NEW TOWN

CHINA NEW TOWN DEVELOPMENT COMPANY LIMITED
中國新城鎮發展有限公司

(Incorporated as a business company limited by shares under the laws of the British Virgin Islands)

(Stock Code: 1278)

2023 FINAL RESULTS ANNOUNCEMENT

The board of directors (the "**Board**") of China New Town Development Company Limited (the "**Company**") announces the audited consolidated financial results of the Company and its subsidiaries (the "**Group**") for the year ended 31 December 2023 (the "**Year**") together with the comparative figures for the year ended 31 December 2022 as set out below:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 December 2023
(Amount expressed in thousands of Renminbi unless otherwise stated)

	Notes	**2023**	2022 Restated*
Operating income		**427,389**	405,668
Revenue	5	**337,482**	305,029
Other income	6	**89,907**	100,639
Operating expenses		**(213,955)**	(339,888)
Cost of sales	8	**(38,441)**	(43,267)
Selling and administrative expenses	8	**(113,393)**	(116,673)
Finance costs	9	**(91,192)**	(44,615)
Other expenses	7	**(15,483)**	(110,219)
Reversal of impairment losses/(impairment losses) on financial assets		**44,554**	(25,114)

	Notes	2023	2022 Restated*
Operating profit		**213,434**	65,780
Share of losses of joint ventures and associates		**(12,351)**	(9,292)
Profit before tax		**201,083**	56,488
Income tax	10	**(49,827)**	(49,018)
Profit for the year		**151,256**	7,470
Other comprehensive income			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:			
Share of other comprehensive income of associates		**2,518**	14,950
Other comprehensive income for the year, net of tax		**2,518**	14,950
Total comprehensive income for the year, net of tax		**153,774**	22,420
Profit attributable to:			
Equity holders of the parent		**140,858**	2,718
Non-controlling interests		**10,398**	4,752
		151,256	7,470
Total comprehensive income attributable to:			
Equity holders of the parent		**143,376**	17,668
Non-controlling interests		**10,398**	4,752
		153,774	22,420
Earnings per share (RMB per share) attributable to ordinary equity holders of the parent:			
Basic and diluted, profit for the year	12	**0.0145**	0.0003

* The 2022 consolidated financial statements have been restated to meet the disclosure requirement of the adoption of amendments to International Accounting Standards ("**IAS**") 12.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

(Amounts expressed in thousands of Renminbi unless otherwise stated)

	Notes	**2023**	2022 Restated*
Assets			
Non-current assets			
Investments in joint ventures		**225,599**	238,810
Investments in associates		**172,921**	169,413
Debt instruments at amortised cost	13	**942,974**	715,172
Financial assets at fair value through profit or loss	14	**216,545**	162,438
Investment property	15	**1,485,700**	1,485,700
Property, plant and equipment	16	**8,439**	9,175
Deferred tax assets	10	**—**	712
Right-of-use assets	17	**29,387**	11,681
Other assets		**1,341**	1,981
Total non-current assets		**3,082,906**	2,795,082
Current assets			
Land development for sale	18	**780,537**	779,714
Prepayments		**2,271**	1,719
Other receivables	19	**640,837**	604,870
Trade receivables	20	**42,913**	45,526
Debt instruments at amortised cost	13	**1,849,131**	947,053
Other assets		**7,234**	9,693
Financial assets at fair value through profit or loss	14	**19,176**	895,643
Cash and bank balances	21	**1,454,360**	504,252
Total current assets		**4,796,459**	3,788,470
Total assets		**7,879,365**	6,583,552

	Notes	2023	2022 Restated*
Equity and liabilities			
Equity			
Attributable to:			
Equity holders of the parent:			
Share capital		**4,070,201**	4,070,201
Accumulated losses		**(498,349)**	(619,620)
Foreign currency translation reserve		**9,804**	7,286
Other reserves		**607,839**	607,839
		4,189,495	4,065,706
Non-controlling interests		**480,629**	470,231
Total equity		**4,670,124**	4,535,937
Liabilities			
Non-current liabilities			
Interest-bearing loans and borrowings	22	**2,019,354**	738,223
Other liabilities		**6,054**	6,207
Deferred tax liabilities	10	**145,257**	128,515
Total non-current liabilities		**2,170,665**	872,945
Current liabilities			
Interest-bearing loans and borrowings	22	**299,295**	381,924
Trade payables	24	**110,450**	108,525
Other payables and accruals	25	**166,869**	227,986
Advance from customers		**38,786**	19,848
Current income tax liabilities		**40,687**	40,072
Contract liabilities	26	**382,489**	396,315
Total current liabilities		**1,038,576**	1,174,670
Total liabilities		**3,209,241**	2,047,615
Total equity and liabilities		**7,879,365**	6,583,552
Net current assets		**3,757,883**	2,613,800
Total assets less current liabilities		**6,840,789**	5,408,882

* The 2022 consolidated financial statements have been restated to meet the disclosure requirement of the adoption of amendments to IAS 12.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2023

(Amounts expressed in thousands of Renminbi unless otherwise stated)

	Attributable to equity holders of the parent						
	Share capital	Other reserves	Foreign currency translation reserve	Accumulated losses	Total	Non-controlling interests	Total equity
As at 1 January 2022	4,070,201	607,839	(7,664)	(621,336)	4,049,040	465,479	4,514,519
Effect of adoption of amendments to IAS 12	—	—	—	(1,002)	(1,002)	—	(1,002)
As at 1 January 2022 (restated)	4,070,201	607,839	(7,664)	(622,338)	4,048,038	465,479	4,513,517
Profit for the year (restated)	—	—	—	2,718	2,718	4,752	7,470
Other comprehensive income	—	—	14,950	—	14,950	—	14,950
Total comprehensive income (restated)	—	—	14,950	2,718	17,668	4,752	22,420
As at 31 December 2022 (restated)	4,070,201	607,839	7,286	(619,620)	4,065,706	470,231	4,535,937
Profit for the year	—	—	—	140,858	140,858	10,398	151,256
Other comprehensive income	—	—	2,518	—	2,518	—	2,518
Total comprehensive income	—	—	2,518	140,858	143,376	10,398	153,774
Interim 2023 dividend	—	—	—	(19,587)	(19,587)	—	(19,587)
As at 31 December 2023	4,070,201	607,839	9,804	(498,349)	4,189,495	480,629	4,670,124

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2023
(Amounts expressed in thousands of Renminbi unless otherwise stated)

	Notes	**2023**	2022
Cash flows from operating activities			
Profit before tax		**201,083**	56,488
Adjustments for:			
(Reversal of impairment losses)/impairment losses on financial assets		**(44,554)**	25,114
Depreciation of property, plant and equipment	8	**1,175**	1,439
Depreciation of right-of-use assets	8	**11,866**	12,544
Amortisation of intangible assets		**1,270**	346
Net fair value gain on an investment property	6	**(1,456)**	(12,319)
Net gain on financial instruments at fair value through profit or loss		**(44,439)**	(59,540)
Share of losses of joint ventures and associates		**12,351**	9,292
Interest from debt instruments at amortised cost and dividend income from other investment		**(179,361)**	(150,084)
Interest income from bank deposits	6	**(27,650)**	(3,874)
Interest expense on lease liabilities	23	**786**	386
Interest expense on loans and borrowings	9	**90,406**	44,229
Foreign exchange loss/(gain)	7	**12,209**	(6,242)
Loss on disposal of property, plant and equipment		**19**	4
Impairment provision for land development for sale		**—**	109,434
		33,705	27,217
Increase in land development for sale		**(823)**	(1,747)
Increase in prepayments		**(552)**	(138)
(Increase)/decrease in other receivables and other assets		**(28,467)**	4,059
Decrease/(increase) in trade receivables		**2,672**	(1,841)
Increase in advances from customers		**18,938**	8,625
(Decrease)/increase in contract liabilities		**(13,826)**	409
Increase/(decrease) in trade and other payables		**71**	(18,752)
		11,718	17,832
Income tax paid		**(31,758)**	(51,747)
Net cash outflow from operating activities		**(20,040)**	(33,915)

	Notes	**2023**	2022
Cash flows from investing activities			
Purchases of property, plant and equipment		**(458)**	(359)
Investments in joint ventures and associates		**(4,318)**	—
Capital expenditure on an investment property		**(5,225)**	(81,545)
Investments in debt instruments at amortised cost		**(2,601,000)**	(300,000)
Proceeds from recovery of debt instruments at amortised cost		**1,506,600**	208,000
Interest received from debt instruments at amortised cost and other investment		**168,294**	136,656
Investments in financial assets at fair value through profit or loss		**(49,132)**	(2,841,788)
Proceeds from redemption of financial assets at fair value through profit or loss		**895,625**	3,055,325
Interest received from bank deposits		**27,650**	3,874
Investment income from financial assets at fair value through profit or loss		**20,306**	47,318
Payments for intangible assets		**(30)**	(560)
Investment losses from derivatives		**(29,894)**	—
Net cash (outflow)/inflow from investing activities		**(71,582)**	226,921
Cash flows from financing activities			
Proceeds from loans and borrowings		**1,511,690**	45,621
Repayment of loans and borrowings		**(394,502)**	(70,000)
Payment of lease liabilities	23	**(12,482)**	(12,853)
Dividends paid		**(19,483)**	—
Interest paid		**(43,590)**	(38,384)
Net cash inflow/(outflow) from financing activities		**1,041,633**	(75,616)
Net increase in cash and cash equivalents		**950,011**	117,390
Effect of exchange rate changes on cash and cash equivalents		**97**	859
Cash and cash equivalents at beginning of year		**504,252**	386,003
Cash and cash equivalents at end of year		**1,454,360**	504,252

NOTES TO FINANCIAL STATEMENTS

(All amounts expressed in thousands of Renminbi unless otherwise stated)

1. CORPORATE INFORMATION

The Company was incorporated on 4 January 2006 in the British Virgin Islands (the "**BVI**"). After a series of reorganisations, on 14 November 2007, the Company was listed on the Main Board of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). On 22 October 2010, the Company was listed on the Main Board of the HKEx by way of introduction. As a result, the Company was once dual-listed on the Main Boards of both the SGX-ST and the HKEx. The Company was voluntarily delisted from the SGX-ST on 17 February 2017.

