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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 2023**

#### **FINANCIAL HIGHLIGHTS**

1. Revenue amounted to RMB2,387.5 million (2022: RMB2,659.9 million), representing a decrease of approximately 10.2% as compared with 2022.
2. Total contracted sales decreased by 42.7% to RMB940.7 million (2022: RMB1,641.4 million).
3. Loss for the year amounted to RMB935.0 million (2022: loss for the year of RMB995.3 million).
4. Total investment properties as at 31 December 2023 amounted to RMB4,181.9 million (2022: RMB4,119.3 million).
5. As of 31 December 2023, the Group had total cash and bank deposits of approximately RMB586.3 million (2022: RMB857.4 million).
6. Net asset value per share amounted to RMB0.54 per share (2022: RMB1.07 per share) as at 31 December 2023.

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 2023, together with the comparative figures for the preceding year.

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(Expressed in Renminbi)

	NOTE	2023 RMB’000	2022 RMB’000
<b>Revenue</b>	3	<b>2,387,520</b>	2,659,946
Cost of sales		<u>(2,316,166)</u>	<u>(2,791,959)</u>
<b>Gross profit/(loss)</b>		<b>71,354</b>	(132,013)
Changes in fair value of investment properties		(133,173)	(44,090)
Other income, expenses, gains and losses	4	(163,971)	(217,173)
Selling and marketing expenses		(96,149)	(64,173)
Administrative expenses		<u>(160,646)</u>	<u>(164,127)</u>
<b>Loss from operations</b>		<b>(482,585)</b>	(621,576)
Finance costs	5(a)	(318,480)	(298,049)
Share of (losses)/profits of associates		(2,871)	8,711
Share of losses of joint ventures		<u>(56,003)</u>	<u>(7,368)</u>
<b>Loss before taxation</b>	5	<b>(859,939)</b>	(918,282)
Income tax	6	<u>(75,065)</u>	<u>(77,031)</u>
<b>Loss for the year</b>		<b><u>(935,004)</u></b>	<b><u>(995,313)</u></b>
<b>Attributable to:</b>			
Equity shareholders of the Company		(1,035,100)	(1,053,851)
Non-controlling interests		<u>100,096</u>	<u>58,538</u>
<b>Loss for the year</b>		<b><u>(935,004)</u></b>	<b><u>(995,313)</u></b>

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

*(Expressed in Renminbi)*

	<i>NOTE</i>	<b>2023</b> <i>RMB'000</i>	2022 <i>RMB'000</i>
Loss for the year		<b>(935,004)</b>	(995,313)
<b>Other comprehensive income/(expense) 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, net		<b>7,195</b>	(1,860)
<b>Other comprehensive income/(expense) for the year</b>		<b>7,195</b>	(1,860)
<b>Total comprehensive expense for the year</b>		<b>(927,809)</b>	(997,173)
<b>Attributable to:</b>			
Equity shareholders of the Company		<b>(1,027,905)</b>	(1,055,711)
Non-controlling interests		<b>100,096</b>	58,538
<b>Total comprehensive expense for the year</b>		<b>(927,809)</b>	(997,173)
<b>Loss per share</b>	7		
Basic		<b>RMB(0.575)</b>	RMB(0.586)
Diluted		<b>RMB(0.575)</b>	RMB(0.586)

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Expressed in Renminbi)

	NOTE	2023 RMB'000	2022 RMB'000
<b>Non-current assets</b>			
Property, plant and equipment	9	460,541	557,580
Investment properties	10	4,181,858	4,119,284
Interests in associates		84,960	95,147
Interests in joint ventures		430,247	486,250
Other financial assets		142,164	208,823
Restricted bank deposits		24,333	7,517
Deferred tax assets		53,594	110,304
		5,377,697	5,584,905
		5,377,697	5,584,905
<b>Current assets</b>			
Properties under development for sale		1,106,666	3,331,206
Completed properties for sale		2,399,091	1,841,172
Non-current asset held for sale		–	66,383
Contract assets		434	47,462
Trade and other receivables	11	499,181	510,791
Land appreciation tax and income tax prepaid		52,700	78,731
Restricted bank deposits		352,708	656,671
Cash and cash equivalents		209,263	193,217
		4,620,043	6,725,633
		4,620,043	6,725,633
<b>Current liabilities</b>			
Trade and other payables	12	2,486,183	1,748,011
Contract liabilities		437,395	1,892,097
Rental received in advance		23,802	15,927
Lease liabilities		52,344	55,922
Bank loans		699,265	1,642,490
Current taxation		495,336	413,875
Senior notes		3,304,806	3,254,550
Financial guarantee contracts		280,976	–
		7,780,107	9,022,872
		7,780,107	9,022,872
<b>Net current liabilities</b>		<b>(3,160,064)</b>	<b>(2,297,239)</b>
<b>Total assets less current liabilities</b>		<b>2,217,633</b>	<b>3,287,666</b>

	<b>2023</b> <i>RMB'000</i>	2022 <i>RMB'000</i>
<b>Non-current liabilities</b>		
Lease liabilities	<b>97,600</b>	140,924
Bank loans	<b>326,400</b>	261,000
Deferred tax liabilities	<b>826,816</b>	959,289
	<u><b>1,250,816</b></u>	<u>1,361,213</u>
<b>NET ASSETS</b>	<b>966,817</b>	1,926,453
<b>CAPITAL AND RESERVES</b>		
Share capital	<b>112,883</b>	112,883
Reserves	<b>620,115</b>	1,675,895
<b>Total equity attributable to equity shareholders of the Company</b>	<b>732,998</b>	1,788,778
<b>Non-controlling interests</b>	<b>233,819</b>	137,675
<b>TOTAL EQUITY</b>	<b>966,817</b>	1,926,453

## 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 2023 comprise the Group and the Group’s interests 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 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 2023 that is included in this preliminary annual results announcement does not constitute the Group’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 approximately RMB935,004,000 for the year ended 31 December 2023 and recorded net current liabilities of approximately RMB3,160,064,000 as at 31 December 2023. Included in the current liabilities were bank loans of approximately RMB699,265,000 and senior notes of approximately RMB3,304,806,000. As at 31 December 2023, the Group had cash and cash equivalents and restricted bank deposits amounting to approximately RMB209,263,000 and RMB377,041,000, respectively.

