The pledged deposits carried interest ranging from 0.20% to 3.45% per annum for the year ended 31 December 2023.

15. FINANCIAL ASSETS AT FAIR VALUE

Movements in financial assets at FVOCI and financial assets at fair value through profit or loss (“FVPL”) are as below:

	FVOCI HK\$'000	FVPL HK\$'000
At 1 January 2023	69,940	8,337
Changes in fair value	653	–
Reclassification	–	(8,169)
Exchange differences	(3,378)	(168)
	<hr/>	<hr/>
At 31 December 2023 and 1 January 2024	67,215	–
Changes in fair value	(60,935)	–
Disposal of subsidiaries	(5,674)	–
Exchange differences	(606)	–
	<hr/>	<hr/>
At 31 December 2024	–	–
	<hr/> <hr/>	<hr/> <hr/>

Details of financial assets at fair value are as below:

	As at 31 December	
	2024	2023
	HK\$'000	HK\$'000
Unlisted equity investments in PRC classified under non-current assets	–	67,215
	<hr/> <hr/>	<hr/> <hr/>

16. TRADE AND OTHER PAYABLES

	As at 31 December	
	2024	2023
	HK\$'000	HK\$'000
Trade payables (a)	33,444	174,648
Other payables and accruals	211,690	923,815
Contract liabilities/receipts in advance (c)	55,163	75,816
	<hr/>	<hr/>
	300,297	1,174,279
Less: non-current portions (b)	(8,254)	–
	<hr/>	<hr/>
	292,043	1,174,279
	<hr/> <hr/>	<hr/> <hr/>

16. TRADE AND OTHER PAYABLES (CONTINUED)

As at 31 December 2024 and 2023, the majority of the Group's trade and other payables are denominated in RMB.

As at 31 December 2024, the carrying amounts of trade and other payables approximated their fair values.

Trade payables comprise of construction cost payables and payables to suppliers of hotel operation and properties rental, management and agency services.

- (a) The aging analysis of construction cost payable is based on date of when the construction services have been verified with the contractors and is based on date of invoices in respect of payables to suppliers of hotel operation and properties rental, management and agency services and is as follows:

	As at 31 December	
	2024 HK\$'000	2023 HK\$'000
Within 3 months	15,631	58,458
More than 3 months but less than 12 months	278	25,476
More than 12 months	17,535	90,714
	33,444	174,648

- (b) Included in other payables and accruals as at 31 December 2024 are interest payable of HK\$8,254,000 due to Power Rider Enterprises Corp.. Pursuant to the amendment and restatement deed (the "**Extension Deed**") dated 29 November 2024, the repayment date of the interest payable was extended to 31 December 2027, with threshold interest of RMB6,000,000 to be paid on or before 31 May 2026. Accordingly, the interest payable of HK\$8,254,000 is classified under non-current liabilities.

- (c) Contract liabilities/receipts in advance

	As at 31 December	
	2024 HK\$'000	2023 HK\$'000
Receipts in advance from sales of properties	46,057	50,205
Receipts in advance from disposal of investment properties	–	6,458
Receipts in advance of properties rental	2,959	6,873
Receipts in advance of properties service performed	6,147	12,280
	55,163	75,816

Out of the contract liabilities as at 31 December 2023, amounts of HK\$12,324,000 have been recognized as revenue of the Group during the year ended 31 December 2024 (2023: HK\$6,730,000).

17. DISCONTINUED OPERATION

The Disposal Group contains a subsidiary which is principally engaged in the hotel operation segment. After the 2024 Disposal, the hotel operation was discontinued in accordance with HKFRS 5 and the comparative information relating to the discontinued operation has been restated on a consistent basis accordingly.

