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GOLDEN WHEEL TIANDI HOLDINGS COMPANY LIMITED

金輪天地控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1232)

PRELIMINARY ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

FINANCIAL HIGHLIGHTS

1. Revenue amounted to RMB796.4 million (2023: RMB2,387.5 million), representing a decrease of approximately 66.6% as compared with 2023.
2. Total contracted sales decreased by 31.8% to RMB641.7 million (2023: RMB940.7 million).
3. Loss for the year amounted to RMB775.6 million (2023: loss for the year of RMB935.0 million).
4. Total investment properties as at 31 December 2024 amounted to RMB3,726.5 million (2023: RMB4,181.9 million).
5. As of 31 December 2024, the Group had total cash and bank deposits of approximately RMB135.6 million (2023: RMB586.3 million).
6. Net asset value per share amounted to RMB0.11 per share (2023: RMB0.54 per share) as at 31 December 2024.

The board (the “**Board**”) of directors (the “**Directors**”) of Golden Wheel Tiandi Holdings Company Limited (the “**Company**”) is pleased to announce the audited annual consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2024, together with the comparative figures for the preceding year.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(Expressed in Renminbi)

	NOTE	2024 RMB'000	2023 RMB'000
Revenue	3	796,376	2,387,520
Cost of sales		<u>(823,758)</u>	<u>(2,316,166)</u>
Gross (loss)/profit		(27,382)	71,354
Changes in fair value of investment properties		(468,186)	(133,173)
Other income, expenses, gains and losses	4	(17,952)	(163,971)
Selling and marketing expenses		(32,506)	(96,149)
Administrative expenses		<u>(149,500)</u>	<u>(160,646)</u>
Loss from operations		(695,526)	(482,585)
Finance costs	5(a)	(67,268)	(318,480)
Share of profits/(losses) of associates		1,875	(2,871)
Share of losses of joint ventures		<u>(16,257)</u>	<u>(56,003)</u>
Loss before taxation	5	(777,176)	(859,939)
Income tax	6	<u>1,534</u>	<u>(75,065)</u>
Loss for the year		<u>(775,642)</u>	<u>(935,004)</u>
Attributable to:			
Equity shareholders of the Company		(823,936)	(1,035,100)
Non-controlling interests		<u>48,294</u>	<u>100,096</u>
Loss for the year		<u>(775,642)</u>	<u>(935,004)</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(Expressed in Renminbi)

	NOTE	2024 RMB'000	2023 RMB'000
Loss for the year		<u>(775,642)</u>	<u>(935,004)</u>
Other comprehensive (expense)/income for the year (after tax and reclassification adjustments):			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of financial statements of the entities with functional currencies other than RMB, net		<u>(1,684)</u>	<u>7,195</u>
Other comprehensive (expense)/income for the year		<u>(1,684)</u>	<u>7,195</u>
Total comprehensive expense for the year		<u><u>(777,326)</u></u>	<u><u>(927,809)</u></u>
Attributable to:			
Equity shareholders of the Company		<u>(825,620)</u>	<u>(1,027,905)</u>
Non-controlling interests		<u>48,294</u>	<u>100,096</u>
Total comprehensive expense for the year		<u><u>(777,326)</u></u>	<u><u>(927,809)</u></u>
Loss per share	7		
Basic		<u><u>RMB(0.458)</u></u>	<u><u>RMB(0.575)</u></u>
Diluted		<u><u>RMB(0.458)</u></u>	<u><u>RMB(0.575)</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Expressed in Renminbi)

	NOTE	2024 RMB'000	2023 RMB'000
Non-current assets			
Property, plant and equipment	9	412,869	460,541
Investment properties	10	3,726,537	4,181,858
Interests in associates		54,435	84,960
Interests in joint ventures		413,990	430,247
Other financial assets		165,855	142,164
Restricted bank deposits		9,355	24,333
Deferred tax assets		77,790	53,594
		4,860,831	5,377,697
		4,860,831	5,377,697
Current assets			
Properties under development for sale		1,289,595	1,106,666
Completed properties for sale		1,165,005	2,399,091
Contract assets		836	434
Trade and other receivables	11	595,582	499,181
Land appreciation tax and income tax prepaid		80,444	52,700
Restricted bank deposits		28,413	352,708
Cash and cash equivalents		97,876	209,263
		3,257,751	4,620,043
		3,257,751	4,620,043
Current liabilities			
Trade and other payables	12	1,892,970	2,486,183
Contract liabilities		184,584	437,395
Rental received in advance		27,696	23,802
Lease liabilities		42,866	52,344
Bank loans		489,041	699,265
Current taxation		589,878	495,336
Senior notes		3,354,557	3,304,806
Financial guarantee contracts		306,983	280,976
		6,888,575	7,780,107
		6,888,575	7,780,107
Net current liabilities		(3,630,824)	(3,160,064)
Total assets less current liabilities		1,230,007	2,217,633

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Non-current liabilities		
Lease liabilities	83,242	97,600
Bank loans	217,368	326,400
Deferred tax liabilities	739,700	826,816
	<u>1,040,310</u>	<u>1,250,816</u>
NET ASSETS	189,697	966,817
CAPITAL AND RESERVES		
Share capital	112,883	112,883
Reserves	(206,279)	620,115
Total (deficiency)/equity attributable to equity shareholders of the Company	(93,396)	732,998
Non-controlling interests	283,093	233,819
TOTAL EQUITY	189,697	966,817

NOTES

1 GENERAL AND BASIS OF PREPARATION

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

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

The consolidated financial statements for the year ended 31 December 2024 comprise the Group and the Group’s interests in associates and joint ventures.

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

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

The financial information relating to the financial year ended 31 December 2024 that is included in this preliminary annual results announcement does not constitute the Group’s annual consolidated financial statements for that financial year but is derived from those consolidated financial statements.

Materiality uncertainty related to going concern

The Group incurred a net loss of approximately RMB775,642,000 for the year ended 31 December 2024 and, as of that date, the Group had net current liabilities of approximately RMB3,630,824,000 and net cash used in operating activities of approximately RMB15,535,000, respectively. Included in the current liabilities were bank loans of approximately RMB489,041,000, senior notes of approximately RMB3,354,557,000 and financial guarantee contracts of approximately RMB306,983,000. As at 31 December 2024, the Group had cash and cash equivalents amounting to approximately RMB97,876,000.

Included in the current liabilities bank loans are cross-defaulted bank loans with an aggregate carrying amount of approximately RMB335,962,000 as of 31 December 2024, which became repayable on demand and were included in current liabilities. Those cross-defaulted bank loans were secured by the Group’s assets with an amount of approximately RMB2,063,972,000 and the related banks have the right to sell, transfer or otherwise dispose of any of those assets if the Group cannot repay the loans upon request. Up to the date of approval of these consolidated financial statements, the Group continues to be in cross-default and the banks have not demanded immediate repayment of these bank loans.

