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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 2022**

### **FINANCIAL HIGHLIGHTS**

1. Revenue amounted to RMB2,659.9 million (2021: RMB1,782.5 million), representing an increase of approximately 49.2% as compared with 2021.
2. Total contracted sales decreased by 66.0% to RMB1,641.4 million (2021: RMB4,821.1 million).
3. Loss for the year amounted to RMB995.3 million (2021: loss for the year of RMB1,987.1 million). The loss recorded for the year ended 31 December 2022 was mainly due to the Group incurred a gross loss from its property sales as well as a revaluation loss of RMB44.1 million on investment properties and a loss of net foreign exchange amounted to RMB284.9 million and the finance costs of RMB298.0 million.
4. Total investment properties as at 31 December 2022 amounted to RMB4,119.3 million (2021: RMB4,326.2 million).
5. As of 31 December 2022, the Group had total cash and bank deposits of approximately RMB857.4 million (2021: RMB1,214.9 million).
6. Net asset value per share amounted to RMB1.07 per share (2021: RMB1.63 per share) as at 31 December 2022.

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 2022, together with the comparative figures for the preceding year.

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

(Expressed in Renminbi)

	NOTES	2022 RMB'000	2021 RMB'000
<b>Revenue</b>	3	<b>2,659,946</b>	1,782,495
Cost of sales		<u>(2,791,959)</u>	<u>(1,810,025)</u>
<b>Gross loss</b>		<b>(132,013)</b>	(27,530)
Changes in fair value of investment properties		(44,090)	(1,597,661)
Other income, expenses, gains and losses	4	(217,173)	17,787
Selling and marketing expenses		(64,173)	(88,604)
Administrative expenses		<u>(164,127)</u>	<u>(143,050)</u>
<b>Loss from operations</b>		<b>(621,576)</b>	(1,839,058)
Finance costs	5(a)	(298,049)	(254,759)
Share of profits/(losses) of associates		8,711	(14,772)
Share of (losses)/profits of joint ventures		<u>(7,368)</u>	<u>28,149</u>
<b>Loss before taxation</b>	5	<b>(918,282)</b>	(2,080,440)
Income tax	6	<u>(77,031)</u>	<u>93,355</u>
<b>Loss for the year</b>		<b><u>(995,313)</u></b>	<b><u>(1,987,085)</u></b>
<b>Attributable to:</b>			
Equity shareholders of the Company		(1,053,851)	(1,980,195)
Non-controlling interests		<u>58,538</u>	<u>(6,890)</u>
<b>Loss for the year</b>		<b><u>(995,313)</u></b>	<b><u>(1,987,085)</u></b>

	<i>NOTES</i>	<b>2022</b> <i>RMB'000</i>	2021 <i>RMB'000</i>
Loss for the year		<u>(995,313)</u>	<u>(1,987,085)</u>
<b>Other comprehensive income for the year (after tax and reclassification adjustments):</b>			
<i>Item 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 RMB		<u>(1,860)</u>	<u>(881)</u>
<b>Other comprehensive income for the year</b>		<u>(1,860)</u>	<u>(881)</u>
<b>Total comprehensive income for the year attributable to equity shareholders of the Company</b>		<u>(997,173)</u>	<u>(1,987,966)</u>
<b>Attributable to:</b>			
Equity shareholders of the Company		<u>(1,055,711)</u>	<u>(1,981,076)</u>
Non-controlling interests		<u>58,538</u>	<u>(6,890)</u>
<b>Total comprehensive income for the year</b>		<u>(997,173)</u>	<u>(1,987,966)</u>
<b>Loss per share</b>	7		
Basic ( <i>RMB per share</i> )		<u>(0.586)</u>	<u>(1.100)</u>
Diluted ( <i>RMB per share</i> )		<u>(0.586)</u>	<u>(1.100)</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Expressed in Renminbi)

		31 December 2022	31 December 2021
	NOTES	RMB'000	RMB'000
<b>Non-current assets</b>			
Property, plant and equipment	9	557,580	599,451
Investment properties	10	4,119,284	4,326,157
Interests in associates		95,147	75,001
Interests in joint ventures		486,250	493,619
Other financial assets		208,823	213,146
Restricted bank deposits		7,517	33,770
Deferred tax assets		110,304	126,994
		5,584,905	5,868,138
		5,584,905	5,868,138
<b>Current assets</b>			
Properties under development for sale		3,331,206	4,149,446
Completed properties for sale		1,841,172	1,894,938
Non-current asset held for sale		66,383	184,289
Contract assets		47,462	34,210
Trade and other receivables	11	510,791	462,927
Land appreciation tax and income tax prepaid		78,731	64,224
Restricted bank deposits		656,671	834,241
Cash and cash equivalents		193,217	346,910
		6,725,633	7,971,185
		6,725,633	7,971,185
<b>Current liabilities</b>			
Trade and other payables	12	1,748,011	1,796,636
Contract liabilities		1,892,097	2,370,706
Rental received in advance		15,927	35,298
Lease liabilities		55,922	44,482
Bank loans		1,642,490	1,726,249
Current taxation		413,875	498,521
Senior notes		3,254,550	2,814,024
		9,022,872	9,285,916
		9,022,872	9,285,916
<b>Net current liabilities</b>		<b>(2,297,239)</b>	<b>(1,314,731)</b>
<b>Total assets less current liabilities</b>		<b>3,287,666</b>	<b>4,553,407</b>

	<b>31 December 2022</b>	31 December 2021
<i>NOTES</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>Non-current liabilities</b>		
Lease liabilities	<b>140,924</b>	152,618
Bank loans	<b>261,000</b>	504,990
Deferred tax liabilities	<b>959,289</b>	965,304
	<u>1,361,213</u>	<u>1,622,912</u>
<b>NET ASSETS</b>	<b><u>1,926,453</u></b>	<b><u>2,930,495</u></b>
<b>CAPITAL AND RESERVES</b>		
Share capital	<b>112,883</b>	112,883
Reserves	<b>1,675,895</b>	2,731,606
<b>Total equity attributable to equity shareholders of the Company</b>	<b>1,788,778</b>	2,844,489
<b>Non-controlling interests</b>	<b>137,675</b>	86,006
<b>TOTAL EQUITY</b>	<b><u>1,926,453</u></b>	<b><u>2,930,495</u></b>

## 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 2022 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 2022 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 RMB995 million for the year ended 31 December 2022 and recorded net current liabilities of RMB2,297 million as at 31 December 2022. Included in the current liabilities were bank loans of RMB1,642 million and senior notes of RMB3,255 million. As at 31 December 2022, the Group had cash and cash equivalents and restricted bank deposits amounting to RMB193 million and RMB664 million, respectively.