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**”). These bank loans are pledged by the Group’s completed property for sale amounting to RMB877,095,000 as at 31 December 2022. After the appointment of receivers, the Group has lost control over Success Seeker Limited, Winner Year Company Limited and Golden Wheel Bright Jade Company Limited (hereafter referred as the “**Bright Jade Group**”), subsidiaries of the Group. The receivers arranged for a tender process for the sale of the pledged property, Golden Wheel Plaza, 68 Electric Road, Tin Hau, Hong Kong (i.e. Hong Kong Golden Wheel Plaza). Under an agreement dated 13 November 2023, the pledged property was agreed to be sold to an independent third party at a consideration of HK\$511,000,000 (equivalent to approximately RMB471,142,000). This transaction was completed on 12 January 2024.

The Default triggered cross-defaults of other bank loans with an aggregate carrying amount of approximately RMB585,942,000 as of 31 December 2023, which became repayable on demand and were included in current liabilities. Those defaulted or cross-defaulted bank loans were secured by the Group’s assets with an amount of approximately RMB2,319,412,000 (2022: RMB1,191,000,000) 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.

In addition, as of 31 December 2023, the Group failed to repay an accumulated interest of US\$80,232,000 (equivalent to approximately RMB558,784,000) (2022: US\$34,139,000 equivalent to approximately RMB237,763,000) on the senior notes and failed to redeem 15% of the principal amount of approximately US\$494,667,000 of the senior notes during the year ended 31 December 2023, when they were due. On 11 January 2024, the Group also failed to redeem 10% of the principal amount of approximately US\$494,667,000 of the senior notes. 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 senior note holders (the “**Holders**”) have not exercised their rights to require immediate redemption of the senior notes or payment of interest.

As at 31 December 2023, the Group had investment properties, completed properties for sale and properties under development for sale of approximately RMB4,181,858,000, RMB2,399,091,000 and RMB1,106,666,000, respectively. 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 (the “**Directors**”) 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 18 months from 31 December 2023. 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 discussions with the major Holders. The Directors will take steps to come up a senior notes restructuring proposal. The Group has appointed financial advisors for the purpose of facilitating timely negotiations of various proposed amendments to the terms and conditions with the Holders;
- (ii) Regarding the bank loans, management is also negotiating with the banks for renewal of existing banking 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 2023, the Group has contract liabilities amounting to approximately RMB437,395,000. The forecasted amounts to be received from the contract sales amounted to RMB478,084,000. Based on the management’s estimation, a property development project is forecasted to complete in the twelve months ending 31 December 2024 and the Group can then release part of the contract liabilities and receive additional cash from the property buyers.

The Directors 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 2023. Accordingly, the Directors are satisfied that it is appropriate to prepare the consolidated financial statements of the Group for the year ended 31 December 2023 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 fails 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:

- *IFRS 17 Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17)*
- *Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements – Disclosure of Accounting Policies*
- *Amendments to IAS 12 Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
- *Amendments to IAS 12 Income Taxes – International Tax Reform – Pillar Two Model Rules*
- *Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates*

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:

	2023 RMB'000	2022 RMB'000
Property development	2,134,213	2,410,505
Property leasing	147,080	183,070
Hotel operation	106,227	66,371
	<u>2,387,520</u>	<u>2,659,946</u>
<b>Total revenue</b>	<b><u>2,387,520</u></b>	<b><u>2,659,946</u></b>
Disaggregated by geographical location of customers		
Mainland China	2,378,825	2,640,123
Hong Kong	8,695	19,823
	<u>2,387,520</u>	<u>2,659,946</u>
	<b><u>2,387,520</u></b>	<b><u>2,659,946</u></b>

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

#### (b) Information about segment results, 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 year ended 31 December 2023 and 2022 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	
	2023 RMB'000	2022 RMB'000	2023 RMB'000	2022 RMB'000	2023 RMB'000	2022 RMB'000	2023 RMB'000	2022 RMB'000
Under the scope of IFRS 15, revenue from contracts with customers:								
- Point in time	2,134,213	2,410,505	-	-	106,227	66,371	2,240,440	2,476,876
Under the scope of IFRS 16 Leases:								
- Rental income	-	-	147,080	183,070	-	-	147,080	183,070
<b>Reportable segment revenue</b>	<b><u>2,134,213</u></b>	<b><u>2,410,505</u></b>	<b><u>147,080</u></b>	<b><u>183,070</u></b>	<b><u>106,227</u></b>	<b><u>66,371</u></b>	<b><u>2,387,520</u></b>	<b><u>2,659,946</u></b>
<b>Reportable segment (loss)/profit before tax</b>	<b><u>(204,786)</u></b>	<b><u>(381,118)</u></b>	<b><u>51,373</u></b>	<b><u>88,940</u></b>	<b><u>(6,563)</u></b>	<b><u>(22,469)</u></b>	<b><u>(159,976)</u></b>	<b><u>(314,647)</u></b>

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

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Reportable segment loss	(159,976)	(314,647)
Changes in fair value of investment properties	(133,173)	(44,090)
Other income, expenses, gains and losses	(163,971)	(217,173)
Unallocated head office and corporate expenses	(25,465)	(20,576)
Impairment of property, plant and equipment	–	(25,090)
Finance costs	(318,480)	(298,049)
Share of (losses)/profits of associates	(2,871)	8,711
Share of losses of joint ventures	(56,003)	(7,368)
	<u>(859,939)</u>	<u>(918,282)</u>
Consolidated loss before taxation	<u>(859,939)</u>	<u>(918,282)</u>

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

(a) **Other income**

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Service fee	12,491	–
Interest income from bank deposits	12,012	20,110
Dividend income from financial assets measured at fair value through profit or loss (“FVTPL”)	701	3,131
Compensation income from early termination of leasing contract	2,598	5,758
Government grants ( <i>Note</i> )	1,123	1,222
Gains on disposal of property, plant and equipment	4,334	16,635
Gains on cancellation of sales contracts by buyer	1,855	25,656
Others	3,047	6,772
	<u>38,161</u>	<u>79,284</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**