The Group is a new town developer in Mainland China and has been engaged in the investment and operation of new type of urbanization and primary land development in the People's Republic of China (the "**PRC**") since 2002. Since 2014, the Group has further optimised its business model in line with the development trend of new urbanization in China. With the business model of "investment + downstream operation", on top of fixed income investment in urbanization projects, the Group introduces brands of urbanization to the region in the field of people's livelihood improvement. At the same time, it has expanded equity investment business in such new economic areas as big health industry, strategic emerging industry, infotech application innovation industry based on market demands.

The Company was a then subsidiary of SRE Group Limited ("**SRE**"), a company listed on the HKEx since September 2009. During 2012, SRE disposed of its entire holding of shares in the Company to SRE's own shareholders via a special dividend in the form of a distribution in species. Upon completion of that distribution, in October 2012, SRE no longer held any shares in the Company and ceased to be the parent of the Company. As a result of that distribution, SRE Investment Holding Limited ("**SREI**"), the parent of SRE, became the largest shareholder of the Company.

On 10 October 2013, the Company, China Development Bank International Holdings Limited ("**CDBIH**") and SREI entered into a share subscription agreement (the "**Subscription Agreement**") pursuant to which CDBIH had agreed to subscribe for 5,347,921,071 new shares of the Company subject to the terms and conditions contained therein (the "**Subscription**"). The Subscription was completed in the first quarter of 2014. As a result, CDBIH, a wholly-owned subsidiary of China Development Bank Capital Corporation Limited ("**CDBC**"), became the largest and controlling shareholder of the Company. As an appendix to the Subscription Agreement, there was a disposal master agreement (the "**Disposal Master Agreement**") between the Company and SREI to dispose of the specified assets and liabilities not relating to the Group's principal business of the planning and development of new town projects in Mainland China (the "**Disposal Assets**"). Execution of the Disposal Assets was completed in 2016.

On 11 June 2021, CDBIH signed a share transfer agreement in respect of approximately 29.99% of the issued shares of the Company (the "**Share Transfer Agreement**") with Wuxi Communications Industry Group Co., Ltd. ("**Wuxi Communications**") and Xitong International Holdings (HK) Limited ("**Xitong International**"), a wholly-owned subsidiary of Wuxi Communications, pursuant to which CDBIH agreed to transfer 2,917,000,000 shares of the Company held by it to Xitong International, which represented approximately 29.99% of the number of the issued shares of the Company (the "**Share Transfer**"). Upon completion of the Share Transfer on 28 September 2021, Xitong International holds 2,917,000,000 shares (approximately 29.99% of the number of the issued shares of the Company) of the Company as the largest shareholder; and CDBIH holds 2,430,921,071 shares (approximately 24.99% of the number of the issued shares of the Company) of the Company as the second largest shareholder.

2. BASIS OF PREPARATION

These consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("**IFRSs**") issued by the International Accounting Standards Board (the "**IASB**") and the disclosure requirements of the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on a historical cost basis, except for investment property and financial assets at fair value through profit or loss which have been measured at fair value. The consolidated financial statements are presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand ('000) except when otherwise indicated.

(a) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2023. A subsidiary is an entity, directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

(a) Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)

(b) Exposure, or rights, to variable returns from its involvement with the investee

(c) The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) The contractual arrangement(s) with the other vote holders of the investee

(b) Rights arising from other contractual arrangements

(c) The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies.

Profit or loss and each component of other comprehensive income ("**OCI**") are attributed to the equity holders of the parent/Company and to the non-controlling interests, even if it results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interests and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

(b) Operating cycle

The operating cycle of the Group is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Due to the nature of the Group's business, the Group's normal operating cycle is longer than twelve months. The Group's current assets include assets (such as land development for sale) that are sold, consumed or realised as part of the normal operating cycle even when they are not expected to be realised within twelve months after the end of the reporting period, in accordance with IFRSs.

3. CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

New and amended standards and interpretations

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2023 (unless otherwise stated). The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

IFRS 17 Insurance Contracts

IFRS 17 *Insurance Contracts* is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. IFRS 17 replaces IFRS 4 *Insurance Contracts*. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them as well as to certain guarantees and financial instruments with discretionary participation features; a few scope exceptions will apply. The overall objective of IFRS 17 is to provide a comprehensive accounting model for insurance contracts that is more useful and consistent for insurers, covering all relevant accounting aspects. IFRS 17 is based on a general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

Since the Group has not issued any insurance contracts, this standard is not applicable to the Group.

Definition of Accounting Estimates — Amendments to IAS 8

The amendments to IAS 8 clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates. The Group has applied the amendments to changes in accounting policies and changes in accounting estimates that occur on or after 1 January 2023. Since the Group's policy of determining accounting estimates aligns with the amendments, the amendments had no impact on the Group's consolidated financial statements.

Disclosure of Accounting Policies — Amendments to IAS 1 and IFRS Practice Statement 2

The amendments to IAS 1 and IFRS Practice Statement 2 *Making Materiality Judgements* provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments had no impact on the Group's consolidated financial statements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction — Amendments to IAS 12

The amendments to IAS 12 *Income Tax* narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities. Therefore, entities are required to recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions. The Group has applied the amendments on temporary differences related to leases as at 1 January 2022, with any cumulative effect recognised as an adjustment to the balance of retained profits or other component of equity as appropriate at that date. In addition, the Group has applied the amendments prospectively to transactions other than leases that occurred on or after 1 January 2022, if any.

Prior to the initial application of these amendments, the Group applied the initial recognition exception and did not recognise a deferred tax asset and a deferred tax liability for temporary differences for transactions related to leases. Upon initial application of these amendments, the Group recognised (i) a deferred tax asset for all deductible temporary differences associated with lease liabilities (provided that sufficient taxable profit is available), and (ii) a deferred tax liability for all taxable temporary differences associated with right-of-use assets as at 1 January 2022, with cumulative effect recognised as an adjustment to the balances of retained profits and non-controlling interests at that date. The quantitative impact on the financial statements is summarised below.

Impact on the consolidated statement of financial position:

	Increase/(decrease)		
	As at 31 December 2023	As at 31 December 2022	As at 1 January 2022
Liabilities			
Deferred tax liabilities *(Note)*	**982**	986	1,002
Total non-current liabilities	**982**	986	1,002
Total liabilities	**982**	986	1,002
Net assets	**(982)**	(986)	(1,002)
Equity			
Accumulated losses	**(982)**	(986)	(1,002)
Equity holders of the parent	**(982)**	(986)	(1,002)
Total equity	**(982)**	(986)	(1,002)

Note: The deferred tax asset and the deferred tax liability arising from lease contracts of the same subsidiary have been offset in the statement of financial position for presentation purposes.

Impact on the consolidated statement of profit or loss and other comprehensive income:

	Increase/(decrease) For the year ended 31 December	
	2023	2022
Income tax	**(4)**	(16)
Profit for the year	**4**	16
Profit attributable to:		
Equity holders of the parent	**4**	16
Total comprehensive income attributable to:		
Equity holders of the parent	**4**	16

The adoption of amendments to IAS 12 did not have any material impact on the basic and diluted earnings per share attributable to ordinary equity holders of the parent, other comprehensive income and the consolidated statements of cash flows for the years ended 31 December 2023 and 2022.

International Tax Reform — Pillar Two Model Rules — Amendments to IAS 12

The amendments to IAS 12 have been introduced in response to the Organisation for Economic Co-operation and Development's Base Erosion and Profit Shifting Pillar Two rules and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and

- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The mandatory temporary exception — the use of which is required to be disclosed — applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on or after 1 January 2023, but not for any interim periods ending on or before 31 December 2023.

Since the Group did not fall within the scope of the Pillar Two model rules, the amendments did not have any impact to the Group.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on its products and services and has the following operating segments. The Group's operational assets and operations are located in Mainland China.

- Land development segment, which provides land infrastructure development, and construction of ancillary public facilities;

- Urbanization development segment, which is responsible for investments in new town projects;

- Property leasing segment, which provides property leasing services of investment property; and

- Others segment, which includes the provision of other services.

Management monitors the operating results of the Group's business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements. However, group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to the operating segments.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the prevailing market prices.

An analysis by operating segment is as follows:

RMB'000	Year ended 31 December 2023					
	Land development	**Urbanization development**	**Property leasing**	**Others**	**Reconciliation and eliminations**	**Total**
Segment results						
External sales	**13,374**	**179,361**	**144,747**	—	—	**337,482**
Intersegment sales	—	—	—	—	—	—
Total segment sales	**13,374**	**179,361**	**144,747**	—	—	**337,482**
Results						
Depreciation	**(1,018)**	**(11,446)**	**(194)**	**(383)**	—	**(13,041)**
Share of (losses)/gains of joint ventures and associates	**(8,436)**	—	**(4,775)**	**860**	—	**(12,351)**
Fair value gain on investment property	—	—	**1,456**	—	—	**1,456**
Fair value gain/(loss) on financial instruments at fair value through profit or loss	—	**24,984**	—	**(851)**	—	**24,133**
Segment (loss)/profit	**(5,430)**	**142,934**	**102,927**	**51,844**	**(91,192)**[1]	**201,083**
Segment assets	**931,699**	**4,827,304**	**1,552,831**	**567,531**	—	**7,879,365**
Segment liabilities	**562,677**	**41,771**	**77,640**	**22,560**	**2,504,593**[2]	**3,209,241**
Other disclosures						
Investments in joint ventures and associates	**75,580**	—	**150,019**	**172,921**	—	**398,520**
Capital expenditure[3]	**6**	**452**	**(1,456)**	—	—	**(998)**
Interest income	**1**	**198,434**	**104**	**8,472**	—	**207,011**

1 Profit/(loss) for each operating segment does not include finance costs of RMB91,192 thousand.

2 Liabilities in segments do not include current income tax liabilities of RMB40,687 thousand, interest-bearing loans and borrowings of RMB2,318,649 thousand, and deferred tax liabilities of RMB145,257 thousand as these liabilities are managed on a group basis.

3 Capital expenditure consists of additions of property, plant and equipment of RMB458 thousand and cost adjustment of investment property of RMB1,456 thousand.