During the year ended 31 December 2022, bank loans of US\$40,000,000 (equivalent to approximately RMB278,584,000) and HK\$374,680,000 (equivalent to approximately RMB334,690,000) were originally due on 31 August 2022 and the maturity date was extended to 31 October 2022. The maturity date has not been further extended and the Group failed to repay these bank loans on 31 October 2022 (the “**Default**”). The Group has received a demand notice from the bank requesting immediate repayment of these bank loans and payment of related interests. These bank loans are pledged by the Group’s completed property for sale amounting to RMB877,095,000 as at 31 December 2022. As a result of the Default, the bank has the right to take possession, sell, transfer or otherwise dispose of the pledged asset. Up to the date of approval of these financial statements, the Group has not repaid the defaulted loans and the bank has not exercised its right to take possession of the pledged assets.

The Default triggered cross-defaults of other bank loans with an aggregate carrying amount of HKD313,900,000 (equivalent to approximately RMB280,397,000) as of 31 December 2022, which became repayable on demand and were included in current liabilities. These cross-defaulted bank loans were secured by the Group’s pledged deposits amounting to RMB314,000,000. If the bank requests repayment and the Group cannot fulfill the request, the bank has the right to take possession of the pledged deposits. Up to the date of approval of these consolidated financial statements, the Group continues to be in cross-default and the lender has not demanded immediate repayment of these bank loans.

The Default also triggered cross-default of the senior notes issued by the Group with carrying amount of RMB3,255 million as of 31 December 2022, such that they become due for immediate redemption once the relevant senior note holders (the “**Holder**s”) make the request under the cross-default provision. In addition, in November 2022, the Group failed to repay the interests of US\$23,495,000 (equivalent to approximately RMB163,633,000) of the senior notes when they were due. Such non-payment has caused an event of default itself. As of the date of approval of these consolidated financial statements, the senior notes continue to be defaulted and the Holders have not exercised their rights to require immediate redemption of the senior notes or payment of interest.

As at 31 December 2022, the Group had investment property, completed properties for sale and properties under development for sale of RMB4,119 million, RMB1,841 million and RMB3,331 million, respectively, including pledged completed properties for sale of RMB877,095,000 as mentioned above. The current volatility in the real estate industry may place increasing difficulty for the Group and may undermine the Group's ability to generate sufficient cash flows from its future operations to meet its financing obligations and the Group's ability to renew existing facilities or source new funding.

All these events or conditions indicate the existence of multiple material uncertainties 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 2022. 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) The Company already had preliminary discussions with the major Holders. The board of directors of the Company will take steps to come up a senior notes restructuring proposal. On 29 March 2023, the Group has appointed financial advisors for the purpose of facilitating timely negotiations of various proposed amendments to the terms and conditions of the Holders;
- (ii) Regarding the bank loans, management is also negotiating with the banks for renewal of 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; and
- (iii) The Group is working diligently to assess and improve its liquidity position. In order to generate sufficient cash flows to meet its obligations, the Group will continue its efforts to recover from the volatility in the China real estate industry, and expedite sales of properties and investment properties, and collection of receivables, while maintaining more stringent cost control measures of containment of discretionary capital expenditures. The Group aims to gradually address the Group's debt obligations within a reasonable timeframe.

As at 31 December 2022, the Group has contract liabilities amounting to RMB1,892 million. The forecasted amounts to be received from the contract sales amounted to RMB552 million. Based on the management estimation, three property development projects are forecasted to complete in the twelve months ending 31 December 2023 and the Group can then release part of the contract liabilities and receive additional cash from the property buyers.

The directors of the Company are of the opinion that, assuming the success of all the above plans and measures, the Group will have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due for at least the next twelve months from 31 December 2022. Accordingly, the directors of the Company are satisfied that it is appropriate to prepare the consolidated financial statements of the Group for the year ended 31 December 2022 on a going concern basis.

Notwithstanding the above, material uncertainties exist as to whether management of the Group will be able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend upon the Group's ability to generate adequate financing and operating cash flows through the following:

- (i) successfully completing amendments to the terms and conditions of the senior notes with the Holders;
- (ii) successfully negotiating with the banks for renewal of existing bank loans; and
- (iii) successfully expedite the sales of properties and investment properties and collection of receivables to generate sufficient cash flows from its future operations in view of the volatility of the China real estate market.

If the Group fail to achieve one or more of the above-mentioned plans and measures on a timely basis, it may not be able to continue to operate as a going concern, and adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in these consolidated 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 16, Property, plant and equipment: Proceeds before intended use*
- *Amendment to IFRS 37, Provisions, contingent liabilities and contingent assets: Onerous contracts – cost of fulfilling a contract*

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:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Property development	2,410,505	1,512,330
Property leasing	183,070	207,159
Hotel operation	66,371	63,006
	<u>2,659,946</u>	<u>1,782,495</u>
Total revenue	<u>2,659,946</u>	<u>1,782,495</u>
Disaggregated by geographical location of customers		
Mainland China	2,640,123	1,769,711
Hong Kong	19,823	12,784
	<u>2,659,946</u>	<u>1,782,495</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 2022 and 2021 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	
	2022	2021	2022	2021	2022	2021	2022	2021
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Disaggregated by timing of revenue recognition								
Point in time	2,410,505	1,512,330	-	-	66,371	63,006	2,476,876	1,575,336
Over time	-	-	183,070	207,159	-	-	183,070	207,159
Reportable segment revenue	<u>2,410,505</u>	<u>1,512,330</u>	<u>183,070</u>	<u>207,159</u>	<u>66,371</u>	<u>63,006</u>	<u>2,659,946</u>	<u>1,782,495</u>
Reportable segment (loss)/profit before tax	<u>(381,118)</u>	<u>(308,351)</u>	<u>88,940</u>	<u>95,961</u>	<u>(22,469)</u>	<u>(31,559)</u>	<u>(314,647)</u>	<u>(243,949)</u>

