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## **GOLDEN WHEEL TIANDI HOLDINGS COMPANY LIMITED**

### **金輪天地控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1232)**

## **PRELIMINARY ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2021**

### **FINANCIAL HIGHLIGHTS**

1. Total contracted sales increased by 18% to RMB4,821.1 million (2020: RMB4,081.0 million).
2. Revenue amounted to RMB1,782.5 million (2020: RMB1,389.1 million), representing an increase of approximately 28% as compared with 2020.
3. Loss for the year amounted to RMB1,987.1 million (2020: profit for the year of RMB50.2 million) which was mainly caused by the valuation loss of RMB1,597.7 million incurred from investment properties as the result of COVID-19 pandemic and the deteriorating market conditions.
4. Total assets as at 31 December 2021 amounted to RMB13.8 billion (2020: RMB17.2 billion).
5. Total investment properties as at 31 December 2021 amounted to RMB4,326.2 million (2020: RMB6,628.6 million).
6. As of 31 December 2021, the Group had total cash and bank deposits of approximately RMB1,214.9 million (2020: RMB1,413.3 million).
7. Net asset value per share amounted to RMB1.63 per share (2020: RMB2.73 per share) as at 31 December 2021.

The board (the “**Board**”) of directors (the “**Directors**”) of Golden Wheel Tiandi Holdings Company Limited (the “**Company**”) is pleased to announce the audited annual consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2021, together with the comparative figures for the preceding year.

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(Expressed in Renminbi)

		For the year ended	
		31 December	
		2021	2020
	NOTES	RMB'000	RMB'000
Revenue	3	1,782,495	1,389,119
Cost of sales		<u>(1,810,025)</u>	<u>(1,155,977)</u>
<b>Gross (loss)/profit</b>		<b>(27,530)</b>	233,142
Changes in fair value of investment properties		(1,597,661)	91,971
Other income, expenses, gains and losses	4	17,787	318,124
Selling and marketing expenses		(88,604)	(81,415)
Administrative expenses		<u>(143,050)</u>	<u>(155,686)</u>
<b>(Loss)/profit from operations</b>		<b>(1,839,058)</b>	406,136
Finance costs	5(a)	(254,759)	(233,545)
Share of losses of associates		(14,772)	(46,930)
Share of profits of joint ventures		<u>28,149</u>	<u>1,105</u>
<b>(Loss)/profit before taxation</b>	5	<b>(2,080,440)</b>	126,766
Income tax	6	<u>93,355</u>	<u>(76,521)</u>
<b>(Loss)/profit for the year</b>		<b><u>(1,987,085)</u></b>	<b><u>50,245</u></b>
<b>Attributable to:</b>			
Equity shareholders of the Company		(1,980,195)	34,788
Non-controlling interest		<u>(6,890)</u>	<u>15,457</u>
<b>(Loss)/profit for the year</b>		<b><u>(1,987,085)</u></b>	<b><u>50,245</u></b>

		<b>For the year ended</b>	
		<b>31 December</b>	
		<b>2021</b>	<b>2020</b>
	<i>NOTES</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>Other comprehensive income for the year</b>			
<b>(after tax and reclassification adjustments):</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of financial statements of the entities with functional currencies other than Renminbi		<u>(881)</u>	<u>1,149</u>
<b>Other comprehensive income for the year</b>		<u>(881)</u>	<u>1,149</u>
<b>Total comprehensive income for the year attributable to equity shareholders of the Company</b>		<u><b>(1,987,966)</b></u>	<u><b>51,394</b></u>
<b>Attributable to:</b>			
Equity shareholders of the Company		<u>(1,981,076)</u>	<u>35,937</u>
Non-controlling interest		<u>(6,890)</u>	<u>15,457</u>
Total comprehensive income for the year		<u><b>(1,987,966)</b></u>	<u><b>51,394</b></u>
<b>(LOSS)/EARNINGS PER SHARE</b>			
– Basic ( <i>RMB per share</i> )	7	<u><b>(1.100)</b></u>	<u><b>0.019</b></u>
– Diluted ( <i>RMB per share</i> )	7	<u><b>(1.100)</b></u>	<u><b>0.019</b></u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Expressed in Renminbi)

		As at	
		31 December 2021	31 December 2020
	NOTES	RMB'000	RMB'000
<b>Non-current assets</b>			
Property, plant and equipment	9	599,451	266,713
Investment properties	10	4,326,157	6,628,565
Interests in associates		75,001	204,233
Interests in joint ventures		493,619	413,064
Other financial assets		213,146	289,529
Restricted bank deposits		33,770	181,011
Deferred tax assets		126,994	143,629
		<u>5,868,138</u>	<u>8,126,744</u>
<b>Current assets</b>			
Properties under development for sale		4,149,446	5,254,447
Completed properties for sale		1,894,938	1,903,760
Contract costs		34,210	15,205
Trade and other receivables	11	462,927	534,943
Non-current asset held for sale		184,289	–
Land appreciation tax and income tax prepaid		64,224	51,929
Other financial assets		–	39,966
Restricted bank deposits		834,241	383,182
Cash and cash equivalents		346,910	849,120
		<u>7,971,185</u>	<u>9,032,552</u>
<b>Current liabilities</b>			
Trade and other payables	12	1,796,636	2,175,139
Contract liabilities		2,370,706	1,881,711
Rental received in advance		35,298	32,106
Lease liabilities		44,482	45,862
Bank loans		1,726,249	1,831,855
Current taxation		498,521	556,871
Senior notes		2,814,024	1,221,429
		<u>9,285,916</u>	<u>7,744,973</u>
Net current (liabilities)/assets		<u>(1,314,731)</u>	<u>1,287,579</u>
Total assets less current liabilities		<u>4,553,407</u>	<u>9,414,323</u>

	As at	
	31 December 2021	31 December 2020
<i>NOTES</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>Non-current liabilities</b>		
Lease liabilities	152,618	215,188
Bank loans	504,990	979,651
Deferred tax liabilities	965,304	1,200,435
Rental received in advance	–	15,647
Senior notes	–	2,083,456
	<u>1,622,912</u>	<u>4,494,377</u>
 NET ASSETS	 <u><b>2,930,495</b></u>	 <u>4,919,946</u>
 CAPITAL AND RESERVES		
Share capital	112,883	113,099
Reserves	2,731,606	4,713,951
	<u>2,844,489</u>	<u>4,827,050</u>
Total equity attributable to equity shareholders of the company	2,844,489	4,827,050
Non-controlling interests	86,006	92,896
	<u>2,930,495</u>	<u>4,919,946</u>
 TOTAL EQUITY	 <u><b>2,930,495</b></u>	 <u>4,919,946</u>

## NOTES

### 1 GENERAL AND BASIS OF PREPARATION

Golden Wheel Tiandi Holdings Company Limited (the “**Company**”) was incorporated as an exempted Company with limited liability in the Cayman Islands on 26 April 2012 and its shares are listed on The Stock Exchange of Hong Kong Limited with effect from 16 January 2013.

The Company is an investment holding company. The Company and its subsidiaries (hereinafter collectively referred to as the “**Group**”) are principally engaged in property development, property leasing and hotel operation.

The consolidated financial statements for the year ended 31 December 2021 comprise the Group and the Group’s interest in associates and joint ventures.

The measurement basis used in the preparation of the financial statements is the historical cost basis except as set out in the accounting policies hereunder the consolidated financial statements.

These financial statements are presented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousand (“**RMB’000**”) except when otherwise indicated. RMB is also the functional currency of the Company and the presentation currency of the Group.

The financial information relating to the financial year ended 31 December 2021 that is included in this preliminary annual results announcement does not constitute the Company’s annual consolidated financial statements for that financial year but is derived from those financial statements.

#### **Materiality uncertainty related to going concern**

The Group incurred a net loss of RMB1,987 million for the year ended 31 December 2021 and recorded net current liabilities of RMB1,315 million as at 31 December 2021. Included in the current liabilities were loans and borrowings of RMB1,726 million and senior notes of RMB2,814 million.

The Group is aware of recent macroeconomic conditions which have potential implications on the business of the Group in the near to medium term. This includes the continuation of the COVID-19 pandemic and the tightened policies adopted by the local Chinese governments towards the real estate sector and deteriorating consumer sentiment in China resulting in the whole real estate sector suffering from short-term liquidity pressures.

The recent macroeconomic conditions and the volatility in China real estate industry since the second half of 2021 has brought additional uncertainty to the Group. It may also be more challenging to refinance loans than it has historically been. The Group may be unable to repay the loans and borrowings and senior notes in full when they fall due unless the Group is able to generate sufficient cash inflows from its future operations or disposal of the Group's assets at a reasonable price in an appropriate timeframe and to renew or refinance the banking facilities and senior notes upon maturity. All these facts and circumstances indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern.