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Losses on deconsolidation of subsidiaries	(24,265)	–
Change in financial guarantee contract	(51,392)	–
Net foreign exchange losses	(47,937)	(284,864)
Losses on changes in fair value of financial assets measured at FVTPL	(66,841)	(1,828)
Gains on repurchase/redemption of senior notes	–	1,594
	<u>(190,435)</u>	<u>(285,098)</u>

(c) **Other expenses**

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Donation	(50)	(376)
Others	<u>(11,647)</u>	<u>(10,983)</u>
	<u><u>(11,697)</u></u>	<u><u>(11,359)</u></u>
Total	<u><u>(163,971)</u></u>	<u><u>(217,173)</u></u>

**5 LOSS BEFORE TAXATION**

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

(a) **Finance costs**

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Interest on bank loans	106,120	194,554
Interest on lease liabilities	10,956	12,334
Interest on senior notes	329,292	385,002
Less: Interest expense capitalised into properties under development for sale and investment properties under development*	<u>(127,888)</u>	<u>(293,841)</u>
Total	<u><u>318,480</u></u>	<u><u>298,049</u></u>

\* The borrowing costs have been capitalised at a rate of 8.87% per annum (2022: 10.27%).

(b) **Staff costs**

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Salaries, bonuses and other benefits	82,882	94,578
Contributions to retirement benefit schemes	6,308	7,366
Less: amount capitalised to properties under development for sale and investment properties under development	<u>(2,405)</u>	<u>(13,963)</u>
	<u><u>86,785</u></u>	<u><u>87,981</u></u>

(c) **Other items**

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Depreciation		
– Owned property, plant and equipment	46,856	50,782
– Right-of-use assets	17,881	13,174
	<u>64,737</u>	<u>63,956</u>
Auditors' remuneration	1,600	2,500
Cost of properties	2,198,526	2,700,010
– Impairment loss on properties under development and completed properties	453,652	136,379
Impairment loss of property, plant and equipment	–	25,090
	<u>–</u>	<u>25,090</u>

**6 INCOME TAX**

**Taxation in the consolidated statement of profit or loss represents**

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Current tax:		
– PRC corporate income tax (“CIT”)	71,475	29,089
– Land appreciation tax (“LAT”)	70,339	46,414
	<u>141,814</u>	<u>75,503</u>
Deferred tax	<u>(66,749)</u>	<u>1,528</u>
	<u>75,065</u>	<u>77,031</u>

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

The provision for Hong Kong Profits Tax is calculated at 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. No Hong Kong Profits Tax has been provided as the Group had no estimated assessable profits for both years.

The provision for CIT 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.

## **7 LOSSES PER SHARE**

### **(a) Basic losses per share**

The calculation of basic loss per share is based on the losses attributable to ordinary equity shareholders of the Company of RMB1,035,100,000 (2022: RMB1,053,851,000) and the weighted average of 1,799,020,000 ordinary shares (2022: 1,799,020,000 ordinary shares) in issue during the year.

### **(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 years.

## **8 DIVIDENDS**

No dividend was paid or proposed during the year ended 31 December 2023, nor has any dividend been proposed since the end of the reporting period (2022:nil).

## 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 2022	342,499	90,440	9,459	25,129	162,139	83,668	57,647	770,981
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 and 1 January 2023	<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>808,598</b>
Additions	-	-	-	241	1,709	-	-	1,950
Disposals	(57,647)	(2,800)	(1,123)	(30)	-	-	-	(61,600)
At 31 December 2023	<b>345,888</b>	<b>73,232</b>	<b>8,239</b>	<b>25,179</b>	<b>172,198</b>	<b>124,212</b>	-	<b>748,948</b>
<b>Accumulated depreciation</b>								
At 1 January 2022	(27,691)	(40,063)	(8,836)	(14,229)	(61,976)	(18,735)	-	(171,530)
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 and 1 January 2023	<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>(225,928)</b>
Charge for the year	(18,213)	(2,070)	(211)	(3,346)	(23,016)	(17,881)	-	(64,737)
Disposals	-	1,213	1,025	20	-	-	-	2,258
At 31 December 2023	<b>(68,272)</b>	<b>(36,124)</b>	<b>(8,190)</b>	<b>(20,371)</b>	<b>(105,660)</b>	<b>(49,790)</b>	-	<b>(288,407)</b>
<b>Accumulated impairment loss</b>								
At 1 January 2022	-	-	-	-	-	-	-	-
Impairment loss recognised	(25,090)	-	-	-	-	-	-	(25,090)
At 31 December 2022 and 1 January 2023	<b>(25,090)</b>	-	-	-	-	-	-	<b>(25,090)</b>
Disposal	25,090	-	-	-	-	-	-	25,090
At 31 December 2023	-	-	-	-	-	-	-	-
<b>Net book value</b>								
At 31 December 2023	<b>277,616</b>	<b>37,108</b>	<b>49</b>	<b>4,808</b>	<b>66,538</b>	<b>74,422</b>	-	<b>460,541</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>557,580</b>

As at 31 December 2023, leasehold land and hotel property and land and buildings with carrying amount of approximately RMB48,594,000 (2022: RMB51,957,000) 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 2022</b>	3,632,559	605,600	87,998	4,326,157
Additions	–	88,635	–	88,635
Transfer from completed properties for sales	6,020	–	–	6,020
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>
<b>At 31 December 2022 and 1 January 2023</b>	<b>3,234,022</b>	<b>820,500</b>	<b>64,762</b>	<b>4,119,284</b>
Additions	–	157,688	–	157,688
Transfer from completed properties for sales	81,518	–	–	81,518
Transfer from investment properties under development to completed investment properties	289,125	(289,125)	–	–
Disposals	(43,459)	–	–	(43,459)
Net change in fair value recognised in profit or loss	<u>(108,386)</u>	<u>(4,063)</u>	<u>(20,724)</u>	<u>(133,173)</u>
<b>At 31 December 2023</b>	<b><u>3,452,820</u></b>	<b><u>685,000</u></b>	<b><u>44,038</u></b>	<b><u>4,181,858</u></b>