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

	2022	2021
	RMB'000	RMB'000
Reportable segment loss	(314,647)	(243,949)
Changes in fair value of investment properties	(44,090)	(1,597,661)
Other income, expenses, gains and losses	(217,173)	17,787
Unallocated head office and corporate expenses	(20,576)	(15,235)
Impairment of property, plant and equipment	(25,090)	-
Finance costs	(298,049)	(254,759)
Share of profits/(losses) of associates	8,711	(14,772)
Share of (losses)/profits of joint ventures	(7,368)	28,149
Consolidated loss before taxation	<u>(918,282)</u>	<u>(2,080,440)</u>

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

##### (a) Other income

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Interest income from bank deposits	20,110	27,323
Dividend income from financial assets measured at FVTPL	3,131	1,659
Compensation income from early termination of leasing contract	5,758	6,063
Government grants ( <i>Note</i> )	1,222	1,017
Gain on disposal of property, plant and equipment	16,635	–
Gain on cancellation of sales contracts by buyer	25,656	–
Others	6,772	3,131
	<u>79,284</u>	<u>39,193</u>
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*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

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Net foreign exchange (losses)/gains	(284,864)	110,604
Losses on changes in fair value of financial assets measured at FVTPL	(1,828)	(74,934)
Losses on disposal of financial assets at FVTPL	–	(1,520)
Impairment losses of trade and other receivables	–	(55,896)
Gains on repurchase/redemption of senior notes	1,594	2,867
	<u>(285,098)</u>	<u>(18,879)</u>
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##### (c) Other expenses

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Donation	(376)	(168)
Others	(10,983)	(2,359)
	<u>(11,359)</u>	<u>(2,527)</u>
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Total	<u>(217,173)</u>	<u>17,787</u>
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## 5 LOSS BEFORE TAXATION

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

### (a) Finance costs

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Interest on bank loans	194,554	179,480
Interest on lease liabilities	12,334	14,840
Interest on senior notes	385,002	457,149
Less: Interest expense capitalised into properties under development for sale and investment properties under development*	<u>(293,841)</u>	<u>(396,710)</u>
Total	<u><u>298,049</u></u>	<u><u>254,759</u></u>

\* The borrowing costs have been capitalised at a rate of 10.27% per annum (2021: 11.06%).

### (b) Staff costs

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Salaries, bonuses and other benefits	94,578	148,003
Contributions to retirement benefit schemes	7,366	10,854
Equity-settled share-based payments	–	52
Less: amount capitalised to properties under development for sale and investment properties under development	<u>(13,963)</u>	<u>(31,235)</u>
	<u><u>87,981</u></u>	<u><u>127,674</u></u>

### (c) Other items

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Depreciation		
– Owned property, plant and equipment	50,782	36,868
– Right-of-use assets	<u>13,174</u>	<u>7,798</u>
	<u><u>63,956</u></u>	<u><u>44,666</u></u>
Auditors' remuneration	2,500	2,500
Cost of properties	2,700,010	1,704,474

## 6 INCOME TAX

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

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Current tax:		
– PRC corporate income tax (“CIT”)	29,089	26,016
– LAT	46,414	81,625
– Hong Kong Profits Tax	–	–
	<u>75,503</u>	<u>107,641</u>
Deferred tax		
– CIT	2,261	(286,288)
– LAT	(733)	85,292
	<u>1,528</u>	<u>(200,996)</u>
	<u><b>77,031</b></u>	<u><b>(93,355)</b></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 2022 is calculated at 16.5% (2021:16.5%) 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 expense/(benefit) and accounting loss at applicable tax rates:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Loss before taxation	<u>(918,282)</u>	<u>(2,080,440)</u>
Tax using PRC CIT rate of 25%	(229,571)	(520,110)
Tax effect of expenses not deductible for tax purpose	153,546	110,499
Tax effect of income not taxable for tax purpose	(2,091)	(39,796)
Tax effect of share of results of associates	(2,178)	3,693
Tax effect of share of results of joint ventures	1,842	(7,037)
LAT	32,957	162,816
Tax effect of LAT	(8,239)	(40,704)
Tax effect of tax losses not recognised	99,405	170,335
Tax effect of deductible temporary difference not recognised	34,095	78,229
Tax effect of previously unrecognised tax losses now recognised	(4,776)	(1,981)
Effect of withholding tax on undistributed profit from PRC subsidiaries	<u>2,041</u>	<u>(9,299)</u>
Actual tax expense/(benefit)	<u>77,031</u>	<u>(93,355)</u>

7 LOSSES PER SHARE

(a) Basic losses per share

The calculation of basic losses per share is based on the losses attributable to ordinary equity shareholders of the Company of RMB1,053,851,000 (2021: loss of RMB1,980,195,000) and the weighted average of 1,799,020,000 ordinary shares (2021: 1,799,883,000 shares) in issue during the year.

Weighted average number of ordinary shares:

	2022 <i>shares'000</i>	2021 <i>shares'000</i>
Issued ordinary shares at 1 January	1,799,020	1,802,456
Effect of shares repurchased	<u>–</u>	<u>(2,573)</u>
Weighted average number of ordinary shares at 31 December	<u>1,799,020</u>	<u>1,799,883</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

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

	<b>2022</b> <i>RMB'000</i>	2021 <i>RMB'000</i>
Interim dividend declared and paid is nil (2021: nil per share)	–	–
Final dividend proposed after the end of the reporting period is nil per share (2021: 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.