In view of these circumstances, the directors of the Company have given consideration to the future liquidity of the Group and its available sources of finance in assessing whether the Group will have sufficient financial resources to continue as a going concern. The directors have reviewed the Group's cash flow projections prepared by management, which covers a period of at least 12 months from 31 December 2021. Certain plans and measures have been taken to mitigate the liquidity pressures and to improve its financial position which include, but not limited to, the following:

- (i) As at 31 December 2021, the Company has senior notes with carrying amount of US\$178 million (equivalent to RMB1,132 million) with maturity date on 9 January 2023 (the "Notes"). Each holder of the Notes has the right, at such holder's option, to require the Company to repurchase for cash all of such holder's Notes on 10 January 2022. The Company also has senior notes with carrying amount of US\$267 million (equivalent to RMB1,682 million) with maturity date on 14 March 2022 and 11 July 2022. The Group is announcing a proposed restructuring of the existing senior notes through a scheme of arrangement in the Cayman Islands (the "**Cayman Scheme**"). Existing senior note holders representing more than 85% of the aggregate outstanding principal amount of all three series of the senior notes and more than 80% of the aggregate principal amount of each series of the senior notes have duly executed, or have duly acceded to, restructuring support agreement. The Scheme will then be subject to the approval of the Grand Court of the Cayman Islands on 4 April 2022. If the Cayman Scheme is approved by the Grand Court of the Cayman Islands, the existing senior notes will be replaced by New Notes that having maturity date for 3 years with instalment repayment after the restructuring effective date ("**RED**"). The Company intends to disposal certain onshore properties in the next three years in order to assist the Group with meeting the various repayment obligations under the New Notes.

The New Notes will mature on April 2025 and the interest rate of the New Notes is 10%. The Issue Amount of the New Notes is the total outstanding principal amount of the existing Notes and their accrued and unpaid interest up to but excluding the RED (noting that this would be US\$493 million on the basis that the expected RED is 31 March 2022. The New Notes repayment details are as follows: 5% of the Issue Amount plus accrued but unpaid interest up to but excluding the relevant payment date shall be repaid by the date falling 90 days after the RED. 5% of the Issue Amount on or before date falling 9 months after issue date. 15% of the Issue Amount on or before date falling 15 months after issue date. 10% of the Issue Amount on or before date falling 21 months after issue date. 10% of the Issue Amount on or before date falling 27 months after issue date. Any remaining outstanding principal amount of the New Notes shall be redeemed in full on or before the New Notes Maturity Date. The interest will be paid semi-annually.

- (ii) Included in the current bank loans were bank loans of RMB276 million which had original scheduled payment date after twelve months period since 31 December 2021. These loans and borrowing are secured by the Group's assets. Management is actively negotiating with these banks not to exercise the repayable on demand clause and the Group can repay the loans and borrowing based on the original payment schedule. Management is also negotiating with the banks and borrowers to renewal existing bank facilities, as well as discussing with various parties (including but not limited to banks and financial institutions) to secure additional sources of financing for the Group.

As at 31 December 2021, the Group has contract liabilities amounted to RMB2,371 million. The amounts to be received from the contract sales amounted to RMB509 million. Based on the management estimation, four property development projects are expected to complete in the twelve months ended 31 December 2022 and the Group can release part of the contract liabilities and receive additional cash from the property buyers.

As at 31 December 2021, the Group had cash and cash equivalents and restricted bank deposits amounting to RMB347 million and RMB868 million, respectively. The group also had investment properties, completed properties for sale and properties under development for sale of RMB4,326 million, RMB1,894 million and RMB4,149 million, respectively. Meanwhile, the Group and the joint ventures and associates still have 9 properties under development, a total of 1,024,235 sq.m.

The Group will continue its efforts to recover from the volatility in China real estate industry, and expedite sales of properties and investment properties, collection of receivables, while maintaining more stringent cost control measure and containment of discretionary capital expenditures. The plans and measures as described above incorporate assumptions about future events and conditions. If the above plans and measures are successful, the Group will be able to generate sufficient financing and operating cash flows to meet its liquidity requirements for at least the next twelve months from the end of the reporting period. Based on the directors' intentions and the cash flow forecast mentioned above, the directors are of the opinion that it is appropriate to prepare the Group's financial statements for the year ended 31 December 2021 on a going concern basis. Should the Group not be able to continue to operate as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amounts, to provide for further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effect of these adjustments has not been reflected in this annual financial statements.

## **2 CHANGES IN ACCOUNTING POLICIES**

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

- *Amendments to IFRS 9, IAS 39, IFRS7, IFRS 4 and IFRS 16, Interest rate benchmark reform– phase 2*
- *Amendment to IFRS 16, Covid-19-Related Rent Concessions beyond 30 June 2021*

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



### 3 REVENUE AND SEGMENT REPORTING

The principal activities of the Group are property development, property leasing and hotel operation. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has identified three operating and reportable segments.

#### (a) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by business lines and geographical location of customers is as follows:

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Property development	1,512,330	1,144,467
Property leasing	207,159	207,594
Hotel operation	63,006	37,058
	<u>1,782,495</u>	<u>1,389,119</u>
Total revenue	<u>1,782,495</u>	<u>1,389,119</u>
Disaggregated by geographical location of customers		
Mainland China	1,769,711	1,387,245
Hong Kong	12,784	1,874
	<u>1,782,495</u>	<u>1,389,119</u>

Disaggregation of revenue from contracts with customers by the timing of revenue recognition is disclosed in note 3(b).

#### (b) Information about profit or loss, assets and liabilities

Disaggregation of revenue from contracts with customers by the timing of revenue recognition, as well as information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2021 and 2020 is set out below. No segment assets and liabilities are presented as they were not regularly provided to the chief operating decision maker for the purposes of resource allocation and performance assessment.

	Property development		Property leasing		Hotel operation		Total	
	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Disaggregated by timing of revenue recognition								
Point in time	1,512,330	1,144,467	-	-	-	-	1,512,330	1,144,467
Over time	-	-	207,159	207,594	63,006	37,058	270,165	244,652
	<u>1,512,330</u>	<u>1,144,467</u>	<u>207,159</u>	<u>207,594</u>	<u>63,006</u>	<u>37,058</u>	<u>1,782,495</u>	<u>1,389,119</u>
Reportable segment revenue	<u>1,512,330</u>	<u>1,144,467</u>	<u>207,159</u>	<u>207,594</u>	<u>63,006</u>	<u>37,058</u>	<u>1,782,495</u>	<u>1,389,119</u>
Reportable segment (loss)/profit before tax	<u>(308,351)</u>	<u>(75,373)</u>	<u>95,961</u>	<u>119,682</u>	<u>(31,559)</u>	<u>(7,609)</u>	<u>(243,949)</u>	<u>36,700</u>

(c) **Reconciliations of reportable segment profit or loss**

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Reportable segment (loss)/profit	(243,949)	36,700
Changes in fair value of investment properties	(1,597,661)	91,971
Other income, expenses, gains and losses	17,787	318,124
Unallocated head office and corporate expenses	(15,235)	(40,659)
Finance costs	(254,759)	(233,545)
Share of losses of associates	(14,772)	(46,930)
Share of profits of joint ventures	28,149	1,105
	<u>                    </u>	<u>                    </u>
Consolidated (loss)/profit before taxation	<u><u>(2,080,440)</u></u>	<u><u>126,766</u></u>

**4 OTHER INCOME, EXPENSES, GAINS AND LOSSES**

(a) **Other income**

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Interest income from bank deposits	27,323	31,503
Interest income from financial assets measured at fair value through other comprehensive income (“FVTOCI”)	–	878
Dividend income from financial assets measured at FVTPL	1,659	6,267
Compensation income from early termination of leasing contracts	6,063	7,776
Government grants ( <i>Note</i> )	1,017	869
Others	3,131	2,699
	<u>                    </u>	<u>                    </u>
	<u><u>39,193</u></u>	<u><u>49,992</u></u>

*Note:* The amount mainly represented the unconditional subsidies received from the local governments where the Group entities were located for encouragement of business development activities in the local areas.

(b) **Other gains and losses**

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Net foreign exchange gain	110,604	231,650
(Loss)/gain on changes in fair value of financial assets measured at FVTPL	(74,934)	368
(Loss)/gain on disposal of financial assets at FVTPL	(1,520)	2,956
Impairment losses of trade and other receivables	(55,896)	–
Gain on repurchase/redemption of senior notes	2,867	36,970
	<u>                    </u>	<u>                    </u>
	<u><u>(18,879)</u></u>	<u><u>271,944</u></u>

(c) **Other expenses**

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Donation	(168)	(126)
Others	(2,359)	(3,686)
	<u>(2,527)</u>	<u>(3,812)</u>
Total	<u><u>17,787</u></u>	<u><u>318,124</u></u>

**5 (LOSS)/PROFIT BEFORE TAXATION**

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

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
(a) <b>Finance costs</b>		
Interest on bank loans	179,480	199,010
Interest on lease liabilities	14,840	16,530
Interest on senior notes	457,149	487,480
Less: Interest expense capitalised into properties under development for sale and investment properties under development*	(396,710)	(469,475)
Total	<u><u>254,759</u></u>	<u><u>233,545</u></u>

\* The borrowing costs have been capitalised at a rate of 11.06% per annum (2020: 11.02%).

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
(b) <b>Staff costs</b>		
Salaries, bonuses and other benefits	148,003	127,054
Contributions to retirement benefit schemes	10,854	3,558
Equity-settled share-based payments	52	229
Less: Amount capitalised to properties under development for sale and investment properties under development	(31,235)	(34,446)
Total	<u><u>127,674</u></u>	<u><u>96,395</u></u>

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
<b>(c) Other items</b>		
Depreciation		
– Owned property, plant and equipment	36,868	31,239
– Right-of-use assets	7,798	5,441
	<u>44,666</u>	<u>36,680</u>
Auditors' remuneration	2,500	1,400
Cost of properties	1,704,474	1,102,025

## 6 INCOME TAX

### (a) Taxation in the consolidated statement of profit or loss represents:

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Current tax:		
– PRC corporate income tax (“CIT”)	26,016	64,970
– Land appreciation tax (“LAT”)	81,625	(21,479)
– Hong Kong profits tax	–	2,861
	<u>107,641</u>	<u>46,352</u>
Deferred tax		
– CIT	(286,288)	13,268
– LAT	85,292	16,901
	<u>(200,996)</u>	<u>30,169</u>
	<u>(93,355)</u>	<u>76,521</u>

No provision for taxation has been recognised for companies incorporated in the Cayman Island and the British Virgin Islands as they are not subject to any tax during both periods.