*Note:* As at 31 December 2023, investment properties with carrying amount of approximately RMB2,331,396,000 (2022: RMB2,375,920,000) 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 2023 RMB'000	Fair value measurements as at 31 December 2023 categorised into		
		Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000
<b>Recurring fair value measurement</b>				
Mainland China:				
– Commercial properties	4,136,400	–	–	4,136,400
– Car park	1,420	–	–	1,420
– Right-of-use assets	44,038	–	–	44,038
	<u>4,181,858</u>	<u>–</u>	<u>–</u>	<u>4,181,858</u>
Total	<u>4,181,858</u>	<u>–</u>	<u>–</u>	<u>4,181,858</u>

	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
	<u>4,119,284</u>	<u>–</u>	<u>–</u>	<u>4,119,284</u>
Total	<u>4,119,284</u>	<u>–</u>	<u>–</u>	<u>4,119,284</u>

During the years ended 31 December 2023 and 2022, 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 2023 and 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 Directors have discussion with the surveyors on the valuation assumptions and valuation results when the valuation is performed at each interim and 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	2023: 8,750 to 94,500 (2022: 8,800 to 99,500)	The higher the adjusted market price, the higher the fair value
				Level adjustment	2023: 0% to 65% (2022: 0% to 65%)	The lower the level adjustment, the higher the fair value
	Car park	Level 3	Income method	Capitalisation rate, and	2023: 3.5% to 6% (2022: 4% to 6%)	The higher the capitalisation rate, the lower the fair value
				Daily unit rent (RMB/square meter)	2023: 2 to 17.9 (2022: 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)	2023: 12,200 to 40,600 (2022: 12,200 to 21,800)	The higher the adjusted market price, the higher the fair value	
			Budgeted cost (RMB/square meter)	2023: 5,651 to 8,927 (2022: 5,651 to 8,927)	The higher the budgeted cost, the lower the fair value	
			Anticipated developer's profit margin	2023: 10% to 20% (2022: 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	2023: 4.25% to 6.75% (2022: 6.5% to 6.75%)	The higher the capitalisation rate, the lower the fair value
				Daily unit rent (RMB/square meter)	2023: 1 to 17 (2022: 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 rental rate, and negatively correlated to the capitalisation rate and risk-adjusted discount rate.

(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 2023 RMB'000</b>	31 December 2022 RMB'000
Other properties leased for own use, carried at depreciated cost ( <i>Note</i> )	74,422	92,303
Ownership interests in leasehold investment property, carried at fair value, with remaining lease term of between 1 to 6 years (2022: between 2 to 7 years)	<u>44,038</u>	<u>64,762</u>
	<b><u>118,460</u></b>	<b><u>157,065</u></b>

*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>2023 RMB'000</b>	2022 RMB'000
Depreciation charge of right-of-use assets by class of other properties leased for own use	17,881	13,174
Fair value change of right-of-use assets by class of investment properties	<u>20,724</u>	<u>21,017</u>
	<b><u>38,605</u></b>	<b><u>34,191</u></b>
Interest on lease liabilities ( <i>note 5(a)</i> )	10,956	12,334
Covid-19-related rent concessions received	<u>–</u>	<u>9,885</u>

(d) **Lease commitment**

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:

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Within 1 year	134,878	180,733
After 1 year but within 5 years	226,322	247,194
After 5 years	41,629	42,515
	<u>402,829</u>	<u>470,442</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.

	<i>Note</i>	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Trade receivables		39,011	61,291
Amounts due from associates and joint ventures	(i)	64,559	60,140
Amounts due from former subsidiaries		630,219	–
Other debtors		258,687	231,919
Less: allowance for credit losses		<u>(652,029)</u>	<u>(27,714)</u>
Financial assets measured at amortised cost		<u>340,447</u>	<u>325,636</u>
Advances to contractors	(i)	21,409	55,406
Other taxes prepaid	(ii)	<u>137,325</u>	<u>129,749</u>
		<u>499,181</u>	<u>510,791</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 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:

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Within 30 days	29,642	32,375
31 to 60 days	1,774	2,088
61 to 180 days	7,595	26,828
	<u>39,011</u>	<u>61,291</u>

## 12 TRADE AND OTHER PAYABLES

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Trade payables	1,452,933	879,203
Bills payables	–	35,000
Other payables	797,109	579,278
Amounts due to associates and joint ventures ( <i>Note</i> )	236,141	254,530
	<u>2,486,183</u>	<u>1,748,011</u>

*Note:* Amounts due to associates and joint ventures are unsecured, interest-free and repayable on demand.

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

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Within 180 days	862,070	604,188
181 to 365 days	302,321	129,913
Over 1 year	288,542	180,102
	<u>1,452,933</u>	<u>914,203</u>

### 13 DECONSOLIDATION OF SUBSIDIARIES

On 9 December 2022, the Group has received a demand notice from Hong Kong and Shanghai Banking Corporation Limited (“**HSBC**” or the “**Bank**”) requesting immediate repayment of the above mentioned bank loans and payment of related interests and had defaulted the payment. On 10 July 2023, the Group received a notification from Mr. Kenneth Fung (“**Mr. Fung**”) informing the Company that Mr. Fung, Mr. Fok Hei Yu and Mr. Aaron Luke Gardner (the “**Receivers**”), who are from FTI Consulting (Hong Kong) Limited, have been appointed by the Bank as joint and several receivers and managers over (i) all the issued shares of the Bright Jade Group; and (ii) all of the Bright Jade Group’s assets.

In the opinion of the Directors, the Group was considered to have lost control on the Bright Jade Group, as the Group has no further involvement in the relevant activities of the Bright Jade Group nor any ability to affect the return thereof.

The net liabilities relating to the Bright Jade Group were RMB855,431,000 upon deconsolidation. An aggregate one-off loss upon deconsolidation of the Bright Jade Group was recognised during the year ended 31 December 2023. In addition, the remaining group provided financial guarantees to lenders in respect of borrowing facilities of SSL with these remaining unchanged after the deconsolidation of the Bright Jade Group. The fair value of the resulting financial guarantee contracts recognised in the consolidated financial statements at deconsolidation date is RMB233,585,000. In addition, as a result of the receivership, the remaining group impaired the amounts due from the Bright Jade Group of RMB624,254,000. The net aggregate loss recognised upon loss on deconsolidation of the Bright Jade Group is RMB24,265,000 during the year ended 31 December 2023.