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

	<b>2022</b> <i>RMB'000</i>	2021 <i>RMB'000</i>
Final dividend in respect of the previous financial year, approved and paid during the year, of nil per share	–	–
	<u>–</u>	<u>–</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 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 and 1 January 2022	<b>342,499</b>	<b>90,440</b>	<b>9,459</b>	<b>25,129</b>	<b>162,139</b>	<b>83,668</b>	<b>57,647</b>	<b>770,981</b>
Additions	3,389	-	-	89	8,350	40,544	-	52,372
Transfer from construction in progress	57,647	-	-	-	-	-	(57,647)	-
Disposals	-	(14,408)	(97)	(250)	-	-	-	(14,755)
At 31 December 2022	<b>403,535</b>	<b>76,032</b>	<b>9,362</b>	<b>24,968</b>	<b>170,489</b>	<b>124,212</b>	<b>-</b>	<b>808,598</b>
<b>Accumulated depreciation</b>								
At 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 and 1 January 2022	<b>(27,691)</b>	<b>(40,063)</b>	<b>(8,836)</b>	<b>(14,229)</b>	<b>(61,976)</b>	<b>(18,735)</b>	<b>-</b>	<b>(171,530)</b>
Charge for the year	(22,368)	(4,416)	(265)	(3,065)	(20,668)	(13,174)	-	(63,956)
Disposals	-	9,212	97	249	-	-	-	9,558
At 31 December 2022	<b>(50,059)</b>	<b>(35,267)</b>	<b>(9,004)</b>	<b>(17,045)</b>	<b>(82,644)</b>	<b>(31,909)</b>	<b>-</b>	<b>(225,928)</b>
<b>Impairment loss</b>								
At 31 December 2021 and 1 January 2022	-	-	-	-	-	-	-	-
Additions	(25,090)	-	-	-	-	-	-	(25,090)
At 31 December 2022	<b>(25,090)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(25,090)</b>
<b>Net book value</b>								
At 31 December 2022	<b>328,386</b>	<b>40,765</b>	<b>358</b>	<b>7,923</b>	<b>87,845</b>	<b>92,303</b>	<b>-</b>	<b>557,580</b>
At 31 December 2021	314,808	50,377	623	10,900	100,163	64,933	57,647	599,451

As at 31 December 2022, leasehold land and hotel property and land and buildings with carrying amount of approximately RMB51,957,000 (2021: RMB55,553,000) were pledged to banks to secure certain banking facilities granted to the Group.

The Group provided an impairment loss of a property of RMB25,090,000 (2021:Nil) as at 31 December 2022 based on its latest recoverable amount.

## 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 2021</b>	5,964,568	509,500	154,497	6,628,565
Additions	30,423	–	–	30,423
Transfer from uncompleted properties 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	<u>(1,609,930)</u>	<u>36,600</u>	<u>(24,331)</u>	<u>(1,597,661)</u>
<b>At 31 December 2021 and 1 January 2022</b>	<b>3,632,559</b>	<b>605,600</b>	<b>87,998</b>	<b>4,326,157</b>
Additions	–	<b>88,635</b>	–	<b>88,635</b>
Transfer from completed properties for sales	<b>6,020</b>	–	–	<b>6,020</b>
Disposals	(255,219)	–	(2,219)	(257,438)
Net change in fair value recognised in profit or loss	<u>(149,338)</u>	<u>126,265</u>	<u>(21,017)</u>	<u>(44,090)</u>
At 31 December 2022	<u><b>3,234,022</b></u>	<u><b>820,500</b></u>	<u><b>64,762</b></u>	<u><b>4,119,284</b></u>

*Note:* As at 31 December 2022, investment properties with carrying amount of approximately RMB2,375,920,000 (2021: RMB2,477,803,000) 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 2022 RMB'000	Fair value measurements as at 31 December 2022 categorised into		
		Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000
<b>Recurring fair value measurement</b>				
Mainland China:				
– Commercial properties	4,052,652	–	–	4,052,652
– Car park	1,870	–	–	1,870
– Right-of-use assets	64,762	–	–	64,762
Total	<u>4,119,284</u>	<u>–</u>	<u>–</u>	<u>4,119,284</u>

	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
Total	<u>4,326,157</u>	<u>–</u>	<u>–</u>	<u>4,326,157</u>

During the year ended 31 December 2022 and 2021, 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 2022. 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 Director 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	Adjusted market price (RMB/square meter), and	8,800 to 99,500 (2021: 5,758 to 100,700)	The higher the adjusted market price, the higher the fair value
				Level adjustment	0% to 65% (2021: 0% to 65%)	The lower the level adjustment, the higher the fair value
	Car park	Level 3	Income method	Capitalisation rate, and	4% to 6% (2021: 4% to 6%)	The higher the capitalisation rate, the lower the fair value
				Daily unit rent (RMB/square meter)	2 to 16 (2021: 2 to 16)	The higher the daily unit rent, the higher the fair value
Investment properties under development	Level 3	Residual approach	Adjusted market price (RMB/square meter)	12,200 to 21,800 (2021: 12,500 to 16,000)	The higher the adjusted market price, the higher the fair value	
			Budgeted cost (RMB/square meter)	5,651 to 8,927 (2021: 5,350 to 8,756)	The higher the budgeted cost, the lower the fair value	
			Anticipated developer's profit margin	10% to 20% (2021: 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	Capitalisation rate	6.5% to 6.75% (2021: 6.5% to 6.75%)	The higher the capitalisation rate, the lower the fair value
				Daily unit rent (RMB/square meter)	1 to 17 (2021: 1 to 17)	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 2022 RMB'000</b>	31 December 2021 RMB'000
Other properties leased for own use, carried at depreciated cost ( <i>Note</i> )	<b>92,303</b>	64,933
Ownership interests in leasehold investment property, carried at fair value, with remaining lease term of between 4 to 10 years	<b>64,762</b>	87,998
	<b>157,065</b>	152,931

*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>2022 RMB'000</b>	2021 RMB'000
Depreciation charge of right-of-use assets by class of other properties leased for own use	<b>13,174</b>	7,798
Fair value change of right-of-use assets by class of investment property	<b>21,017</b>	24,331
	<b>34,191</b>	32,129
Interest on lease liabilities	<b>12,334</b>	14,840
Covid-19-related rent concessions received	<b>9,885</b>	–

(c) **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:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Within 1 year	180,733	185,985
After 1 year but within 5 years	247,194	296,598
After 5 years	42,515	51,046
	<u>470,442</u>	<u>533,629</u>

**11 TRADE AND OTHER RECEIVABLES**

Trade receivables mainly comprises certain consideration for sale of properties and rental receivables 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.

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Trade receivables	61,291	28,066
Amounts due from associates and joint ventures	60,140	83,474
Other debtors	231,919	178,543
Less: allowance for credit losses	<u>(27,714)</u>	<u>(27,714)</u>
Financial assets measured at amortised cost	325,636	262,369
Advances to contractors	55,406	35,434
Other taxes prepaid	<u>129,749</u>	<u>165,124</u>
	<u>510,791</u>	<u>462,927</u>

- (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 properties.