The provision for Hong Kong Profits Tax for 2021 is calculated at 16.5% (2020: 16.5%) of the estimated assessable profits for the year, except for one subsidiary of the group which is a qualifying corporation under the two-tiered Profits Tax rate regime.

The provision for PRC income tax is based on the respective corporate income tax rates applicable to the subsidiaries located in the PRC as determined in accordance with the relevant income tax rules and regulations of the PRC.

The LAT is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from the sale of properties less deductible expenditures including payments made for acquisition of land use rights, costs and expenses for the development of the land or for construction of new buildings and supporting facilities, or the assessed value for old buildings and structures, tax payable relating to transfer of the real estate and other deductible items prescribed by the Ministry of Finance. Apart from the aforementioned deductions, property developers enjoy an additional deduction, which is equal to 20% of the payment made for acquisition of land use rights and the costs of land development and construction of new buildings or related facilities.

(b) **Reconciliation between tax (benefit)/expense and accounting (loss)/profit at applicable tax rates:**

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
(Loss)/profit before taxation	<u>(2,080,440)</u>	<u>126,766</u>
Tax using PRC CIT rate of 25%	(520,110)	31,692
Tax effect of expenses not deductible for tax purpose	110,499	45,845
Tax effect of income not taxable for tax purpose	(39,796)	(1,786)
Tax effect of share of results of associates	3,693	11,733
Tax effect of share of results of joint ventures	(7,037)	(276)
LAT	162,816	(21,479)
Tax effect of LAT	(40,704)	5,370
Tax effect of tax losses not recognized	170,335	13,154
Tax effect of deductible temporary difference	78,229	–
Tax effect of previous unrecognised tax losses now recognized	(1,981)	(5,052)
Effect of withholding tax on undistributed profit from PRC subsidiaries	<u>(9,299)</u>	<u>(2,680)</u>
Actual tax (benefit)/expense	<u>(93,355)</u>	<u>76,521</u>

7 **(LOSS)/EARNINGS PER SHARE**

(a) **Basic (loss)/earnings per share**

The calculation of basic (loss)/earnings per share is based on the losses attributable to ordinary equity shareholders of the Company of RMB1,980,195,000 (2020 profits: RMB34,788,000) and the weighted average of 1,799,883,000 ordinary shares (2020: 1,802,456,000 shares) in issue during the year.

Weighted average number of ordinary shares:

	2021 <i>shares'000</i>	2020 <i>shares'000</i>
Issued ordinary shares at 1 January	1,802,456	1,802,456
Effect of shares repurchased	<u>(2,573)</u>	<u>–</u>
Weighted average number of ordinary shares at 31 December	<u>1,799,883</u>	<u>1,802,456</u>

**(b) Diluted earnings per share**

The computation of diluted earnings per share does not assume the exercise of the Company's outstanding share options because the exercise price of those options was higher than the average market price for shares for both reporting periods. Accordingly, the diluted earnings per share was same as the basic earnings per share for both periods.

**8 DIVIDENDS**

**(i) Dividends payable to equity shareholders of the Company in respect of the year:**

	<b>2021</b> <b>RMB'000</b>	2020 <i>RMB'000</i>
Interim dividend declared and paid is nil (2020: nil per share)	–	–
Final dividend proposed after the end of the reporting period is nil per share (2020: nil per share)	–	–
	<u>–</u>	<u>–</u>
	<u>–</u>	<u>–</u>

The final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

**(ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year**

	<b>2021</b> <b>RMB'000</b>	2020 <i>RMB'000</i>
Final dividend in respect of the previous financial year, approved and paid during the year, of nil per share (2020: RMB0.014 per share)	–	26,313
	<u>–</u>	<u>26,313</u>

## 9 PROPERTY, PLANT AND EQUIPMENT

	Leasehold land and hotel property RMB'000	Land and Buildings held for own use RMB'000	Motor vehicles RMB'000	Computers and office equipment RMB'000	Leasehold improvements RMB'000	Right-of-use assets RMB'000	Construction in progress RMB'000	Total RMB'000
<b>Cost</b>								
At 1 January 2020	99,520	100,079	9,633	16,488	66,530	60,624	-	352,874
Additions	3,910	-	593	2,534	44,425	-	-	51,462
Exchange differences	-	-	(107)	(48)	-	-	-	(155)
Disposals	-	(9,639)	(195)	(334)	-	-	-	(10,168)
At 31 December 2020 and 1 January 2021	103,430	90,440	9,924	18,640	110,955	60,624	-	394,013
Additions	1,321	-	-	6,533	51,184	23,044	-	82,082
Transfer from investment properties	211,000	-	-	-	-	-	-	211,000
Transfer from properties under development for sale	26,748	-	-	-	-	-	57,647	84,395
Exchange differences	-	-	(48)	(24)	-	-	-	(72)
Disposals	-	-	(417)	(20)	-	-	-	(437)
At 31 December 2021	342,499	90,440	9,459	25,129	162,139	83,668	57,647	770,981
<b>Accumulated depreciation</b>								
At 1 January 2020	(5,099)	(32,139)	(7,774)	(8,240)	(33,427)	(5,496)	-	(92,175)
Charge for the year	(7,815)	(4,402)	(1,035)	(3,110)	(14,877)	(5,441)	-	(36,680)
Exchange differences	-	-	107	38	-	-	-	145
Disposals	-	895	195	320	-	-	-	1,410
At 31 December 2020 and 1 January 2021	(12,914)	(35,646)	(8,507)	(10,992)	(48,304)	(10,937)	-	(127,300)
Charge for the year	(14,777)	(4,417)	(724)	(3,278)	(13,672)	(7,798)	-	(44,666)
Exchange differences	-	-	48	24	-	-	-	72
Disposals	-	-	347	17	-	-	-	364
At 31 December 2021	(27,691)	(40,063)	(8,836)	(14,229)	(61,976)	(18,735)	-	(171,530)
<b>Net book value</b>								
At 31 December 2021	314,808	50,377	623	10,900	100,163	64,933	57,647	599,451
At 31 December 2020	90,516	54,794	1,417	7,648	62,651	49,687	-	266,713

As at 31 December 2021, leasehold land and hotel property and land and buildings with carrying amount of approximately RMB55,553,000 (2020: RMB59,388,000) were pledged to banks to secure certain banking facilities granted to the Group.

## 10 INVESTMENT PROPERTIES

### (a) Reconciliation of carrying amount

	Completed investment properties <i>RMB'000</i>	Investment properties under development <i>RMB'000</i>	Right-of-use assets <i>RMB'000</i>	Total <i>RMB'000</i>
<b>At 1 January 2020</b>	6,013,688	54,400	190,809	6,258,897
Additions	19,406	297,795	2,901	320,102
Transfer from completed properties for sale	19,900	–	–	19,900
Transfer	(49,994)	–	(12,311)	(62,305)
Net change in fair value recognised in profit or loss	(38,432)	157,305	(26,902)	91,971
<b>At 31 December 2020 and 1 January 2021</b>	<b>5,964,568</b>	<b>509,500</b>	<b>154,497</b>	<b>6,628,565</b>
Additions	30,423	–	–	30,423
Transfer from properties under development for sale	–	59,500	–	59,500
Transfer to property, plant, equipment	(211,000)	–	–	(211,000)
Transfer to non-current assets held for sale	(318,000)	–	–	(318,000)
Disposals	(223,502)	–	(42,168)	(265,670)
Net change in fair value recognised in profit or loss	(1,609,930)	36,600	(24,331)	(1,597,661)
<b>At 31 December 2021</b>	<b>3,632,559</b>	<b>605,600</b>	<b>87,998</b>	<b>4,326,157</b>

*Note:* As at 31 December 2021, investment properties with carrying amount of approximately RMB2,477,803,000 (2020: RMB3,102,778,000) were pledged to banks to secure certain banking facilities granted to the Group.

### (b) Fair value measurement of properties

#### (i) Fair value hierarchy

The following table presents the fair value of the Group's properties measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date



- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
- Level 3 valuations: Fair value measured using significant unobservable inputs

	Fair value at 31 December 2021 RMB'000	Fair value measurements as at 31 December 2021 categorised into		
		Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000
<b>Recurring fair value measurement</b>				
Mainland China:				
– Commercial properties	4,180,300	–	–	4,180,300
– Car park	57,859	–	–	57,859
– Right-of-use assets	87,998	–	–	87,998
	<u>4,326,157</u>	<u>–</u>	<u>–</u>	<u>4,326,157</u>
Total	<u>4,326,157</u>	<u>–</u>	<u>–</u>	<u>4,326,157</u>

	Fair value at 31 December 2020 RMB'000	Fair value measurements as at 31 December 2020 categorised into		
		Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000
<b>Recurring fair value measurement</b>				
Mainland China:				
– Commercial properties	6,399,380	–	–	6,399,380
– Car park	74,688	–	–	74,688
– Right-of-use assets	154,497	–	–	154,497
	<u>6,628,565</u>	<u>–</u>	<u>–</u>	<u>6,628,565</u>
Total	<u>6,628,565</u>	<u>–</u>	<u>–</u>	<u>6,628,565</u>

During the year ended 31 December 2021 and 2020, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

All of the Group's completed investment properties, investment properties under development and right-of-use assets were revalued as at 31 December 2021. The valuations were carried out by CHFT Advisory And Appraisal Ltd., a firm of independent qualified valuers in Hong Kong with relevant experience in the valuation of properties. The Group's chief financial officer has discussion with the surveyors on the valuation assumptions and valuation results when the valuation is performed at the annual reporting date.