The assets and liabilities of the Bright Jade Group as at the date of deconsolidation were as follows:

	<i>RMB'000</i>
Net liabilities deconsolidated of:	
Property, plant and equipment	87
Properties held for sale	471,142
Trade and other receivables	2,080
Cash and cash equivalents	6,409
Bank loans	(704,727)
Trade and other payables and accrued charges	(203)
Amount due to former holding company	(630,219)
	<u>(855,431)</u>
Loss on deconsolidation of subsidiaries:	
Exchange reserve	(21,857)
Financial guarantee contracts	(233,585)
Impairment losses of amount due from former subsidiaries	(624,254)
Net liabilities deconsolidated	855,431
	<u>(24,265)</u>
	<i>RMB'000</i>
Net cash outflow arising on deconsolidation:	
Bank balance and cash derecognised upon deconsolidation	(6,409)

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

Prism Hong Kong and Shanghai Limited 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 2023:

### **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 2(b) to the consolidated financial statements, the Group incurred a net loss of approximately RMB935,004,000 for the year ended 31 December 2023 and recorded net current liabilities of approximately RMB3,160,064,000 as at 31 December 2023. Included in the current liabilities were bank loans of approximately RMB699,265,000 and senior notes of approximately RMB3,304,806,000.

On 9 December 2022, the Group received a demand notice to pay the bank loans of US\$40,000,000 (equivalent to approximately RMB278,584,000) and HK\$374,680,000 (equivalent to approximately RMB334,690,000) which were originally due on 31 August 2022 and the maturity date was extended to 31 October 2022. These bank loans are pledged by the Group’s completed property for sale amounting to RMB877,095,000 as at 31 December 2022. As disclosed in note 40 to the consolidated financial statements, after the appointment of receivers, the Group has lost the control over Success Seeker Limited, Winner Year Company Limited and Golden Wheel Bright Jade Company Limited, subsidiaries of the Group. The receivers arranged for a tender process for the sale of the pledged property, Golden Wheel Plaza, 68 Electric Road, Tin Hau, Hong Kong (i.e. Hong Kong Golden Wheel Plaza). Under an agreement dated 13 November 2023, the pledged property was agreed to be sold to an independent third party at a consideration of HK\$511,000,000 (equivalent to approximately RMB471,142,000). This transaction was completed on 12 January 2024. Up to the date of this report, the Group has not repaid the bank loans of US\$40,000,000 and the Company is not aware of any other material enforcement actions taken by the bank. On the other hand, as at 31 December 2023, senior notes and bank loans with an aggregate amount of RMB3,970,980,000

(2022: RMB4,148,222,000) are default or cross-default and repayable on demand. Those defaulted or cross-defaulted bank loans were secured by the Group's assets with an amount of approximately RMB2,319,412,000 (2022: RMB1,191,000,000) 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 banks have not exercised their right to take possession of the pledged assets. In addition, as of 31 December 2023, the Group failed to repay an accumulated interest of US\$80,232,000 (equivalent to approximately RMB558,784,000) (2022: US\$34,139,000 equivalent to approximately RMB237,763,000) on the senior notes and failed to redeem 15% of the principal amount of approximately US\$494,667,000 of the senior notes during the year ended 31 December 2023, when they were due. On 11 January 2024, the Group also failed to redeem 10% of the principal amount of approximately US\$494,667,000 of the senior notes. Such non-payment has caused an event of default itself. Up to the date of this report, the senior notes continue to be defaulted and the senior note holders (the "**Holders**") have not exercised their rights to require immediate redemption of the senior notes or payment of interest.

These conditions, together with other matters set out in note 2(b) 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 2(b) 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 on 2023, we experienced turbulence in the changing situation and moved forward amidst difficulties. It was an extremely challenging year for the Group where we encountered unprecedented tests. In 2023, the sales of the real estate industry remained sluggish after a short boom in the first quarter, and the real estate market continued to decline thereafter. At the beginning of the year, the central government continued to adhere to the principle of housing is for living in, not for speculation, implemented differentiated policies according to local conditions, and continued loose regulatory policies to promote the healthy development of the real estate industry. However, due to significant shifts in the supply and demand of the real estate market, the central government introduced a policy to recognize households with mortgage records but no local property ownership as first-time homebuyers in July, issued Circular 14 in October to dial up the protection of housing construction and supply, and proposed the “Three Not Less Than” policy (「三個不低於」政策) in November to meet the reasonable financing needs of real estate enterprises. Although there is noticeable support from the central government policies to loosen regulatory, the effect on the recovery of real estate environment is limited in the short term. Affected by the slowdown in economic growth and insufficient market confidence, residents willingness to purchase homes and take out loans is weak, and the real estate industry is hardly optimistic at the current stage.

In 2023, the weak economic recovery and the effects of various adverse factors in the real estate market and financial environment have posed severe challenges to the business development of the Group, resulting in a significant decrease in contracted sales. For the year ended 31 December 2023, the Group only achieved total contracted sales of RMB940.7 million (2022: RMB1,641.4 million). Property leasing and hotel operation business of the Group remained relatively stable when compared with last year. Average occupancy rates of the year for property leasing and hotel operation were 83.5% (2022: 83.0%) and 83.4% (2022: 64.1%) respectively.

Due to debt extensions on the end of the domestic real estate enterprises, there has been a frequent occurrence of contract defaults leading to a continuous decline in confidence among investors and consumers. Apart from a significant decrease in residential property contracted sales, the Group also experienced declines in cash recovery rates, which reflects the ongoing deterioration of the real estate market. The sluggish market further hindered the Group’s ability to raise cash from sales of developed properties. After the severe challenges posed by the measures to constraint the COVID-19 pandemic, the Group still have to face further difficulties such as the weak economic recovery and the risk of debt defaults. In March 2023, the Group announced that its is planning to implement a restructuring to its issued senior notes, which, upon completion, will improve the Group’s financial health and sustainability and allow the Group to resume its daily operations. Despite the challenging situation, the Group continued to ensure the construction and delivery of its three projects, namely Wuxi Golden Wheel Starry Plaza, Golden Wheel Shangdu Age City Mansion and Nanjing Golden Wheel Galaxy Centre (lot A1, A2 and A4) which were completed and delivered by 2023.