### 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:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Within 30 days	32,375	25,125
31 to 60 days	2,088	2,236
61 to 180 days	26,828	705
	<u>61,291</u>	<u>28,066</u>

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

## 12 TRADE AND OTHER PAYABLES

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Trade payables	879,203	789,754
Bills payables	35,000	157,240
Other payables	579,278	642,556
Amounts due to associates and joint ventures ( <i>Note</i> )	254,530	207,086
	<u>1,748,011</u>	<u>1,796,636</u>

*Note:*

(i) Amounts due to associates and joint ventures are unsecured, interest-free and repayment on demand.

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

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Within 180 days	604,188	681,656
181 to 365 days	129,913	157,384
Over 1 year	180,102	107,954
Total trade payables	<u>914,203</u>	<u>946,994</u>

## **EXTRACT OF INDEPENDENT AUDITOR’S REPORT**

KPMG was engaged to audit the consolidated financial statements of the Group. The section below sets out an extract of the independent auditor’s report regarding the consolidated financial statements of the Group for the year ended 31 December 2022:

### **“Disclaimer of Opinion**

We do not express an opinion on the consolidated financial statements of the Group. Because of the potential interaction of the multiple uncertainties and their possible cumulative effect on the consolidated financial statements as described in the Basis for Disclaimer of Opinion section of our report, it is not possible for us to form an opinion on the consolidated financial statements. In all other respects, in our opinion, the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### **Basis for Disclaimer of Opinion**

#### ***Multiple Uncertainties Relating to Going Concern***

As described in note 1 to the consolidated financial statements, the Group incurred a net loss of RMB995 million for the year ended 31 December 2022 and recorded net current liabilities of RMB2,297 million as at 31 December 2022. Included in the current liabilities were bank loans of RMB1,642 million and senior notes of RMB3,255 million.

During the year ended 31 December 2022, the Group failed to repay bank loans of US\$40,000,000 (equivalent to approximately RMB278,584,000) and HK\$374,680,000 (equivalent to approximately RMB334,690,000) and an interest of US\$34,139,000 (equivalent to approximately RMB237,763,000) on the senior notes. The Group has received a demand notice from the bank requesting immediate repayment of above mentioned bank loans and related interest but the Group has not repaid the bank loans. As a result, senior notes and bank loans with an aggregate amount of RMB4,148,222,000 became default or cross-default and became repayable on demand. Those defaulted or cross-defaulted bank loans were secured by the Group’s assets with an amount of RMB1,191 million and the related banks have the right to sell, transfer or otherwise dispose of any of those assets if the Group cannot repay the loans upon request. Up to the date of this report, the Group has not repaid the bank loans of US\$40,000,000 and HK\$374,680,000 and the bank has not exercised its right to take possession of the pledged assets.

These conditions, together with other matters set out in note 1 to the consolidated financial statements, indicate the existence of multiple material uncertainties which may cast significant doubt on the Group’s ability to continue as a going concern.

The directors of the Company have been undertaking a number of measures to improve the Group's liquidity and financial position, and to remediate certain delayed repayments and breach of specific terms and condition of loans for the bank loans and senior notes, which are set out in note 1 to the consolidated financial statements. The consolidated financial statements have been prepared on a going concern basis, the validity of which depends on the outcome of these measures, which are subject to multiple uncertainties, including whether the Group is able to (i) successfully complete amendments to the terms and conditions with the senior notes holders; (ii) successfully negotiate with the banks for renewal of existing bank loans; and (iii) successfully expedite the sales of properties and investment properties and collection of receivables to generate sufficient cash flows from its future operations in view of the volatility of the China real estate market.

If the Group fails to achieve one or more of its plans and measures on a timely basis, it may not be able to continue to operate as a going concern and 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 the consolidated financial statements.

## **BUSINESS REVIEW**

Looking back to 2022, the international political and economic situation was complex and volatile, coupled with the resurgence of the pandemic in many regions of China, the domestic economy has taken a hard hit, especially in the segments of property development, property leasing and hotel operation which are the main businesses of the Group. In addition, given that a number of listed private property companies collapsed successively and many property projects in various regions have been suspended and could not be completed, the confidence of home buyers was largely affected. The real estate sector has faced unprecedented challenges with difficulties in sales and financing in general and the test for cash flows of companies. Since the beginning of 2022, there has been certain improvements in the central policies and the credit environment, but the policy effect was insignificant along with the deteriorating pandemic situation in the second half of the year, resulting in a continued intensive correction in the real estate market. In the fourth quarter of 2022, a number of regulatory authorities released a series of sweeping and supportive measures successively including the "16-point policy plan" and the "three arrows" with a view to stabilising the real estate market by optimising policies on both sides of supply and demand. Despite continued policy improvements, it is estimated that recovery will still take a long time.

For the year ended 31 December 2022, the Group was affected by the adverse impact of the COVID-19 pandemic and the lack of market confidence, resulting in a significant decrease in contracted sales. As at 31 December 2022, the Group only achieved total contracted sales of RMB1,641.4 million (2021: RMB4,821.1 million). Property leasing and hotel operation business of the Group have still been affected by the COVID-19 pandemic but remained stable when compared with last year. Average occupancy rates of the year for property leasing and hotel operation were 83.0% (2021: 83.3%) and 64.1% (2021: 63.3%).

### **Contracted sales**

The Group currently has mainly 15 projects on sale. During the year, the Group has launched the pre-sale of one new project in Lianyungang, namely Shangpin Xuefu. For the year ended 31 December 2022, the Group and its joint ventures and associates achieved total contracted sales value and contracted sales area of approximately RMB1.64 billion (2021: RMB4.82 billion) and approximately 143,757 sq.m. (2021: 384,177 sq.m.), respectively.

### **Projects completed during 2022**

For the year ended 31 December 2022, the Group had managed to complete and deliver three projects, namely, Zhuzhou Golden Wheel JinQiao Huafu (Phase II), Nanjing Golden Wheel Cuiyong Hua Ting and Yangzhou No. 1 Golden Bay. Aggregate saleable gross floor area (“GFA”) of the newly completed projects amounted to approximately 320,097 sq.m. As at 31 December 2022, an aggregate GFA of approximately 269,646 sq.m. of these newly completed projects was sold and delivered.