RMB'000	Year ended 31 December 2022					
	Land development	Urbanization development	Property leasing	Others	Reconciliation and eliminations	Total
Segment results						
External sales	2,680	150,084	152,265	—	—	305,029
Intersegment sales	—	—	—	—	—	—
Total segment sales	2,680	150,084	152,265	—	—	305,029
Results						
Depreciation	(1,110)	(12,080)	(222)	(571)	—	(13,983)
Share of (losses)/gains of joint ventures and associates	(14,229)	—	2,807	2,130	—	(9,292)
Fair value gain on investment property	—	—	12,319	—	—	12,319
Fair value gain/(loss) on financial instruments at fair value through profit or loss	—	15,949	—	(3,727)	—	12,222
Segment (loss)/profit	(144,370)	151,982	119,494	(26,003)	(44,615)[1]	56,488
Segment assets	1,015,661	3,401,437	1,729,137	436,605	712[2]	6,583,552
Segment liabilities (restated)	581,561	17,545	86,211	73,564	1,288,734[3]	2,047,615
Other disclosures						
Investments in joint ventures and associates	84,015	—	154,795	169,413	—	408,223
Capital expenditure[4]	—	359	(2,106)	—	—	(1,747)
Interest income	1	153,445	198	314	—	153,958

1 Profit/(loss) for each operating segment does not include finance costs of RMB44,615 thousand.

2 Assets in segments do not include deferred tax assets of RMB712 thousand as these assets are managed on a group basis.

3 Liabilities in segments do not include current income tax liabilities of RMB40,072 thousand, interest-bearing loans and borrowings of RMB1,120,147 thousand, and deferred tax liabilities of RMB128,515 thousand as these liabilities are managed on a group basis.

4 Capital expenditure consists of additions of property, plant and equipment of RMB359 thousand and cost adjustment of investment property of RMB2,106 thousand.

5. REVENUE

RMB'000	*Notes*	**2023**	2022
Land development	(a)	**13,374**	2,680
Property management	(a)	**34,632**	35,189
Revenue from contracts with customers	(a)	**48,006**	37,869
Rental income		**110,115**	117,076
Interest from debt instruments at amortised cost	(b)	**174,806**	143,120
Others	(c)	**4,555**	6,964
Revenue from other sources		**289,476**	267,160
Total revenue		**337,482**	305,029

(a) Revenue from contracts with customers

Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	Year ended 31 December 2023		
	Land development	**Property management**	**Total**
Segments			
Types of goods or services			
Land development	**13,374**	**—**	**13,374**
Property management	**—**	**34,632**	**34,632**
Total revenue from contracts with customers	**13,374**	**34,632**	**48,006**
Timing of revenue recognition			
Services rendered over time	**13,374**	**34,632**	**48,006**

	Year ended 31 December 2022		
	Land development	Property management	Total
Segments			
Types of goods or services			
Land development	2,680	—	2,680
Property management	—	35,189	35,189
Total revenue from contracts with customers	2,680	35,189	37,869
Timing of revenue recognition			
Services rendered over time	2,680	35,189	37,869

The Group's total revenue from contracts with customers is all derived from Mainland China.

Land development

Shanghai Golden Luodian Development Co., Ltd. ("**SGLD**") is given the right to carry out construction and preparation works in respect of the ancillary public facilities (owned by the local governments) in the Western Zone of Luodian New Town.

Revenue of RMB13.37 million (2022: RMB2.68 million) was recognised in respect of construction of the ancillary public facilities with the fulfilment of the performance obligation in 2023, of which RMB13.37 million (2022: RMB2.68 million) was released from contract liabilities.

Property management services

The performance obligation is satisfied over time as property management services are rendered and short-term advances are normally required before rendering the services. Property management service contracts are billed based on the time incurred. The amount of revenue recognised in the current year that was included in the contract liabilities at the beginning of 2023 was RMB5,927 thousand (2022: RMB2,839 thousand).

For property management services, the Group has a right to consideration from customers in an amount that corresponds directly with the value to customers of the Group's performance completed to date. The Group has elected the practical expedient not to disclose the remaining performance obligations for these contracts.

(b) The detailed information of interest from debt instruments at amortised cost is as follows:

RMB'000	**2023**	2022
Chengdu Jintang Huaizhou New City General Aviation Industrial Park Project	**25,927**	27,510
Taizhou Jingjiang Huaxin Science and Technology Innovation Park Standard Plant Construction Project	**21,382**	24,388
Yangzhou Jiangdu People's Hospital New Project	**18,860**	18,858
Hubei Daye Advanced Manufacturing Standard Plant Construction Project	**17,414**	12,795
Yangzhong Changwang Operation Area Logistics Park Construction Project	**15,484**	23,968
Wuxi Gaoxin District Industrial Park Project	**14,544**	—
Wuxi Liangxi District Food Science and Technology Innovation Center Project	**11,590**	—
Yangzhou Hanjiang Industrial Park Infrastructure Project	**10,063**	—
Wuxi Guojin Commercial Factoring Fixed Income Project	**7,293**	—
Suqian Yanghe Bio-tech Industrial Park Project	**6,635**	10,132
Jiangyin Changjing Industrial Park Sewage-treatment Plant Project	**6,402**	—
Wuxi Xinwu District Canal Culture and Technology Industrial Park Construction Project	**5,881**	—
Yancheng Sheyang Ruiyang Technology Fixed Income Project	**4,488**	4,618
Liyang High-tech Zone Industrial Base Quality Improvement and Upgrading Phase I Project	**2,381**	—
Lianyungang Liandao Cultural Tourism Project	**3**	14,316
Others	**6,459**	6,535
	174,806	143,120

(c) The detailed information of others is as follows:

	2023	2022
CDB (Beijing) — BOCOMM New-Type Urbanization Development Fund (the "**Urbanization Fund**")	**4,555**	6,964

6. OTHER INCOME

RMB'000	**2023**	2022
Interest income from bank deposits	**27,650**	3,874
Net fair value gain on financial instruments at fair value through profit or loss	**24,133**	12,222
Investment income from financial assets at fair value through profit or loss	**20,306**	47,318
Fair value gain on investment property	**1,456**	12,319
Foreign exchange gain, net	**—**	6,242
Others	**16,362**	18,664
	89,907	100,639

7. OTHER EXPENSES

RMB'000	**2023**	2022
Bank charges	**1,548**	48
Foreign exchange loss, net	**12,209**	—
Loss on disposal of property, plant and equipment	**19**	4
Impairment of land development for sale	**—**	109,434
Others	**1,707**	733
	15,483	110,219

8. EXPENSES BY NATURE

RMB'000	2023	2022
Cost of land development	**4,031**	8,644
Depreciation of property, plant and equipment	**1,175**	1,439
Depreciation of right-of-use assets	**11,866**	12,544
Audit fees and non-audit fees	**4,056**	3,419
Audit fees		
— *Auditor of the Company*	**2,500**	2,200
— *Other auditors*	**688**	301
Non-audit fees		
— *Auditor of the Company*	**600**	750
— *Other auditors*	**268**	168
Employee benefits	**53,839**	56,753
Utility expenses	**13,104**	12,543
Advertising	**714**	878
Rental expenses	**1,390**	1,577
Property management service expenses	**25,555**	23,610
Intermediary and professional service charges	**3,307**	5,350
Other expenses	**32,797**	33,183
Total cost of sales, selling and administrative expenses	**151,834**	159,940

9. FINANCE COSTS

RMB'000	2023	2022
Interest on loans and borrowings	**90,406**	44,229
Interest on lease liabilities	**786**	386
	91,192	44,615

No borrowing cost has been capitalised for the year ended 31 December 2023 (2022: Nil).

10. INCOME TAX AND DEFERRED TAX

The Group is subject to income tax on an entity basis on profit arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operate.

The Company is a tax-exempted company incorporated in the British Virgin Islands.

Hong Kong profits tax has been provided at the rate of 16.5% (2022: 16.5%) on the estimated assessable profits arising in Hong Kong during the year.

The principal operating subsidiaries of the Company were subject to income tax at the rate of 25% on their taxable income according to the Income Tax Law of the PRC.

Mainland China — withholding tax

Pursuant to the laws governing the PRC Corporate Income Tax, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. The Group is therefore liable for withholding taxes on dividends distributed and remitted out of PRC by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008.

Pursuant to the laws governing the PRC Corporate Income Tax, a member of the Group, who is not a tax resident in the jurisdiction of the PRC, is subject to withholding tax at 10% on the income from Mainland China, such as interest income and gains from disposal of equity investments. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. The Group determined that such withholding tax is an income tax in the scope of IAS 12 and has recognised such withholding tax as a tax expense in profit or loss.

The major components of income tax are as follows:

RMB'000	**2023**	2022 Restated
Income tax charge/(credit):		
Current income tax	**22,420**	14,969
Deferred tax	**17,454**	34,077
Withholding tax	**9,953**	(28)
Income tax charge as reported in profit or loss	**49,827**	49,018

A reconciliation between tax charge/(credit) in respect of the current year and the product of accounting profit/(loss) multiplied by the Group's applicable income tax rate is as follows:

Year ended 31 December 2023

RMB'000	**HK and BVI**		**Mainland China**		**Total**	
Profit before tax	**86,597**		**114,486**		**201,083**	
Tax at the statutory tax rate	**21,649**	**25.0%**	**28,622**	**25.0%**	**50,271**	**25.0%**
Effect of subsidiaries applying the non-statutory tax rate	**(9,241)**	**(10.7%)**	**—**	**—**	**(9,241)**	**(4.6%)**
Income not subject to tax	**(17,940)**	**(20.7%)**	**(378)**	**(0.3%)**	**(18,318)**	**(9.1%)**
Profit and losses attributable to joint ventures and associates	**(142)**	**(0.2%)**	**3,303**	**2.9%**	**3,161**	**1.6%**
Non-deductible expenses for tax purposes	**7,080**	**8.2%**	**242**	**0.2%**	**7,322**	**3.6%**
Adjustments in respect of current tax of previous periods	**—**	**—**	**(1,189)**	**(1.0%)**	**(1,189)**	**(0.6%)**
Utilisation/adjustment of previously unrecognised tax losses	**—**	**—**	**(4,779)**	**(4.2%)**	**(4,779)**	**(2.4%)**
Unrecognised tax losses and deductible temporary differences	**—**	**—**	**7,108**	**6.2%**	**7,108**	**3.6%**
Effect of withholding tax*	**15,492**	**17.9%**	**—**	**—**	**15,492**	**7.7%**
Income tax as reported in the statement of profit or loss and other comprehensive income	**16,898**	**19.5%**	**32,929**	**28.8%**	**49,827**	**24.8%**

