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Great Wall Terroir
長 城 天 下

Great Wall Terroir Holdings Limited
長城天下控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 524)

AUDITED FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

HIGHLIGHTS FOR THE YEAR

- The Group's revenue for the year ended 31 December 2024 amounted to approximately HK$81.2 million, representing a decrease of approximately 8.9% from approximately HK$89.1 million for the year ended 31 December 2023.
- The loss attributable to owners of the Company for the year ended 31 December 2024 amounted to approximately HK$25.7 million, representing a decrease of approximately 27.2% from approximately HK$35.3 million for the year ended 31 December 2023.
- The Board does not recommend the payment of a final dividend for the year ended 31 December 2024 (2023: nil).

RESULTS

The board (the "**Board**") of directors (the "**Director(s)**") of Great Wall Terroir Holdings Limited (the "**Company**") herein announces the audited consolidated financial results of the Company and its subsidiaries (collectively, the "**Group**") for the year end 31 December 2024 (the "**Year**"), together with comparative figures for the year ended 31 December 2023, as set out below.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2024

	Notes	**2024** *HK$'000*	2023 *HK$'000*
Revenue	*3*		
– Contracts with customers		**79,868**	87,731
– Leases		**1,344**	1,344
Total revenue		**81,212**	89,075
Cost of sales		**(76,043)**	(84,012)
Gross profit		**5,169**	5,063
Other income, gains and losses	*4*	**(5,340)**	(7,986)
Selling and distribution expenses		**(620)**	(517)
Operation and administrative expenses		**(24,083)**	(30,201)
Reversal of (loss allowance), net on			
– Trade receivables		**454**	(564)
– Other receivables		**(36)**	(101)
Write-off of trade receivables		**(22)**	(145)
Write-off of other receivables		**–**	(95)
Net unrealised loss on financial assets at fair value through profit or loss ("**FVTPL**")		**–**	(1)
Gain on derecognition of a designated fair value through other comprehensive income ("**FVTOCI**")		**889**	–
Finance costs	*5(a)*	**(1,865)**	(513)
Loss before taxation	*5*	**(25,454)**	(35,060)
Income tax expense	*6*	**(196)**	(193)
Loss for the year attributable to owners of the Company		**(25,650)**	(35,253)
		HK cents	*HK cents*
Loss per share			
Basic and diluted	*8*	**(13.0)**	(17.9)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	2024	2023
	HK$'000	*HK$'000*
Loss for the year	**(25,650)**	(35,253)
Other comprehensive (expense) income for the year		
Item that will not be subsequently reclassified to profit or loss:		
Designated FVTOCI		
– net movement in investment revaluation reserve	**(908)**	(23)
Item that is or may be subsequently reclassified to profit or loss:		
Exchange differences on translation of foreign subsidiaries	**13**	(7)
Other comprehensive expense for the year	**(895)**	(30)
Total comprehensive expense for the year attributable to owners of the Company	**(26,545)**	(35,283)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Notes	2024 HK$'000	2023 HK$'000
Non-current assets			
Property, plant and equipment		**276**	81
Right-of-use assets		**–**	–
Investment properties		**44,400**	49,800
Interest in an associate		**–**	–
Designated FVTOCI		**1,868**	1,887
Other receivables	*9*	**792**	772
		47,336	52,540
Current assets			
Inventory		**833**	1,279
Trade and other receivables	*9*	**12,592**	13,189
Contract costs		**305**	314
Financial assets at FVTPL		**10**	10
Pledged bank deposits		**158**	161
Bank balances and cash		**5,848**	6,121
		19,746	21,074
Current liabilities			
Trade and other payables	*10*	**50,785**	28,156
Tax payables		**1**	56
Borrowing		**8,672**	9,000
Lease liabilities		**3,237**	3,402
		62,695	40,614
Net current liabilities		**(42,949)**	(19,540)
Total assets less current liabilities		**4,387**	33,000

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 31 December 2024

	Notes	2024 HK$'000	2023 HK$'000
Non-current liabilities			
Other payables	*10*	**395**	395
Lease liabilities		**2,749**	4,817
Deferred tax liabilities		**204**	204
		3,348	5,416
Net assets		**1,039**	27,584
Capital and reserves			
Share capital	*11*	**19,693**	19,693
Reserves		**(18,654)**	7,891
Total equity		**1,039**	27,584

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRS(s)**"), which collective term includes all applicable HKFRSs, Hong Kong Accounting Standards ("**HKAS(s)**") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"), accounting principles generally accepted in Hong Kong, the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622) and the applicable disclosure requirements of the Rules (the "**Listing Rules**") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

The consolidated financial statements are presented in Hong Kong dollars ("**HK$**"), which is also the functional currency of the Company.

All amounts have been rounded to the nearest thousand, unless otherwise indicated.

The measurement basis used in the preparation of these consolidated financial statements is historical cost, except for investment properties and financial instruments, which were measured at fair values.

