MILLION CITIES

萬 城 控 股 有 限 公 司
MILLION CITIES HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2892)

ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

FINANCIAL HIGHLIGHTS

	Year ended 31 December			
	2024	2023	Change	
	RMB'million	*RMB'million*	*RMB'million*	*%*
	(in approximate)	*(in approximate)*	*(in approximate)*	*(in approximate)*
Revenue	**99.7**	641.6	(541.9)	−84.5%
Gross loss	**(17.1)**	(164.5)	(147.4)	−89.6%
Loss attributable to the equity shareholders of the Company	**(113.8)**	(482.3)	(368.5)	−76.4%
Basic and diluted losses per share *(RMB cents)*	**(15.18)**	(64.30)	(49.12)	−76.4%
Proposed final dividend per share *(RMB cents)*	**—**	—	N/A	N/A

The board (the "**Board**") of directors (the "**Directors**") of Million Cities Holdings Limited (the "**Company**", together with its subsidiaries, collectively the "**Group**") is pleased to announce the consolidated results of the Group for the year ended 31 December 2024 ("**FY2024**") together with the comparative figures for the year ended 31 December 2023 ("**FY2023**") as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the year ended 31 December 2024
(Expressed in Renminbi)

	Note	**2024** *RMB'000*	2023 *RMB'000*
Revenue	*3*	**99,710**	641,634
Cost of sales		**(116,839)**	(806,135)
Gross loss		**(17,129)**	(164,501)
Valuation losses on investment properties		**(410)**	(37,030)
Change in fair value of financial instruments		**—**	27,944
Other net income	*4*	**14,059**	21,289
Impairment loss on other receivables		**(1,341)**	—
Selling expenses		**(7,581)**	(57,285)
Administrative expenses		**(41,822)**	(49,579)
Other expenses		**(3,686)**	(1,756)
Loss from operations		**(57,910)**	(260,918)
Finance costs	*5*	**(18)**	(6,363)
Share of profits less losses of associates		**(64,946)**	(258,965)
Loss before taxation	*6*	**(122,874)**	(526,246)
Income tax	*7*	**(20,640)**	(80,987)
Loss for the year		**(143,514)**	(607,233)
Attributable to:			
Equity shareholders of the Company		**(113,817)**	(482,278)
Non-controlling interests		**(29,697)**	(124,955)
Loss for the year		**(143,514)**	(607,233)
Basic and diluted losses per share *(RMB cents)*	*8*	**(15.18)**	(64.30)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024
(Expressed in Renminbi)

	2024 RMB'000	2023 RMB'000
Loss for the year	**(143,514)**	(607,233)
Other comprehensive income for the year (after reclassification adjustments)		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of:		
— the associates	**(1,580)**	(1,030)
— the Hong Kong and overseas subsidiaries	**(3,274)**	(1,881)
Other comprehensive income for the year, net of nil tax	**(4,854)**	(2,911)
Total comprehensive income for the year	**(148,368)**	(610,144)
Attributable to:		
Equity shareholders of the Company	**(114,724)**	(482,032)
Non-controlling interests	**(33,644)**	(128,112)
Total comprehensive income for the year	**(148,368)**	(610,144)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2024
(Expressed in Renminbi)

	Note	**2024** **RMB'000**	2023 RMB'000
Non-current assets			
Property, plant and equipment		**44,844**	46,164
Investment properties		**56,211**	54,850
Interest in associates		**189,809**	211,602
Deferred tax assets		**50,795**	59,769
Other non-current assets	*10*	**—**	97,733
		341,659	470,118
Current assets			
Inventories and other contract costs	*11*	**566,369**	660,304
Trade and other receivables	*12*	**240,253**	150,095
Prepaid tax		**11,805**	11,948
Pledged and restricted deposits		**12,650**	16,641
Cash and cash equivalents		**268,446**	363,294
		1,099,523	1,202,282
Total assets		**1,441,182**	1,672,400
Current liabilities			
Contract liabilities	*13*	**48,539**	78,161
Trade and other payables	*14*	**493,816**	499,599
Lease liabilities		**135**	28
Tax payable		**170,973**	223,427
Provision		**22,091**	18,108
		735,554	819,323
Net current assets		**363,969**	382,959
Total assets less current liabilities		**705,628**	853,077

	Note	**2024** *RMB'000*	2023 *RMB'000*
Non-current liabilities			
Lease liabilities		**550**	—
Deferred tax liabilities		**3,551**	3,182
		4,101	3,182
NET ASSETS		**701,527**	849,895
CAPITAL AND RESERVES			
Share capital	*15*	**6,605**	6,605
Reserves		**564,092**	678,816
Total equity attributable to equity shareholders of the Company		**570,697**	685,421
Non-controlling interests		**130,830**	164,474
TOTAL EQUITY		**701,527**	849,895

NOTES TO THE FINANCIAL INFORMATION

1. GENERAL INFORMATION

Million Cities Holdings Limited (the "**Company**") was incorporated in the Cayman Islands on 15 November 2016 as an exempted company with limited liability under the Companies Law Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The registered office is at Conyers Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The Company is an investment holding company. The core business activities of the Company and its subsidiaries (together, the "**Group**") include property development and sales in Chinese Mainland.

These financial statements are presented in thousands of Renminbi ("**RMB'000**"), unless otherwise stated.

The consolidated financial statements for the years ended 31 December 2024 and 2023 comprise the Group and the Group's interest in associates.

2 MATERIAL ACCOUNTING POLICIES

(a) Statement of compliance

The consolidated results set out in this announcement do not constitute the consolidated financial statements of the Group for the year ended 31 December 2024 but are extracted from those consolidated financial statements which have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") and the requirements of the Hong Kong Companies Ordinance.