Year ended 31 December 2022 (Restated)

RMB'000	HK and BVI		Mainland China		Total	
Profit before tax	80,295		(23,807)		56,488	
Tax at the statutory tax rate	20,074	25.0%	(5,952)	25.0%	14,122	25.0%
Effect of subsidiaries applying the non-statutory tax rate	(2,126)	(2.7%)	(4)	—	(2,130)	(3.8%)
Income not subject to tax	(17,784)	(22.1%)	(5,960)	25.0%	(23,744)	(42.0%)
Profit and losses attributable to joint ventures and associates	(351)	(0.4%)	2,855	(12.0%)	2,504	4.4%
Non-deductible expenses for tax purposes	4,283	5.3%	123	(0.5%)	4,406	7.8%
Adjustments in respect of current tax of previous periods	—	—	99	(0.4%)	99	0.2%
Utilisation/adjustment of previously unrecognised tax losses	—	—	(1,975)	8.3%	(1,975)	(3.5%)
Unrecognised tax losses and deductible temporary differences	—	—	49,011	(205.9%)	49,011	86.8%
Effect of withholding tax*	6,725	8.4%	—	—	6,725	11.9%
Income tax as reported in the statement of profit or loss and other comprehensive income	10,821	13.5%	38,197	(160.5%)	49,018	86.8%

* In 2023, the HK and BVI companies received interest and dividend income from Mainland China amounting to RMB89,576 thousand (2022: RMB65,538 thousand), after the deduction of the withholding tax of RMB9,953 thousand (2022: RMB6,497 thousand).

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities when the deferred tax assets and liabilities relate to income taxes, if any, levied by the same tax authority and the same taxable entity.

Deferred income tax relates to the following:

RMB'000	**Consolidated statement of financial position**		**Consolidated statement of profit or loss**	
	2023	2022 Restated	**2023**	2022 Restated
Deferred tax assets/(liabilities)				
Fair value change and depreciation of investment property	**(81,553)**	(75,512)	**(6,041)**	(9,054)
Fair value change of financial instruments at fair value through profit or loss	**(8,470)**	(5,179)	**(3,291)**	(1,445)
Accrued expenses	**121**	93	**28**	(1,849)
Taxable timing difference for interest accrued	**(21,987)**	(20,364)	**(1,623)**	(2,862)
Provision for expected credit losses ("**ECLs**")	**1,057**	2,049	**(992)**	(819)
Right-of-use assets	**5,611**	1,043	**4,568**	(1,715)
Lease liabilities	**(6,593)**	(2,029)	**(4,564)**	1,731
Effect of withholding tax at 10% on the distributable profits of the Group's subsidiaries in Mainland China	**(33,443)**	(27,904)	**(5,539)**	(6,753)
Loss available for offsetting against future taxable income	**—**	—	**—**	(11,311)
Net deferred tax liabilities	**(145,257)**	(127,803)		
Deferred income tax charge			**(17,454)**	(34,077)

Deferred tax movements:

	2023	2022 Restated
As of 1 January	**(127,803)**	(93,726)
Deferred tax income recognised in profit or loss	**(17,454)**	(34,077)
As at 31 December	**(145,257)**	(127,803)
Deferred tax assets	**—**	712
Deferred tax liabilities	**(145,257)**	(128,515)

As at 31 December 2023, the unrecognized deductible temporary differences amounting to RMB228,086 thousand (2022: RMB211,648 thousand) and the unrecognized accumulated tax losses amounting to RMB134,497 thousand (2022: RMB183,428 thousand) mainly arose from those subsidiaries that have been loss-making for years. The unrecognized tax losses of RMB134,497 thousand (2022: RMB183,428 thousand) will expire in the coming one to five years. The Group estimated that there was no taxable income to utilise these tax losses and deductible temporary differences and there are no other tax planning opportunities or other evidence of recoverability in the near future.

11. DIVIDENDS

The Board has resolved to recommend the payment of final dividend of HK$0.0034 per ordinary share for the year ended 31 December 2023 (2022: Nil). The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

The Board has resolved to recommend the payment of interim dividend of HK$0.0022 per ordinary share as of 2023 (2022: Nil). The Company has paid a dividend of HK$21,283 thousand.

12. EARNINGS PER SHARE

The calculation of the basic earnings per share amounts is based on the profit attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 9,726,246,417 (2022: 9,726,246,417) in issue during the year.

The following reflects the earnings and share data used in the basic and diluted earnings per share calculations:

RMB'000	**2023**	2022 Restated
Profit attributable to ordinary equity holders of the parent for basic and diluted earnings per share	**140,858**	2,718
Weighted average number of ordinary shares used to calculate basic and diluted earnings per share	**9,726,246,417**	9,726,246,417
Basic and diluted earnings per share *(RMB)*	**0.0145**	0.0003

The Group had no potential dilutive ordinary shares in issue during the years ended 31 December 2023 and 2022.

13. DEBT INSTRUMENTS AT AMORTISED COST

RMB'000	**2023**	2022
Investments in debt instruments related to:		
Wuxi Gaoxin District Industrial Park Project	**500,000**	—
Yangzhou Hanjiang Industrial Park Infrastructure Project	**500,000**	—
Liyang High-tech Zone Industrial Base Quality Improvement and Upgrading Phase I Project	**500,000**	—
Nanchang Science and Technology Park Project of Chinese Academy of Sciences	**400,000**	400,000
Wuxi Liangxi District Food Science and Technology Innovation Center Project	**351,000**	—
Yangzhou Jiangdu People's Hospital New Project	**268,213**	253,379
Wuxi Xinwu District Canal Culture and Technology Industrial Park Construction Project	**200,000**	—
Hubei Daye Advanced Manufacturing Standard Plant Construction Project	**200,000**	200,000
Jiangyin Changjing Industrial Park Sewage-treatment Plant Project	**150,000**	—
Taizhou Jingjiang Huaxin Science and Technology Innovation Park Standard Plant Construction Project	**—**	327,608
Chengdu Jintang Huaizhou New City General Aviation Industrial Park Project	**—**	300,000
Yangzhong Changwang Operation Area Logistics Park Construction Project	**—**	251,000
Suqian Yanghe Bio-tech Industrial Park Project	**—**	107,000
Yancheng Sheyang Ruiyang Technology Fixed Income Project	**—**	100,000
Others	**90,000**	90,000
	3,159,213	2,028,987
Accrued interest	**40,893**	29,826
	3,200,106	2,058,813
Less: allowance for ECLs	**(408,001)**	(396,588)
	2,792,105	1,662,225
Amounts due in the next 12 months classified as current assets	**1,849,131**	947,053
Amounts classified as non-current assets	**942,974**	715,172

As at 31 December 2023, the Group was entitled to fixed returns ranging from 5.88% to 10.00% (2022: 5.88% to 15.00%) per annum before tax for debt instruments at amortised cost.

Movements of ECL allowance during the years ended 31 December 2023 and 2022 are as follows:

RMB'000	**2023**	2022
At beginning of year	**396,588**	400,710
Credit loss/(reversal of credit loss) recognised in profit or loss	**11,413**	(4,122)
At end of year	**408,001**	396,588

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to debt instruments at amortised cost is as follows:

	12-month ECLs	**Lifetime ECLs**		
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Gross carrying amount as at 1 January 2023	**1,658,813**	**—**	**400,000**	**2,058,813**
New debt instruments	**2,601,000**	**—**	**—**	**2,601,000**
Recovery	**(1,536,426)**	**—**	**—**	**(1,536,426)**
Accrued interest	**40,893**	**—**	**—**	**40,893**
Foreign currency exchange	**35,826**	**—**	**—**	**35,826**
At 31 December 2023	**2,800,106**	**—**	**400,000**	**3,200,106**

	12-month ECLs	Lifetime ECLs		
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 January 2022	1,591,000	—	406,000	1,997,000
New debt instruments	300,000	—	—	300,000
Recovery	(277,863)	—	(6,000)	(283,863)
Accrued interest	29,826	—	—	29,826
Foreign currency exchange	15,850	—	—	15,850
At 31 December 2022	1,658,813	—	400,000	2,058,813

For the debt instruments at amortised cost, the Group applies a general approach in calculating ECLs. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, credit losses expected within the next 12 months are estimated, otherwise, credit losses expected over the remaining life of the exposure are required.

The Group has conducted an assessment of ECLs according to forward-looking information and used appropriate models and a large number of assumptions in its expected measurement of credit loss.

	12-month ECLs Stage 1	Lifetime ECLs Stage 2	Stage 3	Total
ECL allowance as at 1 January 2023	**16,588**	**—**	**380,000**	**396,588**
Provision and remeasurement	**26,304**	**—**	**—**	**26,304**
Reversal	**(14,891)**	**—**	**—**	**(14,891)**
At 31 December 2023	**28,001**	**—**	**380,000**	**408,001**

	12-month ECLs Stage 1	Lifetime ECLs Stage 2	Stage 3	Total
ECL allowance as at 1 January 2022	15,910	—	384,800	400,710
Provision and remeasurement	3,256	—	—	3,256
Reversal	(2,578)	—	(4,800)	(7,378)
At 31 December 2022	16,588	—	380,000	396,588

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

RMB'000	*Notes*	**2023**	2022
Funds	(a)	**—**	2,757
Wealth management products	(b)	**17,508**	890,691
Equity instruments	(c)	**216,545**	162,438
Derivatives	(d)	**1,668**	2,195
		235,721	1,058,081
Current portion		**19,176**	895,643
Non-current portion		**216,545**	162,438

Notes:

(a) In 2022, one of the projects invested by Urbanization Fund defaulted, which triggered the callback clause. As a junior-tranche holder, Beijing Xincheng Kaiyuan Asset Management Company Limited ("**Xincheng Kaiyuan**") provided financial support of RMB13,097 thousand based on the proportional share in the junior-tranche. In 2023, the underlying investment was recovered and the investment of Urbanization Fund of RMB15,347 thousand was received.