Going concern

The Group incurred a net loss attributable to owners of the Company of approximately HK$25,650,000 for the Year, and as at the same date, the Group's current liabilities exceeded its current assets by approximately HK$42,949,000.

For the assessment of going concern, the Directors are of the opinion that the Group would be able to continue as going concern as the Group has sufficient financial resources to support the operation of the Group in the foreseeable future, after taking into consideration of the followings:

(a) A shareholder of the Company has granted a loan facility to the Group and undertaken to provide adequate funds to enable the Group to meet its liabilities and to pay financial obligations to third parties as and when they fall due so that the Group can continue as a going concern and carry on its business without significant curtailment of operations for the twelve months from the date of this announcement;

(b) The Directors will strengthen and implement measures aiming at improving the working capital and cash flows of the Group, including closely monitoring the general administrative expenses and operating cost; and

(c) The Group will seek to obtain additional new financial support including but not limited to borrowing loans, issuing additional equity or debt securities.

In view of the above measures, the Directors are of the opinion that the Group will have adequate funds to meet its liabilities as and when they fall due for at least twelve months from the date of this announcement.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRSs

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2024 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

Amendments to HKFRS 7 and HKFRS 9	Classification and Measurement of Financial Instruments[2]
Amendments to HKAS 28 and HKFRS 10	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11[2]
Amendments to HKAS 21	Lack of Exchangeability[1]
HKFRS 18	Presentation and Disclosure in Financial Statements[3]

[1] *Effective for annual periods beginning on or after 1 January 2025.*
[2] *Effective for annual periods beginning on or after 1 January 2026.*
[3] *Effective for annual periods beginning on or after 1 January 2027.*
[4] *Effective for annual periods beginning on or after a date to be determined.*

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRSs (Continued)

New and amendments to HKFRSs in issue but not yet effective (Continued)

Except for the new HKFRSs mentioned below, the Directors anticipate that the application of all other new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 Presentation of Financial Statements. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 and HKFRS 7. Minor amendments to HKAS 7 Statement of Cash Flows and HKAS 33 Earnings per Share are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group's consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

	2024	2023
	HK$'000	*HK$'000*
Revenue from contracts with customers		
Income from telecommunication services	**78,871**	86,683
Income from information technology business ("**IT Business**")	**997**	1,048
	79,868	87,731
Revenue from leases		
Lease payments that are fixed under operating lease	**1,344**	1,344
	81,212	89,075

The revenue from contracts with customers within HKFRS 15 is disaggregated as follows:

	Telecommunication services		**IT Business**		**Total**	
	2024	2023	**2024**	2023	**2024**	2023
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Timing of revenue recognition:						
– at a point in time	**72,690**	80,131	**466**	24	**73,156**	80,155
– over time	**6,181**	6,552	**531**	1,024	**6,712**	7,576
	78,871	86,683	**997**	1,048	**79,868**	87,731

The Group's management, who are the chief operating decision makers, determine the operating segments for the purposes of resource allocation and performance assessment. The business segments of the Group comprise telecommunication services, IT Business and property investment.

Segment results represent the results before taxation earned by each segment without allocation of central operating and administrative expenses. All assets are allocated to reportable segments other than unallocated assets which are mainly designated FVTOCI and financial assets at FVTPL. All liabilities are allocated to reportable segments other than corporate liabilities.

3. REVENUE AND SEGMENT INFORMATION (Continued)

(a) By business segments

Segment results

	Telecommunication services		IT Business		Property investment		Total	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Revenue								
External sales	**78,871**	86,683	**997**	1,048	**1,344**	1,344	**81,212**	89,075
Results								
Segment results	**(1,487)**	(4,613)	**(4,122)**	(11,898)	**(4,070)**	(272)	**(9,679)**	(16,783)
Unallocated other operating income and expenses							**(15,775)**	(18,277)
Loss before taxation							**(25,454)**	(35,060)

Segment assets and liabilities

	Telecommunication services		IT Business		Property investment		Total	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Assets								
Segment assets	**14,275**	15,119	**2,036**	2,862	**44,796**	50,454	**61,107**	68,435
Unallocated assets							**5,975**	5,179
Consolidated total assets							**67,082**	73,614
Liabilities								
Segment liabilities	**(14,168)**	(14,033)	**(5,039)**	(7,445)	**(600)**	(655)	**(19,807)**	(22,133)
Unallocated liabilities							**(46,236)**	(23,897)
Consolidated total liabilities							**(66,043)**	(46,030)

3. REVENUE AND SEGMENT INFORMATION (Continued)

(b) By geographical information

The Group's operations are principally located in Hong Kong, Singapore and the People's Republic of China (the "**PRC**"). The following table provides an analysis of the Group's revenue from external customers by geographical region in which the operations are located:

	Telecommunication services		IT Business		Property investment		Total	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Geographical region:								
– Hong Kong	**958**	19,516	**997**	1,048	**1,344**	1,344	**3,299**	21,908
– Singapore	**53,506**	47,953	**–**	–	**–**	–	**53,506**	47,953
– PRC	**24,407**	19,214	**–**	–	**–**	–	**24,407**	19,214
	78,871	86,683	**997**	1,048	**1,344**	1,344	**81,212**	89,075

The following is an analysis of the carrying amounts of non-current assets (excluding financial instruments) by geographical area in which the assets are located:

	2024	2023
	HK$'000	*HK$'000*
Hong Kong	**45,459**	50,592
Singapore	**–**	41
PRC	**9**	20
	45,468	50,653

(c) Information about major customers

Revenue from external customers contributing 10% or more of the revenue from the telecommunication services segment is as follows.