(ii) *Information about Level 3 fair value measurements*

	Property category	Fair value hierarchy	Valuation techniques	Significant unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Completed investment properties	Commercial properties	Level 3	Direct comparison	(1) Adjusted market price (RMB/square meter)	5,758 to 100,700 (2020: 7,970 to 109,200)	The higher the adjusted market price, the higher the fair value.
				(2) Level adjustment	0% to 65% (2020: 0% to 65%)	The lower the level adjustment, the higher the fair value.
	Car park	Level 3	Income method	(1) Capitalisation rate	4% to 6% (2020: 4% to 6%)	The higher the capitalisation rate, the lower the fair value.
				(2) Daily unit rent (RMB/square meter)	2 to 16 (2020: 2 to 17)	The higher the daily unit rent, the higher the fair value.
Investment properties under development	Level 3	Residual approach	(1) Adjusted market price (RMB/square meter)	12,500 to 16,000 (2020: 11,045 to 22,582)	The higher the adjusted market price, the higher the fair value.	
			(2) Budgeted cost (RMB/square meter)	5,350 to 8,756 (2020: 4,973 to 7,736)	The higher the budgeted cost, the lower the fair value.	
			(3) Anticipated developer's profit margin	10% to 20% (2020: 10% to 20%)	The higher the anticipated developer's profit margin, the lower the fair value.	
Right-of-use assets	Sub-leased properties	Level 3	Income method	(1) Capitalisation rate	6.5% to 6.75% (2020: 6.5% to 6.75%)	The higher the capitalisation rate, the lower the fair value.
				(2) Daily unit rent (RMB/square meter)	1 to 17 (2020: 1 to 16)	The higher the daily unit rent, the higher the fair value.

The fair value of completed investment properties is determined by making reference to the market transactions or asking evidence, as the case may be, of comparable properties, and on the basis of capitalisation of the rental income derived from existing tenancies or market rental with due allowance for reversionary income potential of the properties, where appropriate.

The fair value of investment properties under development is determined by making reference to the current or recent prices of similar properties and estimated costs to completion based on construction budget, committed contracts, allowances for contingencies as well as developer's profit margin, which reflect the risks in relation to, inter alia, the completion of the construction and marketability of proposed development, and in achieving the anticipated income or capital appreciation on the date of valuation.

The fair value of right-of-use assets is determined by discounting a projected cash flow series associated with the assets using risk-adjusted discount rates. The valuation takes into account capitalisation rate and rental rate of the respective assets. The discount rates used have been adjusted for the quality and location. The fair value measurement is positively correlated to the capitalisation rate and the rental rate, and negatively correlated to the risk-adjusted discount rates.

Fair value adjustment of investment properties is recognised in the line item "changes in fair value of investment properties" on the face of the consolidated statement of profit or loss.

(c) **Right-of-use assets**

The analysis of the net book value of right-of-use assets by class of underlying asset is as follows:

	<b>31 December 2021 RMB'000</b>	31 December 2020 RMB'000
Other properties leased for own use, carried at depreciated cost	<b>64,933</b>	49,687
Ownership interests in leasehold investment property, carried at fair value, with remaining lease term of between 4 to 10 years	<b>87,998</b>	154,497
	<b>152,931</b>	204,184

*Note:* The Group has obtained the right to use of other properties through tenancy agreements to operate hotels. The leases typically run for an initial period of 8 to 15 years. Lease payments are usually increased every 1 to 3 years to reflect market rentals.

The analysis of expense items in relation to leases recognised in profit or loss is as follows:

	<b>2021 RMB'000</b>	2020 RMB'000
Depreciation charge of right-of-use assets by class of other properties leased for own use	<b>7,798</b>	5,441
Fair value change of right-of-use assets by class of investment property	<b>24,331</b>	26,902
Interest on lease liabilities	<b>14,840</b>	16,530
COVID-19-related rent concessions received	–	5,545

The Group entered into a number of lease agreements for use of metro leasing and hotels. During 2021, the group did not receive rent concessions in the form of a discount on the lease payments to contain the spread of COVID-19 (2020: RMB5,545,000).

**(d) Investment properties**

The Group leases out investment property under operating leases. The leases typically run for an initial period of 1 to 5 years. Lease payments are usually increased every 1 to 2 years to reflect market rentals.

Undiscounted lease payments under non-cancellable operating leases in place at the reporting date will be receivable by the Group in future periods as follows:

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Within 1 year	185,985	190,860
After 1 year but within 5 years	296,598	280,543
After 5 years	51,046	41,039
	<u>533,629</u>	<u>512,442</u>

**11 TRADE AND OTHER RECEIVABLES**

Trade receivables mainly comprises certain consideration for sale of properties and rental receivable in respect of self-owned investment properties and sub-leased properties. Consideration in respect of sale of properties is receivable in accordance with the terms of related sale and purchase agreements. Rentals are usually received in advance. However, longer credit periods might grant to certain customers on a discretions basis.

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Trade receivables	28,066	77,996
Amount due from associates and joint ventures	83,474	110,427
Other debtors	178,543	253,914
Less: Allowance for credit losses	<u>(27,714)</u>	<u>(27,714)</u>
Financial assets measured at amortised cost	262,369	414,623
Advances to contractors	35,434	12,023
Other taxes prepaid	165,124	108,297
	<u>462,927</u>	<u>534,943</u>

*Notes:*

- (i) The advances to associates, joint ventures and contractors are unsecured, interest-free and repayable on demand.
- (ii) Included in other taxes prepaid are value added tax receivables in PRC arising from the sales of property.

### Ageing analysis

As of the end of the reporting period, the ageing analysis of trade receivables net of allowance for credit losses, presented based on the date of delivery of properties/date of rendering of services, is as follows:

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Within 30 days	25,125	69,510
31 to 60 days	2,236	6,709
61 to 180 days	705	1,777
	<u>28,066</u>	<u>77,996</u>

## 12 TRADE AND OTHER PAYABLES

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Trade payables	789,754	1,260,938
Bills payables	157,240	–
Other payables	642,556	654,058
Amounts due to associates and joint ventures	207,086	260,143
	<u>1,796,636</u>	<u>2,175,139</u>

As of the end of the reporting period, the ageing analysis of trade payables, presented based on the invoice date, is as follows:

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Within 180 days	681,656	1,175,729
181 to 365 days	157,384	114
Over 1 year	107,954	85,095
	<u>946,994</u>	<u>1,260,938</u>

## **BUSINESS REVIEW**

The COVID-19 pandemic has affected millions of individuals and has adversely impacted worldwide economies, including the People's Republic of China ("PRC"), where the Group has significant land bank and operations. The Group's operations in the PRC were first, and critically, affected by the COVID-19 pandemic in the first half of 2020 given, amongst others, the suspension in construction and sales activities as well as the complete closure of certain of the Group's hotels in the PRC for a period of time, as required by the local authorities. Further, since mid-2021, a number of high-profile Chinese property developers began to experience difficulties in securing external financing from PRC banks and offshore capital markets. The onshore bank lending and the offshore capital markets that have funded the growth and development of the PRC real estate sector have experienced an unprecedented inflection point. The Group, like many companies in the PRC real estate sector, has been severely and negatively affected by this downturn affecting the PRC real estate sector in the following respects:

**(a) Difficulty raising onshore and offshore financing:**

Since mid-2021, the Group, like many companies in the PRC real estate sector, has been unable to access typical financing channels, such as bank lending and capital markets for equity and debt. Reduced bank lending for real estate development has resulted in reduced access by property developers to onshore capital. In addition, reduced bank lending for mortgage finance for buyers, as well as concerns of buyers about future property price movements and the ability of property developers to complete projects have resulted in reduced property sales. Adverse reaction to these onshore events by offshore capital markets has limited the Group's funding sources to address upcoming maturity on its outstanding indebtedness. The offshore bond market, on which the Group relies heavily for refinancing and growth capital, is effectively not available for private-owned Chinese property developers. The difficulty faced by the Group raising onshore and offshore financing has significantly exacerbated its current liquidity pressures.

**(b) Decrease cash flows and liquidity in a deteriorating market:**

In light of the tightened government policies, the multiple high-profile credit events and the deteriorating consumer sentiment in the PRC real estate sector, sales for residential property in the PRC has shown a significant slowdown and prices for residential properties also suffered a substantial reduction. Many of the Company's subsidiaries had recorded a decrease in its accumulated attributable contracted sales, a decrease in gross profit margin and a decrease in the cash collection rate for the second half of 2021 as compared with the corresponding period in 2020, which reflects a deteriorating real estate market. The market downturn has, in turn, materially and adversely impacted the Group's ability to realise its inventory or implement any significant disposal of its investment properties to generate sufficient cash to service its debts in a timely manner and sustain its operations. The introduction of tightened measures by local governments also led to a substantial increase in the cost of compliance, which has further hampered the Group's ability to raise cash from the sale of developed properties.

Nevertheless, in order to maintain the Group's liquidity position and fulfill its payment obligations, the Group has accelerated its pre-sale activities, together with offering a significant discount on its projects in order to increase sales.