The HKICPA has issued certain amendments to HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 2(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these financial statements.

(b) Basis of measurement

These financial statements are presented in Renminbi ("**RMB**"), rounded to the nearest thousand, as the Group's principal activities were carried out in Chinese Mainland. RMB is the functional currency for the Company's subsidiaries established in Chinese Mainland. The functional currency of the Company and the Company's subsidiaries outside Chinese Mainland are Hong Kong dollars, as these entities' principal activities are financing and investing activities, and Hong Kong dollars are the primary currency generated from and used in these activities.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that investments in debt and equity securities and investment properties are stated at fair value.

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(c) Changes in accounting policies

Amendments to HKFRSs

The Group has applied the following amendments to HKFRSs issued by the HKICPA to these financial statements for the current accounting period:

- Amendments to HKAS 1, *Presentation of financial statements — Classification of liabilities as current or non-current* ("**2020 amendments**") and amendments to HKAS 1, *Presentation of financial statements — Non-current liabilities with covenants* ("**2022 amendments**")

- Amendments to HKFRS 16, *Leases — Lease liability in a sale and leaseback*

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

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

(d) Impairment of other non-current assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

— property, plant and equipment, including right-of-use assets;

— investments in subsidiaries, and associates;

— other non-current assets; and

— other contract costs.

If any such indication exists, the asset's recoverable amount is estimated.

— ***Calculation of recoverable amount***

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

— ***Recognition of impairment losses***

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable), or value in use (if determinable).

— ***Reversals of impairment losses***

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

(e) Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2024

Up to the date of issue of these financial statements, the HKICPA has issued a number of new or amended standards, which are not yet effective for the year ended 31 December 2024 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to HKAS 21, *The effects of changes in foreign exchange rates — Lack of exchangeability*	1 January 2025
Amendments to HKFRS 9, *Financial instruments* and HKFRS 7, *Financial instruments: disclosures — Amendments to the classification and measurement of financial instruments*	1 January 2026
Annual improvements to HKFRSs Accounting Standards — Volume 11	1 January 2026
HKFRS 18, *Presentation and disclosure in financial statements*	1 January 2027
HKFRS 19, *Subsidiaries without public accountability: disclosures*	1 January 2027

The Group is in the process of making an assessment on what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

3. REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are property development and sales in Chinese Mainland.

Disaggregation of revenue

Revenue mainly represents income from sale of properties and gross rentals from properties, net of sales related taxes and discounts allowed, and is analysed as follows:

	2024	2023
	RMB'000	*RMB'000*
Revenue from contracts with customers within the scope of HKFRS 15		
Sales of properties:		
— Recognised at a point in time	**94,374**	637,108
Revenue from other sources		
Gross rentals from properties	**5,336**	4,526
	99,710	641,634

For the year ended 31 December 2024, the Group's customer base is diversified and does not have a customer with whom transactions have exceeded 10% of the Group's revenue (2023: nil).

(b) Operating segment

Information reported to the Group's chief operating decision maker for the purposes of resource allocation and assessment of segment performance is more focused on the Group as a whole, as all of the Group's activities are considered to be primarily dependent on the performance of property development. Resources are allocated based on what is beneficial for the Group in enhancing its property development activities as a whole rather than any specific service. Performance assessment is based on the results of the Group as a whole. Therefore, management considers there is only one operating segment under the requirements of HKFRS 8, *Operating Segments*.

Geographic information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's property, plant and equipment, investment properties, other non-current assets and interests in associates ("**specified non-current assets**"). The geographical location of customers is based on the location at which the properties were developed or leased out. The geographical location of the specified non-current assets is based on the physical location of the asset, in the case of property, plant and equipment and investment properties, and the location of operations, in the case of other non-current assets and interests in associates.

	Revenue from external customers		**Specified non-current assets**	
	2024	2023	**2024**	2023
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Huizhou	**89,192**	596,101	**152,742**	267,210
Tianjin	**10,518**	45,533	**53,502**	52,235
Zhumadian	**—**	—	**84,620**	90,848
Others	**—**	—	**—**	56
	99,710	641,634	**290,864**	410,349

4. OTHER NET INCOME

	2024	2023
	RMB'000	*RMB'000*
Interest income arises from bank deposits	**7,461**	4,783
Interest income arises from loans receivable *(Note 10)*	**3,924**	3,914
Net exchange gain/(loss)	**841**	(75)
Gain from disposal of associates	**—**	11,344
Others	**1,833**	1,323
	14,059	21,289

5. FINANCE COSTS

	2024	2023
	RMB'000	*RMB'000*
Interest on bank loans	**—**	6,357
Interest on lease liabilities	**18**	6
	18	6,363

6. LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging or (crediting):

	2024	2023
	RMB'000	*RMB'000*
Depreciation and amortisation	**2,843**	7,220
Auditors' remuneration		
— audit service	**2,500**	2,200
— non-audit service	**1,335**	600
	3,835	2,800
Impairment loss on other receivables	**1,341**	—
Rentals income from investment properties	**(2,518)**	(1,644)

7. INCOME TAX

Taxation in the consolidated statement of profit or loss represents:

	2024	2023
	RMB'000	*RMB'000*
Current tax		
Provision for Corporate Income Tax ("**CIT**")	**938**	75,258
Provision for Land Appreciation Tax ("**LAT**")	**10,359**	(7,649)
	11,297	67,609
Deferred tax		
Origination and reversal of temporary differences	**9,343**	13,378
	20,640	80,987

(i) CIT and Hong Kong Profits Tax

The provision for CIT is based on the estimated taxable income at the rates applicable to each Chinese Mainland subsidiary of the Group. The income tax rate applicable to the principal subsidiaries in the People's Republic of China (the "**PRC**") is 25% during the year (2023: 25%).