### **New land acquired during 2022 in mainland China**

As affected by the COVID-19 pandemic, the Group adopted a more prudent approach in new land acquisition during 2022. As a result, the Group did not acquire any new land nor invest in any new joint venture or associate during the year.

### **Land bank of the Group**

As at 31 December 2022, the Group had a total land bank of approximately 1,175,546 sq.m., including approximately 131,943 sq.m. of completed but unsold properties, approximately 32,819 sq.m. of own used properties, approximately 106,683 sq.m. of completed investment properties, approximately 514,831 sq.m. of properties under development and approximately 389,270 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 2022:

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%	–	2,535	33,048
Golden Wheel Building	Nanjing	4,918	May-01	Feb-03	100%	–	–	85
Golden Wheel Green Garden	Nanjing	10,334	Aug-01	Sep-02	100%	212	–	–
Golden Wheel Star City	Yangzhou	81,615	Aug-08	Mar-14	100%	3,991	–	2,785
Golden Wheel Time Square	Zhuzhou	13,501	May-09	Apr-12	100%	185	–	–
Nanjing Jade Garden	Nanjing	7,212	Jan-11	Dec-13	100%	–	–	2,908
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%	878	–	–
Zhuzhou Golden Wheel Jade Garden	Zhuzhou	45,645	Dec-14	Dec-18	100%	7,130	–	–
Wuxi Golden Wheel Star Plaza	Wuxi	31,981	Dec-14	Dec-16	100%	3,579	–	4,680
Golden Wheel Star-cube	Nanjing	18,300	Dec-14	Dec-16	100%	403	–	1,838
Golden Wheel JinQiao Huafu	Nanjing	46,228	Dec-14	Dec-17	100%	4,242	–	2,742
Changsha Golden Wheel Star Plaza	Changsha	37,152	Dec-14	Dec-17	100%	10,615	10,307	10,619
Yangzhou Lakeside Emerald House	Yangzhou	10,682	Jun-17	May-19	100%	11,213	–	1,045
Golden Wheel Binary Star Plaza	Nanjing	9,588	Dec-14	Dec-19	100%	–	19,977	24,403
Wuxi Golden Wheel Lakeside Orchid Garden	Wuxi	70,989	Dec-17	Dec-19	100%	3,413	–	–
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%	10,059	–	1,673
Nanjing Golden Wheel Romantic Tower	Nanjing	7,593	Dec-17	Jun-21	100%	12,486	–	–
Nanjing Golden Wheel Shuiying Hua Ting	Nanjing	32,927	Apr-18	Jan-21	100%	10,515	–	–
Zhuzhou Golden Wheel JinQiao Huafu (Phase II)	Zhuzhou	37,382	Mar-18	Jun-22	100%	9,110	–	–
Nanjing Golden Wheel Cuiyong Hua Ting	Nanjing	59,722	Apr-19	Jan-22	100%	33,419	–	2,500
Yangzhou No. 1 Golden Bay	Yangzhou	19,890	Jan-20	Dec-22	100%	5,422	–	–
Subtotal		650,873				131,943	32,819	106,683
<b>Project under development</b>								
Wuxi Golden Wheel Starry Plaza	Wuxi	27,470	May-19	May-23	95%	99,039	–	15,097
Nanjing Golden Wheel Galaxy Center	Nanjing	97,648	Feb-20	Dec-24	45%	195,353	–	46,647
Golden Wheel Shangdu Age City Mansion	Lianyungang	72,296	Jan-21	Jun-23	90%	158,695	–	–
Subtotal		197,414				453,087	–	61,744
Total		848,287				585,030	32,819	168,427

	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>Projects by joint ventures and associates</b>								
Yangzhou Powerlong Golden Wheel Plaza <sup>Note 1</sup>	Yangzhou	61,275	Dec-14	Dec-16	100%	26,079	-	65,400
Nanjing Shiguang Shanhu <sup>Note 2</sup>	Nanjing	14,338	Oct-17	Jul-19	100%	3,540	-	-
Changzhou Junwang Jia Di <sup>Note 3</sup>	Changzhou	67,225	Dec-17	May-20	100%	42,373	-	-
Vanke Future Light <sup>Note 4</sup>	Yangzhou	47,137	Jun-18	Apr-21	100%	8,680	-	-
Shangdu Fengjing <sup>Note 5</sup>	Lianyungang	17,605	Apr-20	Jun-22	100%	14,020	-	-
Galaxy Light <sup>Note 6</sup>	Lianyungang	41,478	Jan-21	Apr-23	95%	99,651	-	-
Yangzhou Kaichen Mansion <sup>Note 7</sup>	Yangzhou	57,548	Feb-21	Jun-23	95%	94,826	-	-
Shangpin Xuefu <sup>Note 8</sup>	Lianyungang	15,279	Jul-21	Jun-24	75%	34,701	-	-
Total		<u>321,885</u>				<u>323,870</u>	<u>-</u>	<u>65,400</u>

- 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 10% interest.
  - <sup>6</sup> The project is developed by an associate company in which the Group has a 37% interest.
  - <sup>7</sup> The project is developed by a joint venture company in which the Group has a 24.5% interest.
  - <sup>8</sup> The project is developed by an associate company in which the Group has a 20% interest.

As at 31 December 2022, the Group had a land bank of approximately 514,831 sq.m. under development. Among these parcels of land, approximately 119,640 sq.m., 260,167 sq.m., 73,280 sq.m. and 61,744 sq.m. are for residential, commercial and office, car park and investment properties purposes, respectively.

## Property sales

For the year ended 31 December 2022, the Group's revenue from sales of properties amounted to approximately RMB2,410.5 million with an aggregate GFA of approximately 252,246.2 sq.m. being sold and delivered. The average selling price of these sold properties amounted to approximately RMB9,556.1 per sq.m.

As at 31 December 2022, there were total unrecognized contracted sales of RMB2.44 billion. The unrecognized contracted sales are expected to be recognized in 2023 and 2024 as and when the related projects are completed and delivered.

## **Property leasing**

As at 31 December 2022, the Group had completed investment properties with a total GFA of approximately 106,683 sq.m. The average occupancy rate of the Group's investment properties as at 31 December 2022 was over 80%.

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

As at 31 December 2022, the Group had leasing and operational management contracts of 16 metro station shopping malls in three cities in China, namely, Nanjing, Suzhou, Wuxi. The Group had metro station shopping malls with a total GFA of over 79,791 sq.m.