	Year ended 31 December	
	2024	2023
	HK\$'000	HK\$'000
Revenue	56,728	85,645
Cost of revenue	(4,042)	(5,553)
Gross profit	52,686	80,092
Other losses	–	(251)
Net reversal of impairment losses/(impairment losses) on financial assets	5,854	(27,362)
Selling and marketing expenses	(19,240)	(21,346)
Administrative expenses	(10,021)	(14,055)
Profit before income tax	29,279	17,078
Income tax	–	–
Profit for the discontinued operation	29,279	17,078
Exchange differences arising on translation of foreign operations	(2,392)	(3,210)
Total comprehensive income from discontinued operation	26,887	13,868
Cash generated from operating activities	5,006	5,914
Cash used in investing activities	(1,020)	(1,320)
Exchange differences	(159)	(560)
Net increase in cash and cash equivalents	3,827	4,034

The revenue from hotel operations was recognized over time.

18. FINANCIAL GUARANTEES

Financial guarantees issued in respect of borrowings and interest payables of former subsidiaries

	As at 31 December	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Financial guarantees issued	<u>–</u>	<u>309,866</u>

The Group had undertaken to indemnify certain lenders of the former subsidiaries for borrowings and related interest payables to the maximum extent of HK\$861,120,000 and HK\$410,148,000 respectively as at 31 December 2023. As at 31 December 2023, provision for these financial guarantee contracts (amounted to HK\$309,866,000) has been recognized.

The Group recognized loss allowance on financial guarantee contracts of HK\$430,524,000 (2023: HK\$174,497,000) for the year ended 31 December 2024. After the 2024 Disposal, the Group's obligations to these financial guarantee contracts were released.

19. EVENTS AFTER THE REPORTING PERIOD

The special resolution regarding the proposal to implement a capital reorganization (which involved share consolidation and capital reduction) and a set-off deed had been passed by the shareholders of the Company at the special general meeting held on 7 March 2025. For details, please refer to the announcements of the Company dated 29 November 2024, 3 December 2024, 12 February 2025 and 7 March 2025 and the circular of the Company dated 14 February 2025. The capital reorganization took effect on 11 March 2025. Consequently, the number of ordinary shares in issue decreased from 14,879,351,515 to 148,793,515 and the credit arising from the capital reduction in the amount of approximately HK\$294,611,000 was transferred to the contributed surplus account of the Company, entry amount of which was applied towards partially offsetting of the accumulated losses. Effective on 7 March 2024, the interest payable of borrowings of HK\$83,062,000 was offset by amounts due from former subsidiaries of HK\$83,062,000.

Save for the above, there is no other material event occurred subsequent to 31 December 2024 and up to the date of this announcement.

CHAIRMAN’S STATEMENT

Financial Results

The Board of Directors of DevGreat Group Limited (the “**Company**” or “**DevGreat**”) hereby presents the annual results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 31 December 2024 (the “**Reporting Period**”, the “**Year**” or “**Year under Review**”).

During the Year under Review, the Group recorded a revenue (including that from continuing operations and a discontinued operation) of approximately HK\$261,379,000, representing a decrease of HK\$118,721,000 as compared with a revenue of approximately HK\$380,100,000 for the year ended 31 December 2023. Since the Group’s property development projects are mainly at their planning stages, the revenue of the Group for the Reporting Period was mainly attributed to properties rental, management and agency service and hotel operations.

Loss (including that from continuing operations and a discontinued operation) attributable to shareholders of the Company (the “**Shareholders**”) was approximately HK\$803,155,000 as compared with the profit attributable to Shareholders of approximately HK\$89,504,000 for the year ended 31 December 2023. Basic loss (including that from continuing operations and a discontinued operation) per share of the Company (the “**Share**”) was HK\$5.40 (basic earning per Share for 2023: HK\$0.60 (restated)), as adjusted for the share consolidation effective on 11 March 2025. During the Year under Review, the turn-around from profit to losses is mainly due to fair value decrease of investment properties and substantial increase of provision for financial guarantees.

Business Review

DevGreat developed a domestic business presence with Shanghai as the centre and the Yangtze River Delta as the core sector by relying on its complete construction, operation and management capabilities and the independent teams responsible for planning and development, investment promotion programming, operation and property management.

In the year 2024, in the commercial real estate operations sector, the key cities’ retail leasing market exhibited a “rise first, then decline” trend. In the first half of the year, the market experienced a moderate recovery, with rents stabilizing. However, in the second half, the market weakened due to the slowdown in the recovery of the consumer market, leading to a decline in rents. The office leasing demand remained weak, with rents continuing their downward trend. In the property management sector, due to the impact of the overall weakness in the real estate business, corporate revenue and profit margins further narrowed, while the growth rate of management scale continued to slow down.