## **Contracted sales**

The Group currently has mainly 13 projects on sale. For the year ended 31 December 2023, the Group and its joint ventures and associates achieved total contracted sales value and contracted sales area of approximately RMB940.7 million (2022: RMB1,641.4 million) and approximately 79,417 sq.m. (2022: 143,757 sq.m.), respectively.

## **Projects completed during 2023**

For the year ended 31 December 2023, the Group had managed to complete and deliver three projects, namely, Nanjing Golden Wheel Galaxy Centre (lot A1, A2 and A4), Wuxi Golden Wheel Starry Plaza and Golden Wheel Shangdu Age City Mansion. Aggregate saleable gross floor area (“GFA”) of the newly completed projects amounted to approximately 328,000 sq.m. As at 31 December 2023, an aggregate GFA of approximately 188,641 sq.m. of these newly completed projects was sold and delivered.

## **New land acquired during 2023 in mainland China**

As affected by the economic downturn, the Group adopted a more prudent approach in new land acquisition during 2023. 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 2023, the Group had a total land bank of approximately 856,447 sq.m., including approximately 216,630 sq.m. of completed but unsold properties, approximately 32,492 sq.m. of own used properties, approximately 128,877 sq.m. of completed investment properties, approximately 186,831 sq.m. of properties under development and approximately 291,617 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 2023:

Projects by subsidiaries of the Group	City	Site area <i>sq.m.</i>	Actual/ estimated construction commencement date <i>month/year</i>	Actual/ estimated construction completion date <i>month/year</i>	Percentage of completion	Total unsold GFA/ Total GFA <i>sq.m.</i>	GFA held for Company's own use <i>sq.m.</i>	Investment properties GFA <i>sq.m.</i>
<b>Completed properties</b>								
Golden Wheel International Plaza	Nanjing	11,341	Jul-04	Jan-09	100%	–	2,208	32,562
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%	3,367	–	3,037
Nanjing Jade Garden	Nanjing	7,212	Jan-11	Dec-13	100%	–	–	2,840
Golden Wheel New Metro	Nanjing	9,218	Aug-11	Dec-13	100%	–	–	18,357
Golden Wheel Star Plaza	Nanjing	29,540	Nov-11	Jun-14	100%	121	–	–
Zhuzhou Golden Wheel Jade Garden	Zhuzhou	45,645	Dec-14	Dec-18	100%	6,472	–	–
Wuxi Golden Wheel Star Plaza	Wuxi	31,981	Dec-14	Dec-16	100%	3,426	–	4,833
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%	2,545	–	1,713
Changsha Golden Wheel Star Plaza	Changsha	37,152	Dec-14	Dec-17	100%	6,964	10,307	13,078
Yangzhou Lakeside Emerald House	Yangzhou	10,682	Jun-17	May-19	100%	7,118	–	3,777
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%	1,471	–	–
Zhuzhou Golden Wheel JinQiao Huafu (Phase I)	Zhuzhou	54,793	Mar-18	Dec-20	100%	9,323	–	2,166
Nanjing Golden Wheel Romantic Tower	Nanjing	7,593	Dec-17	Jun-21	100%	8,329	–	–
Nanjing Golden Wheel Shuiying Hua Ting	Nanjing	32,927	Apr-18	Jan-21	100%	5,666	–	–
Zhuzhou Golden Wheel JinQiao Huafu (Phase II)	Zhuzhou	37,382	Mar-18	Jun-22	100%	6,402	–	1,022
Nanjing Golden Wheel Cuiyong Hua Ting	Nanjing	59,722	Apr-19	Jan-22	100%	26,817	–	2,500
Yangzhou No. 1 Golden Bay	Yangzhou	19,890	Jan-20	Dec-22	100%	5,301	–	–
Nanjing Golden Wheel Galaxy Center (Lot A1, A2, A4)	Nanjing	12,982	Feb-20	Jun-23	100%	28,784	–	–
Wuxi Golden Wheel Starry Plaza	Wuxi	27,470	May-19	May-23	100%	60,638	–	16,666
Golden Wheel Shangdu Age City Mansion	Lianyungan	69,925	Jan-21	Dec-23	100%	33,271	–	–
Subtotal		<u>747,427</u>				<u>216,630</u>	<u>32,492</u>	<u>128,877</u>
<b>Project under development</b>								
Nanjing Golden Wheel Galaxy Center (Lot A3 and B)	Nanjing	84,666	Feb-20	Dec-24	45%	137,813	–	46,647
Golden Wheel Shangdu Age City Mansion (S8 building)	Lianyungang	<u>2,371</u>	Jan-21	Mar-24	90%	<u>2,371</u>	–	–
Subtotal		<u>87,037</u>				<u>140,184</u>	<u>–</u>	<u>46,647</u>
Total		<u><u>834,464</u></u>				<u><u>356,814</u></u>	<u><u>32,492</u></u>	<u><u>175,524</u></u>

	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%	74,055	-	51,402
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%	13,109	-	-
Yangzhou Kaichen Mansion <sup>Note 6</sup>	Yangzhou	57,548	Feb-21	Jun-23	100%	63,757	-	-
Shangpin Xuefu <sup>Note 7</sup>	Lianyungang	15,279	Jul-21	Jun-24	95%	34,701	-	-
Total		<u>280,407</u>				<u>240,215</u>	<u>-</u>	<u>51,402</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 a joint venture company in which the Group has a 24.5% interest.
  - <sup>7</sup> The project is developed by an associate company in which the Group has a 20% interest.

As at 31 December 2023, the Group had a land bank of approximately 186,831 sq.m. under development. Among these parcels of land, approximately 84,484 sq.m., 55,700 sq.m. and 46,647 sq.m. are for commercial and office, car park and investment properties purposes, respectively.

## Property sales

For the year ended 31 December 2023, the Group's revenue from sales of properties amounted to approximately RMB2,134.2 million with an aggregate GFA of approximately 208,660 sq.m. being sold and delivered. The average selling price of these sold properties amounted to approximately RMB10,228.2 per sq.m.