As at 31 December 2022, metro station shopping malls were under operations and the overall occupancy rate was over 90%.

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.

## **Hotel operation**

As at 31 December 2022, 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 2022 was 64%.

## **Significant investments held**

The Group considers desirable investment opportunities from time to time, taking into account interests of the Group and its shareholders as a whole.

As at 31 December 2022, the Group's major investment was its equity investment in the shares of Xiamen International Bank Co., Ltd., which were 50.8 million (2021: 34.0 million) unlisted equity shares of Xiamen International Bank Co., Ltd with a carrying value of RMB198.1 million (2021: 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**

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 11 April 2022, the Group completed a proposed restructuring of the existing senior notes through the Cayman Scheme and obtained approval from the Grand Court of the Cayman Islands. The existing senior notes were replaced by new senior notes (the "**New Senior Notes**") that have maturity date for 3 years with instalment repayment after the restructuring effective date which was 11 April 2022. The Group intended to dispose of certain onshore properties in the next three years in order to assist the Group with meeting the various repayment obligations under the New Senior Notes.

The New Senior Notes in the principal amount of approximately USD\$494,667,000 will mature on 11 April 2025 and the interest rate of the New Senior Notes is 10% per annum. The repayment details of the New Senior Notes are as follows: 5% of the principal amount is matured on or before 10 July 2022; another 5% of the principal amount is matured on or before 11 January 2023; an additional 15% of principal amount is matured on or before 11 July 2023; an additional 10% of the principal amount is matured on or before 11 January 2024; an additional 10% of the principal amount is matured on or before 11 July 2024 and the amount of any remaining outstanding principal amount is matured on 11 April 2025.

## **Breach of loan agreements and cross defaults under certain loan facilities**

Under the two facility agreements (the "**Facility Agreements**") entered into by Golden Wheel Bright Jade Company Limited (as the borrower) (the "**Borrower**"), a wholly-owned subsidiary of the Company, and a bank (as the lender) (the "**Bank**"), in respect of the facilities (the "**Facilities**") secured by a property owned by the Group and corporate guarantees from the Company and/or certain subsidiaries of the Company, the repayment of the principal amount and the accrued interests was due on 31 August 2022 (the "**Maturity Date**"). As at the Maturity Date, the outstanding principal amount of the Facilities amounted to HK\$377,280,000 and US\$40,000,000, respectively. Since the Maturity Date, the Group has been negotiating the terms for the extension of the Maturity Date with the Bank, which was extended to 31 October 2022, while the Bank has offered waivers to the Group on various occasions for the Group to finalise the commercial terms for the extension of the Facilities. As the Maturity Date has not been further extended, an event of default (the "**Event of Default**") has occurred under the Facility Agreements on 1 November 2022.

As the Event of Default has occurred and, on 3 November 2022, the Company and the Borrower received a demand notice from the Bank, cross default provisions (the “**Cross Defaults**”) have been triggered under (1) the 10.0% Senior Notes Due 2025 in the principal amount of approximately US\$494,667,000 (the “**New Senior Notes**”), and (2) two other facility agreements entered into by the Company (as the borrower) and a bank in Macau (as the lender), each in the principal amount of HK\$180,000,000.

The interest on the New Senior Notes became due and payable on 11 October 2022. Under the indenture governing the New Senior Notes, the Company had a grace period of 30 days to avoid an event of default. The grace period expired on 10 November 2022. Such a non-payment has caused an event of default under the New Senior Notes. As a result, the holders of the New Senior Notes (the “**Holders**”) may demand immediate payment of the principal and the accrued interest. As at the date of this announcement, the Company has not received any notice regarding acceleration action by the Holders.

For details, please refer to the announcements of the Company dated 3 November 2022 and 9 November 2022.

### **Subsequent events**

On 11 January 2023, the Company failed to redeem 5% of principal amount of approximately US\$494,667,000 of the New Senior Notes.

The Company has appointed Guotai Junan International and Alvarez & Marsal Corporate Finance Limited as joint financial advisors to implement a consensual arrangement in relation to the New Senior Notes. For details, please refer to the announcement of the Company dated 29 March 2023.

### **Future outlook**

Looking ahead to 2023, the overall liquidity pressure in the real estate industry is expected to be relieved to a certain extent as the domestic economy steps into a post-pandemic reboot with the gradual recovery of residents’ income and improved home purchase sentiment. 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.

During the last three years, the real estate industry has experienced one of the most challenging and stressful periods in its history. After three years of the pandemic, the Company continues to make steady progress and take small steps while overcoming difficulties and challenges. It is believed that we will be able to achieve our set goals with firm confidence in the future.

## 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			
	2022		2021	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Property development	<b>2,410,505</b>	<b>90.6</b>	1,512,330	84.8
Property leasing	<b>183,070</b>	<b>6.9</b>	207,159	11.6
Hotel operation	<b>66,371</b>	<b>2.5</b>	63,006	3.6
Total	<b><u>2,659,946</u></b>	<b><u>100.0</u></b>	<b><u>1,782,495</u></b>	<b><u>100.0</u></b>

Revenue increased by approximately 49.2% from approximately RMB1,782.5 million for the year ended 31 December 2021 to approximately RMB2,659.9 million for the year ended 31 December 2022, primarily due to the increase in revenue generated from property sales and hotel operation.

- *Property development*

Revenue derived from property development business increased by 59.4% from approximately RMB1,512.3 million for the year ended 31 December 2021 to approximately RMB2,410.5 million for the year ended 31 December 2022. This increase was primarily due to the increase in the total GFA sold and delivered during the year. During the year, the Group had 3 larger residential projects completed and delivered.

For the year ended 31 December 2022, the Group achieved contracted sales of approximately RMB1,641.4 million (2021: RMB4,821.1 million).

- *Property leasing*

Revenue derived from property leasing business was remained at a similar level as that in 2021. The Group recorded income from property leasing of approximately RMB207.2 million for the year ended 31 December 2021 and approximately RMB183.1 million for the year ended 31 December 2022.

- *Hotel operation*

Revenue derived from hotel operation increased mildly by 5.3% to RMB66.4 million for the year ended 31 December 2022 (2021: RMB63.0 million). The Group's hotel business still greatly affected by the impact of the COVID-19 pandemic as the Group's hotels in China were occasionally closed as required by the local government authorities once there were covid cases identified in the local area.