	2024	2023
	HK$'000	*HK$'000*
Customer A	**23,738**	20,038
Customer B	**23,740**	20,077
Customer C	**–**	10,704
Customer D	**24,406**	19,214

4. OTHER INCOME, GAINS AND LOSSES

	2024	2023
	HK$'000	*HK$'000*
Fair value loss on investment properties	**(5,400)**	(1,600)
Government subsidy	**73**	96
Gain on disposal of property, plant and equipment	**2**	5
Impairment losses on property, plant and equipment	**–**	(108)
Impairment losses on right-of-use assets	**(1,148)**	(6,597)
Interest income from bank	**8**	153
Net foreign exchange losses	**(12)**	(41)
Sundry income	**69**	55
Write-back of trade payables	**–**	51
Write-back of other payables	**1,068**	–
	(5,340)	(7,986)

5. LOSS BEFORE TAXATION

Loss before taxation has been arrived at after charging (crediting) the following:

	2024	2023
	HK$'000	*HK$'000*
(a) Finance costs		
Interest expenses on lease liabilities	**441**	404
Interest expenses on loans from a Director	**1,107**	–
Interest expenses on borrowing	**317**	109
	1,865	513
(b) Other items		
Employee salaries and other benefits (including Directors' emoluments)	**12,770**	13,779
Retirement benefit scheme contributions	**840**	720
Total staff costs	**13,610**	14,499
Gross rental income from investment properties	**(1,344)**	(1,344)
Less: direct operating expenses incurred for investment properties that generated rental income	**3**	3
	(1,341)	(1,341)
Auditor's remuneration:		
– audit services	**910**	1,037
– other services	**110**	125
Cost of services (included in cost of sales)	**75,598**	83,990
Cost of inventory sold (included in cost of sales)	**445**	22
Depreciation of:		
– property, plant and equipment	**93**	41
– right-of-use assets	**1,147**	1,522
Lease expenses on short-term leases	**619**	492
Net foreign exchange losses	**12**	41

6. TAXATION

Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profit for the years ended 31 December 2024 and 2023.

	2024	2023
	HK$'000	*HK$'000*
Current tax:		
Hong Kong Profits Tax		
Current year	**(196)**	(193)

7. DIVIDENDS

The Board does not recommend the payment of a dividend for the years ended 31 December 2024 and 2023.

8. LOSS PER SHARE

The calculation of the loss per share for the Year is based on the loss attributable to owners of the Company of approximately HK$25,650,000 (2023: approximately HK$35,253,000) and the number of ordinary shares of approximately 196,928,000 in issue during the years ended 31 December 2024 and 2023.

The Group has no dilutive potential ordinary shares in issue during the current and prior year and, therefore, the diluted loss per share is the same as basic loss per share for the both years presented.

9. TRADE AND OTHER RECEIVABLES

	Note	2024 HK$'000	2023 HK$'000
Trade receivables			
Trade receivables from contracts with customers		**11,323**	11,940
Loss allowances on trade receivables		**(719)**	(1,254)
	(a)	**10,604**	10,686
Other receivables			
Deposits		**1,761**	1,622
Prepayments		**735**	1,225
Other debtors		**4,647**	4,664
Deferred lease receivables		**168**	264
		7,311	7,775
Loss allowances on other receivables		**(4,531)**	(4,500)
		2,780	3,275
Total trade and other receivables		**13,384**	13,961
Analysed for reporting purpose as:			
Current assets		**12,592**	13,189
Non-current assets		**792**	772
		13,384	13,961

9. TRADE AND OTHER RECEIVABLES (Continued)

Note:

(a) The Group's credit terms on sales mainly ranged from 30 to 90 days. Included in trade and other receivables are trade receivables (net of loss allowances) with the following ageing analysis by transaction date:

	2024	2023
	HK$'000	*HK$'000*
Less than 1 month	**6,060**	3,796
1 to 3 months	**4,216**	5,763
More than 3 months but less than 12 months	**128**	738
More than 12 months	**200**	389
	10,604	10,686