In 2024, the Group completed a very substantial disposal transaction, marking a major step towards achieving its goal of alleviating heavy debt burdens and transitioning to a more asset-light development model. The Group remains committed to strengthening capital and cost management, further optimizing its capital structure, exploring restructuring plans for key debt-related assets, and engaging in restructuring negotiations with major creditors. The Group successfully carried out debt divestment and restructuring, resolving the long-standing going concern issues that had led to a disclaimer of opinion in the audit report for years, thereby laying a solid foundation for future development.

The Group insisted on strengthening capital and cost management, further optimized its capital structure, and actively negotiated with stakeholders in respect of key debt risks. The Group continued to enhance the operation and management of high-quality assets to improve the profitability of its projects. Thanks to those, the Group achieved stable cash flow and sound operation and development of its various businesses. The Group continued to focus on the development of its three business segments, namely commercial space and hotel management, property management and property development services, and made clear the direction of the operation of its core assets by taking commercial space and hotel management and property management as the key businesses at the current stage. The Group kept integrating its high-quality resources at the Group level, and clarified the renovation and upgrading plans and long-term operation strategies tailored to the needs of the local community based on the characteristics of each commercial project itself. The Group focused on improving the refined property management and stabilizing the profitability of its core projects so as to create a sound profit centre to serve the Group's development. Although the Group still took a prudent approach towards the property development business, it still closely monitored market development and put emphasis on the progress of projects under planning. At the same time, the Group further sharpened its core competitiveness in terms of new segments involving property development management and commercial management, and proactively monitored new market opportunities so as to develop new driving force for the profit growth. The Group continues to enhance its competitiveness in property development management and commercial management services. It actively explores market opportunities for new projects, focuses on upgrading and revitalizing existing projects through collaborative partnerships, and accumulates momentum for expansion into new business areas, fostering new growth drivers for the Group's profitability.

Development details of each business segment are set out below:

Operations of Commercial Properties and Hotels Business

The Group continued to strengthen its business management capabilities for enhancing its business brand value. The Group actively adjusted its business layout plan, and strengthened investment attraction and project promotion, which ensured the vitality and popularity of project operations.

During the Year, the operating revenue from commercial property and hotel operations in total amounted to approximately RMB117,316,000 (equivalent to approximately HK\$127,311,000). Approximately 61% of the commercial space was leased in average, and the average occupancy rate of the hotel was approximately 62%. Details of the operation of each commercial property and hotel project during the year ended 31 December 2024 are as follows:

Commercial project name	City	Interest attributable to the Group	Leasable area (square metres)	Occupancy rate during the Year	Revenue during the Year	
					(RMB'000)	(HK\$'000)
Shanghai "Zendai Thumb Plaza"™#	Shanghai	100%	42,682	34%	39,618	42,995
Qingdao "Zendai Thumb Plaza"™#	Qingdao	100%	47,025	55%	13,752	14,923
Zendai Nantong Yicheng Thumb Plaza	Nantong	100%	37,399	84%	6,547	7,104
Yangzhou Commercial Project#	Yangzhou	80%	14,644	97%	5,125	5,561
Total			<u>141,750</u>	<u>61%</u>	<u>65,042</u>	<u>70,583</u>

Hotel project name	City	Business model	Floor area (square metres)	Number of guest room	Occupancy rate during the Year	Revenue during the Year	
						(RMB'000)	(HK\$'000)
Grand Mercure Shanghai Century Park#	Shanghai	Cooperation	28,952	326	63%	29,349	31,849
Himalayas Qingdao Hotel#	Qingdao	Proprietary	27,914	208	60%	22,925	24,879
Total			<u>56,866</u>	<u>534</u>	<u>62%</u>	<u>52,274</u>	<u>56,728</u>

The projects were disposed of on 18 October 2024.