In addition, as of 31 December 2024, the Group failed to repay an accumulated interest of US\$91,907,000 (equivalent to approximately RMB660,660,000) (2023: US\$80,232,000 equivalent to approximately RMB558,784,000) on the senior notes and failed to redeem accumulated 45% of the principal amount of approximately US\$494,667,000 (equivalent to approximately RMB3,354,557,000) of the senior notes during the year ended 31 December 2024, when they were due. Such non-payment has caused an event of default itself. As of the date of approval of these consolidated financial statements, the senior notes together with the financial guarantee contracts related to other defaulted bank loans of approximately RMB306,983,000 were undergoing a consensual restructuring of the Group’s indebtedness.

As at 31 December 2024, the Group had investment properties, completed properties for sale and properties under development for sale of approximately RMB3,726,537,000, RMB1,165,005,000 and RMB1,289,595,000, respectively. The current volatility in the real estate industry may place increasing difficulty for the Group and may undermine the Group's ability to generate sufficient cash flows from its future operations to meet its financing obligations and the Group's ability to renew existing facilities or source new funding. All these events or conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern.

Notwithstanding the above results, the consolidated financial statements have been prepared on a going concern basis, the validity of the going concern basis is dependent upon the success of the Group's future operations, its ability to generate adequate cash flows in order to meet its obligations as and when fall due and its ability to refinance or restructure its indebtedness such that the Group can meet its future working capital and financing requirements. The directors of the Company (the "**Directors**") carried out a detail review of Group's cash flow projections prepared by management, which covers a period of at least 18 months from 31 December 2024 and are of the opinion that the Group will be able to finance its future financing requirements and working capital based on the following considerations:

- (i) The Company already entered a Restructuring Support Agreement ("**RSA**") and proposed to implement the restructuring of the senior notes and financial guarantee;
- (ii) to negotiate with the lenders of the borrowings and creditors for the extension of repayments of those borrowings and trade and other payables to a date when the Group has adequate working capital to serve the repayments; and
- (iii) to formulate and closely monitor business strategy for the Group to generate cash flows from its existing operations including expediting sales of properties and investment properties, and collection of receivables, while maintaining more stringent cost control measures of containment of discretionary capital expenditures.

As at 31 December 2024, the Group has contract liabilities amounting to approximately RMB184,584,000. The forecasted amounts to be received from the contract sales amounted to RMB194,407,000. Based on the management's estimation, a property development project is forecasted to complete in the 12 months ending 31 December 2025 and the Group can then release part of the contract liabilities and receive additional cash from the property buyers.

In view of the above, the Directors are of the opinion that, there will be sufficient financial resources available to the Group to enable it to meet its liabilities as and when they fall due and to continue as a going concern. Accordingly, the Directors have prepared the consolidated financial statements on a going concern basis.

Notwithstanding the above, if the Group fails to achieve one or more of the above-mentioned plans and measures on a timely basis, it may not be able to continue to operate as a going concern, and adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in these consolidated financial statements.

2 CHANGES IN ACCOUNTING POLICIES

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

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

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

3 REVENUE AND SEGMENT REPORTING

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

(a) Disaggregation of revenue

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

	2024 RMB'000	2023 RMB'000
Revenue from contracts with customers within the scope of IFRS 15		
Disaggregated by business line		
– Property development	569,405	2,134,213
– Hotel operation	100,358	106,227
	<u>669,763</u>	<u>2,240,440</u>
Revenue from other sources		
Gross rentals from investment properties		
– Property leasing that are fixed	126,613	147,080
	<u>796,376</u>	<u>2,387,520</u>
Disaggregated by geographical location of customers		
– Mainland China	796,376	2,378,825
– Hong Kong	–	8,695
	<u>796,376</u>	<u>2,387,520</u>

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

(b) **Segment results, assets and liabilities**

Disaggregation of revenue from contracts with customers by the timing of revenue recognition, as well as information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the year ended 31 December 2024 and 2023 is set out below. No segment assets and liabilities are presented as they were not regularly provided to the chief operating decision maker for the purposes of resource allocation and performance assessment.

	Property development		Property leasing		Hotel operation		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Under the scope of IFRS 15,								
<i>Revenue from contracts with customers:</i>								
- Point in time	569,405	2,134,213	-	-	100,358	106,227	669,763	2,240,440
Under the scope of IFRS 16,								
<i>Leases:</i>								
- Rental income	-	-	126,613	147,080	-	-	126,613	147,080
Reportable segment revenue	<u>569,405</u>	<u>2,134,213</u>	<u>126,613</u>	<u>147,080</u>	<u>100,358</u>	<u>106,227</u>	<u>796,376</u>	<u>2,387,520</u>
Reportable segment (loss)/profit	<u>(219,345)</u>	<u>(204,786)</u>	<u>38,626</u>	<u>51,373</u>	<u>(11,998)</u>	<u>(6,563)</u>	<u>(192,717)</u>	<u>(159,976)</u>

Note: Included in reportable segment loss of property development segment, for the year ended 31 December 2024, an inventory impairment loss was recognised amounting to approximately RMB180,591,000 due to the decrease in the estimated net realisable value of certain completed properties for sale as a result of the downturn of the PRC real estate market. For the year ended 31 December 2023, an inventory impairment loss was recognised amounting to RMB428,542,000 to reflect Hong Kong Golden Wheel Plaza's net realisable value amounting to HK\$511,000,000 (equivalent to approximately RMB471,142,000) held by the Success Seeker Limited, Winner Year Company Limited and Golden Wheel Bright Jade Company Limited (hereafter referred as the "Bright Jade Group") at the deconsolidation date.

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

	2024	2023
	RMB'000	RMB'000
Reportable segment loss	(192,717)	(159,976)
Changes in fair value of investment properties	(468,186)	(133,173)
Other income, expenses, gains and losses	(17,952)	(163,971)
Unallocated head office and corporate expenses	(16,671)	(25,465)
Finance costs	(67,268)	(318,480)
Share of profits/(losses) of associates	1,875	(2,871)
Share of losses of joint ventures	(16,257)	(56,003)
Consolidated loss before taxation	<u>(777,176)</u>	<u>(859,939)</u>

4 OTHER INCOME, EXPENSES, GAINS AND LOSSES

(a) Other income

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Service fee (<i>note i</i>)	5,353	12,491
Interest income from bank deposits	5,038	12,012
Dividend income from financial assets measured at fair value through profit or loss (“FVTPL”)	–	701
Compensation income from early termination of leasing contracts	10,422	2,598
Government grants (<i>note ii</i>)	770	1,123
Gains on disposal of property, plant and equipment	3,929	4,334
Gains on cancellation of sales contracts by buyers	2,518	1,855
Others	2,866	3,047
	<u>30,896</u>	<u>38,161</u>

Notes:

- (i) The amount mainly represented the market research fees received from an independent third party.
- (ii) The amount mainly represented the unconditional subsidies received from the local governments where the group entities were located for encouragement of business development activities in the local areas.