### 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			
	2022		2021	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%
Property development				
Land acquisition costs	<b>802,495</b>	<b>28.7</b>	628,142	34.7
Construction costs	<b>1,284,404</b>	<b>46.0</b>	586,927	32.4
Capitalised finance costs	<b>459,605</b>	<b>16.5</b>	166,743	9.3
Tax expenses	<b>17,127</b>	<b>0.6</b>	11,302	0.6
Impairment of assets	<b>136,379</b>	<b>4.9</b>	311,360	17.2
	<hr/>	<hr/>	<hr/>	<hr/>
Subtotal	<b>2,700,010</b>	<b>96.7</b>	1,704,474	94.2
	<hr/>	<hr/>	<hr/>	<hr/>
Property leasing	<b>22,241</b>	<b>0.8</b>	30,802	1.7
Hotel operation	<b>69,708</b>	<b>2.5</b>	74,749	4.1
	<hr/>	<hr/>	<hr/>	<hr/>
Total	<b>2,791,959</b>	<b>100.0</b>	1,810,025	100.0
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The Group's cost of sales increased from RMB1,810.0 million for the year ended 31 December 2021 to RMB2,792.0 million for the year ended 31 December 2022. 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 decreased from 45.3% in 2021 to 33.3% in 2022.

### Gross loss

The Group recorded a gross loss for the year ended 31 December 2022 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 87.9% for the year ended 31 December 2022 (2021: 85.1%). The slight increase in profit margin was due to the fact that the Group provided less rental concessions to its tenants as the Covid-19 situation for the year ended a bit better than the last year.

The Group's hotel operation had recorded a negative profit margin of 5.0% for 2022 as compared to a negative profit margin of 18.6% in 2021. Because of the Nanjing Golden Wheel Courtyard Marriott gradually began normal operations in 2022.

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

For the year ended 31 December 2022, the Group recorded a fair value loss on investment properties of RMB44.1 million (2021: RMB1,597.7 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.

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 loss of RMB217.2 million for other income, expenses, gains and losses for the year ended 31 December 2022 (2021: a net gain RMB17.8 million). The net losses in 2022 was mainly caused by the net foreign exchange loss of RMB284.9 million which was the result of the depreciation of RMB during the year.

### **Finance costs**

Finance costs consisted primarily of interest expenses on borrowings and senior notes. Finance costs increased from RMB254.8 million for the year ended 31 December 2021 to RMB298.0 million for the year ended 31 December 2022 primarily due to the reduction of interest expense capitalized since less projects were under progress as compare to the last year.

During the year, the average cost of borrowings remained stable at 10.27% (2021: 11.06%).

### **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 2022 amounted to approximately RMB64.2 million (2021: RMB88.6 million), representing a decrease of approximately 27.6%. The decrease in selling and marketing activities as affected by COVID-19 pandemic during the year.



## **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 2022 amounted to approximately RMB164.1 million (2021: RMB143.1 million), representing an increase of approximately 14.7% as compared to last year as a result of an impairment loss of property, plant and equipment.

## **Taxation**

The Group's income tax expenses amounted to RMB77.0 million for the year ended 31 December 2022 and recorded a credit balance of income tax of RMB93.4 million during the year ended 31 December 2021. The increase was mainly due to the profit from the sales of properties in Yangzhou.

## **Loss attributable to equity shareholders of the Company**

Due to the Group incurred a gross loss from its property sales as well as a revaluation loss on investment properties which was mainly caused by the outbreak of the COVID-19 pandemic and incurred a loss of net foreign exchange, the Group had incurred a loss for the year of RMB995.3 million.

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

### ***Cash position***

The Group had bank deposits and cash of approximately RMB857.4 million as of 31 December 2022 (2021: RMB1,214.9 million), including restricted bank deposits of approximately RMB664.2 million (2021: RMB868.0 million). The decrease in cash and bank balances was mainly due to the decrease in proceeds received from property sales which was a result of the substantial decrease in contracted sales during the year.

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

The Group had outstanding bank and other borrowings (including senior notes) of approximately RMB5,158.0 million as at 31 December 2022 (2021: RMB5,045.3 million).

As at 31 December 2022, the Group's net gearing ratio was approximately 223.2% (2021: 130.7%). 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.

The Group's debt-to-asset ratio (total indebtedness minus contract liabilities divided by total assets) was approximately 69.0% as at 31 December 2022 versus approximately 61.7% as at 31 December 2021.

### *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 10.27% in 2022 as compared to approximately 11.06% in 2021.

### *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>2022</b>	2021
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Mortgage loan guarantees provided by the Group to banks in favour of its customers	<b>54,984</b>	326,089

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 2022, the Group had a total of approximately 563 (2021: 664) full-time employees in Hong Kong and mainland 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 2022 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 2022 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 2022.

## **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 2022.

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), Ms. Wong Lai Ling 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 2022, 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 Ms. Wong Lai Ling, 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, Ms. Wong Lai Ling, 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 2022.

## **ISSUANCE OF SENIOR NOTES**

Please refer to the section headed “Financing” in this announcement for information regarding the scheme of arrangement of the Company as sanctioned by an order of the Grand Court of the Cayman Islands dated 4 April 2022.

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

With respect to the senior notes with a coupon rate of 14.25% per annum, payable semi-annually in arrears, and due 9 January 2023 (the “**USD 2023 Notes**”), the Company repurchased and cancelled part of the USD 2023 Notes in the aggregate principal amount of USD500,000. On 11 April 2022, the restructuring conditions under the Cayman Scheme had been satisfied and the USD 2023 Notes were then cancelled and delisted from the Singapore Exchange. Please refer to the Company’s announcement dated 13 April 2022 for further details.

On 10 July 2022, the Company redeemed the first instalment of 5% of the principal amount of New Senior Notes and relevant interest, amounted to US\$25,344,000 (equivalent to RMB170,434,000).

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.

## **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 2022 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 2022.

## **ANNUAL GENERAL MEETING**

It is proposed that the annual general meeting of the Company (the "AGM") be held on Monday, 29 May 2023. 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, 22 May 2023 to Monday, 29 May 2023 (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, 19 May 2023.

The record date for such purposes is Monday, 29 May 2023.

## **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 2022 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 2023

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