As at 31 December 2023, there were total unrecognized contracted sales of RMB521.7 million. The unrecognized contracted sales are expected to be recognized in 2024 as and when the related projects are completed and delivered.

## **Property leasing**

As at 31 December 2023, the Group had completed investment properties with a total GFA of approximately 128,877 sq.m. The average occupancy rate of the Group's investment properties as at 31 December 2023 was over 84.0%.

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

As at 31 December 2023, the Group had leasing and operational management contracts of 8 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 34,285 sq.m.

As at 31 December 2023, metro station shopping malls were under operations and the overall occupancy rate was approximately 79.6%.

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 2023, 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 2023 was 83.4%.

## **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 2023, the Group's major investment was its equity investment in the shares of Xiamen International Bank Co., Ltd., which were 50.8 million (2022: 50.8 million) unlisted equity shares of Xiamen International Bank Co., Ltd. with a carrying value of RMB131.3 million (2022: RMB198.1 million).

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

Reference is made to the announcements of the Company dated 3 November 2022, 10 July 2023 and 21 December 2023.

On 9 December 2022, the Group received a demand notice to pay the bank loans of US\$40,000,000 (equivalent to approximately RMB278,584,000) and HK\$374,680,000 (equivalent to approximately RMB334,690,000) which were originally due on 31 August 2022 and the maturity date was extended to 31 October 2022. These bank loans are pledged by the Group's completed property for sale amounting to RMB877,095,000 as at 31 December 2022. After the appointment of receivers, the Group has lost the control over Success Seeker Limited, Winner Year Company Limited and Bright Jade Group, subsidiaries of the Group. The receivers arranged for a tender process for the sale of the pledged property, Golden Wheel Plaza, 68 Electric Road, Tin Hau, Hong Kong (i.e. Hong Kong Golden Wheel Plaza). Under a conditional agreement dated 13 November 2023, entered into an agreement for the acquisition of the pledged property was agreed to be sold to an independent third party at a consideration of HK\$511,000,000 (equivalent to approximately RMB471,142,000). This transaction was completed on 12 January 2024. Up to the date of this announcement, the Group has not repaid the bank loans of US\$40,000,000 and the Company is not aware of any other material enforcement actions taken by the bank. In addition, the Group failed to repay an accumulated interest of US\$80,232,000 (equivalent to approximately RMB558,784,000) on the senior notes during the year ended 31 December 2023 (2022: US\$34,139,000 equivalent to approximately RMB237,763,000). The senior note holders have not exercised their rights to require immediate redemption of the senior notes or payment of interest.

Up to the date of this announcement, senior notes and bank loans with an aggregate amount of RMB3,970,980,000 (2022: RMB4,148,222,000) are default or cross-default and repayable on demand. Those defaulted or cross-defaulted bank loans were secured by the Group's assets with an amount of approximately RMB2,319,412,000 (2022: RMB1,191,000,000) 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 announcement, the banks have not exercised right to take possession of the pledged assets.

As at 31 December 2023, the Group's bank borrowings of approximately RMB1,020,042,000 were secured by the properties, including property, plant and equipment, investment properties, properties under development for sale and completed properties held for sale, and cash of the Group with a total carrying value of approximately RMB5,177,132,000. The senior notes were secured by the share pledge of a majority of the Group's subsidiaries incorporated outside the PRC.

## **Subsequent events**

- (a) On 11 January 2024, the Company failed to redeem 10% of principal amount of approximately US\$494,667,000 of the new senior notes according to the settlement schedule.
- (b) On 12 January 2024, the disposal of Hong Kong Golden Wheel Plaza was completed. The detail of the transaction is disclosed in notes 1 and 13.

Save as disclosed above, there were no significant events or material changes after the reporting period up to the date of this announcement.

## **Outlook**

Due to the increasingly difficult economic conditions and financial instability, it is expected that housing sales will remain sluggish and weak in the coming months. Although the Chinese government has implemented several measures to support the real estate industry, but the effectiveness of the attempts remains uncertain as consumers still lack confidence. It is expected that the industry will continue to struggle and remain weak in the coming years, which, coupled with the tightening of liquidity and aggressive pricing strategies among major real estate developers in China, means that the Group's business will still be facing a lot of challenges in 2024.

Nevertheless, the Group will develop projects with minority interests, increase the number of contracted construction projects, pursue suitable asset-light commercial management projects as well as expand the business of certain hotels. The Group will continue to adopt a more cautious land acquisition strategy and conduct cooperation in the project developments to reduce investment risks and ensure effective cash flow management. The Group will actively engage with financial institutions for the prudent disposal of assets, actively promote debt restructuring of senior notes, and continue to accelerate property sales and recover sales proceeds, while maintaining stricter cost control measures to reduce capital expenditures as appropriate and strive to ensure timely delivery of properties. With its prudent financial management, we believe that the Group will maintain competitiveness for future 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			
	2023		2022	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Property development	<b>2,134,213</b>	<b>89.4</b>	2,410,505	90.6
Property leasing	<b>147,080</b>	<b>6.2</b>	183,070	6.9
Hotel operation	<b>106,227</b>	<b>4.4</b>	66,371	2.5
Total	<b><u>2,387,520</u></b>	<b><u>100.0</u></b>	<b><u>2,659,946</u></b>	<b><u>100.0</u></b>

Revenue decreased by approximately 10.2% from approximately RMB2,659.9 million for the year ended 31 December 2022 to approximately RMB2,387.5 million for the year ended 31 December 2023, primarily due to the decrease in revenue generated from property sales and property leasing.

- *Property development*

Revenue derived from property development business decreased by 11.5% from approximately RMB2,410.5 million for the year ended 31 December 2022 to approximately RMB2,134.2 million for the year ended 31 December 2023. This decrease was primarily due to the decrease in the total GFA sold compared with last year.

For the year ended 31 December 2023, the Group achieved contracted sales of approximately RMB940.7 million (2022: RMB1,641.4 million).