No provision for Hong Kong Profits Tax was recognised for the year (2023: nil) as the subsidiaries in Hong Kong did not have any assessable profits for the year.

(ii) LAT

LAT is levied on properties developed by the Group for sale, at progressive rates ranging from 30% to 60% on the appreciation of land value, which under the applicable regulations is based on the proceeds of sales of properties less deductible expenditures including lease charges of land use rights, borrowing costs and relevant property development expenditures.

(iii) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands ("**BVI**"), the Group is not subject to any income tax in the Cayman Islands and the BVI.

8. LOSSES PER SHARE

(a) Basic losses per share

The calculation of basic losses per share is based on the loss attributable to equity shareholders of the Company of RMB113,817,000 (2023: loss of RMB482,278,000) and the weighted average number of issued ordinary shares of 750,000,000 (2023: 750,000,000) during the year ended 31 December 2024.

(b) Diluted losses per share

Diluted losses per share for the years ended 31 December 2024 and 2023 were the same as the basic losses per share as the deemed issue of shares under the Company's share option scheme was anti-dilutive for both years.

The average market value of the Company's shares for the purpose of calculating the dilutive effect of share options was based on quoted market prices for the period during which the options were outstanding.

9. DIVIDENDS

No dividends have been declared or paid by the Company and its subsidiaries during the year ended 31 December 2024.

On 31 March 2025, the Board resolved not to recommend a final dividend for the year ended 31 December 2024 (2023: nil).

10. OTHER NON-CURRENT ASSETS

On 5 May 2022, the Group, Mr. Wong Ting Chung, the chairman and executive director of the Company and a third party (the "**Borrower**") entered into a loan agreement, pursuant to which, the Group grants a loan of RMB96,500,000 to the Borrower for a term of 3 years with an interest rate of 4% per annum, and Mr. Wong Ting Chung provides a personal guarantee in favour of the Group. The Borrower shall repay the whole principal amount together with all accrued interest due and payable to the Group on 4 May 2025, or repay part of the principal amount together with all accrued interest due throughout the term of the loan by instalments, or on demand by the Group.

For the year ended 31 December 2024, the Group has accrued interest income of RMB3,924,000 (2023: RMB3,914,000) in respect of the loan.

As at 31 December 2024, the outstanding principal amount with all accrued interest of RMB100,424,000 has been reclassified as a current asset included in "Loans to third parties" (Note 12).

11. INVENTORIES AND OTHER CONTRACT COSTS

	2024	2023
	RMB'000	*RMB'000*
Inventories		
Properties held for development	**73,845**	57,833
Completed properties for sale	**492,524**	602,471
	566,369	660,304

As at 31 December 2024, certain completed properties with carrying amount of RMB5,765,000 were pledged due to litigation disputes and sales of which are therefore restricted.

(a) The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

	2024	2023
	RMB'000	*RMB'000*
Carrying amount of inventories sold	**74,780**	331,066
Write-down of inventories	**42,059**	475,069
	116,839	806,135

As at 31 December 2024, the amount of inventories expected to be recovered after more than one year is RMB551,754,000 (2023: RMB594,187,000). All of the other inventories are expected to be recovered within one year.

(b) The analysis of carrying value of land held for property development for sale is as follows:

	2024	2023
	RMB'000	*RMB'000*
In Chinese Mainland, with remaining lease term of:		
— 50 years or more (long leases)	**59,974**	57,377
— between 10 and 50 years (medium-term leases)	**65,414**	67,700
	125,388	125,077

12. TRADE AND OTHER RECEIVABLES

	2024	2023
	RMB'000	*RMB'000*
Trade debtors, net of loss allowance *(note (a))*		
— Gross rentals from properties	**330**	314
Amounts due from associates *(note (b))*	**18,000**	18,000
Amounts due from non-controlling interests *(note (b))*	**24,570**	64,411
Loans to third parties *(note (c))*	**139,424**	—
Other debtors, net of loss allowance	**44,547**	48,236
Financial assets measured at amortised cost	**226,871**	130,961
Deposits	**284**	869
Prepayments *(note (c))*	**13,098**	18,265
	240,253	150,095

All of the trade and other debtors are expected to be recovered or recognised as expenses within one year.

(a) As at 31 December 2024, the ageing analysis of trade debtors, based on the date the trade debtors recognised, net of allowance for doubtful debts, is as follows:

	2024	2023
	RMB'000	*RMB'000*
Within 1 month	**17**	—
1 to 3 months	**1**	1
3 to 6 months	**1**	2
Over 6 months	**311**	311
	330	314

As at 31 December 2024, no trade debtors were past due (2023: nil). Based on experience, management believes that no loss allowance is necessary in respect of the trade debtors as there has not been a significant change in credit quality. The Group is of the view that the expected irrecoverable trade debtors were insignificant. The Group does not hold any collateral over these balances.

(b) The amounts due from associates and non-controlling interests were interest-free, unsecured and recovered within one year.

(c) As at 31 December 2024, the balance included loans to third parties together with the accrued interests of RMB100,424,000 (Note 10) and RMB39,000,000, respectively. On 25 December 2024, Huizhou Million Cities Real Estate Development Co., Ltd, a subsidiary of the Company, entered into a loan agreement with a third party granting a loan of RMB39,000,000 to such third party for a term of one year with an interest rate of 3.5% per annum.

(d) At 31 December 2024, the balance mainly included prepayments for VAT and surcharges with an aggregated amount of RMB12,461,000 (2023: RMB17,364,000).