10. TRADE AND OTHER PAYABLES

		2024	2023
	Note	***HK$'000***	*HK$'000*
Trade payables	*(a)*	**9,474**	11,494
Other payables			
Accrued charges and other creditors		**11,163**	9,781
Contract liabilities		**738**	1,071
Deposit received		**495**	495
Loans from a Director		**23,600**	–
Loans from former Directors		**5,710**	5,710
		41,706	17,057
Total trade and other payables		**51,180**	28,551
Analysed for reporting purpose as:			
Current liabilities		**50,785**	28,156
Non-current liabilities		**395**	395
		51,180	28,551

10. TRADE AND OTHER PAYABLES (Continued)

Note:

(a) Ageing analysis of trade payables by transaction date is summarised as follows:

	2024	2023
	HK$'000	*HK$'000*
Less than 1 month	**2,969**	3,454
1 to 3 months	**4,201**	5,649
More than 3 months but less than 12 months	**322**	886
More than 12 months	**1,982**	1,505
	9,474	11,494

11. SHARE CAPITAL

	Number of shares	**Amount**
		HK$'000
Ordinary shares of HK$0.1 each		
Authorised:		
Balance as at 1 January 2023	12,000,000,000	120,000
Share Consolidation *(Note (a))*	(10,800,000,000)	–
Balance as at 31 December 2023, 1 January 2024 and 31 December 2024	1,200,000,000	120,000
Issued and fully paid:		
Balance as at 1 January 2023	1,969,275,000	19,693
Share Consolidation *(Note (a))*	(1,772,347,500)	–
Balance as at 31 December 2023, 1 January 2024 and 31 December 2024	196,927,500	19,693

11. SHARE CAPITAL (Continued)

Note:

(a) Pursuant to an ordinary resolution passed by shareholders of the Company (the "**Shareholders(s)**") at the annual general meeting held on 7 June 2023, every ten (10) issued and unissued ordinary shares with a par value of HK$0.01 each in the authorised and issued share capital of the Company were consolidated into one (1) ordinary share with a par value of HK$0.1 each, which became effective on 9 June 2023 (the "**Share Consolidation**"). Details of the Share Consolidation are disclosed in the Company's announcements dated 24 March 2023 and 8 June 2023 and circular dated 27 April 2023 respectively.

12. EVENTS AFTER THE REPORTING PERIOD

No significant event affecting the Company has occurred since the end of the Year.

BUSINESS REVIEW

Overview

During the year 2024, the annual slowdown underscores the economy's struggle to regain momentum following the Coronavirus Disease 2019. In the PRC, the unemployment rate among different age groups is increasing due to the impact of restructuring of real estate-related industries and the shift of manufacturing base in the PRC to other developing countries with better cost advantage. In Singapore, with foreign funds flowing in, the inflationary pressure on living costs in Singapore is significant which now ranks one of the places with the highest living costs around the world. It also places significant pressure on the local labour market, which is already facing a shortage and strict regulations that limit foreign residents from entering the market. The change in communication habits and more intense competition with a variety of service providers also worsen the business landscape. In Hong Kong, poor market sentiment in the retail sector, being overshadowed by the poor performance in the real estate market, continues in 2024. The change in shopping habits poses additional challenges to local retailers as many Hong Kong residents prefer to do online shopping via local and PRC online shopping platforms or travel across the border over the weekends to benefit from lower prices in Mainland China. The Group's business performance also experienced a decline under the volatile business environment described above.

In the PRC, investment growth, particularly in infrastructure and household consumption like e-Commerce sales, experienced another slowdown during 2024. Consumers are reluctant to spend while witnessing a decrease in housing prices and high unemployment rate across a variety of industries. Investment in advanced technological offerings, such as generative AI and autonomous driving systems, by private or state-owned enterprises continued to grow. Global positioning system ("**GPS**") related applications and tracking devices are widely used in commercial vehicles for real-time monitoring, route optimisation and fleet management. The transportation and logistics sector remains the largest end-use industry for GPS devices. Revenue from the PRC for the Year significantly increased by approximately 27.1% to approximately HK$24.4 million, from approximately HK$19.2 million for the preceding year.

BUSINESS REVIEW (CONTINUED)

Overview (Continued)

In Singapore, the Ministry of Trade and Industry of Singapore (the "**MTI**") has upgraded GDP growth forecast for 2024 to around 3.5% in November 2024 from ranged between 1.0% and 3.0% at the beginning of 2024, but against this backdrop of intense labour pressure as described above. Singapore's telecommunication market continues to be a dynamic and competitive landscape which favours market players with heavy infrastructure, market dominance or superior technological advancements. Benefiting from a niche wholesale segment, revenue from Singapore for the Year increased by approximately 11.5% to approximately HK$53.5 million, from approximately HK$48.0 million for the preceding year, which also partially offset the decrease in revenue from Hong Kong derived from a similar segment.