(b) In 2023, the Group invested in wealth management products mainly issued by China Merchants Bank Co., Ltd. ("**China Merchants Bank**") and Ping An Bank Co., Ltd. ("**Ping An Bank**") as part of cash management for the short term. They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

(c) The list of equity investments and their fair values are as follows:

	2023	2022
Jiangsu Hong-tu Software Venture Capital Investment Ltd. ("**Jiangsu Hongruan**")	**52,877**	55,894
XN Crane International Limited ("**XN Crane**")	**51,197**	42,132
WeRide Inc.	**43,872**	44,412
Shenzhen Zhongke Micro-Light Medical Equipment Technology Co., Ltd. ("**Zhongke Weiguang**")	**11,638**	10,000
Shenzhen Sibionics Co., Ltd. ("**Silicon-based Bionic**").	**10,143**	10,000
Gongqingcheng Xuhui Guanding Investment Management Partnership (Limited Partnership) ("**Gongqingcheng Xuhui Guanding**")	**21,818**	—
Yixing Zengyang Xinzhan Equity Investment Partnership (Limited Partnership) ("**Yixing Xinzhan**")	**25,000**	—
	216,545	162,438

(d) At 31 December 2023, China New Town Holding Co., Ltd. ("**CNT Holding**") held one cross currency swap contract with China Construction Bank (Asia) Corporation Limited ("**CCB (Asia)**"). The nominal amount of the cross currency swap was EUR34,000 thousand. The contract was not designated in hedge relationships, but were, nevertheless, intended to reduce the level of foreign currency exchange risks for the investments and borrowings denominated in foreign currencies.

15. INVESTMENT PROPERTY

RMB'000	**2023**	2022
At beginning of year	**1,485,700**	1,475,487
Subsequent expenditure and cost adjustment	**(1,456)**	(2,106)
Gain from increase in fair value	**1,456**	12,319
At end of year	**1,485,700**	1,485,700

16. PROPERTY, PLANT AND EQUIPMENT

RMB'000	Buildings	Furniture, fixtures and equipment	Motor vehicles	Total
Original cost				
At 1 January 2022	19,369	10,223	4,762	34,354
Additions	96	263	—	359
Disposals	—	(65)	—	(65)
At 31 December 2022	19,465	10,421	4,762	34,648
Additions	—	458	—	458
Disposals	—	(337)	—	(337)
At 31 December 2023	19,465	10,542	4,762	34,769
Accumulated depreciation				
At 1 January 2022	10,045	9,382	4,668	24,095
Provided during the year	877	494	68	1,439
Disposals	—	(61)	—	(61)
At 31 December 2022	10,922	9,815	4,736	25,473
Provided during the year	852	303	20	1,175
Disposals	—	(318)	—	(318)
At 31 December 2023	11,774	9,800	4,756	26,330
Net carrying amount				
At 1 January 2022	9,324	841	94	10,259
At 31 December 2022	8,543	606	26	9,175
At 31 December 2023	7,691	742	6	8,439

17. RIGHT-OF-USE ASSETS

RMB'000	Buildings	Motor vehicles	Land	Total
At 1 January 2022	16,219	—	1,766	17,985
Additions	5,583	657	—	6,240
Depreciation expense	(12,221)	(166)	(157)	(12,544)
At 31 December 2022	9,581	491	1,609	11,681
Additions	29,572	—	—	29,572
Depreciation expense	(11,487)	(222)	(157)	(11,866)
As at 31 December 2023	27,666	269	1,452	29,387

18. LAND DEVELOPMENT FOR SALE

RMB'000	**2023**	2022
The Mainland China — Shenyang Lixiang New Town Modern Agriculture Co., Ltd. ("**Shenyang Lixiang**")	**780,537**	779,714

Land development for sale represents the cost of land development within the districts of the new town development projects. Though the Group does not have an ownership title or land use rights to such land, the Group is given the right to carry out construction and preparation works in respect of land infrastructure and ancillary public facilities in those new town development projects.

Land development for sale is expected to be realised in the normal operating cycle, which is longer than twelve months.

Impairment charge to state land development for sale at net realisable value

In 2022, the Board determined to dispose of the entire equity interest in Shenyang Lixiang. As at 31 December 2022, the disposal was not completed and the Board assessed the purchaser may not be able to perform its obligations to purchase the entire equity interest in Shenyang Lixiang in accordance with the terms of the agreement in the short term due to the financial position of the purchaser. Though the Company will continue to urge the purchaser to perform its obligations to purchase the equity interest in Shenyang Lixiang and seek for other buyers, the Board expected an impairment is incurred, due to the character of land development, adverse economic environment and real estate market in Shenyang, and fiscal position of local government.

As a result of the aforementioned, the Board assessed the net realisable value of the land development for sale and determined an impairment loss of RMB109 million was incurred and recognised for the year ended 31 December 2022. As at 31 December 2023, the Board reassessed the net realizable value of the land development for sale, with no additional impairment nor reversal of impairment was made.

19. OTHER RECEIVABLES

RMB'000	*Notes*	**2023**	2022
Balances due from Wuxi Project		**20,977**	20,977
Due from SREI, the then parent of the Company	(i)	**89,896**	140,146
Balances due from entities disposed of		**24,384**	24,384
Due from joint ventures	(ii)	**495,600**	485,848
Due from associates		**1,395**	3,353
Others		**78,912**	56,397
		711,164	731,105
Less: allowance for ECLs		**(70,327)**	(126,235)
Other receivables, net		**640,837**	604,870

The Group has assessed the ECLs based on its historical credit loss experience, adjusted for forward-looking factors to the debtors and the economic environment. The loss rate of Stage 1 was estimated to be 1% (2022: 1%), and the loss rate of Stage 3 was estimated to be 100% (2022: ranging from 40% to 100%). The movements in allowance of impairment are as follows:

	2023	2022
At beginning of year	**126,235**	111,685
(Reversal of credit loss)/credit loss recognised in profit or loss	**(55,908)**	14,550
At end of year	**70,327**	126,235

Notes:

(i) The balances due from SREI is in relation to the Disposal Assets in 2017, after a series of settlements made between the Company and SREI. As at 31 December 2023, the balance due from SREI of RMB89,896 thousand (2022: RMB140,146 thousand) is secured by the shares and related rights of the Company owned by SREI, the outstanding balance exceeding the value of the pledge is fully impaired. In 2023, the ECL was reversed by RMB56,201 thousand as a result of the decrease of the balance due from SREI.

(ii) The balances due from joint ventures are mainly shareholder's loans lent to Nanjing Guofa Real Estate Co., Ltd. and Beijing Guowan Real Estate Co., Ltd. ("**Guowan**") to facilitate their daily operations, which are unsecured and interest-free and should be repayable on demand.

20. TRADE RECEIVABLES

RMB'000	**2023**	2022
Receivables from land development for sale	**47,218**	47,218
Others	**14,681**	17,353
	61,899	64,571
Less: allowance for ECLs	**(18,986)**	(19,045)
Trade receivables, net	**42,913**	45,526

The above balances are unsecured and interest-free. The fair values of the trade receivables as at the end of each reporting period approximate to their carrying amounts. No trade receivables were written off in 2023. (2022: Nil).

The Group applies a simplified approach in calculating ECLs for trade receivables. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has assessed the ECLs based on its historical credit loss experience, adjusted for forward-looking factors to the debtors and the economic environment. The loss rate was estimated to be ranging from 1% to 100% (2022: ranging from 1% to 100%). The movements in allowance of impairment are as follows:

RMB'000	**2023**	2022
At beginning of year	**19,045**	4,359
(Reversal of credit loss)/credit loss recognised in profit or loss	**(59)**	14,686
At end of year	**18,986**	19,045

An ageing analysis of the carrying amount of the trade receivables based on the invoice dates are as follows:

	2023	2022
Within 6 months	**10,999**	13,631
6 months to 1 year	**—**	—
1 year to 2 years	**19**	—
2 years to 3 years	**—**	—
Over 3 years	**31,895**	31,895
	42,913	45,526

21. CASH AND BANK BALANCES

RMB'000	**2023**	2022
Cash at banks	**1,454,360**	504,252

Cash at banks earns interest at floating rates based on daily bank deposit rates.

The Group's cash at banks are denominated in the following currencies:

RMB equivalent of the following currencies:

RMB'000	**2023**	2022
RMB	**1,451,240**	490,953
HKD	**1,210**	4,821
EUR	**1,242**	4,656
USD	**668**	3,822
	1,454,360	504,252

22. INTEREST-BEARING LOANS AND BORROWINGS

Details of interest-bearing loans and borrowings are as follows:

Current interest-bearing loans and borrowings

RMB'000	**2023**	2022
Lease liabilities	**11,677**	2,699
Bank loans — secured	**94,764**	82,900
Bank loans — unsecured	**15,019**	296,325
Guaranteed bonds	**40,563**	—
Other borrowings	**137,272**	—
	299,295	381,924

Non-current interest-bearing loans and borrowings

RMB'000	**2023**	2022
Lease liabilities	**12,284**	3,457
Bank loans — secured	**510,380**	604,380
Guaranteed bonds	**1,496,690**	—
Other borrowings	**—**	130,386
	2,019,354	738,223
	2,318,649	1,120,147

The interest-bearing loans and borrowings are repayable as follows:

RMB'000	**2023**	2022
Within 6 months	**53,162**	339,423
6 months to 9 months	**47,364**	41,748
9 months to 12 months	**198,769**	753
Current	**299,295**	381,924
1 year to 2 years	**116,354**	227,843
2 years to 5 years	**1,795,620**	310,000
Over 5 years	**107,380**	200,380
Non-current	**2,019,354**	738,223
	2,318,649	1,120,147

The Group's interest-bearing loans and borrowings bore interest ranging from 4.05% to 7% per annum for the year ended 31 December 2023 (2022: at EURIBOR plus 1.95%, LIBOR plus 1.95%, 4.2% and 4.44% per annum).

Bank loans — secured

As at 31 December 2023, bank borrowings of RMB605,144 thousand (2022: RMB687,280 thousand) were secured by the investment property, whose carrying amount at 31 December 2023 was RMB1.486 billion (2022: RMB1.486 billion).

Guaranteed bonds

As at 20 April 2023, CNTD Success Company Limited ("**Success**"), a wholly-owned subsidiary of the Company, completed the issuance of RMB1,500 million of guaranteed bonds with a maturity date of 27 April 2026. The net proceeds (net of underwriting commissions and some other expenses) amounted to RMB1,496 million, which will be used for project construction and supplement of the Company's working capital in accordance with applicable laws and regulations. The guaranteed bonds bear interest at a coupon rate of 3.98% and are guaranteed by Wuxi Communications.