As a result, the Group has achieved a record high contracted sales during the year. For the year ended 31 December 2021, the Group and its joint ventures and associates achieved total contracted sales and attributable contracted sales amounting to RMB4,821.1 million and RMB2,308.1 million, respectively.

Property leasing and hotel operation businesses of the Group have mostly returned to pre-pandemic period for the year ended 31 December 2021. The Group's revenue in property leasing and hotel operation business had increased by 10.4% when compared to the corresponding year of 2020.

### **Contracted sales**

The Group currently has 18 projects on sale. During the year, the Group has launched the pre-sale of two new projects in Lianyungang and Yangzhou, namely Galaxy Light and Kaichen Yuan, respectively. For the year ended 31 December 2021, the Group and its joint ventures and associates achieved total contracted sales value and contracted sales area of approximately RMB4.82 billion (2020: RMB4.08 billion) and approximately 384,177 sq.m. (2020: 327,204 sq.m.), respectively.

### **Projects completed during 2021**

The Group originally planned to complete and deliver four new projects in 2021. Unfortunately, as affected by the COVID-19 pandemic, the Group had managed only to complete and deliver two projects, namely, Golden Wheel Romantic Tower and Golden Wheel Shuiying Hua Ting. Both of the projects are located in Nanjing. Aggregate saleable gross floor area ("GFA") of the newly completed projects amounted to approximately 87,145 sq.m. As at 31 December 2021, an aggregate GFA of approximately 61,372 sq.m. of these newly completed projects was sold and delivered.

### **New land acquired during 2021 in mainland China**

As affected by the COVID-19 pandemic, the Group adopted a more prudent approach in new land acquisition during 2021. As a result, the Group did not acquire any new land but only invested in one joint venture in 2021 in which the Group has a 20% equity interest. The project of the new joint venture is located in Lianyungang city, with a land area of 15,279 sq.m. The land cost of the project was RMB210 million.

## Land bank of the Group

As at 31 December 2021, the Group had a total land bank of approximately 1,528,843 sq.m., including approximately 102,658 sq.m. of completed but unsold properties, approximately 32,819 sq.m. of own used properties, approximately 123,084 sq.m. of completed investment properties, approximately 673,734 sq.m. of properties under development and approximately 596,548 sq.m. of properties developed by the joint ventures and associates.

The following table sets forth an overview of the Group's property projects as at 31 December 2021:

Projects by subsidiaries of the Group	City	Site area sq.m.	Actual/ estimated construction commencement date month/year	Actual/ estimated construction completion date month/year	Percentage of completion	Total unsold GFA/ Total GFA sq.m.	GFA held for Company's own use sq.m.	Investment properties GFA sq.m.
<b>Completed properties</b>								
Golden Wheel International Plaza	Nanjing	11,341	Jul-04	Jan-09	100%	2,022	2,535	31,674
Golden Wheel Waltz	Nanjing	2,046	Jan-08	Feb-10	100%	–	–	2,444
Golden Wheel Building	Nanjing	4,918	May-01	Feb-03	100%	–	–	238
Golden Wheel Green Garden	Nanjing	10,334	Aug-01	Sep-02	100%	–	–	–
Golden Wheel Star City	Yangzhou	81,615	Aug-08	Mar-14	100%	5,672	–	2,977
Golden Wheel Time Square	Zhuzhou	13,501	May-09	Apr-12	100%	185	–	–
Nanjing Jade Garden	Nanjing	7,212	Jan-11	Dec-13	100%	–	–	3,273
Golden Wheel New Metro	Nanjing	9,218	Aug-11	Dec-13	100%	243	–	18,357
Golden Wheel Star Plaza	Nanjing	29,540	Nov-11	Jun-14	100%	1,732	–	–
Zhuzhou Golden Wheel Jade Garden	Zhuzhou	45,645	Dec-14	Dec-18	100%	8,905	–	1,482
Wuxi Golden Wheel Star Plaza	Wuxi	31,981	Dec-14	Dec-16	100%	3,805	–	19,625
Golden Wheel Star-cube	Nanjing	18,300	Dec-14	Dec-16	100%	403	–	2,181
Golden Wheel JinQiao Huafu	Nanjing	46,228	Dec-14	Dec-17	100%	4,822	–	2,742
Changsha Golden Wheel Star Plaza	Changsha	37,152	Dec-14	Dec-17	100%	10,722	10,307	10,970
Yangzhou Lakeside Emerald House	Yangzhou	10,682	Jun-17	May-19	100%	11,484	–	1,045
Golden Wheel Binary Star Plaza	Nanjing	9,588	Dec-14	Dec-19	100%	277	19,977	24,403
Wuxi Golden Wheel Lakeside Orchid Garden	Wuxi	70,989	Dec-17	Dec-19	100%	6,205	–	–
Golden Wheel Plaza	Hong Kong	322	May-18	Jul-20	100%	4,828	–	–
Zhuzhou Golden Wheel Jinqiao Huafu (Phase I)	Zhuzhou	54,793	Mar-18	Dec-20	100%	15,580	–	1,673
Nanjing Golden Wheel Romantic Tower	Nanjing	7,593	Dec-17	Jun-21	100%	14,713	–	–
Nanjing Golden Wheel Shuiying Hua Ting	Nanjing	32,927	Apr-18	Jan-21	100%	11,060	–	–
Subtotal		535,925				102,658	32,819	123,084



Projects by subsidiaries of the Group	City	Site area sq.m.	Actual/ estimated construction commencement date	Actual/ estimated construction completion date	Percentage of completion	Total unsold GFA/ Total GFA sq.m.	GFA held for Company's own use sq.m.	Investment properties GFA sq.m.
			month/year	month/year				
<b>Properties under development</b>								
Zhuzhou Golden Wheel JinQiao Huafu (Phase II)	Zhuzhou	37,382	Mar-18	Jun-22	90%	170,596	-	-
Nanjing Golden Wheel Cuiyong Hua Ting	Nanjing	59,722	Apr-19	Jan-22	95%	115,282	-	2,500
Wuxi Golden Wheel Starry Plaza	Wuxi	27,470	May-19	Jun-22	85%	99,039	-	15,097
Nanjing Golden Wheel Galaxy Center	Nanjing	101,845	Feb-20	Dec-22	30%	195,353	-	46,647
Yangzhou No. 1 Golden Bay	Yangzhou	19,890	Jan-20	Jan-22	99%	29,220	-	-
Subtotal		246,309				609,490	-	64,244
Total		782,234				712,148	32,819	187,328
<b>Projects by joint ventures and associates</b>								
Yangzhou Powerlong Golden Wheel Plaza (49%) <i>Note</i> <sup>1</sup>	Yangzhou	61,275	Dec-14	Dec-16	100%	32,132	-	65,400
Nanjing Shiguang Shanhu (25%) <i>Note</i> <sup>2</sup>	Nanjing	14,338	Oct-17	Jul-19	100%	3,540	-	-
Changzhou Junwang Jia Di (13.33%) <i>Note</i> <sup>3</sup>	Changzhou	67,225	Dec-17	May-20	100%	42,373	-	-
Vanke Future Light (20%) <i>Note</i> <sup>4</sup>	Yangzhou	47,137	Jun-18	Apr-21	100%	9,138	-	-
Golden Wheel Shangdu Age City Mansion <i>Note</i> <sup>5</sup>	Lianyungang	72,296	Jan-21	Dec-24	70%	158,695	-	-
Shangdu Fengjing <i>Note</i> <sup>6</sup>	Lianyungang	17,605	Apr-20	Dec-23	80%	56,092	-	-
Galaxy Light <i>Note</i> <sup>7</sup>	Lianyungang	41,478	Jan-21	Jun-24	75%	99,651	-	-
Yangzhou Kaichen Mansion <i>Note</i> <sup>8</sup>	Yangzhou	57,548	Feb-21	Dec-23	60%	94,826	-	-
Shangpin Xuefu <i>Note</i> <sup>9</sup>	Lianyungang	15,279	Jul-21	Dec-23	50%	34,701	-	-
Total		394,181				531,148	-	65,400

*Notes:* <sup>1</sup> The project is developed by a joint venture company in which the Group has a 49% interest.

<sup>2</sup> The project is developed by an associate company in which the Group has a 25% interest.

<sup>3</sup> The project is developed by an associate company in which the Group has a 13.33% interest.

<sup>4</sup> The project is developed by a joint venture company in which the Group has a 20% interest.

<sup>5</sup> The project is developed by an associate company in which the Group has a 37% interest.

<sup>6</sup> The project is developed by an associate company in which the Group has a 10% interest.

<sup>7</sup> The project is developed by an associate company in which the Group has a 37% interest.

<sup>8</sup> The project is developed by an associate company in which the Group has a 24.5% interest.

<sup>9</sup> The project is developed by an associate company in which the Group has a 20% interest.

As at 31 December 2021, the Group had a land bank of approximately 673,734 sq.m. under development. Among these parcels of land, approximately 236,230 sq.m., 253,363 sq.m., 119,897 sq.m. and 64,244 sq.m. are for residential, commercial and office, car park and investment properties purposes, respectively.

### **Property sales**

For the year ended 31 December 2021, the Group's revenue from sales of properties amounted to approximately RMB1,512.3 million with an aggregate GFA of approximately 92,609 sq.m. being sold and delivered. The average selling price of these sold properties amounted to approximately RMB16,329 per sq.m.