13. CONTRACT LIABILITIES

(a) The following table provides information about contract liabilities from contracts with customers:

	2024	2023
	RMB'000	*RMB'000*
Contract liabilities — Receipts in advance from property sales	**48,539**	78,161

Contract liabilities represented payments received from customers on sale of properties. Contract liabilities are recognised in profit or loss when the related properties are delivered.

(b) Movements in contract liabilities

	2024	2023
	RMB'000	*RMB'000*
Balance at 1 January	**78,161**	66,307
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	**(31,182)**	(43,006)
Increase in contract liabilities as a result of receipts in advance from property sales during the year in respect of properties with revenue recognition not being met as at 31 December	**1,560**	54,860
Balance at 31 December	**48,539**	78,161

14. TRADE AND OTHER PAYABLES

	2024	2023
	RMB'000	*RMB'000*
Trade creditors *(note (a))*	**63,103**	74,423
Other payables and accruals	**47,718**	59,794
Amounts due to related parties *(note (b))*	**318,965**	312,984
Financial liabilities measured at amortised cost	**429,786**	447,201
Financial guarantee issued *(note (c))*	**15,728**	4,096
Amounts due to the controlling shareholder and non-controlling interests *(note (d))*	**48,302**	48,302
	493,816	499,599

(a) Ageing analysis of trade creditors included in trade and other payables as at 31 December 2024, based on the date of the trade payables recognised:

	2024	2023
	RMB'000	*RMB'000*
Within 3 months	**65**	1,737
3 to 6 months	**68**	1,606
6 to 12 months	**2**	2,724
Over 12 months	**62,968**	68,356
	63,103	74,423

All trade and other payables are expected to be settled within one year or are payable on demand.

(b) The amounts due to related parties are interest-free, unsecured and repayable on demand.

(c) On 17 March 2021, Huizhou Logan Junhong Real Estate Limited ("**Logan Junhong**"), an associate of the Group, entered into a loan agreement ("**Loan Agreement**") with total banking facility amounted to RMB420,000,000 which was 100% guaranteed by Logan Group Company Limited ("**Logan Group**"). On 10 May 2021, the Group and Logan Group, entered into a counter-guarantee agreement ("**Counter-guarantee**") pursuant to which the Group has agreed, subject to the terms and conditions contained therein to provide a counter-guarantee to Logan Group with regard to the Loan Agreement in proportion to the Group's respective equity interest in Logan Junhong (30%). As at 31 December 2024, the total bank loan secured by the Counter-guarantee attributable to the Group was RMB15,600,000 (2023: RMB29,100,000). Deferred income in respect of the financial guarantees issued was RMB2,301,000 (31 December 2023: RMB4,096,000).

On 18 May 2024, the Group, Huizhou Well Kong Real Estate Co., Ltd. ("**Well Kong PRC**"), the associate of the Group, and Shenzhen Logan Holdings Company Limited ("**Logan Shenzhen**", the other shareholder of the associate) entered into a guarantee agreement in relation to the existing loan consisting of an outstanding amount together with the accrued interest till 30 June 2025 of approximately RMB13,427,000 owing from Well Kong PRC to Logan Shenzhen (the "**Existing Loan**"). To secure the repayment of the Existing Loan, the Group undertakes to provide a guarantee to Logan Shenzhen in favour of Well Kong PRC to secure the repayment of the amount due to Logan Shenzhen. As at 31 December 2024, provision of RMB13,427,000 (31 December 2023: nil) has been made for this guarantee.

(d) Pursuant to the capital injection agreement between Huizhou Yuefu Real Estate Co., Ltd., a subsidiary of the Company, and its shareholders signed on 25 June 2018 (the "**Agreement**"), an amount representing the sum of the retained profits as at 31 May 2018, and the estimated unrealised gain arising from the unsold inventories as at 31 May 2018, should be distributed to the original shareholders in accordance with share proportion before the capital injection. The balance is recognised at fair value. The balance is unsecured and expected to be settled upon disposal of the relevant inventories.

15. SHARE CAPITAL

	No. of shares	*Amount in HKD*
Authorised share capital of the Company:		
Ordinary shares of HKD0.01 each		
As at 31 December 2023, 1 January 2024 and 31 December 2024	1,400,000,000	14,000,000
Preference shares of HKD0.01 each		
As at 31 December 2023, 1 January 2024 and 31 December 2024	600,000,000	6,000,000

The share capital as at 31 December 2023 and 2024, represented the share capital of the Company.

	No. of shares	*Amount in HKD*	*Amount in RMB*
Ordinary shares, issued and fully paid:			
As at 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	750,000,000	7,500,000	6,605,250

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET REVIEW

In 2024, China's real estate industry continued to face difficulties, including unstable liquidity due to developers' debt problems, weakened consumer confidence, weakened demand for housing and sales decline, and the continued decline in housing prices. As a result of the ongoing market downturn, the sales area and value of commercial housing nationwide fell year-on-year. In the year of 2024, the total sales area of commercial housing amounted to approximately 974 million sq.m., representing a decrease of approximately 12.2% as compared with the previous year. In terms of monetary value, the sales volume of commercial housing decreased by approximately 17.0% year-on-year to approximately RMB9.68 trillion. Besides, the total investment in the real estate sector in the year of 2024 amounted to approximately RMB10.0 trillion, representing a year-on-year decrease of approximately 9.6%. The statistical data illustrated that the sales and investment performance of real estate market continued to be weaken.