23. LEASE LIABILITIES

RMB'000	**2023**	2022
At 1 January	**6,156**	12,138
New leases	**29,501**	6,485
Interest expense	**786**	386
Payments	**(12,482)**	(12,853)
At end of year	**23,961**	6,156
Current	**11,677**	2,699
Non-current	**12,284**	3,457

24. TRADE PAYABLES

RMB'000	**2023**	2022
Payable for land development for sale	**110,450**	108,525

An ageing analysis of the Group's trade payables is as follows:

RMB'000	**2023**	2022
Within 1 year	**8,432**	1,505
1 to 2 years	**—**	5,991
Over 2 years	**102,018**	101,029
	110,450	108,525

Trade payables are non-interest-bearing.

25. OTHER PAYABLES AND ACCRUALS

RMB'000	**2023**	2022
Payroll and welfare	**11,725**	12,249
Other taxes payable	**23,045**	14,893
Amounts due to related parties	**1,717**	4,497
Payable for intermediary and professional service charges	**10,203**	13,724
Payable for Wuxi Project	**—**	42,250
Dividend payables	**207**	101
Payable for investment property	**7,805**	14,486
Deposits	**35,273**	37,848
Others	**76,894**	87,938
	166,869	227,986

Terms and conditions of the above liabilities are as follows:

- Payroll and welfare are normally settled within the next month.
- Other payables, tax payables and accruals are non-interest-bearing and are normally settled when they are due or within one year.

26. CONTRACT LIABILITIES

RMB'000	**2023**	2022
Contract liabilities arising from:		
Land development	**377,014**	390,388
Property management	**5,475**	5,927
	382,489	396,315

As at 31 December 2023, the contract liabilities arising from land development for sale represent the amounts received or receivable from the land authorities or local governments to fulfil the performance obligation of land development services. The amounts received or receivable are non-refundable unless the Group fails to complete the development work. The contract liabilities are classified as current liabilities as the remaining development work is expected to be provided within the normal operating cycle.

27. FAIR VALUE AND FAIR VALUE HIERARCHY

Fair values of financial assets and liabilities

Fair value estimates are made at a specific point in time based on relevant market information and information about the various financial instruments. When an active market exists, such as an authorised securities exchange, the market value is the best reflection of the fair value of the financial instrument. For financial instruments where there is no active market or when current market prices are not available, their fair values are determined using valuation techniques.

The Group's financial assets mainly include debt instruments at amortised cost, cash and bank balances, financial assets at fair value through profit or loss, trade receivables and other receivables. The Group's financial liabilities mainly include interest-bearing loans and borrowings, and trade and other payables. The fair values of the Group's and the Company's financial instruments are not materially different from their carrying amounts.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair values:

Level 1: fair values measured based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: fair values measured based on valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: fair values measured based on valuation techniques for which any inputs which have a significant effect on the recorded fair value are not based on observable market data (unobservable inputs)

The following table shows the fair value measurement hierarchy of the Group's assets and liabilities.

Quantitative disclosures of assets and liabilities measured at fair value as at 31 December 2023:

			Fair value measurement using		
	Date of valuation	**Total**	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Assets/liabilities measured at fair value:					
Financial assets at fair value through profit or loss *(Note 14)*	31 December 2023	**235,721**	—	**70,373**	**165,348**
Investment property *(Note 15)*	31 December 2023	**1,485,700**	—	—	**1,485,700**

There were no transfers of fair value measurement between Level 1 and Level 2, and no transfers into or out of Level 3 during the year ended 31 December 2023.

Quantitative disclosures of assets and liabilities measured at fair value as at 31 December 2022:

	Date of valuation	Total	Fair value measurement using Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets/liabilities measured at fair value:					
Financial assets at fair value through profit or loss *(Note 14)*	31 December 2022	1,058,081	—	937,775	120,306
Investment property *(Note 15)*	31 December 2022	1,485,700	—	—	1,485,700

There were no transfers of fair value measurement between Level 1 and Level 2 during the year ended 31 December 2022. Financial assets at fair value through profit or loss of shares in XN Crane was transferred out of Level 3 to Level 2 during the year ended 31 December 2022, whose amount is RMB31,863 thousand as at 31 December 2021 and RMB42,132 thousand as at 31 December 2022. Since the investment portfolio of XN Crane invested had been listed in 2022 and had a restricted period of sale, the fair value could be measured by significant observable inputs.

Assets and liabilities in Level 2

Valuation techniques used to derive Level 2 fair values are as follows:

Level 2 financial assets at fair value through profit or loss comprise an unlisted fund, wealth management products, derivatives and an equity instrument. For the unlisted fund, fair value was determined using RMB loan interest rate for over 5 years, RMB risk-free rate and bond default probability that are observable market inputs. For wealth management products, fair value was determined by the quoted price of the net asset value by financial institutions as at the end of the reporting period. For derivatives, the fair value was determined using the forward foreign exchange rate and CNH risk-free rate that are observable market inputs. For the equity instrument, the fair value was determined by valuation techniques using observable inputs.

Assets and liabilities in Level 3

The significant unobservable inputs used in the fair value measurements categorised within Level 3 of the fair value hierarchy as at 31 December 2023 and 2022 are shown below:

	Valuation technique	**Significant unobservable inputs**	**31 December 2023**	31 December 2022
Office	Income approach	Net yield	**5.5%**	5.5%
		Estimated rental value (per square metre and per month)	**83**	83
		Long term vacancy rate	**18%**	18%
Retail	Income approach	Net yield	**5.5%**	5.5%
		Estimated rental value (per square metre and per month)	**165**	170
		Long term vacancy rate	**25%**	25%
Car park	Income approach	Net yield	**5.5%**	5.5%
		Estimated rental value (per square metre and per month)	**390**	400
		Long term vacancy rate	**30%**	30%
Non-listed equity investments	Discounted cashflow approach	Discount rate	**7.0%**	7.0%
	Market valuation approach	Discounts for lack of marketability	**30%, 32%**	30%

Sensitivity analysis of the significant unobservable inputs to fair value:

The higher net yield used in the fair value measurement of office, the retail and the car park spaces, the lower the fair value;

The higher the estimated rental value used in the fair value measurement of office, the retail and the car park spaces, the higher the fair value;

The higher the long term vacancy rate used in the fair value measurement of office and the retail spaces, the lower the fair value;

The higher net yield used in the fair value measurement of non-listed equity investments, the lower the fair value;

The higher the discounts for lack of marketability used in the fair value measurement of non-listed equity investments, the lower the fair value.

The movements of financial assets at fair value through profit or loss in fair value measurements within Level 3 during the year are as follows:

	Year ended 31 December 2023	Year ended 31 December 2022
At beginning of year	**120,306**	79,313
Total gains recognised in profit or loss	**5,099**	23,000
Transfer to level 2	**—**	(31,863)
Purchases	**42,721**	49,856
Disposals	**(2,778)**	—
At end of year	**165,348**	120,306

28. CONTINGENT LIABILITIES

Shanghai CNTD Management Consulting Company Limited ("**Shanghai Management**") is currently a defendant in the lawsuits brought by Shanghai Hengchang Trading Co., Ltd. and Shanghai Yuanyi Industrial Co., Ltd., which were alleged for the over-received amount of RMB14,400 thousand and RMB1,000 thousand, respectively, in relation to certain consideration and payments of the Disposal Assets.

The directors of the Company (the "**Directors**"), based on the advice from the Group's legal counsel, believe that Shanghai Management has valid defense against the allegation and, accordingly, the Group has not provided for any claim arising from the litigation, other than the related legal and other costs.

29. SUBSEQUENT EVENT

As of 28 March 2024, there was no significant event occurred after the reporting period.

30. COMPARATIVE AMOUNTS

As further explained in Note 3 to the financial statements, due to the adoption of the new and revised IFRSs during the current year, the accounting treatment and presentation of certain items and balances in the financial statements have been revised to comply with the new requirements. Accordingly, certain prior year adjustments have been made, and certain comparative amounts have been reclassified and restated to conform with the current year's presentation and accounting treatment.

MANAGEMENT DISCUSSION AND ANALYSIS

a) Fair review of development of business of the Group during the financial year and of their financial position at the end of the year:

Operating Results

Revenue

Our results from operation primarily refers to our performance in land development, urbanization development and property leases. During the year ended 31 December 2023 (the "**Year 2023**"), the Group recorded revenue of RMB337 million, representing an increase of 11% over that for the year ended 31 December 2022 (the "**Year 2022**"). In 2023, the Group recorded revenue of RMB13.37 million from land development, representing an increase of 399% over that in the same period of last year, mainly due to the completion and settlement of SGLD Plot D1–3 kindergarten project, thus the land development revenue carried forward increased. Urbanization development revenue and other income increased by 20% on a combined basis to RMB179 million, mainly attributable to the increase of the balance of investment in urbanization projects compared to the same period of last year, resulting an increase in the revenue of investment projects. For Year 2023, it recorded revenue from investment properties of RMB145 million, including income from property leases of RMB110 million and income from property management fee of RMB35 million, basically the same as that in the same period of last year.

Other income

For Year 2023, other income amounted to RMB89,907 thousand, representing a decrease of 11% over that in the same period of Year 2022. It was mainly because the interest income from bank deposits increased by RMB23,776 thousand over that in the same period of Year 2022, net fair value gain on financial instruments at fair value through profit or loss increased by RMB11,911 thousand over that in the same period of Year 2022, investment income from financial instruments at fair value through profit or loss decreased by RMB27,012 thousand over that in the same period of Year 2022 and fair value gain on investment property decreased by RMB10,863 thousand over that in the same period of Year 2022. Besides, foreign exchange gain in Year 2023 decreased by RMB6,242 thousand over that in Year 2022.

Cost of sales

For Year 2023, cost of sales amounted to RMB38,441 thousand, including primarily land development cost of RMB4,031 thousand and cost of property management service of RMB25,555 thousand. The cost of sales was decreased by 11% over that in the same period of Year 2022, mainly due to a decrease in land development cost by 53% in Year 2022 resulting from the land development cost carried forward of SGLD Plot D1–3 kindergarten project with a decrease of RMB4,613 thousand. Cost of property management service and other property operations increased by 8%, which was due to an increase in asset operation management services expenditure.