As at 31 December 2021, there were total unrecognized contracted sales of RMB3.2 billion. The unrecognized contracted sales are expected to be recognized in 2022 and 2023 as and when the related projects are completed and delivered.

### **Property leasing**

As at 31 December 2021, the Group had completed investment properties with a total GFA of approximately 123,084 sq.m. The average occupancy rate of the Group's investment properties as at 31 December 2021 was over 80%.

### **Metro leasing and operational management business**

As at 31 December 2021, the Group had leasing and operational management contracts of 22 metro station shopping malls in four cities in China, namely, Nanjing, Suzhou, Wuxi, Changsha. The Group had metro station shopping malls with a total GFA of over 111,980 sq.m.

As at 31 December 2021, metro station shopping malls were under operations and the overall occupancy rate was over 80%.

In view of its potential higher growth, the Group will continue to actively bid for more leasing and operational management contracts of metro station shopping malls in different cities and is optimistic that the Group will obtain more contracts of this kind in the future.

### **Hotel operation**

After the disposal of Silka West Kowloon Hotel in Hong Kong in 2019, the Group has since focused its hotel business only in mainland China.

In April 2021, the Group's new hotel, namely Nanjing Golden Wheel Courtyard Marriott, commenced operation.

As at 31 December 2021, the Group had four hotels under operation, namely, Nanjing Golden Wheel Atour Hotel in Nanjing, Golden Wheel Hampton by Hilton in Changsha, Golden Wheel Hampton by Hilton in Yangzhou and Nanjing Golden Wheel Courtyard Marriott. The total number of rooms for these four hotels amounted to 674. The average room occupancy rate of these four hotels in 2021 was 80%.

### **Significant investments held**

The Group considers desirable investment opportunities from time to time, which are in the interests of the Group and its shareholders as a whole. On 14 July 2020, the Group subscribed for 20,000,000 shares of Ganglong China Property Group Limited (“**Ganglong China Property**”) (Stock Code: 6968) at a total consideration of approximately HK\$79,393,000. Subsequently, the Group disposed all of its holding in Ganglong China Property by a series of transactions conducted between December 2020 and May 2021 with a total gain on the disposal of approximately HK\$4,917,726.

As at 31 December 2021, the Group’s major investment was its equity investment in the unlisted equity shares of Xiamen International Bank Co., Ltd with a carrying value of RMB193.2 million.

### **Golden Wheel Plaza in Hong Kong**

The Group’s first commercial project in Hong Kong, namely Golden Wheel Plaza, has been completed and the occupancy permit was obtained in July 2020. The project is located near the Tin Hau MTR station in Hong Kong and is a commercial building with a total GFA of approximately 51,975 square feet.

The outbreak of the COVID-19 pandemic has caused severe disruptions to the economic and business activities in Hong Kong, resulting in an increase in vacancy of office buildings as well as a decrease in rental for offices and retail shops. As such, the Group’s first commercial project in Hong Kong has faced much more difficulties when the Group launched the project in the second half of 2020. Nevertheless, as a result of the hard work of the marketing team in Hong Kong, as of the date of this announcement, more than 75% of the project was leased out.

### **Financing**

On 6 January 2021, the Group issued additional senior notes in an aggregate principal amount of USD85 million with a coupon rate of 14.25% per annum and due in January 2023 (the “**Additional Notes**”). The Additional Notes were consolidated and formed a single class with the USD 2023 Notes, which were issued on 9 July 2020 by the Group in an aggregate principal amount of USD170 million with a coupon rate of 14.25% per annum (the “**USD 2023 Notes**”). The Additional Notes, together with the USD 2023 Notes, have been admitted to the official list of the Singapore Exchange Securities Trading Limited (the “**Singapore Exchange**”). Proceeds from the Additional Notes were applied to refinance the Group’s then existing indebtedness. Details of the Additional Notes are set out in the announcement of the Company dated 6 January 2021.

On 31 May 2021, the Group offered to exchange its then existing outstanding 12.95% senior notes due 2022 (the “**USD 2022 Notes**”) and its existing outstanding USD 2023 Notes for the USD denominated senior notes due 2023 issued by the Company on 11 June 2021 (the “**USD 2023 July Notes**”) up to the aggregate maximum acceptance amount of USD145 million (the “**Exchange Offer**”). On 11 June 2021, the Exchange Offer was completed and the Group issued an aggregate principal amount of USD144,999,000 of the USD 2023 July Notes with a coupon rate of 16%. Following completion of the Exchange Offer, USD74,494,000 of the USD 2022 Notes, representing 37.25% of the total aggregate principal amount of the outstanding USD 2022 Notes, has been cancelled and exchanged for USD74,494,000 of the USD 2023 July Notes. The remaining outstanding principal amount of the USD 2022 Notes was USD125,506,000 after such cancellation. Meanwhile, USD70,505,000 of the USD 2023 Notes, representing 27.65% of the total aggregate principal amount of the outstanding USD 2023 Notes, has been cancelled and exchanged for USD70,505,000 of the USD 2023 July Notes. The remaining outstanding principal amount of the USD 2023 Notes was USD184,495,000 after such cancellation. The principal purpose of the Exchange Offer was to extend the maturity profile of the Group’s foreign-currency denominated debt and improve the Group’s debt structure, enabling the Group to develop more steadily and strengthen its balance sheets and cash flow management. Details of the Exchange Offer are set out in the announcements of the Company dated 31 May 2021, 9 June 2021 and 11 June 2021.

In December 2021, the Group has announced a proposed restructuring of the existing senior notes through a scheme of arrangement in the Cayman Islands (the “**Cayman Scheme**”). On 6 December 2021, the Group had appointed its financial advisors, as well as legal advisor, with a view to facilitating the timely implementation of the Cayman Scheme. On 21 December 2021, the Company entered into the restructuring support agreement (the “**RSA**”) with existing noteholders representing approximately 60% of the aggregate outstanding principal amount of the existing notes issued by the Group. The Group believed that the successful implementation of the Cayman Scheme would reduce the short-term debt burden of the Group, providing it with a sustainable capital structure and a strengthened balance sheet that would allow the Group to comply with their post-restructuring obligations and liabilities and to trade on a going concern basis. On 14 January 2022, the Company announced that the existing noteholders representing more than 85% of the aggregate outstanding principal amount of the Group’s outstanding senior notes had executed or acceded to the RSA. Details of the proposed restructuring of the existing senior notes are set out in the announcements of the Company dated 6 December 2021, 10 December 2021, 21 December 2021, 31 December 2021, 14 January 2022, 2 March 2022, 10 March 2022 and 14 March 2022.

## **Future outlook**

The global economy continues to be affected by the effects of the COVID-19 pandemic. The PRC real estate sector is no exception and continues to be impacted by continuing regional outbreaks of COVID-19 in China, including cities where the Group's major businesses are located. The COVID-19 pandemic has continued to affect the business operations of the Group in multiple aspects, including, among others, (i) a slowdown in property sales and a decrease in property sale prices and rental lease income in the PRC due to deteriorating consumer sentiment in the PRC; (ii) increased costs in raw materials and manpower; and (iii) increased difficulty and costs in accessing global capital markets due to overall negative investor sentiment, significant volatility and liquidity disruptions. While the PRC central and local governments have taken various measures to manage COVID-19 cases and reduce potential spread and impact of the COVID-19 pandemic, and have further introduced various policies to boost the economy and stimulate the local property markets, the COVID-19 pandemic is far from over, especially with the emergence of new variants, such as the Delta variant and the Omicron variant. Different countries, including China, continue to suffer the impact of renewed lockdowns and other restrictive measures imposed in light of further waves of outbreaks. The combination of the above circumstances has resulted in a significant uncertainty the Group is facing in the coming year.

Since the beginning of 2022, there has been a significant change in the government's guidance for regulatory policy on the real estate sector. Though keeping the prices of land and housing as well as market expectations stable and implementing city-specific policies, the government aims to supporting the commodity housing market better meeting the reasonable needs of homebuyers, so as to promote the virtuous cycle and healthy development of the real estate industry.

The Group will continue its efforts to recover from the volatility in the China real estate industry, and expedite the sales of properties and investment properties, and collection of receivables, while maintaining more stringent cost control measures of containment of discretionary capital expenditures.

In respect of the restructuring of our existing senior notes, as noted in the 14 January 2022 announcement, the Company has obtained strong support for the proposed restructuring and the Cayman Scheme from the existing noteholders representing more than 85% of the aggregate principal amount of the existing notes. The Company is confident of the successful implementation of the Cayman Scheme, pursuant to which the existing senior notes will be restructured. Once the Cayman Scheme become effective, the maturity profile of the our senior notes will be extended by 3 years, the interest rate of the New Notes will be decreased to 10% and will only repay 10% and 25% of the principal amount for the first and second year respectively, which will greatly ease and reduce the debt servicing pressure on the Company and improve its overall financial condition.

Looking ahead, the Group will continue to carry out its core strategy, that is, "focusing on the development and operation of projects that are physically connected to metro stations or other transportation hub". Together with the Group's prudent financial management, the Group believes it could maintain its competitive edge for further development and expansion.