Property Management Service

In terms of property management service, The Group service philosophy of “keep pace with the times, serve the best, focus on quality, and create impressions”. The projects under management cover a wide range of properties such as high-end business plazas, grade-A office buildings, top-tier villa areas, high-end residences and urban complexes. During the Year under Review, DevGreat managed more than 10 property management projects with a total area of over 1 million square metres.

During the Year under Review, the total area under management of the Group was 1,043,614 square metres, with operating revenue of RMB91,343,000 (equivalent to approximately HK\$99,125,000).

	Floor area	Revenue	
	<i>(Square metres)</i>	<i>(RMB'000)</i>	<i>(HK\$'000)</i>
Shanghai Headquarters and others	80,539	18,087	19,627
Kunshan Branch	107,625	3,180	3,451
Nanjing Branch	647,008	42,472	46,091
Qingdao Branch	63,298	6,101	6,621
Qingpu Branch	86,774	5,600	6,077
Huamu Branch	58,370	15,903	17,258
Total	<u>1,043,614</u>	<u>91,343</u>	<u>99,125</u>

Property Development Projects

Affected by the macroeconomic environment and the Group’s own capital structure, the property development business is being adjusted and optimized. Given that the market was on a sustained downward trajectory following a short recovery attributable to the end of COVID-19 and economic policy adjustments, the Group further adjusted its business plan to respond to the market situation and the national policies. The Group’s major projects to be developed are as follows:

Zendai Nantong Yicheng Thumb Plaza

Zendai Nantong Yicheng Thumb Plaza has a total site area of 281,912 square metres. Due to its prime location, the project has been included in the “Key Cultural Industry Projects in Nantong City” and “Key Development Projects in Chongchuan District”. The project occupies a total gross floor area of approximately 279,076 square metres (including car-parking space and ancillary facilities of 77,143 square metres). The project will be completed in three phases. The Company will initiate the subsequent development of the project based on market conditions.

PROSPECTS AND FUTURE PLANS FOR MATERIAL INVESTMENTS

In 2025, with the implementation of a series of “stabilizing real estate” policies and the continuation of a policy easing stance, the real estate market is expected to enter a recovery phase. In terms of commercial real estate operations, policies aimed at expanding domestic demand and boosting consumption are expected to remain strong. The consumer market is likely to maintain a certain level of resilience, and improving economic activity prospects will support the long-term recovery of demand for retail and office leasing. In the property management sector, as the nationwide sales area of commercial housing continues to shrink, competition in the existing property market is intensifying. Corporate profit margins are expected to remain under pressure, and market competition centered on quality-driven advantages is becoming increasingly fierce

Upon completion of the 2024 Disposal, the Group entered into a new stage characterized by asset-light development with operation and management services as its core business. By continuing to promote the “Two Assurances”, namely transformation empowered by the management team and the upgrading and improvement of the management mechanism, the Group will proactively summarize its experience in property development and commercial management and extend its operation experience to external parties, aiming to enhance the core competitiveness of the new segments which are characterized by the Group’s unique features and has an effective profit-making capability. The Group will launch new brands in various business segments and cultivate stable profit-contributing centres by revamping key projects and expanding new projects. At the same time, the Group will continue to improve its capital structure with a view to achieving long-term stable development.

The Group will continue to enhance its commercialization capabilities under new consumption and new scenarios under the guidance of national policies and new market situations, and strive to explore new opportunities for the next stage of development, so as to continue to contribute positively to the service of urban construction and social development.

MANAGEMENT DISCUSSION AND ANALYSIS

Review of operation

For the year ended 31 December 2024, the Group continued to record a loss before income tax, primarily due to the valuation impairment of investment properties, significant provision for financial guarantees, and persistently high financing costs.

In terms of revenue, as the property development business is undergoing an adjustment and optimization phase, the main revenue sources were hotel operations, property leasing, and management services. At the same time, in order to enhance profitability, the Group proactively scaled down its business operations and disposed certain loss-making or less promising property management and leasing projects. This resulted in a continued decline in the Group’s overall revenue.