In Hong Kong, the Financial Secretary of the Government of the HKSAR has estimated a budget deficit for the coming fiscal year owing to the shortfall in revenue from land sales and stamp duty. The Government of the HKSAR mentioned the likelihood to minimise the government expenditure like suspension of some existing subsidies under current crucial stage. Even though the prime rate has seen third cut during the year 2024, real estate and equity market-related industries are still struggling to recover, taking into account the uncertainty of future economy in Hong Kong. The consumption sentiment for pervasive Hong Kong residents becomes more prudent which is evident from the increasing vacancy of retail shops in a variety of districts. When compared to revenue for the preceding year, caused by the weak performance in the wholesale segment in Hong Kong during the Year, revenue from Hong Kong for the Year has significantly decreased by approximately 84.9% to approximately HK$3.3 million, from approximately HK$21.9 million for the preceding year.

The Group's overall revenue for the Year decreased by approximately 8.9% to approximately HK$81.2 million, from approximately HK$89.1 million for the preceding year. The loss attributable to owners of the Company for the Year decreased by approximately 27.2% to approximately HK$25.7 million, from approximately HK$35.3 million for the preceding year.

BUSINESS REVIEW (CONTINUED)

Telecom Business

Revenue recorded from the telecom business, which comprised the telecommunication and related information technology businesses in the PRC, Singapore and Hong Kong (the "**Telecom Business**"), amounted to approximately HK$78.9 million for the Year, representing a decrease of approximately 9.0% compared to approximately HK$86.7 million for the preceding year, mainly attributable to the decrease in revenue from the wholesale telecommunication service segment in Hong Kong. The retail telecommunication services in Singapore and Hong Kong continue to be under keen competition in the over-saturated telecommunication service market. The Group has been deploying resources on retaining the existing customer base who tend to shift to low cost or even free telecommunication services. The Group has also diversified its service offerings in the Telecom Business by engaging in the provision of GPS mobile connectivity solutions in the PRC's automobile market since the preceding year.

The GPS services with mobile connectivity currently provided by the Group mainly include GPS vehicle positioning services and the distribution and installation of GPS vehicle terminal equipment (the "**GPS Services**") for corporate clients. The GPS Services track the locations of targeted vehicles in real-time to ensure the whereabouts and security of the targeted vehicles. In addition to vehicle positioning, our clients would also be instantly alerted of unusual circumstances or conditions associated with their vehicles or any attempt to tamper with the GPS vehicle terminal equipment. Revenue from the provision of GPS Services for the Year increased by approximately 27.1% to approximately HK$24.4 million, from approximately HK$19.2 million in the preceding year. The significant increase was mainly due to a full year effect for the Year versus nine months in the preceding year, and the rise in the number of orders derived from end-users.

BUSINESS REVIEW (CONTINUED)

IT Business

Revenue recorded from the information technology business, comprised the IT Services (as defined below) and E-Commerce Business (as defined below).

Revenue recorded from the IT services provided in Hong Kong, which mainly comprised the provision of one-stop information technology services, including but not limited to maintenance of point-of-sale ("**POS**") system, installation of server and network equipment, security system and website maintenance (the "**IT Services**"), amounted to approximately HK$0.5 million for the Year which represents a decrease of approximately 50.0% from approximately HK$1.0 million for the preceding year.

Since the commencement of the IT Services segment in 2021, the Group has successfully built a strong relationship with its customers, enabling easier cross-selling of other value-added services to them. During the Year, the Group completed the works under the two contracts from its existing customers (the "**e-Shop Revamp Contracts**") for revamping the online e-shop and POS system with a total contract sum of approximately HK$0.7 million. Revenue from the e-Shop Revamp Contracts for the Year decreased by approximately 75.0% to approximately HK$0.1 million, from approximately HK$0.4 million for the preceding year.

Other than the IT Services, the Group had actively worked on expanding the sources of revenue for the IT Business by developing an e-Commerce platform on wine, namely Winestry (the "**Platform**" or "**Winestry**") which allows users of the Platform to buy and sell wine online (the "**E-Commerce Business**"), in light of the rapid development of e-Commerce business in Hong Kong and the potential growth in the local wine market of Hong Kong. The Group generated revenue of approximately HK$0.5 million from Winestry for the Year. The Platform was launched in 2023 and went live over one year with more than 540 SKUs as at 31 December 2024. The Group has been cautious in marketing expenditure during the Year due to the weak economy, and has relied on organic growth.

BUSINESS REVIEW (CONTINUED)

Investment Properties

Rental income from a property acquired by the Group in September 2021 (the "**Property**") was approximately HK$1.3 million for both the Year and the preceding year. The Property, located at Units Nos. 4 and 6 on 11th Floor of Block A, Sea View Estate, No. 2 Watson Road, Hong Kong, is an industrial property with a gross area of approximately 5,430 square feet. It is held under a medium-term lease and an unencumbered property. The Property is held for investment purpose and has been leased on operating leases.

The fair value of the Property, which was determined by the Directors with reference to recent transaction prices of similar properties in the market and the valuation report prepared by an independent qualified professional valuer, amounted to approximately HK$44.4 million as at 31 December 2024, as compared with the fair value of the Property of approximately HK$49.8 million as at 31 December 2023.