## FINANCIAL REVIEW

### Results of operations

#### Revenue

The Group's revenue consists of revenue derived from (i) sale of the Group's developed properties; (ii) rental income from property leasing; and (iii) hotel operation. The following table sets forth a breakdown of the Group's revenue and the percentage of total revenue for the years indicated:

	For the year ended 31 December			
	2021		2020	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Property development	<b>1,512,330</b>	<b>84.8</b>	1,144,467	82.4
Property leasing	<b>207,159</b>	<b>11.6</b>	207,594	14.9
Hotel operation	<b>63,006</b>	<b>3.6</b>	37,058	2.7
Total	<b><u>1,782,495</u></b>	<b><u>100.00</u></b>	<b><u>1,389,119</u></b>	<b><u>100.00</u></b>

Revenue increased by approximately 28.3% from approximately RMB1,389.1 million for the year ended 31 December 2020 to approximately RMB1,782.5 million for the year ended 31 December 2021, primarily due to the increase in revenue generated from property sales and hotel operation.

- *Property development*

Revenue derived from property development business increased by 32.1% from approximately RMB1,144.5 million for the year ended 31 December 2020 to approximately RMB1,512.3 million for the year ended 31 December 2021. The increase was primarily due to the increase in the average selling price of the properties being sold during the year. The average selling price of the sold properties increased from approximately RMB9,521 per sq.m. in 2020 to RMB16,329 per sq.m. in 2021.

For the year ended 31 December 2021, the Group achieved contracted sales of approximately RMB4,821.1 million (2020: RMB4,081.0 million).

- *Property leasing*

Revenue derived from property leasing business was remained at a similar level as that in 2020. The Group recorded income from property leasing of approximately RMB207.6 million for the year ended 31 December 2020 and approximately RMB207.2 million for the year ended 31 December 2021.

- *Hotel operation*

Revenue derived from hotel operation increased substantially by 70.0% to RMB63.0 million (2020: RMB37.1 million) for the year ended 31 December 2021. The increase was primarily due to the addition of two new hotels in China. One of the two hotels commenced operation in October 2020 and the other one commenced operation in April 2021. As a result, the number of rooms operated by the Group increased from 445 in 2020 to 674 in 2021.

### Cost of sales

The following table sets forth a breakdown of the Group's cost of sales for the years indicated:

	For the year ended 31 December			
	2021		2020	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%
Property development				
Land acquisition costs	<b>628,142</b>	<b>34.7</b>	415,442	35.9
Construction costs	<b>586,927</b>	<b>32.4</b>	540,546	46.8
Capitalised finance costs	<b>166,743</b>	<b>9.3</b>	135,030	11.7
Tax expenses	<b>11,302</b>	<b>0.6</b>	11,007	1.0
Impairment of assets	<b>311,360</b>	<b>17.2</b>	–	–
Subtotal	<b>1,704,474</b>	<b>94.2</b>	1,102,025	95.4
Property leasing	<b>30,802</b>	<b>1.7</b>	21,234	1.8
Hotel operation	<b>74,749</b>	<b>4.1</b>	32,718	2.8
Total	<b>1,810,025</b>	<b>100.0</b>	1,155,977	100.0

The Group's cost of sales increased from RMB1,156.0 million for the year ended 31 December 2020 to RMB1,810.0 million for the year ended 31 December 2021. The increase was primarily due to the increase in cost of sales of the property development business which was mainly caused by the increase in the revenue arising from property sales.

The Group's percentage of average land acquisition costs over average selling price increased from 35.9% in 2020 to 45.3% in 2021.

### Gross (loss)/profit

The Group recorded a gross loss for the year ended 31 December 2021 which was mainly due to the Group incurring gross loss from its property development activities which, in turn, was mainly caused by the outbreak of the COVID-19 pandemic.



The Group incurred a gross loss from its property development activities which was mainly due to the reduction of sales prices in order to boost sales volume and the increase in construction cost as a result of the COVID-19 pandemic.

The gross profit margin for property leasing was 85.1% for the year ended 31 December 2021 (2020: 89.8%). The reduction of gross profit margin was due to the fact that rental waivers were given to the lessees of the Group in the second half of 2021, resulted in a lesser amount of rental income received.

The Group's hotel operation had recorded a negative profit margin of 18.6% for 2021 as compared to a profit margin of 11.7% in 2020. The Group opened a new hotel in Nanjing in 2021 and higher operating costs incurred for set up the operation.

### **Changes in fair value of investment properties**

For the year ended 31 December 2021, the Group recorded a fair value loss on investment properties of RMB1,597.7 million (2020: a fair value gain on investment properties of RMB92.0 million). The fair value loss was mainly caused by the outbreak of the COVID-19 pandemic which has substantially affected the rental income generated by the Group's existing operating investment properties. In addition, in order to improve the Group's liquidity position and meet the Group's future payments under the restructuring of its senior notes, the Group had formed a realization plan to dispose most of its investment properties at a discount in the next three years.

The Group's investment properties were revaluated on market value basis by an independent property valuer.

### **Other income, expenses, gains and losses**

The Group had a net gain of RMB17.8 million for other income, expenses, gains and losses for the year ended 31 December 2021 (2020: RMB318.1 million). The net gain in 2021 was mainly attributable to net foreign exchange gain of RMB110.6 million (2020: RMB231.7 million), interest income of RMB27.3 million (2020: RMB31.5 million) and gain on repurchase of senior notes of RMB2.9 million (2020: RMB37.0 million), which was set off against the losses on changes in fair value of financial assets measured at FVTPL of RMB74.9 million. The Group had invested US\$12 million in a fund which invested mainly in bonds issued by PRC properties developers. During the year, due to the collapse of the high yield bond market in the PRC, the Group has recorded a fair value loss on its investment in this fund.



## **Finance costs**

Finance costs consisted primarily of interest expenses on borrowings net of capitalised finance costs. Finance costs increased from RMB233.5 million for the year ended 31 December 2020 to RMB254.8 million for the year ended 31 December 2021 primarily due to a decrease in the amount of capitalized finance costs as more projects have been completed during the year and thus less finance costs could be capitalized.

During the year, the average cost of borrowings remained stable at 11.06% (2020: 11.02%).

## **Selling and marketing expenses**

Selling and marketing expenses primarily consisted of advertising and promotional expenses.

Selling and marketing expenses for the year ended 31 December 2021 amounted to approximately RMB88.6 million (2020: RMB81.4 million), representing an increase of approximately 8.8%. The increase was primarily due to the fact that the Group needed to provide more incentives to its sales team in order to boost the sales under the COVID-19 situation.

## **Administrative expenses**

Administrative expenses primarily include staff salaries and benefits, depreciation and amortisation, office expenses, traveling expenses, professional fees, utilities and property tax, land use tax and stamp duty.

Administrative expenses for the year ended 31 December 2021 amounted to approximately RMB143.1 million (2020: RMB155.7 million), representing a decrease of approximately 8.1% as compared to last year. During the year, the Group continued to maintain tight cost control policy. As a result, even though the Group has increased its operating scale as well as incurred cost on COVID-19 related prevention activities, the Group was able to reduce its overall administrative expenses for the year.

## **Taxation**

The Group recorded a credit balance of income tax which was due to the Group incurred a loss from its operating activities during the year ended 31 December 2021.

## **(Loss)/profit attributable to equity shareholders of the Company**

Due to the Group incurred a gross loss from its property sales as well as a significantly revaluation loss on investment properties which was mainly caused by the outbreak of the COVID-19 pandemic, the Group had incurred a loss for the year of RMB1,987.1 million.

## **Liquidity, financial and capital resources**

### ***Cash position***

The Group had bank deposits and cash of approximately RMB1,214.9 million as of 31 December 2021 (2020: RMB1,413.3 million), including restricted bank deposits of approximately RMB868.0 million (2020: RMB564.2 million). The decrease in cash and bank balances was mainly due to the net repayment of bank and other borrowings during the year.

### ***Bank and other borrowings and gearing ratio***

The Group had outstanding bank and other borrowings (including senior notes) of approximately RMB5,045.3 million as at 31 December 2021 (2020: RMB6,116.4 million).

As at 31 December 2021, the Group's net gearing ratio was approximately 130.7% (2020: 95.6%). The net gearing ratio of the Group is calculated by dividing the interest-bearing liabilities net of bank deposits and cash by the total equity of the Company.

The Group's debt-to-asset ratio (total indebtedness minus contract liabilities divided by total assets) was approximately 61.7% as at 31 December 2021 versus approximately 60.4% as at 31 December 2020.

### ***Cost of borrowings***

The Group's average cost of borrowings (calculated by dividing total interest expenses paid and payable by the average total bank and other borrowings during the relevant year) was approximately 11.06% in 2021 as compared to approximately 11.02% in 2020.

### ***Foreign exchange rate risk***

The Group operates its businesses mainly in China and a majority of the Group's bank deposits and bank and other borrowings are denominated in Renminbi. Certain bank deposits, bank borrowings and senior notes are denominated in Hong Kong dollars or United States dollars. Fluctuations in foreign currencies' exchange rates have had and will continue to have an impact on the business, financial condition and results of operations of the Group. The Group currently does not have a foreign currency hedging policy but the management monitors foreign exchange exposure closely and will consider hedging significant foreign currency exposure should the need arise.

## *Financial guarantees*

The Group typically provides guarantees to banks in connection with its customers' mortgage loans to finance their purchases of the Group's properties. The Group's guarantees are released upon the banks receiving the individual property ownership certificate of the respective properties from the customers as pledges for security to the mortgage loan granted. If any such customer defaults on the mortgage payment during the term of the respective guarantees, the banks may demand the Group to repay the outstanding amount of the mortgage loan of such defaulting customer and any accrued interest thereon.

The face value of the financial guarantees issued by the Group is analysed as below:

	<b>2021</b>	2020
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Mortgage loan guarantees provided by the Group to banks in favour of its customers	<u><b>326,089</b></u>	<u>268,605</u>

In the opinion of the Directors, the fair value of the financial guarantee contracts at initial recognition is not significant as the default rate is low.