(b) Other gains and losses

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Losses on deconsolidation of subsidiaries	–	(24,265)
Changes in financial guarantee contracts	(20,992)	(51,392)
Net foreign exchange losses	(35,809)	(47,937)
Gains/(losses) on changes in fair value of financial assets measured at FVTPL, net	23,475	(66,841)
Impairment loss on amounts due from former subsidiaries	(5,083)	–
	<u>(38,409)</u>	<u>(190,435)</u>

(c) **Other expenses**

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Donations	(389)	(50)
Others	<u>(10,050)</u>	<u>(11,647)</u>
	<u><u>(10,439)</u></u>	<u><u>(11,697)</u></u>
Total	<u><u>(17,952)</u></u>	<u><u>(163,971)</u></u>

5 LOSS BEFORE TAXATION

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

(a) **Finance costs**

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Interest on bank loans	44,201	106,120
Interest on lease liabilities	8,232	10,956
Interest on senior notes	76,082	329,292
Less: Interest expense capitalised into properties under development for sale and investment properties under development (<i>note</i>)	<u>(61,247)</u>	<u>(127,888)</u>
Total interest expense on financial liabilities not at FVTPL	<u><u>67,268</u></u>	<u><u>318,480</u></u>

Note: The borrowing costs have been capitalised at a rate of 4.68% per annum (2023: 8.87%).

(b) **Staff costs**

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Salaries, bonuses and other benefits	74,187	82,882
Contributions to retirement benefit schemes	6,527	6,308
Less: Amount capitalised to properties under development for sale and investment properties under development	<u>(2,054)</u>	<u>(2,405)</u>
	<u><u>78,660</u></u>	<u><u>86,785</u></u>

(c) **Other items**

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Depreciation charge (<i>note 9</i>)		
– Owned property, plant and equipment	42,751	46,856
– Right-of-use assets	17,930	17,881
	<u>60,681</u>	<u>64,737</u>
Auditors' remuneration	1,520	1,600
Cost of properties, including	716,917	2,198,526
– Impairment loss on completed properties for sale	180,591	453,652
Rental income from investment properties less direct outgoings of RMB26,499,000 (2023: RMB25,373,000)	100,114	121,707

6 INCOME TAX

Taxation in the consolidated statement of profit or loss represents:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Current tax:		
– PRC corporate income tax (“CIT”)	66,712	71,475
– Land appreciation tax (“LAT”)	43,066	70,339
	<u>109,778</u>	<u>141,814</u>
Deferred tax	<u>(111,312)</u>	<u>(66,749)</u>
	<u>(1,534)</u>	<u>75,065</u>

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

The provision for Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for the year, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered Profits Tax rate regime. No Hong Kong Profits Tax has been provided as the Group had no estimated assessable profits for both years.

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

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

7 LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to ordinary equity shareholders of the Company of RMB823,936,000 (2023: RMB1,035,100,000) and the weighted average of 1,799,020,000 ordinary shares (2023: 1,799,020,000 ordinary shares) in issue during the year.

(b) Diluted loss per share

During the year ended 31 December 2024, the Group has not issued any potentially dilutive ordinary shares. For the year ended 31 December 2023, the computation of diluted loss per share did not assume the exercise of the Company's outstanding share options because the exercise price of those options was higher than the average market price for shares for both reporting years. Accordingly, the diluted loss per share was same as the basic loss per share for both years.

8 DIVIDENDS

No dividend was paid or proposed during the both years ended 31 December 2024 and 2023, nor has any dividend been proposed since the end of the reporting year.

9 PROPERTY, PLANT AND EQUIPMENT

	Leasehold land and hotel property RMB'000	Land and buildings held for own use RMB'000	Motor vehicles RMB'000	Computers and office equipment RMB'000	Leasehold improvements RMB'000	Right-of-use assets RMB'000	Total RMB'000
Cost							
At 1 January 2023	403,535	76,032	9,362	24,968	170,489	124,212	808,598
Additions	-	-	-	241	1,709	-	1,950
Disposals	(57,647)	(2,800)	(922)	(30)	-	-	(61,399)
Disconsolidation of subsidiaries	-	-	(201)	-	-	-	(201)
At 31 December 2023 and 1 January 2024	345,888	73,232	8,239	25,179	172,198	124,212	748,948
Additions	32	-	39	874	14,720	-	15,665
Disposals	-	(2,594)	(215)	(160)	(2,548)	-	(5,517)
At 31 December 2024	345,920	70,638	8,063	25,893	184,370	124,212	759,096
Accumulated depreciation							
At 1 January 2023	(50,059)	(35,267)	(9,004)	(17,045)	(82,644)	(31,909)	(225,928)
Charge for the year	(18,213)	(2,070)	(211)	(3,346)	(23,016)	(17,881)	(64,737)
Disposals	-	1,213	911	20	-	-	2,144
Deconsolidation of subsidiaries	-	-	114	-	-	-	114
At 31 December 2023 and 1 January 2024	(68,272)	(36,124)	(8,190)	(20,371)	(105,660)	(49,790)	(288,407)
Charge for the year	(15,466)	(5,070)	(68)	(1,501)	(20,646)	(17,930)	(60,681)
Disposals	-	-	210	159	2,492	-	2,861
At 31 December 2024	(83,738)	(41,194)	(8,048)	(21,713)	(123,814)	(67,720)	(346,227)
Accumulated impairment loss							
At 1 January 2023	(25,090)	-	-	-	-	-	(25,090)
Disposal	25,090	-	-	-	-	-	25,090
At 31 December 2023, 1 January and 31 December 2024	-	-	-	-	-	-	-
Net book value							
At 31 December 2024	262,182	29,444	15	4,180	60,556	56,492	412,869
At 31 December 2023	277,616	37,108	49	4,808	66,538	74,422	460,541

During the year ended 31 December 2023, the Group repaid accounts payables of RMB32,557,000 by a hotel property with a carrying amount of RMB32,557,000.

As at 31 December 2024, leasehold land and hotel property and land and buildings with carrying amount of approximately RMB238,670,000 (2023: RMB48,594,000) were pledged to banks to secure certain banking facilities granted to the Group.

During the both years ended 31 December 2024 and 2023, no impairment loss of leasehold land and hotel property was recognised.

As at 31 December 2024, property, plant and equipment with carrying amount of approximately RMB245,692,000 are included in the specified assets for purposes of the proposed restructuring.