Selling and administrative expense

For Year 2023, selling and administrative expenses amounted to RMB113 million, representing a decrease of 3% over that in the same period of Year 2022, mainly due to employee benefits decreased by RMB2,914 thousand, intermediary and professional service charge decreased by RMB2,043 thousand, and an audit fees and non-audit fees increased by RMB637 thousand.

Other expenses

For Year 2023, other expenses were RMB15,483 thousand, representing a decrease of 86% over that in the same period of Year 2022, mainly due to the impairment of land development for sale of Shenyang Lixiang project of RMB109 million in Year 2022 and net foreign exchange loss of RMB12,209 thousand was recognised in Year 2023.

Reversal of impairment losses/(impairment losses) on financial assets

Reversal of impairment losses on financial assets of RMB44,554 thousand was recorded for Year 2023, which was mainly due to the reversal of impairment losses on the receivables of SREI of RMB56,201 thousand. In addition, the provision for impairment losses on debt instruments amounted to RMB11,413 thousand. Impairment losses on financial assets of RMB25,114 thousand were recorded for Year 2022.

Finance costs

For Year 2023, total net finance costs amounted to RMB91,192 thousand, representing an increase of RMB46,577 thousand over that in the same period of Year 2022, mainly due to interest expenses of RMB41,548 thousand for the new guaranteed bonds. No interest capitalization was accrued for Years 2022 and 2023.

Share of losses from joint ventures and associates

For the Year 2023, the Group's share of losses from joint ventures and associates was RMB12,351 thousand, including shares of loss of RMB7,910 thousand from Guowan, loss of RMB4,775 thousand from Nanjing Guoying Zhongxi Development Company Limited, and gain of RMB870 thousand from Kaiyuan Education Fund LP. As most of the other joint ventures and associates were under construction, no stable income was derived at this stage.

Taxation

For the Year 2023, the Group recorded income expense tax of RMB49,827 thousand, such income tax was mainly attributable to i) current income tax expenses of RMB22,420 thousand; ii) deferred tax expense charge of RMB17,454 thousand; and iii) withholding tax of RMB9,953 thousand.

Financial Position

Investment in joint ventures

The balances as at 31 December 2023 decreased by RMB13,211 thousand over that at the end of 2022, mainly due to share of losses of RMB13,211 thousand from joint ventures.

Investment in associates

The balance as at 31 December 2023 increased by RMB3,508 thousand over that at the end of 2022, mainly due to the share of profit of RMB860 thousand from associates and share of other comprehensive income arising from associates of RMB2,518 thousand due to foreign currency translation.

Debt instruments at amortised cost (non-current assets)

The balances of debt instruments at amortised cost (non-current assets) for Year 2023 amounted to RMB943 million, an increase of RMB228 million over that at the end of 2022. Such increase was mainly due to (i) the collection of the debt instruments on expiration of RMB251 million, with the reversal of ECLs of RMB2,510 thousand; (ii) the classification of RMB268 million of Yangzhou Jiangdu People's Hospital New Project and RMB200 million of Hubei Daye Advanced Manufacturing Standard Plant Construction Project from non-current assets to current assets; and (iii) the increase of RMB500 million of Wuxi Gaoxin District Industrial Park Project, RMB200 million of Wuxi Xinwu District Canal Culture and Technology Industrial Park Construction Project and RMB150 million of the Jiangyin Changjing Industrial Park Sewage-treatment Plant Project.

Financial assets at fair value through profit or loss (non-current assets)

The balance as at 31 December 2023 amounted to RMB217 million, representing an increase of RMB54,107 thousand over that at the end of Year 2022. It was mainly due to the new investment of RMB17.72 million made to Gongqingcheng Xuhui Guanding Project in 2023 and the increase in fair value of the project in an amount of RMB4,097 thousand; the new investment of RMB25.0 million made to Yixing Xinzhan Project and the increase in fair value of XN Crane Project in an amount of RMB9,065 thousand.

Right-of-use assets

The balance as at 31 December 2023 increased by RMB17,706 thousand over that at the end of Year 2022, which was mainly due to the increase in right-of-use assets of the new buildings of RMB29,572 thousand and the depreciation in right-of-use assets of RMB11,866 thousand in Year 2023.

Other receivables

The balance as at 31 December 2023 increased by RMB35,967 thousand over that at the end of Year 2022. This was mainly due to the offset of receivables from SREI of RMB50,250 thousand and the increase in prepaid profits tax of RMB21,927 thousand in other receivables in 2023, as well as the reversal of provision for ECLs of RMB55,908 thousand.

Trade receivables

The balance as at 31 December 2023 decreased by RMB2,613 thousand over that at the end of Year 2022, which was mainly due to the collection of rental receivables of Wuhan Chuguang Industry New Development Co. Ltd. ("**Wuhan Chuguang**").

Debt instruments at amortised cost (current assets)

The balance as at 31 December 2023 was RMB1,849 million, representing an increase of RMB902 million as compared to the balance as at the end the Year 2022. This was mainly due to the collection of the debt instruments on expiration of RMB835 million, with the reversal of ECLs of RMB8,350 thousand; the increase of RMB500 million of Yangzhou Hanjiang Industrial Park Infrastructure Project, RMB500 million of Liyang High-tech Zone Industrial Base Quality Improvement and Upgrading Phase I Project, RMB351 million of Wuxi Liangxi District Food Science and Technology Innovation Center Project; the classification of RMB268 million of Yangzhou Jiangdu People's Hospital New Project and RMB200 million of Hubei Daye Advanced Manufacturing Standard Plant Construction Project from non-current assets to current assets.

Financial assets at fair value through profit or loss (current assets)

The balance as at 31 December 2023 of RMB19,176 thousand mainly comprises the wealth management products issued by China Merchants Bank and Ping An Bank. The balance decreased by RMB876 million compared to the end of 2022, which was mainly due to the redemption of wealth management products of RMB873 million in the 2023 for the purpose of projects investment.

Other current assets

The balance as at 31 December 2023 of RMB7,234 thousand mainly comprises the value-added tax to be deducted in Mainland China.

Interest-bearing loans and borrowings

The balance as at 31 December 2023 increased by RMB1,199 million as compared with the balance as at the end of 2022. This was mainly due to the completion of the issuance of RMB1,500 million guaranteed bonds by Success, the drawdown of RMB15 million of the short-term loan from China Merchants Bank, the repayment of the loan of RMB82 million to Bank of China and the short-term loan of RMB10 million to China Merchants Bank by Wuhan Chuguang, the repayment of the loan of EUR34 million and USD4.8 million to CCB (Asia) by CNT Holding, and the accrued interest of other borrowings due to shareholder loans obtained from Huzhou Tongchuang Jintai Huizhong Enterprise Management Partnership (Limited Partnership)* (湖州同創金泰匯眾企業管理合夥企業(有限合夥)) increased by RMB6.886 million and an increase in lease liabilities of RMB17.805 million due to the renewal of the lease of the office building of Xincheng Kaiyuan.

Guaranteed bonds

Please refer to Note 22 for the details of the guaranteed bonds.

* *for identification purpose only*

Significant investment

The significant investment held by the Group during the Year 2023 is as follows:

	Cost *(RMB)*	**Redemption during the Year 2023** *(RMB)*	**Fair Value as at 31 December 2023** *(RMB)*	**Investment income during the Year 2023** *(RMB)*	**Percentage to the total assets as at 31 December 2023**
2023 Exchange Rate-linked Monthly Structured Deposit Company Product No. 3 (Product code: 2023101040927) — China Everbright Bank Company Limited Wuxi Branch	50,000 thousand	50,000 thousand	—	266 thousand	—

The Directors believes that using temporarily idle funds reasonably and effectively will enhance the capital gain of the Group which is consistent with the core objectives of the Group to ensure capital safety and liquidity and meet the capital needs of the Group's daily operations and dividend payment, etc. The risk associated with subscription of structured deposit products is low, while the Group can enjoy a relatively higher return from investments in structural deposit products after comparing quotes from different banks.

Save as disclosed above, the Group did not have any significant investments for the Year 2023.

Trade payables

The balance as at 31 December 2023 increased by RMB1,925 thousand as compared with the balance as at the end of 2022, which was mainly due to the provision by SGLD of the construction expenditure of Plot D1–3 kindergarten project.

Other payables and accruals

The balance as at 31 December 2023 decreased by RMB61,117 thousand as compared with the balance as at the end of 2022, which was mainly due to the decrease of RMB42,250 thousand in the amount due to Wuxi Project in 2023.

Contract liabilities

The balance as at 31 December 2023 decreased by RMB13,826 thousand as compared with the balance as at the end of 2022, which was mainly due to the completion and settlement of the SGLD Plot D1–3 kindergarten project, and the carry-forward contract liabilities of RMB13.374 million.

Cash and bank balances

Overall, cash and cash equivalents for the Year 2023 increased by RMB950 million as compared with the balance as at the end of Year 2022, with a balance of RMB1,454 million as at 31 December 2023, which were mainly due to net cash outflow from operating activities of RMB20 million, net cash outflow from investing activities of RMB72 million, and net cash inflow from financing activities of RMB1,042 million during the Year 2023.

Gearing ratio (defined as net debt/the sum of shareholders equity and net debt) as at 31 December 2023 was 16%, which increased as compared with 12% as at 31 December 2022. This was mainly due to the completion of the issuance of RMB1,500 million guaranteed bonds by Success.

Others

Material acquisitions and disposals of subsidiaries, associates and joint ventures

Save as disclosed in the "financial position" section and "details of important events affecting the Group which have occurred since the end of the previous financial year" section in the management discussion and analysis, the Group did not have any material acquisitions and disposals of subsidiaries, associates and joint ventures during the Year 2023.

Foreign exchange exposure

The Group's exposure to the risk of changes in foreign exchange rates relates primarily to its foreign currency cash and bank balances, debt investments at amortised cost, financial instruments at fair value through profit or loss and interest-bearing bank borrowings. The Group will continue to monitor closely the foreign exchange exposure and will implement the necessary hedging arrangement to mitigate any significant foreign exchange risk when and if appropriate.