## **EMPLOYEES AND REMUNERATION POLICY**

As of 31 December 2021, the Group had a total of approximately 664 (2020: 825) full-time employees in Hong Kong and China. The Group's employment contracts with its employees cover terms such as position, term of employment, wage, employee benefits and liabilities for breaches, and grounds for termination. Remuneration of the Group's employees includes basic salaries, allowances, pensions, performance bonus, share options and other employee benefits. Remuneration is determined with reference to the performance, skills, qualifications, experience of the employee concerned and the prevailing industry practice.

Furthermore, the Group adopted a share option scheme on 10 December 2012 as incentives or rewards for the employees' contributions to the Group. Further information of the share option scheme will be available in the 2021 annual report of the Company. The Group's employee benefit expense will be set out in the notes to the consolidated financial statements in the 2021 annual report of the Company.

## **SUFFICIENCY OF PUBLIC FLOAT**

Based on information that is publicly available to the Company and within the knowledge of the Directors at the date of this announcement, the Company has maintained the public float as required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") throughout the year ended 31 December 2021.

## **CORPORATE GOVERNANCE**

The Board and management of the Company are committed to maintaining high standards of corporate governance. The Board firmly believes that conducting the Group's business in a transparent and responsible manner and following good corporate governance practices will serve its long-term interests and those of shareholders. The Company has adopted the code provisions set out in the Corporate Governance Code (the "**Corporate Governance Code**") contained in Appendix 14 to the Listing Rules as its own code to govern its corporate governance practices.

In the opinion of the Directors, the Company has adopted, applied and complied with all the code provisions contained in the Corporate Governance Code during the financial year ended 31 December 2021.

The Board will continue to review and monitor the practices of the Company with an aim to maintain and improve its high standard of corporate governance practices.

## **AUDIT COMMITTEE**

The Company has established an audit committee (the "**Audit Committee**") with specific terms of reference explaining its role and authorities delegated by the Board. The Audit Committee currently consists of three independent non-executive Directors: Mr. Li Sze Keung (Chairman), Mr. Lie Tak Sen and Mr. Wong Cho Kei, Bonnie, who together have sufficient accounting and financial management expertise and business experience to carry out their duties.

The primary duties of the Audit Committee are: to review and supervise the Company's financial reporting process, half-yearly and annual results, risk management and internal control systems, effectiveness of the internal audit function performed by the internal audit department of the Group and provide advice and comments to the Board. The Audit Committee meets with the external auditors and the management of the Group to ensure that the audit findings are addressed properly.

The Audit Committee had reviewed the Group's consolidated financial statements for the year ended 31 December 2021, including the accounting principles and practices adopted by the Group, and discussed with the Company's management regarding risk management, internal control and other important matters.

## REMUNERATION COMMITTEE

The Company has established a remuneration committee (the “**Remuneration Committee**”) with specific terms of reference which deal clearly with its authorities and duties. The Remuneration Committee currently consists of two independent non-executive Directors and an executive Director: Mr. Wong Cho Kei, Bonnie (Chairman), an independent non-executive Director, Mr. Wong Kam Fai, an executive Director, and Mr. Lie Tak Sen, an independent non-executive Director.

The primary duties of the Remuneration Committee are: to make recommendations to the Directors on the Company’s policy and structure for all remuneration of the Directors and senior management and on the establishment of a formal and transparent procedure for developing policies on such remuneration; to assess the performance of each executive Director; to recommend to the Board on the terms of the specific remuneration package of each executive Director and senior management (adopted the approach under code provision E.1.2(c)(ii)); and to review and approve performance-based remuneration by reference to corporate goals and objectives resolved by the Directors from time to time.

## NOMINATION COMMITTEE

The Company has established a nomination committee (the “**Nomination Committee**”) with specific terms of reference explaining its role and authorities delegated by the Board. The Nomination Committee currently consists of two independent non-executive Directors and an executive Director: Mr. Wong Yam Yin (Chairman), an executive Director, Mr. Wong Ying Loi, an independent non-executive Director, and Mr. Li Sze Keung, an independent non-executive Director.

The primary duties of the Nomination Committee are: to review the structure, size and composition of the Board on a regular basis; to make recommendations to the Board regarding any proposed changes; to identify, select or make recommendations to the Board on the selection of individuals nominated for directorships; to assess the independence of the independent non-executive Directors; and to make recommendations to the Board on relevant matters relating to the appointment or re-appointment of Directors and succession planning for Directors.

A Director appointed by the Board is subject to election by shareholders at the first annual general meeting after his appointment in case of the appointment of an additional Director or at the first general meeting after his appointment in case of filling of casual vacancy.

## 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 10 to the Listing Rules as its code for securities transactions by the Directors. The Company has made specific enquiries with all the Directors and all of them have confirmed that they have complied with the required standards set out in the Model Code during the year ended 31 December 2021.

## ISSUANCE OF SENIOR NOTES

Please refer to the section headed “Financing” in this announcement for information regarding the Group’s issuance of the Additional Notes and the Exchange Offer regarding the USD 2022 Notes, USD 2023 Notes and USD 2023 July Notes, as well as the proposed restructuring.

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

With respect to the senior notes in the principal amount of USD400 million with a coupon rate of 7% per annum and due in January 2021 (the “**USD 2021 Notes**”), the Company repurchased and cancelled part of the USD 2021 Notes in the aggregate principal amount of USD43,353,000, USD43,085,000, USD17,500,000, USD119,992,000, USD20,000,000 and USD18,496,000 (the “**2021 Purchased Notes**”). After cancellation of the 2021 Purchased Notes, the aggregate outstanding principal amount of the USD 2021 Notes as at 31 December 2020 was USD137,574,000. The USD 2021 Notes matured on 18 January 2021, and the Company has completed the redemption of the outstanding notes in full in an aggregate principal amount of USD137,574,000. The USD 2021 Notes were then cancelled and delisted from the Singapore Exchange.

From April to May 2021, the Company also repurchased USD4,000,000 of the USD 2022 Notes and USD6,000,000 of the USD 2023 Notes which were cancelled on 29 June 2021 right after the Exchange Offer was completed on 11 June 2021. The remaining outstanding principal amounts of the USD 2022 Notes and the USD 2023 Notes were USD121,506,000 and USD178,495,000, respectively, as of 31 December 2021.

With respect to the shares of the Company (the “**Share(s)**”), the Company repurchased 1,600,000 Shares, 1,158,000 Shares and 678,000 Shares on 31 March 2021, 1 April 2021 and 7 April 2021, respectively, under the repurchase mandate approved by the shareholders of the Company on 22 May 2020 at the annual general meeting. All of the repurchased Shares during the reporting period, which amounted to 3,436,000 Shares in total, were cancelled on 19 April 2021 and the total number of issued Shares as at the date of this announcement is 1,799,020,000.

Save as disclosed above, there was no purchase, sale or redemption of any of the Company’s listed securities by the Company or any of its subsidiaries during the year ended 31 December 2021.

## **SCOPE OF WORK OF KPMG**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit and loss and other comprehensive income and the related notes thereto for the year ended 31 December 2021 as set out in this announcement have been agreed by the Group's auditors, KPMG, to the amounts set out in the Group's audited consolidated financial statements for the year.

The work performed by KPMG 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 KPMG on this announcement.

## **DIVIDEND**

The Board does not recommend the payment of any final dividend in respect of the year ended 31 December 2021.

## **ANNUAL GENERAL MEETING**

It is proposed that the annual general meeting of the Company (the "AGM") be held on Friday, 27 May 2022. Notice of the AGM will be published and issued to the shareholders in due course.

## **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from Monday, 23 May 2022 to Friday, 27 May 2022 (both days inclusive), during which period no transfer of shares of the Company will be effected. In order to determine the identity of members who are entitled to attend and vote at the AGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration no later than 4:30 p.m. on Friday, 20 May 2022.

The record date for such purposes is Friday, 27 May 2022.

## **PUBLICATION OF FINAL RESULTS AND ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY**

This result announcement is published on the websites of the Stock Exchange ([www.hkexnews.com.hk](http://www.hkexnews.com.hk)) and the Company ([www.gwtd.com.hk](http://www.gwtd.com.hk)). The annual report of the Company for the year ended 31 December 2021 containing all information required by the Listing Rules will be dispatched to the shareholders and published on the above websites in due course.



## ACKNOWLEDGEMENT

On behalf of the Board, I would like to take this opportunity to express heartfelt appreciation to the shareholders and partners for their trust in and long-lasting support to the Group. I would also like to thank the management team, the Board and all the staff for their diligence, dedication and contribution over the past years. Looking forward, we will strive to take us to a higher level of business performance and to reward our shareholders in a higher return gradually over times.

By Order of the Board  
**Golden Wheel Tiandi Holdings Company Limited**  
**Wong Yam Yin**  
*Chairman*

Hong Kong, 30 March 2022

*As at the date of this announcement, the Board comprises Mr. Wong Yam Yin, Mr. Wong Kam Fai, Mr. Wong Kam Keung, Barry, Mr. Tjie Tjin Fung and Mr. Janata David as Executive Directors; Mr. Suwita Janata and Mr. Gunawan Kiky as Non-executive Directors; Mr. Wong Ying Loi, Mr. Lie Tak Sen, Mr. Wong Cho Kei Bonnie and Mr. Li Sze Keung as Independent Non-executive Directors.*