10 INVESTMENT PROPERTIES

(a) Reconciliation of carrying amount

	Completed investment properties <i>RMB'000</i>	Investment properties under development <i>RMB'000</i>	Right-of-use assets <i>RMB'000</i>	Total <i>RMB'000</i>
At 1 January 2023	3,234,022	820,500	64,762	4,119,284
Additions	–	157,688	–	157,688
Transfer from completed properties for sales	81,518	–	–	81,518
Transfer from investment properties under development to completed investment properties	289,125	(289,125)	–	–
Disposals	(43,459)	–	–	(43,459)
Net changes in fair value recognised in profit or loss	<u>(108,386)</u>	<u>(4,063)</u>	<u>(20,724)</u>	<u>(133,173)</u>
At 31 December 2023 and 1 January 2024	3,452,820	685,000	44,038	4,181,858
Additions	–	34,282	30,179	64,461
Disposals	(44,482)	–	–	(44,482)
Termination	–	–	(7,114)	(7,114)
Net changes in fair value recognised in profit or loss	<u>(431,680)</u>	<u>(19,282)</u>	<u>(17,224)</u>	<u>(468,186)</u>
At 31 December 2024	<u>2,976,658</u>	<u>700,000</u>	<u>49,879</u>	<u>3,726,537</u>

As at 31 December 2024, investment properties with carrying amount of approximately RMB3,023,424,000 (2023: RMB2,331,396,000) were pledged to banks to secure certain banking facilities granted to the Group.

As at 31 December 2024, investment properties with carrying amount of approximately RMB2,371,000,000 are included in the specified assets for purposes of the proposed restructuring.

(b) Fair value measurement of properties

(i) Fair value hierarchy

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

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

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

	Fair value at 31 December 2024 RMB'000	Fair value measurements as at 31 December 2024 categorised into		
		Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000
Recurring fair value measurement				
Mainland China:				
– Commercial properties	3,628,368	–	–	3,628,368
– Car parks	48,290	–	–	48,290
– Right-of-use assets	49,879	–	–	49,879
	<u>3,726,537</u>	<u>–</u>	<u>–</u>	<u>3,726,537</u>

	Fair value at 31 December 2023 RMB'000	Fair value measurements as at 31 December 2023 categorised into		
		Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000
Recurring fair value measurement				
Mainland China:				
– Commercial properties	4,085,400	–	–	4,085,400
– Car parks	52,420	–	–	52,420
– Right-of-use assets	44,038	–	–	44,038
	<u>4,181,858</u>	<u>–</u>	<u>–</u>	<u>4,181,858</u>

During the years ended 31 December 2024 and 2023, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting year in which they occur.

All of the Group's completed investment properties, investment properties under development and right-of-use assets were revalued as at 31 December 2024 and 2023. The valuations were carried out by CHFT Advisory And Appraisal Ltd. and Valtech Valuation Advisory Limited, independent qualified valuers in Hong Kong with relevant experience in the valuation of properties. The Directors have discussion with the surveyors on the valuation assumptions and valuation results when the valuation is performed at each reporting date.

(ii) *Level 3 fair value measurements*

	Property category	Fair value hierarchy	Valuation techniques	Significant unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Completed investment properties	Commercial properties	Level 3	Direct comparison	Adjusted market price (RMB/square meter), and	2024: 8,139 to 80,000 (2023: 8,750 to 94,500)	The higher the adjusted market price, the higher the fair value
				Level adjustment	2024: 0% to 50% (2023: 0% to 65%)	The lower the level adjustment, the higher the fair value
	Car parks	Level 3	Income method	Capitalisation rate, and	2024: 4.75% to 6% (2023: 3.5% to 6%)	The higher the capitalisation rate, the lower the fair value
				Daily unit rent (RMB/square meter)	2024: 1.5 to 5.6 (2023: 2 to 17.9)	The higher the daily unit rent, the higher the fair value
Investment properties under development	Level 3	Residual approach	Adjusted market price (RMB/square meter)	2024: 15,155 to 42,673 (2023: 12,200 to 40,600)	The higher the adjusted market price, the higher the fair value	
			Budgeted cost (RMB/square meter)	2024: 5,849 to 9,240 (2023: 5,651 to 8,927)	The higher the budgeted cost, the lower the fair value	
			Anticipated developer's profit margin	2024: 10% to 20% (2023: 10% to 20%)	The higher the anticipated developer's profit margin, the lower the fair value	
Right-of-use assets	Sub-leased properties	Level 3	Income method	Capitalisation rate	2024: 6.25% to 7.25% (2023: 4.25% to 6.75%)	The higher the capitalisation rate, the lower the fair value
				Daily unit rent (RMB/square meter)	2024: 1 to 11 (2023: 1 to 17)	The higher the daily unit rent, the higher the fair value

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

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

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

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

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

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Other properties leased for own use, carried at depreciated cost (<i>note i</i>)	56,492	74,422
Ownership interests in leasehold investment property, carried at fair value, with remaining lease term of between 1 to 16 years (2023: between 1 to 6 years) (<i>note ii</i>)	49,879	44,038
	<u>106,371</u>	<u>118,460</u>

Notes:

- (i) The Group has obtained the right to use of other properties through tenancy agreements to operate hotels (*note 9*). The leases typically run for an initial period of 8 to 15 years. Lease payments are usually increased every 1 to 3 years to reflect market rentals.
- (ii) During the year ended 31 December 2024, addition to right-of use assets was RMB30,179,000 (2023: nil). This amount represented that the Group leased a number of retail stores in Lianyungang city with a lease term of 16 years. Lease payments are usually increased 5% every 3 years.

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

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Depreciation charge of right-of-use assets by class of other properties leased for own use	17,930	17,881
Fair value change of right-of-use assets by class of investment properties	17,224	20,724
Expense relating to short-term leases	1,360	2,532
Interest on lease liabilities (<i>note 5(a)</i>)	8,232	10,956
	<u>44,746</u>	<u>52,093</u>

(d) **Lease commitment**

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

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

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Within 1 year	125,603	134,878
After 1 year but within 5 years	208,315	226,322
After 5 years	28,283	41,629
	<u>362,201</u>	<u>402,829</u>

11 TRADE AND OTHER RECEIVABLES

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

	<i>Note</i>	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Trade receivables		64,594	39,011
Amounts due from associates and joint ventures	(i)	104,024	64,559
Amounts due from former subsidiaries		632,142	630,219
Other debtors		279,968	258,687
Less: allowance for credit losses		<u>(659,856)</u>	<u>(652,029)</u>
Financial assets measured at amortised cost		<u>420,872</u>	<u>340,447</u>
Advances to contractors	(i)	34,825	21,409
Other taxes prepaid	(ii)	<u>139,885</u>	<u>137,325</u>
		<u>595,582</u>	<u>499,181</u>

Notes:

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

Ageing analysis

As of the end of the reporting year, the ageing analysis of trade receivables, net of allowance for credit losses presented based on the date the trade receivables recognised, is as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Within 30 days	47,607	29,642
31 to 60 days	4,405	1,774
61 to 180 days	12,582	7,595
	<u>64,594</u>	<u>39,011</u>

12 TRADE AND OTHER PAYABLES

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Trade payables	741,150	1,452,933
Other payables	915,473	797,109
Amounts due to associates and joint ventures (<i>note</i>)	236,347	236,141
	<u>1,892,970</u>	<u>2,486,183</u>

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

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

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Within 180 days	465,179	862,070
181 to 365 days	142,865	302,321
Over 1 year	133,106	288,542
	<u>741,150</u>	<u>1,452,933</u>

EXTRACT OF INDEPENDENT AUDITOR’S REPORT

The following is the extract of the independent auditor’s report from the external auditor of the Company:

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, 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 IFRS accounting standards as issued by the International Accounting Standards Board (“**IFRS Accounting Standards**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Material Uncertainty Related to Going Concern

We draw attention to note 2(b) to the consolidated financial statements, which indicates that the Group incurred a net loss of approximately RMB775,642,000 during the year ended 31 December 2024 and, as of that date, the Group had net current liabilities of approximately RMB3,630,824,000 and net cash used in operating activities of approximately RMB15,535,000 respectively. Included in the current liabilities were bank loans of approximately RMB489,041,000, senior notes of approximately RMB3,354,557,000 and financial guarantee contracts of approximately RMB306,983,000. As at 31 December 2024, the Group had cash and cash equivalents amounting to approximately RMB97,876,000.