In the past year, the central government has actively and steadily implemented policies to regulate the real estate market, effectively prevented and resolved market risks, and facilitated the stable development of the real estate market. Despite a series of relief measures introduced by the central government, including the introduction of a "white list" policy, lowering of down payment ratios, reduction of restrictions on housing purchases and provision of financing support to developers, the market is still under pressure to adjust, with the industry set to consolidate further. The social welfare housing and rental markets will receive more policy support. Investment focus will shift from sole pursuit of scale to quality and efficiency. Overall, China's real estate industry is shifting from high-speed development to high-quality development. The Group believes that "stabilizing land prices, housing prices and expectations" will continue to be the long-term policy direction, and the real estate market will gradually stabilize and operate in an appropriate manner.

BUSINESS REVIEW

Amidst the challenges of the real estate industry, the Group has focused more on stabilizing its operations, exploring different channels to boost sales, generating cash flow and controlling costs in order to maintain business stability. As at the end of 2024, all the bank loans at subsidiaries level had been repaid in full.

During FY2024, the Group recorded a revenue of approximately RMB99.7 million, representing a decrease of approximately 84.5% compared to last year's sales revenue. This decline was mainly due to the revenue in FY2024 being derived from inventory property sales, including Million Cities Legend Phase 3 and shops in Crown Grand Court in Huizhou, rather than newly completed and delivered properties, as in FY2023. However, taking into account the impairment provisions for the properties of the subsidiaries and the associates companies, the Group recorded a loss attributable to equity shareholders of the Company amounted to approximately RMB113.8 million for FY2024, representing a decrease of loss approximately 76.4% as compared to the loss for FY2023.

For FY2024, the Group attained an aggregated contracted sales value, including sale of properties by the associates of the Group at 100% level, of approximately RMB181.0 million with a total GFA of approximately 26,400 sq.m., which was mainly attributable to the sale of Million Cities Legend Phase 3 and the Jade Terrace in Huizhou and Dragon Palace in Henan.

BUSINESS OUTLOOK

At the Third Session of the 14th National People's Congress, Premier Li Qiang's Government Work Report pointed out the need to continue to exert efforts to promote the stabilization of the real estate market, adjust restrictive measures according to the city's policies, promote the acquisition of stock of commercial housing, reasonably control the supply of new land for real estate, and make more efforts to unleash the potential of demand for rigid and improved housing. Moreover, it is critical to continue the works to guarantee the delivery of housing, and to effectively prevent the risk of debt defaults by real estate enterprises. Meanwhile, it is necessary to establish the real estate financing coordination mechanism in order to build up relevant fundamental systems to continuously optimize the housing supply structure and accelerate the establishment of a new model for the development of the real estate sector. Looking ahead, the prudential management system for real estate finance will continue to be improved, and it will promote the transformation of the real estate sector towards high-quality development.

In addition, the Group will continue to identify and explore investment opportunities, including certain sustainable development projects, so as to create long-term value to the shareholders and investors of the Company.

FINANCIAL REVIEW

Revenue

The Group's revenue mainly represented income from the sale of properties and gross rentals from properties earned during the year, net of sales related taxes and discounts allowed.

Revenue from sale of properties has constituted, and is expected to continue to constitute, a majority of the Group's total revenue.

Impairment

Affected by macroeconomic environment of Chinese Mainland, in particular the real estate industry, impairment was recorded for (i) properties held for development and completed properties of the Group; (ii) investment properties of the Group; and (iii) properties of the Group's associates.

Such impairment was made since there was a drop in the fair value of all the above mentioned properties that are located in Chinese Mainland. The values of these properties are determined by market approach with reference to recent sales price of comparable properties on a price per square meter basis, adjusted for a premium or a discount specific to the location, property size and age of the Group's properties compared to the recent sales. Market approach is universally considered as the most accepted valuation approach for valuing most forms of property. This involves the analysis of recent market evidence of similar properties to compare with the subject under valuation. Each comparable is analysed on the basis of its unit rate. Each attribute of the comparables is then compared with the subject and where there are any differences, the unit rate is adjusted in order to arrive at the appropriate unit rate for the subject. This is done by making percentage adjustments to the unit rate for various factors, such as time, location, building age, building quality and so on. Same valuation method was used in FY2023.

As there was no change in bases and assumptions of inputs, and valuation methodology, the amount of impairment being recorded for valuation in FY2024 was primarily driven by the drop in the prices per square meter basis, which was caused by various economic and market factors. The unit prices in the localities of the Group's properties witnessed a general decrease over FY2024 due to the recent property market and economic continued downturn and thus the properties are subject to relatively discounts in realising the market values as at the valuation date amid the latest market sentiments, and potential purchasers of properties similar to the Group's properties are sceptical and uncertain about the near-term situation of the economy, thus delaying their decisions on purchases, resulting in selling velocities in such localities being decreased.

Property development

(i) Contracted sales

Total properties contracted sales (based on GFA of sales consent), including sale of properties by the associates of the Group at 100% level, amounted to approximately RMB181.0 million, representing a GFA of approximately 26,400 sq.m. sold for the year ended 31 December 2024.

(ii) Land bank

As at 31 December 2024, the total GFA of the Group's land bank was approximately 1,208,981 sq.m., out of which (i) approximately 348,000 sq.m. GFA was unsold completed properties projects; (ii) approximately 25,612 sq.m. GFA was unsold and under construction; and (iii) approximately 835,369 sq.m. GFA was reserved for future development.