- *Property leasing*

Revenue derived from property leasing decreased by approximately 19.7% to approximately RMB147.1 million for the year ended 31 December 2023 (2022: RMB183.1 million). The decrease in property leasing was mainly due to the completion of the disposals of Zhuzhou Golden Wheel Times Square in July 2022 and Golden Wheel Plaza located in Hong Kong which decrease rental income amounted to RMB11.1 million upon deconsolidation.

- *Hotel operation*

Revenue derived from hotel operation increased by 60% to RMB106.2 million for the year ended 31 December 2023 (2022: RMB66.4 million). The increase was mainly due to China's easing of most of its COVID-19 restriction in December 2022, leading to domestic travel rebound which fuels the Group's revenue from this segment.

### 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			
	2023		2022	
	RMB'000	%	RMB'000	%
Property development				
Land acquisition costs	<b>642,610</b>	<b>27.7</b>	802,495	28.7
Construction costs	<b>937,925</b>	<b>40.5</b>	1,284,404	46.0
Capitalised finance costs	<b>146,156</b>	<b>6.3</b>	459,605	16.5
Tax expenses	<b>18,182</b>	<b>0.8</b>	17,127	0.6
Impairment of assets	<b>453,652</b>	<b>19.6</b>	136,379	4.9
Subtotal	<b>2,198,525</b>	<b>94.9</b>	2,700,010	96.7
Property leasing	<b>25,373</b>	<b>1.1</b>	22,241	0.8
Hotel operation	<b>92,268</b>	<b>4.0</b>	69,708	2.5
Total	<b>2,316,166</b>	<b>100.0</b>	2,791,959	100.0

The Group's cost of sales decreased from RMB2,792.0 million for the year ended 31 December 2022 to RMB2,316.2 million for the year ended 31 December 2023. The decrease was primarily due to the decrease in cost of sales from property development, which was line with the decrease in revenue arising from the sales of developed properties.

The Group's percentage of average land acquisition costs over average selling price decreased from 33.3% in 2022 to 30.1% in 2023.

### Gross profit

The Group recorded a gross profit for the year ended 31 December 2023 which was mainly due to the Group incurring gross profit from its property leasing and hotel operation.

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 increase impairment loss of inventory.

The gross profit margin for property leasing was 82.7% for the year ended 31 December 2023 (2022: 87.9%). The slight decrease in gross profit margin was mainly due to the completion of the disposal of Zhuzhou Golden Wheel Times Square in July 2022.

The Group's hotel operation had recorded a gross profit margin of 13.1% for 2023 as compared to a negative profit margin of 5.0% in 2022 mainly due to the increase in revenue from this segment by 60.0% as compared to last year.

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

For the year ended 31 December 2023, the Group recorded a fair value loss on investment properties of RMB133.2 million (2022: RMB44.1 million). The fair value loss was mainly caused by the decrease of 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 RMB164.0 million for other income, expenses, gains and losses for the year ended 31 December 2023 (2022: a net loss RMB217.2 million). The net losses in 2023 was mainly consisted of loss on deconsolidation of subsidiaries of RMB24.3 million, change in financial guarantee contracts of RMB51.4 million, and loss on changes in fair value of financial assets measured at fair value through profit or loss ("FVTPL") of RMB66.8 million relating to the equity investment in the shares of Xiamen International Bank Co., Ltd.

### **Finance costs**

Finance costs consisted primarily of interest expenses on borrowings and senior notes. Finance costs increased from RMB298.0 million for the year ended 31 December 2022 to RMB318.5 million for the year ended 31 December 2023 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 at 8.87% (2022: 10.27%).

### **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 2023 amounted to approximately RMB96.1 million (2022: RMB64.2 million), representing an increase of approximately 49.8%. The increase was mainly due to the contract costs are recognised as part of selling and marketing expenses in the consolidated statement of profit or loss during the year in which revenue from the related properties sales is recognised.

## **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 2023 amounted to approximately RMB160.6 million (2022: RMB164.1 million), representing a decrease of approximately 2.1% as compared to last year. During the year ended 31 December 2023, the Group continued to maintain tight cost control policies which included the control of headcount, across-the-board reduction of salaries and reduction of year-end bonus.

## **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 tough business environment in the real estate industry and incurred a loss of net foreign exchange, the Group had incurred a loss for the year of RMB935.0 million.

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

### ***Cash position***

The Group had bank deposits and cash of approximately RMB586.3 million as of 31 December 2023 (2022: RMB857.4 million), including restricted bank deposits of approximately RMB377.0 million (2022: RMB664.2 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 RMB4,330.5 million as at 31 December 2023 (2022: RMB5,158.0 million).

As at 31 December 2023, the Group's net gearing ratio was approximately 387.3% (2022: 233.2%). 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 86.0% as at 31 December 2023 versus approximately 69.0% as at 31 December 2022.

### ***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 8.87% in 2023 as compared to approximately 10.27% in 2022.

### *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.

### *Contingent liabilities*

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>2023</b>	2022
	<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>8,760</b>	54,984

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 2023, the Group had a total of approximately 581 (2022: 563) 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 2023 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 2023 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 2023.

## **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 C1 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 2023.

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 2023, 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 C3 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 2023.

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

The Directors confirm that during the year ended 31 December 2023, there has been no purchase, sale or redemption of the Company’s listed securities by the Company or any of its subsidiaries.

## **SCOPE OF WORK OF PRISM HONG KONG AND SHANGHAI LIMITED**

The figures in respect of the Group’s consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, and the related notes thereto for the year ended 31 December 2023 as set out in this announcement have been agreed by the Group’s auditors, Prism Hong Kong and Shanghai Limited to the amounts set out in the Group’s audited consolidated financial statements for the year.

The work performed by Prism Hong Kong and Shanghai Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Prism Hong Kong and Shanghai Limited on this announcement.

## **DIVIDEND**

The Board does not recommend the payment of any final dividend in respect of the year ended 31 December 2023.

## **ANNUAL GENERAL MEETING**

It is proposed that the annual general meeting of the Company (the “**AGM**”) be held on Tuesday, 28 May 2024. 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 Wednesday, 22 May 2024 to Tuesday, 28 May 2024 (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 Tuesday, 21 May 2024.

The record date for such purposes is Tuesday, 28 May 2024.

## **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 2023 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, 26 March 2024

*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.*