Included in the current liabilities bank loans are cross-defaulted bank loans with an aggregate carrying amount of approximately RMB335,962,000 as of 31 December 2024, which became repayable on demand and were included in current liabilities. Those cross-defaulted bank loans were secured by the Group’s assets with an amount of approximately RMB2,063,972,000 and the related banks have the right to sell, transfer or otherwise dispose of any of those assets if the Group cannot repay the loans upon request. Up to the date of approval of these consolidated financial statements, the Group continues to be in cross-default and the banks have not demanded immediate repayment of these bank loans.

In addition, as of 31 December 2024, the Group failed to repay an accumulated interest of US\$91,907,000 (equivalent to approximately RMB660,660,000) (2023: US\$80,232,000 equivalent to approximately RMB558,784,000) on the senior notes and failed to redeem accumulated 45% of the principal amount of approximately US\$494,667,000 (equivalent to approximately RMB3,354,557,000) of the senior notes during the year ended 31 December 2024, when they were due. Such non-payment has caused an event of default itself. As of the date of approval of these consolidated financial statements, the senior notes together with the financial guarantee contracts related to other defaulted bank loans of approximately RMB306,983,000 were undergoing a consensual restructuring of the Group’s indebtedness.

These conditions, together with other matters set out in note 2 to the consolidated financial statements, indicate the existence of a material uncertainty on the Group’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

BUSINESS REVIEW

In the first three quarters of 2024, China's real estate continued to bottom out in the face of a more complex and challenging economic environment. Industry sales remained sluggish, and the sales collection and financing situation remained severe. Real estate has become the biggest constraint on insufficient domestic demand. After the Politburo meeting in September, the policy signal was clear and efforts were made to stabilize the real estate market from both supply and demand ends. Since October, residents' home purchases have picked up significantly, and the property market has shown signs of stabilization and improvement. However, real estate still faces a series of problems, including continued sluggish real estate investment, declining housing prices in most cities, declining land transfer revenue impacting local finances, and real estate corporate debt risks that need to be further resolved.

In 2024, under the pressures of declines in cash recovery rates, debt maturity and a significant decrease in contracted sales, the Group has to relieve cash flow pressure through price-off promotions, assets sales and debt restructuring. For the year ended 31 December 2024, the Group only achieved total contracted sales of RMB641.7 million (2023: 940.7 million). Property leasing and hotel operation business of the Group remained relatively stable when compared with last year. Average occupancy rates of the year for property leasing and hotel operation were 84.0% (2023: 83.5%) and 78.7% (2023: 83.4%) respectively.

The Group has been affected by the epidemic control and the overall economic downturn after the epidemic, and its operations and income have been hit hard in recent years. During the year of 2024, the Group has achieved some results through the implementation of measures to increase revenue, reduce expenditure and increase operational income in recent years. The subsidiary in Wuxi has opened a new shopping mall and a hotel project, and the subsidiary in Lianyungang has prepared to open a new commercial street project. Apart from this, the company did not acquire any new land or invest in any new joint venture or associate during the year. In order to ensure the company's sustainable development in the future and a stable employment environment for its employees, the development of new projects has become the most important and necessary matter for the company at present.

Over the past months, the Company and its professional advisors have engaged in constructive dialogue with the Ad Hoc Group, being certain holders of the Existing Debt Instruments, with respect to the Proposed Restructuring. The Proposed Restructuring will alleviate the Company from the pressure of its offshore indebtedness, help the Company stabilise the position of the Group and formulate a long-term financially viable solution for the Group in the context of the recent period of unprecedented volatility in the market. It will also protect the legitimate rights and interests of creditors. On 21 November 2024, the Company entered into RSA with, among others, the initial Participating Creditors. The Company would like to express its sincere gratitude for the incredible support of the scheme creditors who have acceded to the RSA and the positive feedback from scheme creditors has evidenced their confidence in the Company.

Contracted sales

The Group currently has mainly 8 projects on sale. For the year ended 31 December 2024, the Group and its joint ventures and associates achieved total contracted sales value and contracted sales area of approximately RMB641.7 million (2023: RMB940.7 million) and approximately 43,574 sq.m. (2023: 79,417 sq.m.), respectively.

Projects completed during 2024

For the year ended 31 December 2024, there is only one project was completed and delivered, namely, Golden Wheel Shangdu Age City Mansion (S8 Building).

New land acquired during 2024 in mainland China

As affected by the economic downturn, the Group adopted a more prudent approach in new land acquisition during 2024. As a result, the Group did not acquire any new land nor invest in any new joint venture or associate during the year.

Land bank of the Group

As at 31 December 2024, the Group had a total land bank of approximately 708,311 sq.m., including approximately 149,079 sq.m. of completed but unsold properties, approximately 32,319 sq.m. of own used properties, approximately 121,350 sq.m. of completed investment properties, approximately 185,720 sq.m. of properties under development and approximately 219,843 sq.m. of properties developed by the joint ventures and associates.