(iii) Revenue

Revenue from sale of properties for FY2024 amounted to approximately RMB94.4 million, as compared with approximately RMB637.1 million reported in FY2023, representing a decrease by approximately 85.2%. Revenue recognised for FY2024 was mainly contributed by Million Cities Legend Phase 3 and shops in Crown Grand Court in Huizhou, the inventories being sold by the Group were not properties that were newly completed and delivered properties during FY2024. In contrast, sale of properties for FY2023 were mainly derived from sale of the then newly completed and delivered properties, such as Million Cities Legend Phase 3 in Huizhou. Consequently, the sales volume experienced a significant decrease, resulting in the significant decrease in revenue FY2024.

Rental income

Gross rental income from investment properties and inventories for FY2024 was approximately RMB5.3 million, as compared with approximately RMB4.5 million reported in FY2023, representing an increase by approximately 17.8%. The increase in gross rental income was mainly due to the increase in rental income from the carparks and investment properties for FY2024.

Cost of sales

Cost of sales for FY2024 was approximately RMB116.8 million, as compared with approximately RMB806.1 million reported in FY2023, representing a decrease by approximately 85.5%. The decrease in cost of sales was mainly due to (i) the decrease in revenue from sale of properties; and (ii) the significant decrease in impairment amount of certain inventories as compared with FY2023.

Gross loss

The gross loss for FY2024 was approximately RMB17.1 million, representing a decrease by approximately 89.6%, as compared with the gross loss for FY 2023 of approximately RMB164.5 million. The decrease in gross loss was mainly due to the significant decrease in impairment amount of certain inventories as compared with FY2023. For further details regarding the impairment, please refer to the paragraph headed "Impairment" above.

Valuation losses on investment properties

The Group recorded valuation loss for FY2024 of approximately RMB0.4 million, representing a decrease of valuation loss by approximately RMB36.6 million as compared with approximately RMB37.0 million reported in FY2023. This was mainly because there was a reduction in the decline of market value of the investments properties in FY2024 as compared with FY2023.

Other net income

Other net income for FY2024 was approximately RMB14.1 million, as compared with approximately RMB21.3 million in FY2023, representing a decrease by approximately 33.8%, which was mainly due to the gain from disposal of associates recorded during FY2023, partially offset by the increase in interest income in FY2024.

Selling expenses

Selling expenses for FY2024 were approximately RMB7.6 million, as compared with approximately RMB57.3 million reported in FY2023, representing a decrease by approximately 86.8%. The decrease in selling expenses was mainly due to the decrease in sales.

Administrative expenses

Administrative expenses for FY2024 were approximately RMB41.8 million, as compared with FY2023 of approximately RMB49.6 million, representing a decrease by approximately 15.7% which was mainly due to the decrease in staff costs.

Share of profits less losses of associates

Share of profits less losses of associates recorded a loss of approximately RMB64.9 million for FY2024, and compared with a loss of approximately RMB259.0 million in FY2023, representing a decrease of approximately RMB194.1 million. This was mainly due to the significant decrease in impairment amount of certain inventories as compared with FY2023, partially offset by the (i) impairment loss on other receivables of associates of the Company; and (ii) accrued interest expenses owing to Logan Shenzhen (for details, please refer to Note 14(c) in the "NOTES TO THE FINANCIAL INFORMATION").

Finance costs

Finance costs for FY2024 were approximately RMB18,000, as compared with approximately RMB6.4 million in FY2023, representing a decrease by approximately 99.7% due to the repayment of all bank loans before 31 December 2023.

Income tax

For FY2024, income tax was approximately RMB20.6 million, representing a decrease of approximately RMB60.4 million, as compared with income tax of approximately RMB81.0 million for FY2023, as a result of the decrease in profit from operations.

Loss for the period attributable to equity shareholders of the Company

Loss for the period attributable to equity shareholders of the Company for FY2024 was approximately RMB113.8 million, representing a decrease of approximately RMB368.5 million, as compared with the loss attributable to equity shareholders of the Company in FY2023 of approximately RMB482.3 million. The decrease in loss attributable to equity shareholders of the Company in FY2024 was mainly because of the significant decrease in impairment provisions made for the properties of the Company's subsidiaries and associated companies as compared to those of FY2023, partially offset by (i) the significant decrease in revenue in subsidiaries for FY2024; (ii) the recognition of impairment loss on other receivables of the Company's associated companies for FY2024; and (iii) the provision made with respect to the accrued interest in the Company's associated companies to Logan Shenzhen for FY2024.

OTHER FINANCIAL INFORMATION

Liquidity and financial resources

For FY2024, the Group's cash and cash equivalents were mainly used in the Group's business operations, to service the Group's indebtedness and to fund the Group's working capital. The Group financed its funding requirements mainly through a combination of cash generated from operating activities and borrowings. As at 31 December 2024 and 31 December 2023, the Company's subsidiaries did not have any bank loans. Therefore, the Group's gearing ratio as at 31 December 2024 and 31 December 2023 was nil.

The gearing ratio is calculated as interest bearing bank loans divided by equity.

As at 31 December 2024, the Group's cash and cash equivalents, amounting to approximately RMB268.4 million, were denominated in Hong Kong dollars ("**HK$**") (20.1%) and USD (0.1%) and RMB (79.8%).

Financial risk management objectives and policies

The Group's management has adopted certain policies on financial risk management with the objectives of: (i) ensuring appropriate funding strategies being adopted to meet the Group's short term and long term funding requirements after taking into consideration of the cost of funding, gearing ratios and cash flow projections of the Group; and (ii) ensuring appropriate strategies also being adopted to minimise the interest rate risk, credit risk and liquidity risk.

Foreign currency risk

The Group mainly operates in Hong Kong and the Chinese Mainland with majority of the transactions settled in HK$ and RMB. Foreign currency risk arises when future business transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency. The Directors consider the Group's foreign currency risk exposure is minimal since all of the sales, assets and liabilities are denominated in RMB and only a small portion of operating expenses are denominated in HK$.