Liquidity, Financial Resources, Capital Structure and Gearing

As at 31 December 2024, the Group had a financial position with net assets value of approximately HK\$397 million (As at 31 December 2023: approximately HK\$1,249 million). Net current liabilities amounted to approximately HK\$20 million (As at 31 December 2023: approximately HK\$1,806 million) with current ratio increasing from 0.37 times as at 31 December 2023 to approximately 0.94 times as at 31 December 2024. The capital structure of the Group consists of borrowings (including current and non-current borrowings), net of cash and bank balances, and equity attributable to owners of the Company. The Group adopted prudent financial policy and closely monitored its cash flow. As at 31 December 2024, the Group had consolidated borrowings of approximately HK\$211 million, of which HK\$nil was repayable within one year. As at 31 December 2024, borrowings of the amount of HK\$211 million (As at 31 December 2023: HK\$1,769 million) bear interest at fixed interest rates 10.95% per annum (As at 31 December 2023: ranging from 4.15% to 18.25% per annum). As at 31 December 2024, the Group's cash and bank balances and pledged deposits were approximately HK\$58 million (As at 31 December 2023: HK\$131 million). The gearing ratio of the Group decreased from 1.60 times as at 31 December 2023 to 0.47 times as at 31 December 2024 (basis: net debt, which is defined as total amounts of borrowings, amounts due to minority owners of subsidiaries and lease liabilities less cash and cash equivalents and pledged deposits, divided by equity attributable to owners of the Company).

NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS AND AMOUNTS DUE FROM FORMER SUBSIDIARIES

The Group recognized impairment losses on financial assets and amounts due from former subsidiaries of HK\$673,000 for the year ended 31 December 2024 (2023: net reversal of impairment losses on financial assets and amounts due from former subsidiaries of HK\$469 million).

The management has reviewed the credit qualities of amounts due from former subsidiaries and has considered that there exist credit losses exposure since initial recognition of these receivables in view of (i) the net asset value (excluding investment in subsidiaries and inter-company balances) of certain former subsidiaries are negligible; and (ii) certain former subsidiaries have encountered material financial difficulties and need long period of time to develop and realize their properties. The management determined the impairment assessment of amounts due from former subsidiaries for financial reporting purposes in accordance with the expected credit loss model under HKFRS 9 Financial Instruments with the assistance of independent valuer.

SEGMENT INFORMATION

Properties rental, management and agency services

The turnover of this segment for the Period under Review was approximately HK\$204,651,000 (2023: HK\$294,455,000), the decrease of which was mainly due to the withdrawal of several properties rental and property management projects.

Sales of properties

The turnover of this segment for the Period under Review was approximately HK\$1,675,000 (2023: HK\$nil). The Group has disposed most of its property development projects and shifted its focus to properties rental, management and agency services.

Hotel operations (discontinued operation)

The turnover of this segment for the Period under Review was HK\$56,728,000 (2023: HK\$85,645,000). The decrease was due to disposal of its hotel operations in October 2024.

FOREIGN CURRENCY AND INTEREST RATES EXPOSURES AND HEDGING

The Group undertakes certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise. The Group's cash and cash equivalents are also exposed to such foreign currency risk. Cash and cash equivalents held by the Group as at 31 December 2024 were mainly denominated in RMB and HK\$. Bank borrowings of the Group as at 31 December 2024 were mainly denominated in RMB. The Group currently does not use any financial instruments to hedge against its exposure to currency risk. The Group manages its foreign currency risk by closely monitoring the movement of the foreign currency rate.

The Group's cash flow interest rate risk arises from long-term borrowings with prevailing market interest rates. Such risk is partly offset by cash held at prevailing market interest rates. The Group's fair value interest rate risk relates primarily to its fixed rate borrowings and payables and restricted bank deposits. The Group currently does not utilise any financial instruments to hedge its exposure to interest rate risk. However, the management will consider hedging significant interest rate exposure should the need arise.

EMPLOYEES

As at 31 December 2024, the Group employed approximately 332 employees (31 December 2023: 485 employees) in Hong Kong and the PRC. They were remunerated with basic salary and bonuses according to the nature of the job and market conditions. Other staff benefits include a mandatory provident fund scheme, local municipal government retirement scheme, training scheme, insurance and medical insurance.