The following table sets forth an overview of the Group's property projects as at 31 December 2024:

Projects by subsidiaries of the Group	City	Site area <i>sq.m.</i>	Actual/ estimated construction commencement date <i>month/year</i>	Actual/ estimated construction completion date <i>month/year</i>	Percentage of completion	Total unsold GFA/ Total GFA <i>sq.m.</i>	GFA held for Company's own use <i>sq.m.</i>	Investment properties GFA <i>sq.m.</i>
Completed properties								
Golden Wheel International Plaza	Nanjing	11,341	Jul-04	Jan-09	100%	–	1,905	31,811
Golden Wheel Building	Nanjing	4,918	May-01	Feb-03	100%	–	–	85
Golden Wheel Green Garden	Nanjing	10,334	Aug-01	Sep-02	100%	212	–	–
Golden Wheel Star City	Yangzhou	81,615	Aug-08	Mar-14	100%	1,759	–	1,919
Nanjing Jade Garden	Nanjing	7,212	Jan-11	Dec-13	100%	–	–	163
Golden Wheel New Metro	Nanjing	9,218	Aug-11	Dec-13	100%	–	–	18,357
Zhuzhou Golden Wheel Jade Garden	Zhuzhou	45,645	Dec-14	Dec-18	100%	5,968	–	–
Wuxi Golden Wheel Star Plaza	Wuxi	31,981	Dec-14	Dec-16	100%	3,072	–	4,788
Golden Wheel Star-cube	Nanjing	18,300	Dec-14	Dec-16	100%	403	–	1,594
Golden Wheel JinQiao Huafu	Nanjing	46,228	Dec-14	Dec-17	100%	2,167	–	666
Changsha Golden Wheel Star Plaza	Changsha	37,152	Dec-14	Dec-17	100%	6,609	10,307	11,493
Yangzhou Lakeside Emerald House	Yangzhou	10,682	Jun-17	May-19	100%	6,195	–	3,777
Golden Wheel Binary Star Plaza	Nanjing	9,588	Dec-14	Dec-19	100%	–	20,107	24,403
Wuxi Golden Wheel Lakeside Orchid Garden	Wuxi	70,989	Dec-17	Dec-19	100%	1,324	–	–
Zhuzhou Golden Wheel JinQiao Huafu (Phase I)	Zhuzhou	54,793	Mar-18	Dec-20	100%	6,229	–	2,106
Nanjing Golden Wheel Romantic Tower	Nanjing	7,593	Dec-17	Jun-21	100%	5,653	–	–
Nanjing Golden Wheel Shuiying Hua Ting	Nanjing	32,927	Apr-18	Jan-21	100%	4,326	–	–
Zhuzhou Golden Wheel JinQiao Huafu (Phase II)	Zhuzhou	37,382	Mar-18	Jun-22	100%	6,402	–	1,022
Nanjing Golden Wheel Cuiyong Hua Ting	Nanjing	59,722	Apr-19	Jan-22	100%	11,363	–	2,500
Yangzhou No. 1 Golden Bay	Yangzhou	19,890	Jan-20	Dec-22	100%	2,765	–	–
Nanjing Golden Wheel Galaxy Center (Lot A1, A2, A4)	Nanjing	12,982	Feb-20	Jun-23	100%	15,140	–	–
Wuxi Golden Wheel Starry Plaza	Wuxi	27,470	May-19	May-23	100%	46,821	–	16,666
Golden Wheel Shangdu Age City Mansion	Lianyungan	72,295	Jan-21	Aug-24	100%	22,671	–	–
Subtotal		<u>720,257</u>				<u>149,079</u>	<u>32,319</u>	<u>121,350</u>
Project under development								
Nanjing Golden Wheel Galaxy Center (Lot A3 and B)	Nanjing	<u>84,666</u>	Feb-20	Dec-25	90%	<u>139,073</u>	<u>–</u>	<u>46,647</u>
Subtotal		<u>84,666</u>				<u>139,073</u>	<u>–</u>	<u>46,647</u>
Total		<u><u>804,923</u></u>				<u><u>288,152</u></u>	<u><u>32,319</u></u>	<u><u>167,997</u></u>

	City	Site area sq.m.	Actual/ estimated construction commencement date month/year	Actual/ estimated construction completion date month/year	Percentage of completion	Total unsold GFA/ Total GFA sq.m.	GFA held for Company's own use sq.m.	Investment properties GFA sq.m.
Projects by joint ventures and associates								
Yangzhou Powerlong Golden Wheel Plaza ^{Note 1}	Yangzhou	61,275	Dec-14	Dec-16	100%	69,045	-	51,402
Nanjing Shiguang Shanhu ^{Note 2}	Nanjing	14,338	Oct-17	Jul-19	100%	3,540	-	-
Changzhou Junwang Jia Di ^{Note 3}	Changzhou	67,225	Dec-17	May-20	100%	2,752	-	-
Vanke Future Light ^{Note 4}	Yangzhou	47,137	Jun-18	Apr-21	100%	8,680	-	-
Shangdu Fengjing ^{Note 5}	Lianyungang	17,605	Apr-20	Jun-22	100%	13,109	-	-
Yangzhou Kaichen Mansion ^{Note 6}	Yangzhou	57,548	Feb-21	Jun-23	100%	56,912	-	-
Shangpin Xuefu ^{Note 7}	Lianyungang	15,279	Jul-21	Jun-24	95%	14,403	-	-
Total		<u>280,407</u>				<u>168,441</u>	<u>-</u>	<u>51,402</u>

- Notes:**
- ¹ The project is developed by a joint venture company in which the Group has a 49% interest.
 - ² The project is developed by an associate company in which the Group has a 25% interest.
 - ³ The project is developed by an associate company in which the Group has a 13.33% interest.
 - ⁴ The project is developed by a joint venture company in which the Group has a 20% interest.
 - ⁵ The project is developed by an associate company in which the Group has a 10% interest.
 - ⁶ The project is developed by a joint venture company in which the Group has a 24.5% interest.
 - ⁷ The project is developed by an associate company in which the Group has a 20% interest.

As at 31 December 2024, the Group had a land bank of approximately 185,720 sq.m. under development. Among these parcels of land, approximately 83,373 sq.m., 55,700 sq.m. and 46,647 sq.m. are for commercial and office, car park and investment properties purposes, respectively.

Property sales

For the year ended 31 December 2024, the Group's revenue from sales of properties amounted to approximately RMB569.4 million with an aggregate GFA of approximately 49,727 sq.m. being sold and delivered. The average selling price of these sold properties amounted to approximately RMB11,450.5 per sq.m.

As at 31 December 2024, there were total unrecognised contracted sales of RMB400.8 million. The unrecognised contracted sales are expected to be recognized in 2025 as and when the related projects are delivered.

Property leasing

As at 31 December 2024, the Group had completed investment properties with a total GFA of approximately 121,350 sq.m. The average occupancy rate of the Group's investment properties as at 31 December 2024 was over 84.0%.

Metro leasing and operational management business

As at 31 December 2024, the Group had leasing and operational management contracts of 3 metro station shopping malls in two cities in China, namely, Nanjing and Wuxi. The Group had metro station shopping malls with a total leasable GFA of approximately 11,013 sq.m.

As at 31 December 2024, metro station shopping malls were under operations and the overall occupancy rate was approximately 87%.

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

Hotel operation

As at 31 December 2024, the Group had five hotels under operation, namely, Nanjing Golden Wheel Atour Hotel in Nanjing, Golden Wheel Hampton by Hilton in Changsha, Golden Wheel Hampton by Hilton in Yangzhou, Nanjing Golden Wheel Courtyard Marriott and Golden Wheel Homeinn Style Hotel in Wuxi which opened in June 2024. The total number of rooms for these five hotels amounted to 772. The average room occupancy rate of these five hotels in 2024 was approximately 78.7%.