Interest rate risk

The Group repaid all bank loans during the financial year ended 31 December 2023. Thus, the interest rate risk was immaterial. For FY2024, the Group's interest rate risk only arose from cash at bank. Cash at bank issued at variable rates expose the Group to cash flow interest rate risk. The Group did not enter into any financial instruments to hedge against interest rate risk for FY2024, but the Board will continue to closely monitor the Group's cashflow situation in order to manage the Group's interest rate risk exposure.

Credit risk

As of 31 December 2024, no material trade debtors of the Group were past due. The Group normally receives full payment from buyers before the delivery of the property. For mortgage sales without full settlement, the Group would not deliver the property to the customers unless it obtains confirmation from the banks providing mortgage that the respective mortgages have been approved. In addition, the Group would not transfer titles of the properties to customers until full amount of sales proceeds are received. Accordingly, the Group is of the view that the expected irrecoverable trade debtors were immaterial. Thus, no bad debt provision for trade debtors was recognised during FY2024.

In addition, the Group also reviews the recoverability of other receivables from time to time and makes bad debts provisions if necessary. For FY2024, the Group made a bad debt provision for other receivables of RMB1.3 million (31 December 2023: nil).

As at 31 December 2024, all the Group's bank balances and deposits were held with major financial institutions in Hong Kong and the Chinese Mainland which the Directors believe are of high credit quality. The Directors do not expect any losses arising from the non-performance by these financial institutions.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and long terms. The Group has not experienced and does not expect to experience any difficulties in meeting credit obligations when they fall due.

Capital expenditures

During FY2024, property, plant and equipment of RMB1.7 million were acquired (31 December 2023: RMB1.9 million).

Capital commitments

The Group's capital commitments as at 31 December 2024 amounted to approximately RMB2.9 million (31 December 2023: RMB4.5 million) which were mainly related to development costs for the Group's properties under development.

Charge on assets

As at 31 December 2024, certain completed properties with carrying amount of RMB5,765,000 were pledged due to litigation disputes and sales of which are therefore restricted.

Contingent liabilities

As at 31 December 2024, the Group issued guarantees to banks to secure the mortgage arrangements of certain property buyers. The outstanding guarantees to the banks, amounted to approximately RMB338.5 million as at 31 December 2024 (31 December 2023: RMB373.8 million), will be terminated upon completion of transferring the legal title of the properties to the property buyers. The Directors consider loss arising from these guarantees as a result of default payment by customers to be insignificant, as the banks have the rights to sell the properties and recover the outstanding loan balance from sale proceeds.

The Group has not recognised any deferred income in respect of these guarantees as their fair values are considered to be insignificant.

Operating segment information

The Group's revenue and results for FY2024 were mainly derived from property development. Performance assessment is based on the results of the Group as a whole. Therefore, management of the Group considers there is only one operating segment.

The geographic information is disclosed in a manner consistent with the way in which information is reported internally to the Group's chief operating decision maker for allocation of resources and performance assessment.

Significant investments, acquisition and disposals

On 30 July 2024, the Company issued (i) the circular in relation to, among others, the allotment and issuance ("**Subscription**") of 99 new shares of Brillant Avenir Investment Company Limited ("**Target Company**") to Fortune Speed Investments Limited ("**Fortune Speed**"); and (ii) the notice of the extraordinary general meeting to seek for independent shareholders' approval regarding, among others, and ratification of the subscription agreement dated 28 June 2024 ("**Subscription Agreement**") and entered into between, the Company (as warrantor), Fortune Speed (as subscriber) and the Target Company with respect to the Subscription.

On 19 August, 2024, the resolution regarding the Subscription Agreement and the transactions contemplated thereunder was duly passed by the independent shareholders of the Company by way of poll.

On 31 December 2024, as additional time was required for the fulfilment of the conditions precedent as set out in the Subscription Agreement, the Company, Fortune Speed and the Target Company agreed in writing that the long stop date as set out in the Subscription Agreement shall be extended to 28 June 2025 (or such later date as the Company, Fortune Speed and the Target Company may agree in writing).

Please refer to the Company's announcements dated 28 June 2024 and 31 December 2024, and the Company's circular dated 30 July 2024 for further details.

Events after balance sheet date

The Group has no significant event subsequent to the year ended 31 December 2024.

Human resources and emolument policy

As at 31 December 2024, the Group had a total of 41 (2023: 60) full-time employees in the PRC and Hong Kong. For FY2024, the total staff costs, including the directors' emoluments, amounted to approximately RMB18.2 million (2023: RMB31.0 million), of which approximately RMB1.3 million (31 December 2023: RMB6.4 million) were capitalised into inventories.

The Group's emolument policies are formulated based on the performance and experience of individual employee and are in line with the salary trends in Hong Kong and the PRC. Other employee benefits include performance-linked bonuses, insurance and medical coverage and share options.

Since human resources management is an important factor in maintaining and enhancing the Group's strong expertise in the property development, the Group will provide appropriate training programs to the employees as the Group sees fit. From time to time, different on-the-job trainings will be provided to employees in order to ensure continuous staff development and skills upgrading.

Remuneration policy of Directors and senior management

The Directors and senior management of the Group receive compensation in the form of salaries and discretionary bonuses related to the performance of the Group. The Group also reimburses them for expenses which are necessarily and reasonably incurred for providing services to the Group or executing their functions in relation to the Group's operations. The remuneration committee will regularly review and determine the remuneration and compensation package of the Directors and senior management, by reference to, among other things, market level of salaries paid by comparable companies, the respective responsibilities of the Directors and senior management and the performance of the Group.