MATERIAL ACQUISITION AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Save as disclosed below and elsewhere in this announcement, there were no material acquisitions and disposals of subsidiaries, associates and joint ventures by the Group during the Year under Review:

On 26 July 2024, the Company as seller, Fortunate Omen as purchaser and the Disposal Targets entered into the Disposal Agreement, pursuant to which the Company conditionally agreed to dispose the entire equity interests of each of the Disposal Targets to Fortunate Omen at cash consideration of RMB10 million (equivalent to approximately HK\$11 million). Details of the 2024 Disposal are set out in the Company's announcements dated 7 June 2024, 26 July 2024, 11 September 2024 and 18 October 2024 and the circular dated 23 August 2024. The 2024 Disposal has been approved by the Company's shareholders in the special general meeting held on 11 September 2024 and was completed on 18 October 2024.

PROVISION AND CONTINGENT LIABILITIES

	As at 31 December 2024 <i>HK\$'000</i>	As at 31 December 2023 <i>HK\$'000</i>
Financial guarantee issued in respect of borrowings and interest payables of former subsidiaries	<u>0</u>	<u>309,866</u>

The Group had undertaken to indemnify certain lenders of the former subsidiaries for borrowings and related interest payables to the extent of HK\$nil and HK\$nil respectively (as at 31 December 2023: HK\$861,120,000 and HK\$410,148,000). As at 31 December 2024, the provision for these financial guarantee contracts amounted to HK\$nil (as at 31 December 2023: HK\$309,866,000).

In addition, as at 31 December 2024, the Group provided guarantees to the extent of approximately HK\$3,801,000 (31 December 2023: HK\$4,134,000) to banks in respect of mortgage loans provided by the banks to customers for the purchase of the developed properties of the Group, net of mortgages received and included in receipts in advance from customers. These guarantees provided by the Group to the banks would be released upon receiving the property title certificate of the respective properties by the banks from the customers as a pledge for security to the mortgage loans granted.

In the opinion of the Directors, the credit risk exposure of these guarantee contracts is insignificant at initial recognition and at the end of the Reporting Year.

PLEDGE OF ASSETS

As at 31 December 2024, the carrying amounts of the following assets (including those under assets of Disposal Group classified as held-for-sale) of the Group were pledged to secure certain borrowings:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Property, plant and equipment	0	538,424
Investment properties	0	1,996,722
Pledged deposits	0	10,634
	<u>0</u>	<u>2,545,780</u>

As at 31 December 2024, certain equity interests of the subsidiaries of the Group were pledged to secure certain borrowings granted to the Group.

CHANGES IN EQUITY

The special resolution regarding the proposal to implement a capital reorganization (which involved share consolidation and capital reduction) had been passed by the Shareholders of the Company at the special general meeting held on 7 March 2025. For details, please refer to the announcements of the Company dated 29 November 2024, 3 December 2024, 12 February 2025 and 7 March 2025 and the circular of the Company dated 14 February 2025. The capital reorganization took effect on 11 March 2025. Consequently, the number of ordinary shares in issue decreased from 14,879,351,515 to 148,793,515 and the credit arising from the capital reduction in the amount of approximately HK\$294,611,160 was transferred to the contributed surplus account of the Company, entry amount of which was applied towards partially offsetting of the accumulated losses.

MATERIAL EVENTS SINCE THE END OF THE FINANCIAL PERIOD

Unless otherwise defined herein, the terms used in this announcement shall have the same meanings as those defined in the announcements of the Company dated 29 November 2024 and 3 December 2024.

On 29 November 2024, the Company, Haimen Zendai and Power Rider entered into the Extension Deed and the Set-off Deed to, among other things, (i) extend the repayment date of the Put Option Principal Amount to the Extended Repayment Date, and (ii) assign the Partial Outstanding Balance from the Company to Power Rider so to set-off all Put Option Interests due and payable by the Company to Power Rider, with retrospective effect from the Effective Date (“**Transaction A**”).