Significant investments held

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

As at 31 December 2024, the Group's major investment was its equity investment in the shares of Xiamen International Bank Co., Ltd., which were 61.5 million (2023: 50.8 million) unlisted equity shares of Xiamen International Bank Co., Ltd. with a carrying value of RMB154.7 million (2023: RMB131.3 million).

Breach of loan agreements and cross defaults under certain loan facilities

Included in the current liabilities bank loans are cross-defaulted bank loans with an aggregate carrying amount of approximately RMB335,962,000 as of 31 December 2024, which became repayable on demand and were included in current liabilities. Those cross-defaulted bank loans were secured by the Group's assets with an amount of approximately RMB2,063,972,000 and the related banks have the right to sell, transfer or otherwise dispose of any of those assets if the Group cannot repay the loans upon request. Up to the date of approval of these consolidated financial statements, the Group continues to be in cross default and the banks have not demanded immediate repayment of these bank loans.

In addition, as of 31 December 2024, the Group failed to repay an accumulated interest of US\$91,907,000 (equivalent to approximately RMB660,660,000) (2023: US\$80,232,000 equivalent to approximately RMB558,784,000) on the senior notes and failed to redeem accumulated 45% of the principal amount of approximately US\$494,667,000 (equivalent to approximately RMB3,354,557,000) of the senior notes during the year ended 31 December 2024, when they were due. Such non-payment has caused an event of default itself. As of the date of approval of these consolidated financial statements, the senior notes together with the financial guarantee contracts related to other defaulted bank loans of approximately RMB306,983,000 were undergoing a consensual restructuring of the Group's indebtedness.

Subsequent events

On 21 November 2024, the Company entered into the Restructuring Support Agreement (“RSA”) with the initial Participating Creditors and the Information Agent to implement the proposed restructuring through restructuring consideration and in exchange for the discharge and release of the Group's obligations under the existing senior notes with carrying amount of approximately RMB3,354,557,000 and bank loans of US\$40,000,000. New notes and new shares will be issued to the scheme creditors on the restructuring effective date. At the convening hearing held on 12 March 2025, the Court has directed the scheme meeting for the Scheme Creditors be convened for the purpose of considering and, if thought fit, approving (with or without modification) the scheme; and the substantive hearing of the petition at which the Court will determine whether or not to sanction the Scheme be held on 24 June 2025. New notes and new shares will be issued to the scheme creditors on the restructuring effective date. This transaction will be completed upon obtaining of the approval of the shareholders of the Company at the annual general meeting and all necessary approvals in respect of the RSA. The proposed restructuring constitutes a very substantial disposal for the Company under Chapter 14 of the Listing Rules. Details of which are set out in Company's announcement dated 24 January 2024.

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

Outlook

Due to the increasingly difficult economic conditions and financial instability, the Group expected the property industry will continue to struggle and remain weak in the coming years, means that the Group's business will still be facing a lot of challenges in 2025.

The Group will continue to accelerate property sales and recover sales proceeds, while maintaining stricter cost control measures to reduce capital expenditures as appropriate and strive to ensure timely delivery of properties. With its prudent financial management, the Group will maintain competitiveness for future development and expansion.

Spanning thirty years, we will compose a new poem. 2025 is a new beginning and a new opportunity. We are very grateful to all employees, creditors and shareholders for their continued understanding, cooperation and support for the company's various decisions and measures. Under the guidance of the PRC government's full rescue efforts to "stop the decline and stabilize the property market", the Group believes that the market will slowly improve, and the Company will actively search for suitable projects and opportunities to lay the foundation for the Company's future development.

FINANCIAL REVIEW

Results of operations

Revenue

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

	For the year ended 31 December			
	2024		2023	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Property development	569,405	71.5	2,134,213	89.4
Property leasing	126,613	15.9	147,080	6.2
Hotel operation	100,358	12.6	106,227	4.4
Total	<u>796,376</u>	<u>100.0</u>	<u>2,387,520</u>	<u>100.0</u>

Revenue decreased by approximately 66.6% from approximately RMB2,387.5 million for the year ended 31 December 2023 to approximately RMB796.4 million for the year ended 31 December 2024, primarily due to the decrease in revenue generated from property sales.

- *Property development*

Revenue derived from property development business decreased by 73.3% from approximately RMB2,134.2 million for the year ended 31 December 2023 to approximately RMB569.4 million for the year ended 31 December 2024. This decrease was primarily due to the decrease in the total GFA sold compared with last year.

For the year ended 31 December 2024, the Group achieved contracted sales of approximately RMB641.7 million (2023: RMB940.7 million).

- *Property leasing*

Revenue derived from property leasing decreased by approximately 13.9% to approximately RMB126.6 million for the year ended 31 December 2024 (2023: RMB147.1 million). The decrease in property leasing was mainly due to the termination of the leases of five metro station shoppings malls.

- *Hotel operation*

Revenue derived from hotel operation decreased by 5.5% to RMB100.4 million for the year ended 31 December 2024 (2023: RMB106.2 million). The decrease was mainly due to the decrease in travel demand.

Cost of sales

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

	For the year ended 31 December			
	2024		2023	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Property development				
Land acquisition costs	151,291	18.4	642,610	27.7
Construction costs	333,232	40.5	937,925	40.5
Capitalised finance costs	50,983	6.2	146,156	6.3
Tax expenses	821	0.1	18,182	0.8
Impairment of assets	180,591	21.8	453,652	19.6
Subtotal	716,918	87.0	2,198,525	94.9
Property leasing	26,499	3.2	25,373	1.1
Hotel operation	80,341	9.8	92,268	4.0
Total	823,758	100.0	2,316,166	100.0

The Group's cost of sales decreased from RMB2,316.2 million for the year ended 31 December 2023 to RMB823.8 million for the year ended 31 December 2024. The decrease was primarily due to the decrease in cost of sales from property development, which was line with the decrease in revenue arising from the sales of developed properties.

The Group's percentage of average land acquisition costs over average selling price decreased from 30.1% in 2023 to 26.6% in 2024.

Gross loss

The Group recorded a gross loss for the year ended 31 December 2024 which was mainly due to the Group incurring gross loss from its property development.

The Group incurred a gross loss from its property development activities which was mainly due to the reduction of sales prices in order to boost sales volume and increase impairment loss of inventory.

The gross profit margin for property leasing was 79.1% for the year ended 31 December 2024 (2023: 82.7%). The slight decrease in gross profit margin was mainly due to the decrease in unit rental price.

The Group's hotel operation had recorded a gross profit margin of 19.9% for 2024 as compared to a gross profit margin of 13.1% in 2023.

Changes in fair value of investment properties

For the year ended 31 December 2024, the Group recorded a fair value loss on investment properties of RMB468.2 million (2023: RMB133.2 million). The fair value loss was mainly caused by the decrease of rental income generated by the Group's existing operating investment properties and the falling market price.