DEED OF NON-COMPETITION

Fortune Speed Investments Limited, Winnermax Management Limited, Happy Family Assets Limited, Mr. Wong Ting Chung, Mr. Wong Ting Kau, Mr. Wong Ting Chun and Ms. Wong Wai Ling (the "**Controlling Shareholders**"), being the controlling shareholders (as defined under the Rules (the "**Listing Rules**") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**")) of the Company, has entered into a deed of non-competition in favour of the Company on 30 November 2018 (the "**Deed of Non-competition**"). Each of the Controlling Shareholders has irrevocably and unconditionally undertaken, jointly and severally, with the Company that he, she or it shall provide, and shall procure their associates (other than members of the Group) to provide, to the Company and the Directors from time to time (including the independent non-executive Directors) with all information necessary for the annual review by the independent non-executive Directors, subject to any relevant laws, rules and regulations or any contractual obligations, to enable them to review the Controlling Shareholders' and their associates' (other than members of the Group) compliance with the Deed of Non-competition, and to enable the independent non-executive Directors to enforce the Deed of Non-competition.

Each of the Controlling Shareholders has confirmed compliance with the terms of the Deed of Non-competition and that during FY2024, there was no matter requiring deliberation by the Board in relation to the compliance and enforcement of the Deed of Non-competition. The Board comprising all the independent non-executive Directors is of the view that the Controlling Shareholders have been in compliance with the Deed of Non-competition in favour of the Company.

DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

The Directors do not recommend any payment of final dividend for FY2024 (2023: nil). No interim dividend for 2024 was paid to the Shareholders during FY2024 (2023: nil). The register of members of the Company will be closed from 11 June 2025 to 16 June 2025, both days inclusive, for the purpose of determining the entitlement of the Shareholders to attend the forthcoming annual general meeting, which shall be held on Monday, 16 June 2025 (the "**AGM**"), during such period no transfer of shares of the Company will be registered. In order to qualify for attending the AGM, the Shareholders should ensure that all transfers accompanied by the relevant share certificates and transfer forms are lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on 10 June 2025.

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

For FY2024, neither the Company nor any of its subsidiaries, has purchased, sold or redeemed any of the Company's listed securities. The Company did not hold any treasury shares during FY2024.

CORPORATE GOVERNANCE CODE

As the Company believes that good corporate governance can create value for its shareholders, the Board is committed to maintain a high standard of corporate governance practices by placing strong emphasis on a quality Board, sound internal controls and effective accountability to the shareholders as a whole. The Company has adopted the code provisions in the Corporate Governance Code and Corporate Governance Report (the "**CG Code**") as set out in Appendix C1 to the Listing Rules as its own code of corporate governance. In the opinion of the Directors, the Company has complied with all the mandatory code provisions set out in the CG Code for FY2024.

The Board will continue to enhance its corporate governance practices to ensure that it complies with the CG Code and aligns with the latest developments.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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 own code for securities transactions by the Directors.

All Directors have confirmed, following specific enquiries made by the Company, that they have fully complied with the required standards set out in the Model Code and the Company's code of conduct for FY2024.

Relevant employees who are likely to be in possession of inside information of the Group are also subject to compliance with written guidelines on terms no less exacting than the required standards set out in the Model Code. Each of the relevant employees has been given a copy of the written guidelines.

No incident of non-compliance with these guidelines by the relevant employees has been notified to the Company for FY2024.

AUDIT COMMITTEE

The audit committee of the Board was established with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph D3 of the CG Code. The primary duties of the audit committee are to assist the Board by providing an independent view of the effectiveness of the financial reporting process, internal control and risk management systems of our Group, to oversee the audit process, to develop and review policies and to perform other duties and responsibilities as assigned by the Board. For FY2024, the audit committee consists of three independent non-executive Directors, namely, Mr. Li Yinquan (chairman of the audit committee who possesses the appropriate professional qualification or accounting or related financial management expertise), Mr. Ip Shu Kwan, Stephen, and Mr. Chan Hiu Fung, Nicholas. The written terms of reference of audit committee has been made available on the Company's website at www.millioncities.com.cn and on the website of the Stock Exchange. The audit committee has reviewed, together with the management of the Group, the accounting principles and practices adopted by the Group, and has discussed internal controls and financial reporting matters including a review of the consolidated financial statements of the Group for FY2024. The annual results have been reviewed and approved by the Audit Committee.

REVIEW OF PRELIMINARY ANNOUNCEMENT

The financial figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for FY2024 as set out in the preliminary announcement have been compared by the Group's auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group's audited consolidated financial statements for the year and the amounts were found to be in agreement. The work performed by KPMG in this respect did not constitute an audit, review or other 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 KPMG on the preliminary announcement.

PUBLICATION OF THE AUDITED CONSOLIDATED ANNUAL RESULTS AND 2024 ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This results announcement is published on the website of the Stock Exchange at http://www.hkexnews.hk and the Company's website at http://www.millioncities.com.cn. The annual report for FY2024 will be despatched to the Shareholders and published on the respective websites of the Stock Exchange and the Company in due course.

By order of the Board
Million Cities Holdings Limited
Wong Ting Chung
Chairman and executive Director

Hong Kong, 31 March 2025

As at the date of this announcement, the chairman and executive Director is Mr. Wong Ting Chung; the executive Directors are Mr. Lau Ka Keung and Mr. Li Wa Tat, Benedict; the non-executive Director is Ms. Wong Wai Ling and the independent non-executive Directors are Mr. Ip Shu Kwan, Stephen, Mr. Li Yinquan and Mr. Chan Hiu Fung, Nicholas.