On 29 November 2024, the Loan Extension Agreement was entered into by amongst others, the Company, Myway Developments and Power Rider, to extend the repayment date of the Outstanding Balances for a term of three years from 1 January 2025 to 31 December 2027 (“**Transaction B**”).

On 29 November 2024, the Renewed Framework Agreement was entered into between Yachang Yinghui, an indirect wholly owned subsidiary of the Company and Haimen Zendai to extend a further term of three years from 1 January 2025 to 31 December 2027 for the provision of property construction and management services for Haimen Project by Yachang Yinghui to Haimen Zendai (“**Transaction C**”).

On 2 December 2024, the Company and Innumerable Fortune Limited (the “**Subscriber**”) entered into a subscription agreement, pursuant to which the Subscriber has conditionally agreed to subscribe, and the Company has conditionally agreed to allot and issue an aggregate of 29,758,703 subscription shares at the subscription price of HK\$1.30 per subscription share to raise net proceeds of approximately HK\$37.2 million (the “**Subscription**”). As at the date of this announcement, the Subscription is yet to complete (“**Transaction D**”).

Transaction A and Transaction B constitute major transactions and connected transactions and Transaction C and Transaction D constitute continuing connected transaction and connected transaction of the Company. The relevant resolutions in respect of the above transactions, and the special resolution regarding the proposal to implement a Capital Reorganization, including the Share Consolidation, the Capital Reduction and the Sub-Division were passed by the Shareholders at the special general meeting held on 7 March 2025.

For details, please refer to the announcements of the Company dated 29 November 2024, 3 December 2024, 12 February 2025 and 7 March 2025 and the circular of the Company dated 14 February 2025.

Save as disclosed, there were no material events subsequent to the Year under Review which would materially affect the Group’s operating and financial performance as at the date of this announcement.

CORPORATE GOVERNANCE

The Company has adopted the Corporate Governance Code contained in Appendix C1 to the Listing Rules (the “**CG Code**”) as its own code of corporate governance and has taken careful measures to ensure that the provisions have been duly complied with from time to time. The Board is of the opinion that the Company has met the code provisions in the CG Code during the Year.

The Company’s annual results for the year ended 31 December 2024 has been reviewed by the audit committee of the Company.

SCOPE OF WORK OF PKF HONG KONG LIMITED

The figures in respect of the Group’s consolidated income statement, consolidated statement of comprehensive income, consolidated balance sheet and related notes thereto for the year ended 31 December 2024 as set out above in this preliminary announcement have been agreed by the Group’s auditor, PKF Hong Kong Limited, to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by PKF Hong Kong 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 PKF Hong Kong Limited on this preliminary announcement.

EXTRACT OF INDEPENDENT AUDITOR’S REPORT

The following is an extract of the independent auditor’s report on the Group’s consolidated financial statements for the year ended 31 December 2024 which has included an emphasis of matter paragraph, but without modification of 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 Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) 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 incurred a net loss of approximately HK\$809 million for the year ended 31 December 2024 and as of that date, the Group’s current liabilities exceeded its current assets by approximately HK\$20 million. 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.

MODEL CODE FOR SECURITIES TRANSACTIONS

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 of conduct for dealing in the securities of the Company by the Directors. Having made specific enquiry of all the Directors, all of them have confirmed that they have complied with the required standard set out in the Model Code during the year ended 31 December 2024.

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

During the year ended 31 December 2024, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.zendaiproperty.com). The 2024 Annual Report of the Company containing the information required by the Listing Rules will be dispatched to the Shareholders and made available on the same websites in due course.

By order of the Board
DevGreat Group Limited
Mr. Huang Yuhui
Chairman

Hong Kong, 28 March 2025

As at the date of this announcement, the executive Directors are Mr. Huang Yuhui, Mr. Wang Letian, Ms. Li Zhen, Mr. Long Tianyu and Mr. Pi Minjie. The non-executive Directors are Ms. Wang Zheng, Mr. Zou Yang. And Mr. Guo Haomiao. The independent non-executive Directors are Dr. Guan Huanfei, Mr. Cao Hailiang, Dr. Lin Xinzhu and Mr. Wang Yuzhou.

* *For identification purpose only*