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

Other income, expenses, gains and losses

The Group had a net loss of RMB18.0 million for other income, expenses, gains and losses for the year ended 31 December 2024 (2023: a net loss RMB164.0 million). The net losses in 2024 was mainly consisted of net exchange losses of RMB35.8 million, changes in financial guarantee contracts of RMB21.0 million, and gains on changes in fair value of financial assets measured at fair value through profit or loss ("FVTPL") of RMB23.5 million relating to the equity investment in the shares of Xiamen International Bank Co., Ltd.

Finance costs

Finance costs consisted primarily of interest expenses on borrowings and senior notes. Finance costs decreased from RMB318.5 million for the year ended 31 December 2023 to RMB67.3 million for the year ended 31 December 2024 primarily due to the reduction of interest expenses of bank borrowings and senior notes.

During the year, the capitalised rate of borrowing cost at a rate of 4.68% (2023: 8.87%).

Selling and marketing expenses

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

Selling and marketing expenses for the year ended 31 December 2024 amounted to approximately RMB32.5 million (2023: RMB96.1 million), representing a decrease of approximately 66.2%. The decrease was mainly due to the decrease of contract sales during the year.

Administrative expenses

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

Administrative expenses for the year ended 31 December 2024 amounted to approximately RMB149.5 million (2023: RMB160.6 million), representing a decrease of approximately 6.9% as compared to last year. During the year ended 31 December 2024, the Group continued to maintain tight cost control policies which included the control of headcount, across-the-board reduction of salaries and reduction of year-end bonus.

Loss attributable to equity shareholders of the Company

Due to the Group incurred a gross loss from its property sales as well as a revaluation loss on investment properties which was mainly caused by the tough business environment in the real estate industry and incurred a loss of net foreign exchange, the Group had incurred a loss for the year of RMB775.6 million.

Liquidity, financial and capital resources

Cash position

The Group had bank deposits and cash of approximately RMB135.6 million as of 31 December 2024 (2023: RMB586.3 million), including restricted bank deposits of approximately RMB37.8 million (2023: RMB377.0 million). The decrease in cash and bank balances was mainly due to the decrease in proceeds received from property sales which was a result of the substantial decrease in contracted sales during the year.

Bank and other borrowings and gearing ratio

The Group had outstanding bank and other borrowings (including senior notes) of approximately RMB4,061.0 million as at 31 December 2024 (2023: RMB4,330.5 million).

As at 31 December 2024, the Group's net gearing ratio was approximately 2,069.3% (2023: 387.3%). The net gearing ratio of the Group is calculated by dividing the interest-bearing liabilities net of bank deposits and cash by the total equity.

The Group's debt-to-asset ratio (total indebtedness minus contract liabilities divided by total assets) was approximately 95.4% as at 31 December 2024 versus approximately 86.0% as at 31 December 2023.

Cost of borrowings

The Group's average cost of borrowings was approximately 3.1% in 2024 as compared to approximately 9.4% in 2023.

Foreign exchange rate risk

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

Contingent liabilities

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

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

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Mortgage loan guarantees provided by the Group to banks in favour of its customers	19,200	8,760

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

EMPLOYEES AND REMUNERATION POLICY

As of 31 December 2024, the Group had a total of approximately 578 (2023: 581) full-time employees in Hong Kong and mainland China. The Group's employment contracts with its employees cover terms such as position, term of employment, wage, employee benefits and liabilities for breaches, and grounds for termination. Remuneration of the Group's employees includes basic salaries, allowances, pensions, performance bonus and other employee benefits. Remuneration is determined with reference to the performance, skills, qualifications, experience of the employee concerned and the prevailing industry practice.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors at the date of this announcement, the Company has maintained the public float as required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") throughout the year ended 31 December 2024.

CORPORATE GOVERNANCE

The Board and management of the Company are committed to maintaining high standards of corporate governance. The Board firmly believes that conducting the Group's business in a transparent and responsible manner and following good corporate governance practices will serve its long-term interests and those of shareholders. The Company has adopted the code provisions set out in the Corporate Governance Code (the "**Corporate Governance Code**") contained in Appendix C1 to the Listing Rules as its own code to govern its corporate governance practices.

In the opinion of the Directors, the Company has adopted, applied and complied with all the code provisions contained in the Corporate Governance Code during the financial year ended 31 December 2024 except for the following deviation. Code provision F.2.2 of the Corporate Governance Code stipulates that the chairman of the board should attend the annual general meeting. The Chairman did not attend the annual general meeting of the Company held on 29 May 2024 due to other business engagement.

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

AUDIT COMMITTEE

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

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

The Audit Committee had reviewed the Group's consolidated financial statements for the year ended 31 December 2024, including the accounting principles and practices adopted by the Group, and discussed with the Company's management regarding risk management, internal control and other important matters.

REMUNERATION COMMITTEE

The Company has established a remuneration committee (the "**Remuneration Committee**") with specific terms of reference which deal clearly with its authorities and duties. The Remuneration Committee currently consists of three independent non-executive Directors and an executive Director: Mr. Wong Cho Kei, Bonnie (Chairman), an independent non-executive Director, Mr. Wong Kam Fai, an executive Director, Ms. Wong Lai Ling and Mr. Chan Chi Wai, each, an independent non-executive Director.

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

NOMINATION COMMITTEE

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

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

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

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as its code for securities transactions by the Directors. The Company has made specific enquiries with all the Directors and all of them have confirmed that they have complied with the required standards set out in the Model Code during the year ended 31 December 2024.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

The Directors confirm that during the year ended 31 December 2024, there has been no purchase, sale or redemption of the Company’s listed securities by the Company or any of its subsidiaries.

SCOPE OF WORK OF PRISM HONG KONG LIMITED

The figures in respect of the Group’s consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, and the related notes thereto for the year ended 31 December 2024 as set out in this announcement have been agreed by the Group’s auditors, Prism Hong Kong Limited (formerly known as Prism Hong Kong and Shanghai Limited) to the amounts set out in the Group’s audited consolidated financial statements for the year.

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

DIVIDEND

The Board does not recommend the payment of any final dividend in respect of the year ended 31 December 2024.

ANNUAL GENERAL MEETING

It is proposed that the annual general meeting of the Company (the “**AGM**”) be held on Friday, 16 May 2025. Notice of the AGM will be published and issued to the shareholders in due course.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 13 May 2025 to Friday, 16 May 2025 (both days inclusive), during which period no transfer of shares of the Company will be effected. In order to determine the identity of members who are entitled to attend and vote at the AGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration no later than 4:30 p.m. on Monday, 12 May 2025.

The record date for such purposes is Friday, 16 May 2025.

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

This result announcement is published on the websites of the Stock Exchange (www.hkexnews.com.hk) and the Company (www.gwtd.com.hk). The annual report of the Company for the year ended 31 December 2024 containing all information required by the Listing Rules will be dispatched to the shareholders and published on the above websites in due course.

ACKNOWLEDGEMENT

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

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

Hong Kong, 28 March 2025

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