The Property is expected to generate stable income in the future and the Group may also benefit from any long-term capital appreciation of the Property.

Prospects

The global economy is expected to sustain its pace of expansion, albeit slow, in 2025 which is supported by the improving private consumption and investment. Following the inauguration of the new United States (the "**US**") President and his proposed aggressive policies on international trade including heavy tariffs, along with potential retaliatory tariffs and other measures to be imposed by other countries in response, and heightened geopolitical tensions will create significant uncertainties on growth prospects. According to the International Monetary Fund (the "**IMF**"), the latest projection of global GDP growth is 3.3% in 2025. The baseline outlook remains fragile with rising downside risks stemming from heightened protective policies.

In Singapore, the MTI forecasted the GDP growth for 2025 will be maintained at 1.0% to 3.0% with reference to trade tensions among major economies. In the PRC, the IMF expected the GDP growth rate to around 4.6% in 2025, after taking into consideration of the likely adverse impact of the recent tariffs from the US and the Eurozone and intensified trade tensions. In Hong Kong, a major bank in Hong Kong projected the GDP growth of around 2.5% in 2025, having regard to an ongoing geopolitical tensions, decrease in real estate price and weak private consumptions.

BUSINESS REVIEW (CONTINUED)

Prospects (Continued)

Under these economic environment, the Group will remain vigilant and be disciplined in its business decisions and adopt prudent strategies in its efforts to improve the Group's operating performance and enhance shareholder value. This will be achieved through instituting targeted measures to enhance operational efficiency, and aligning our cost structure and capital investments with our projected business growth.

The demand for telecommunication services in the PRC, Singapore and Hong Kong, especially for the mobile communication sectors, is expected to continue to grow as consumers crave for more accessible online knowledge acquisition, entertainment and services and support. However, these consumer-level sectors are dominated by incumbent players with considerable infrastructure and/or software development investment, and substantial marketing budgets. While the market is expected to continue evolving, the Group will leverage on its experience and business network and explore new opportunities at the underlying or support layer of the telecom and technology service segments to supplement its existing portfolio of service offerings with an aim of creating a well-balanced revenue stream.

Regarding the IT Business, the Group believes that expansion of the scope of its existing IT Business segment to tackle the paradigm shift in the future's business environment is essential. The Group, after thorough consideration of such growth potential in software development and application, is determined to deploy resources to build a base for provision of IT services in the PRC. Given the fact that large IT enterprises have emerged and developed in the PRC during the last two decades, the market of supply of IT services in the PRC and the talent pool are mature and substantial, while the demand for such services is anticipated to be growing fast in order for enterprises to embrace for innovative AI applications and services and network integrity and security. Leveraging on its experience in provision of IT solutions services, software customisation and development of its e-Commerce platform, the Group will from time to time review customer feedback and potential return on its capital and human resources investments in our IT Business, and make adjustments in our strategy and development plans with reference to the market conditions and our market position, while actively looking for new business opportunities to enhance its business diversification and deliver improved returns for Shareholders.

FINANCIAL REVIEW

Revenue and Results

Revenue of the Group for the Year decreased by approximately 8.9% to approximately HK$81.2 million, from approximately HK$89.1 million for the preceding year. Revenue from the Telecom Business for the Year decreased by approximately 9.0% to approximately HK$78.9 million, from approximately HK$86.7 million for the preceding year. The decrease in revenue from the Telecom Business was mainly due to a decline in revenue from voice telecommunication business during the Year, which was partially compensated by revenue generated from the GPS Services during the Year. Revenue from the IT Business for both the Year and the preceding year remained unchanged at approximately HK$1.0 million. The decrease in revenue from the IT Services arising from completion of e-Shop Revamp Contract was compensated by increase in revenue generated from the Platform during the Year. The rental income from the Property for both the Year and the preceding year remained unchanged at approximately HK$1.3 million.

The gross profit of the Group for the Year slightly increased by approximately 2.0% to approximately HK$5.2 million, from approximately HK$5.1 million for the preceding year. The overall gross profit margin of the Group for the Year increased to approximately 6.4% from approximately 5.7% for the preceding year. The increase in gross profit and gross profit margin of the Group was mainly due to continuously improving gross profit margin in GPS Services during the Year.

Other income, gains and losses of the Group for the Year recorded a net loss of approximately HK$5.3 million for the Year as compared with a net loss of approximately HK$8.0 million for the preceding year. The decrease was mainly due to the combined effect of (i) the decrease in impairment losses on the right-of-use assets of approximately HK$5.4 million recognised for the Year; (ii) the recognition of other income of approximately HK$1.1 million in respect of write-back of provision of staff costs during the period from November 2017 to December 2018; and (iii) the increase in fair value loss on investment properties of approximately HK$3.8 million for the Year.

FINANCIAL REVIEW (CONTINUED)

Revenue and Results (Continued)

Selling and distribution expenses of the Group for the Year increased to approximately HK$0.6 million, from approximately HK$0.5 million for the preceding year. The increase was mainly due to an increase in sales staff costs in the Telecom Business.