Treasury policies

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the Year 2023. The Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time. Surplus cash will be invested appropriately so that the Group's cash requirements for the Group's strategy or direction from time to time can be met.

Pledge of assets

During the Year 2023, the Group pledged its investment property to secure the bank borrowings.

Contingent liabilities

Shanghai Management is currently a defendant in the lawsuits brought by Shanghai Hengchang Trading Co., Ltd. and Shanghai Yuanyi Industrial Co., Ltd., which were alleged for the over-received amount of RMB14,400 thousand and RMB1,000 thousand, respectively, in relation to certain consideration and payments of the Disposal Assets.

The Directors, based on the advice from the Group's legal counsel, believe that Shanghai Management has valid defense against the allegation and, accordingly, the Group has not provided for any claim arising from the litigation, other than the related legal and other costs.

Save as disclosed above, as at 31 December 2023, the Group did not have any significant contingent liabilities.

b) Details of important events affecting the Group which have occurred since the end of the previous financial year:

In 2023, China's economy faced dual pressures of complex and severe international environment and the arduous task of domestic reform and development stability. With the recovery of the domestic economy, steady improvement in supply and demand, active progress in transformation and upgrading, and overall stability in employment and prices, China continued to advance towards the comprehensive construction of a modern socialist country, while the political and economic environment abroad remained complex and turbulent. Despite the pressure, China has achieved its major expected growth target in the economy. In 2023, China's national gross domestic product (GDP) actually grew by 5.2% year-on-year to RMB126 trillion, and per capita GDP reaching RMB89,358, representing an actual increase of 5.4% over the previous year, showing the continuous growth in total economic volume and per capita level. The basic trend of long term improvement of China's economy remains unchanged, and the factors supporting the high quality development of China's economy are progressively increasing.

In 2023, the Group accelerated the pace of business structure adjustment and the establishment of the main business direction. Under the support of shareholders, Wuxi Communications and CDBC, the Group adhered to the principle of seeking progress while maintaining stability and accelerated business transformation and improved quality and efficiency, so as to achieve satisfactory results. The Group relied on the resources of shareholders and took advantage of a mixed ownership structure as a "local state-owned enterprise + central enterprise financial institution" to expand investment opportunities in key economic regions in Wuxi and other regions in Jiangsu, providing a good foundation for the Group to determine the investment direction of emerging industries during the business transformation period and boosted the business development of the Group. By laying out investment opportunities in the segments of healthcare industries, strategic emerging industries, and information technology application innovation that are in line with the development prospects of the new economy, the Group has accumulated project experience, focused on key tracks, and successively completed the investment in minority equity projects in respect of semi-conductors and new materials and other industries.

In 2023, the Group has promoted a shift in the investment direction of new businesses and optimisation of the Group's layout, focusing on vitalising the existing projects and assets, stabilising the stable operation of its existing projects, and dissolving the existing non-performing assets in an orderly manner. Under the influence of the downward pressure in macro economy, the rental rate of Optical Valley New Development International Center Project in Wuhan maintained stable, at above 93% in terms of building office, and above 82% in terms of shops, throughout the year. In respect of fixed income business, the Group deployed in economically developed regions and optimised its investment structure by shifting its fixed income business to economically developed regions such as Jiangsu. As at the end of 2023, the balance of fixed income investment portfolio was RMB2.663 billion, with 7 new investment projects and a cumulative investment amount of RMB2.6 billion, representing an average annualised yield pre-tax ratio of approximately 7.06%.

At the same time, the Group has leveraged on the synergies of its shareholders to conduct in-depth studies on different financing strategies, optimise the use of funds and realise the co-ordinated management of domestic and overseas funds. In particular, Wuxi Communications, a shareholder of the Company, provided guarantee as credit enhancement, and the Group overcame various difficulties and successfully completed the issuance of RMB1.5 billion RMB Free Trade Zone Bonds with a maturity period of three years with a coupon rate of 3.98%, which was the lowest interest rate for RMB Free Trade Zone Bonds listed overseas in Jiangsu Province at the time of issuance, providing the Group with sufficient liquidity for its future business development.

On 15 December 2023, Xincheng Kaiyuan and Shanghai Jiatong Enterprises Co., Ltd. (both are wholly-owned subsidiaries of the Company) entered into a limited partnership agreement with Wuxi Guosheng Asset Management Company Limited (a wholly-owned subsidiary of Wuxi Tonghui Capital Company Limited ("**Wuxi Tonghui**")) and Wuxi Tonghui (a wholly-owned subsidiary of Wuxi Communications) to jointly set up Wuxi Xinsheng Investment Partnership (Limited Partnership) (the "**Partnership**"). The formation of Partnership constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and was approved by the independent shareholders of the Company at an extraordinary general meeting of the Company held on 22 March 2024. For details, please refer to the Company's (i) announcements dated 15 December 2023, 8 January 2024, 28 February 2024 and 22 March 2024 respectively; and (ii) circular dated 6 March 2024.

c) Potential business development of the Group in future:

Looking forward to the year 2024, the Group will keep seeking investment opportunities prudently amid challenges. By sticking to business transformation, in response to national guidelines and policies and being market-oriented, the Company will vigorously expand its equity investment business in new economic sectors such as healthcare industry, strategic emerging industry and infotech technology application innovation industry, continue to achieve the gradual upgrading of "industrial fund + mergers and acquisitions", "mergers and acquisitions and integration + extension" and "mergers and acquisitions + ecological improvement" according to the path of "clarification of the main business → integration and development → value enhancement", and continuously integrate and improve the Company's overall value. Meanwhile, we operate quality assets stably and dispose of existing inefficient assets, steadily advance the premier development of the Company, and continuously create core value for shareholders in the long run.

APPRECIATION STATEMENT

The Board would like to take this opportunity to express its heartfelt appreciation for the trust and support of the strategic investors of the Group and shareholders, and to express its sincere gratitude to all members of the Board and all executives and staff of the Group for their team spirit and loyal services during the challenging year.

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

The Company did not redeem any of its listed securities nor did the Company or any of its subsidiaries purchase or sell any of such securities during the Year 2023.

CORPORATE GOVERNANCE

During the Year 2023, the Company has complied with all the principles and code provisions set out in the Corporate Governance Code contained in Part 2 of Appendix C1 to the Rules Governing the Listing of Securities on the HKEx (the "**Listing Rules**").

DIRECTORS' COMPLIANCE WITH THE CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the "**Model Code**") as its code of conduct for dealings in securities of the Company by the Directors. Specific enquiries had been made by the Company to all Directors who have confirmed that they had complied with the required standard as set out in the Model Code throughout the Year 2023.

EMPLOYEE AND REMUNERATION POLICY

As at 31 December 2023, there were 89 (2022: 88) employees in the Group. During the Year 2023, the total staff cost including Directors' remuneration amounted to approximately RMB53.84 million (RMB56.75 million). Staff remuneration packages are determined in consideration of market conditions and the performance of the individuals concerned, and are subject to review from time to time. The Group also provides other staff benefits including medical insurance, and grants discretionary incentive bonuses to eligible staffs based on their performance and contributions to the Group. The Group also provide and arrange on-the-job training for the employees.

ANNUAL GENERAL MEETING

An annual general meeting of the Company will be held on Friday, 21 June 2024 (the "**2024 AGM**"). The notice of the 2024 AGM will be published on the Company's website (www.china-newtown.com) and the website of the HKEx (www.hkexnews.hk) in the manner prescribed under the Listing Rules in due course.

FINAL DIVIDEND

The Board has resolved to recommend the payment of final dividend of HK$0.0034 per ordinary share of the Company (the "**Share**") for the Year 2023 (2022: Nil) payable to the shareholders whose names appear on the register of members of the Company (the "**Register of Members**") at the close of business on Thursday, 18 July 2024. The proposed final dividend for the Year 2023 is subject to the approval of the shareholders at the 2024 AGM. It is expected that the final dividend will be paid to the shareholders by the Company on or before Friday, 16 August 2024.

CLOSURE OF REGISTER OF MEMBERS

For 2024 AGM

The Register of Members will be closed from Tuesday, 18 June 2024 to Friday, 21 June 2024 (both days inclusive), during which period no transfer of Shares will be registered, for ascertaining shareholders' entitlement to attend the forthcoming 2024 AGM. In order to qualify for attending and voting at the 2024 AGM, the shareholders must lodge all duly completed transfer forms accompanied by the relevant share certificates with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration no later than 4:30 p.m. on Monday, 17 June 2024.

For proposed final dividend

The Register of Members will be closed from Tuesday, 16 July 2024 to Thursday, 18 July 2024 (both days inclusive), during which period no transfer of Shares will be registered, for ascertaining shareholders' entitlement to receive the proposed final dividend. In order to be eligible to receive the proposed final dividend, the non-registered shareholders must lodge all duly completed transfer forms accompanied by the relevant share certificates with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration no later than 4:30 p.m. on Monday, 15 July 2024.

AUDIT COMMITTEE

The audit committee of the Board (the "**Audit Committee**") comprises three independent non-executive Directors, namely Mr. Henry Tan Song Kok (committee chairman), Mr. Zhang Hao and Mr. Lo Wai Hung.

The Audit Committee has reviewed the accounting principles and standards adopted by the Group, and has discussed and reviewed the risk management and internal control systems, and reporting matters. The Group's audited consolidated financial statements and final results for the Year 2023 have been reviewed by the Audit Committee.

PUBLICATION OF FINAL RESULTS AND ANNUAL REPORT

The final results announcement of the Company is published on the websites of the Company (www.china-newtown.com) and the HKEx (www.hkexnews.hk). The 2023 annual report of the Company containing all information required by the Listing Rules will be available on the above websites in due course.

By order of the Board
China New Town Development Company Limited
Hu Zhiwei
President

Hong Kong, 28 March 2024

As at the date of this announcement, the executive Directors, namely Mr. Hu Zhiwei (President), Ms. Yang Meiyu (Chief Executive Officer), Mr. Shi Janson Bing and Mr. Liu Fangqing; the non-executive Directors, namely Mr. Liu Yuhai (Chairman), Mr. Li Yao Min (Vice Chairman), Mr. Wang Hongxu and Mr. Feng Xiaoliang; and the independent non-executive Directors, namely Mr. Henry Tan Song Kok, Mr. Kong Siu Chee, Mr. Zhang Hao and Mr. Lo Wai Hung.