Operation and administrative expenses of the Group for the Year decreased significantly to approximately HK$24.1 million, from approximately HK$30.2 million for the preceding year. The decrease was mainly due to the decrease in legal and professional costs and consultancy fee for various areas during the Year, including the development and maintenance of the Platform and the telecommunication service segment and professional advice on evaluation of potential investment and business development opportunities as well as staff costs during the Year, including Director's remuneration and benefits expenses in an aggregate amount of approximately HK$6.0 million for the Year which was due to cost control measures taken during the Year.

Gain on derecognition of designated financial asset at FVTOCI of approximately HK$0.9 million for the Year was generated.

Finance costs of the Group for the Year increased by approximately HK$1.4 million to approximately HK$1.9 million, from approximately HK$0.5 million for the preceding year. The increase was mainly due to the increase in interest on loans from a Director of approximately HK$1.1 million during the Year and the increase in interest on bank loan of approximately HK$0.2 million.

As a result of the foregoing, the loss attributable to owners of the Company for the Year decreased by approximately 27.2% to approximately HK$25.7 million, from approximately HK$35.3 million for the preceding year.

FINANCIAL REVIEW (CONTINUED)

Capital Structure, Liquidity and Financing

As at 31 December 2024, the net assets of the Group amounted to approximately HK$1.0 million (2023: approximately HK$27.6 million). The decrease in net assets was mainly due to the Group's operating loss for the Year.

Capital expenditures for the Year amounted to approximately HK$295,000, compared to approximately HK$136,000 for the preceding year.

As at 31 December 2024, the bank balances and cash (excluding pledged bank deposits) of the Group amounted to approximately HK$5.8 million (31 December 2023: approximately HK$6.1 million). The slight decrease was mainly due to the net effect of (i) net cash used in operating activities of approximately HK$17.0 million and (ii) the cash inflow from the loans from a Director of HK$23.6 million.

As at 31 December 2024, the pledged bank deposits of the Group amounted to approximately HK$0.2 million (31 December 2023: approximately HK$0.2 million). Bank guarantees of approximately HK$0.2 million as at 31 December 2024 (31 December 2023: approximately HK$0.2 million) were issued to suppliers for operational requirements.

As at 31 December 2024, the loans from two former Directors amounted to approximately HK$5.7 million (31 December 2023: approximately HK$5.7 million) and the loans from a Director amounted to HK$23.6 million (31 December 2023: nil). The loans from two former Directors are unsecured, unguaranteed and interest-free. The loans from a Director are unsecured, unguaranteed and interest bearing at 9.8% per annum.

As at 31 December 2024, the bank loan amounted to approximately HK$8.7 million (31 December 2023: HK$9.0 million).

As at 31 December 2024, the Group's gearing ratio, measured on the basis of loans from former Directors, loans from a Director and bank loan as a percentage of net assets was approximately 3,655.6% (31 December 2023: approximately 53.3%). The higher gearing ratio was mainly due to the increase in loans from a Director and the decrease in net assets of the Group as a result of the operating loss recorded by the Group for the Year.

FINANCIAL REVIEW (CONTINUED)

Capital Structure, Liquidity and Financing (Continued)

As at 31 December 2024, the lease liabilities of the Group amounted to approximately HK$6.0 million (31 December 2023: approximately HK$8.2 million). The decrease was mainly due to the recognition of lease liabilities for the Year in relation to the lease of an additional property of approximately HK$2.3 million offset by the repayment of lease liabilities of approximately HK$4.5 million for the Year.

Foreign Exchange Exposure

The Group has certain assets, liabilities, and transactions which are denominated in Singapore dollars and Renminbi. The Group continues to closely monitor the exchange rates of both Singapore dollar and Renminbi and will, when appropriate, take appropriate action to mitigate such exchange risks. As at 31 December 2024, no related currency hedges had been undertaken by the Group.

Capital Commitments

As at 31 December 2024, the Group had no material capital commitments (31 December 2023: nil).

Contingent Liabilities

As at 31 December 2024, the Group had no material contingent liabilities (31 December 2023: nil).

Asset Charges

The Group had no material asset charges during the Year (2023: nil).

Material Acquisitions and Disposal

There were no material acquisitions or disposals of subsidiaries, associates and joint ventures during the Year.

EMPLOYEE AND REMUNERATION POLICIES

As at 31 December 2024, the Group had 26 (2023: 28) employees, including Directors, in Hong Kong, Singapore and the PRC and its total staff costs for the Year were approximately HK$13.6 million (2023: approximately HK$14.5 million).

The Group's remuneration policies are formulated on the basis of the performance and experience of individual employees and are in line with local market practices where the Group operates. In addition to salary and bonus payments, the Group also offers other fringe benefits, including provident fund and medical benefits, to employees. A share option scheme was adopted by the Company on 28 June 2018 to provide incentive to Directors and employees of the Group. Directors' remuneration is decided by the remuneration committee of the Company, with regard to the Company's operating results, individual performance and comparable market statistics. The Group also provides relevant trainings to its employees in accordance with the skill requirements of different positions.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Board is committed to maintaining high standards of corporate governance in performing their obligations to act in the best interests of Shareholders and enhance long-term shareholder value. Except for the non-compliances and deviations described below, the Directors are not aware of any information which would reasonably indicate that the Company is not, or was not at any time during the Year, acting in compliance with the code provisions (the "**Code Provision(s)**") of the Corporate Governance Code (the "**Corporate Governance Code**") set out in Appendix C1 to the Listing Rules.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE (CONTINUED)

Under Code Provision C.2.1 of the Corporate Governance Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. No chief executive officer was appointed by the Company upon the resignation of Ms. Li Bing on 9 November 2020. With effect from 2 March 2021, Mr. Cheung Siu Fai ("**Mr. Cheung**") has become the chairman of the Board (the "**Chairman**") and also assumed the role of acting chief executive officer of the Company (the "**Acting Chief Executive Officer**") until a suitable candidate is identified. The Board believes that vesting the roles of the Chairman and the Acting Chief Executive Officer in Mr. Cheung will provide the Company with strong and consistent leadership and promote effective and efficient formulation and implementation of business decisions and strategies. The Board considers that such structure is in the best interests of the Company and its Shareholders at this stage. The Board however will keep reviewing the current structure of the Group's management from time to time and should a candidate with suitable knowledge, skill and experience be identified, the Company will make such nomination as appropriate to ensure that the roles of the Chairman and the chief executive officer of the Company are performed by two separate individuals.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix C3 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all Directors, save for the incident disclosed below, the Company confirms that the Directors have complied with the required standard set out in the Model Code during the Year.

Due to miscommunication with his broker, Mr. Cheung had unintentionally purchased 50,000 shares of the Company on 13 August 2024 which was during the blackout period for the 2024 interim results announcement of the Company. Mr. Cheung immediately sold the 50,000 shares on 14 August 2024 upon knowing the oversight and consulted the Stock Exchange. The Stock Exchange has subsequently issued a guidance letter to Mr. Cheung regarding such non-compliance.

REVIEW OF THE CONSOLIDATED FINANCIAL STATEMENTS

The audit committee of the Company (the "**Audit Committee**") reviewed, with the external auditor of the Company, the audited consolidated financial statements of the Group for the Year. Based on this review and discussions with the management of the Company, the Audit Committee was satisfied that the consolidated financial statements were prepared in accordance with applicable accounting standards and fairly present the Group's financial position and results for the Year. The Audit Committee has also reviewed the effectiveness of the financial control, internal control and risk management systems of the Company.

EVENTS AFTER THE REPORTING PERIOD

The Directors are not aware of any significant subsequent events of the Group requiring disclosure after the reporting period and up to the date of this announcement.

SCOPE OF WORK OF CONFUCIUS INTERNATIONAL CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position as at 31 December 2024, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the Year as set out in this announcement have been agreed by the Group's auditor, Confucius International CPA Limited, to the amounts set out in the Group's consolidated financial statements for the Year. The work performed by Confucius International CPA Limited in this announcement did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by Confucius International CPA Limited on this announcement.

EXTRACTS FROM INDEPENDENT AUDITOR'S REPORT

The following is an extract of the independent auditor's report on the Group's consolidated financial statements for the Year.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Material Uncertainty related to Going Concern

The accompanying consolidated financial statements for the year ended 31 December 2024 have been prepared assuming that the Group will continue as a going concern. We draw attention to note 3 to the consolidated financial statements which indicated that the Group incurred a net loss attributable to owners of the Company of approximately HK$25,650,000 for the year ended 31 December 2024, and as at the same date, the Group's current liabilities exceeded its current assets by approximately HK$42,949,000. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. As explained in the consolidated financial statements, these consolidated financial statements have been prepared on a going concern basis. The directors of the Company, having considered the measures being taken by the Group, are of the opinion that the Group would be able to continue as a going concern. Our audit opinion is not modified in respect of this matter.

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

During the Year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the Year (2023: nil).

PUBLICATION OF FURTHER INFORMATION

The annual report of the Company for the Year containing all information required by Appendix D2 to the Listing Rules will be published on both the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.gwt.hk) and dispatched to the Shareholders in due course.

APPRECIATION

The Board would like to take this opportunity to express gratitude to all of our Shareholders and business associates for their continuous support and to all our staff for their dedication and contribution to the Group.

By Order of the Board
Great Wall Terroir Holdings Limited
Cheung Siu Fai
Chairman and Executive Director

Hong Kong, 20 March 2025

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Cheung Siu Fai (Chairman) and Mr. Hui Chun Wai Henry, and three independent non-executive Directors, namely Mr. Fong Wai Ho, Mr. Chow Hiu Tung and Ms. Dong Jianmei.